



31 January 2019

ACTIVITIES REPORT – DECEMBER QUARTER 2018

SUMMARY

NSW Cobalt and Base Metals Exploration Areas in ELs 8745, 8746 and 8747 near Broken Hill (100% interest).

- Second field trip to EL 8747, Stirling Vale, was completed in October 2018.
- Field based exploration planned to commence in June 2019 quarter after completion of detailed studies of available data from the 3 ELs and also avoiding the summer heat in the region.

QLD Greenvale Cobalt-Nickel Exploration Areas in EPMs 26813, 26814 and 26815 (100% interest).

- In November 2018, the Queensland Government Department of Natural Resources and Mines ("QLD Department") granted the 3 EPMs for a period of 5 years to November 2023. Field based exploration planned to commence in June 2019 quarter after completion of detailed studies of available data from the 3 EPMs.

QLD Mount Tewoo Nickel Cobalt Manganese Exploration Area in EPM 26764 (100% interest).

- Grant of the tenement is awaited.

NSW Koonenberry Copper Exploration Area EL 6400 (100% interest).

- Information has been provided to certain parties who were interested to investigate the possibilities of in-situ leaching process for extraction of copper within the EL.

NSW Pooraka 3 Gold Exploration Area EL 8424 (100% interest).

- A renewal application for the Pooraka EL for a period of 2 years to May 2021 was lodged in December 2018 with the Department of Planning and Environment ("NSW Department").





Location of Licences (EL) and Application Permits (EPM)

Figure 1

NSW: BROKEN HILL EXPLORATION AREAS

ELs 8745, 8746 and 8747 near Broken Hill in NSW – 100% interest Cobalt and Base Metals Exploration

In May 2018, EL 8745, EL 8746 and EL 8747 were granted for 6 years to May 2024 by NSW Department. The 3 ELs cover an area of approximately 174 km².

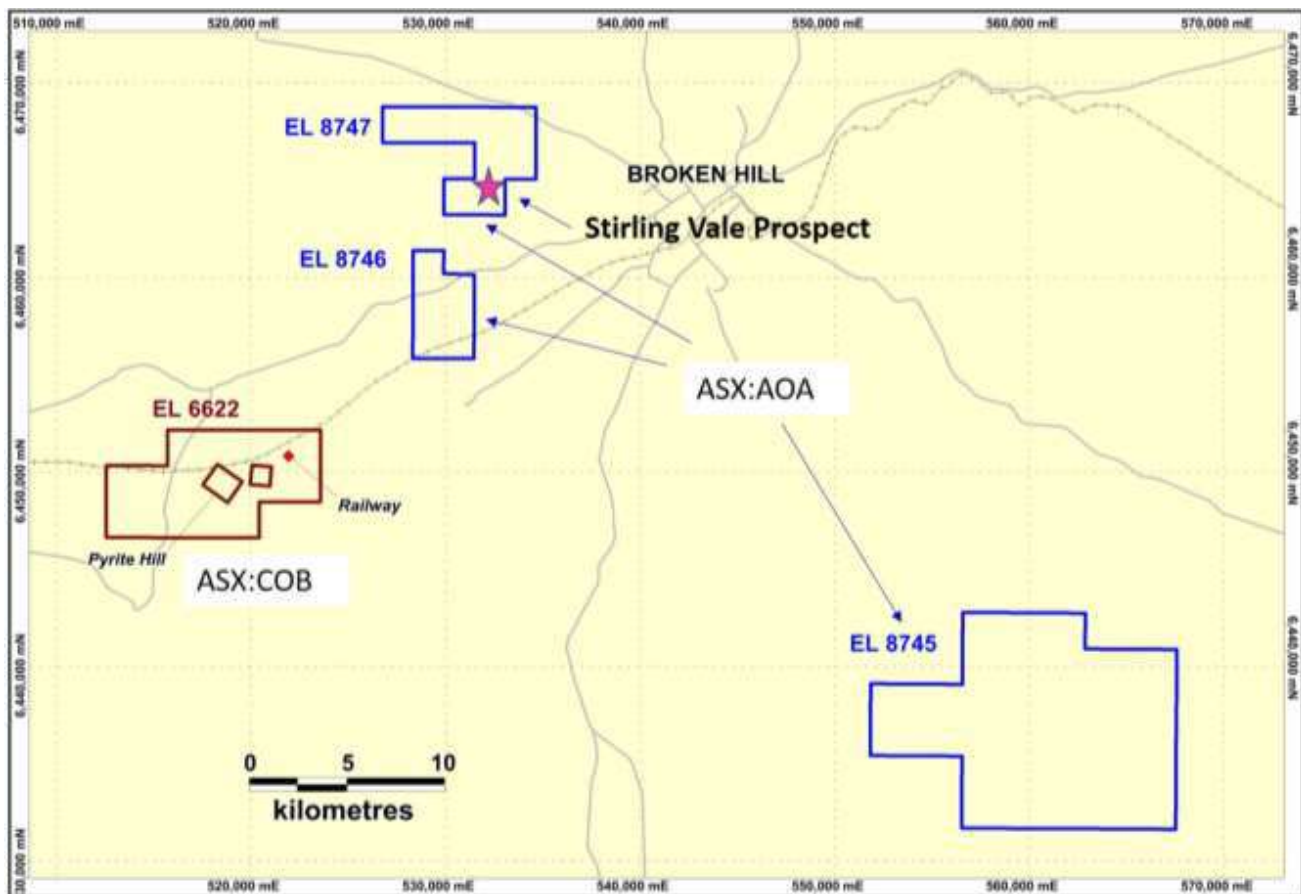


Figure 2: Location of ELs near Broken Hill with Stirling Vale Cobalt Prospect within EL 8747

EL 8747

The Company had accessed the Department of Planning and Environment – Resources and Energy Broken Hill Core Library to geologically relog and sample historic diamond hole DD95STV3 that was drilled on historic EL 3500, now covered in part by EL 8747 at Broken Hill.

That only diamond hole was drilled in 1995 by Pasminco Exploration in joint venture with Aberfoyle Resources into the Stirling Vale Synform targeting base and precious metals. Cobalt was not

originally targeted. The diamond hole was never cut for assay despite numerous geologically logged observations of sulphide mineralization being described, and the hole was eventually offered for historical storage at the Broken Hill Core Library. The Stirling Vale Synform appears to bear similar geology to Cobalt Blue's (ASX:COB) Pyrite Hill Geology with the "PI2" pyritic bearing horizon present, as shown below by the black arrows in Figure 3. Cobalt Blue has been reporting recently very positive results for that area. The Stirling Vale Synform is located 20 kms north east of Cobalt Blue's Thackaringa deposit in EL 6622, and 10 kms west of Broken Hill.

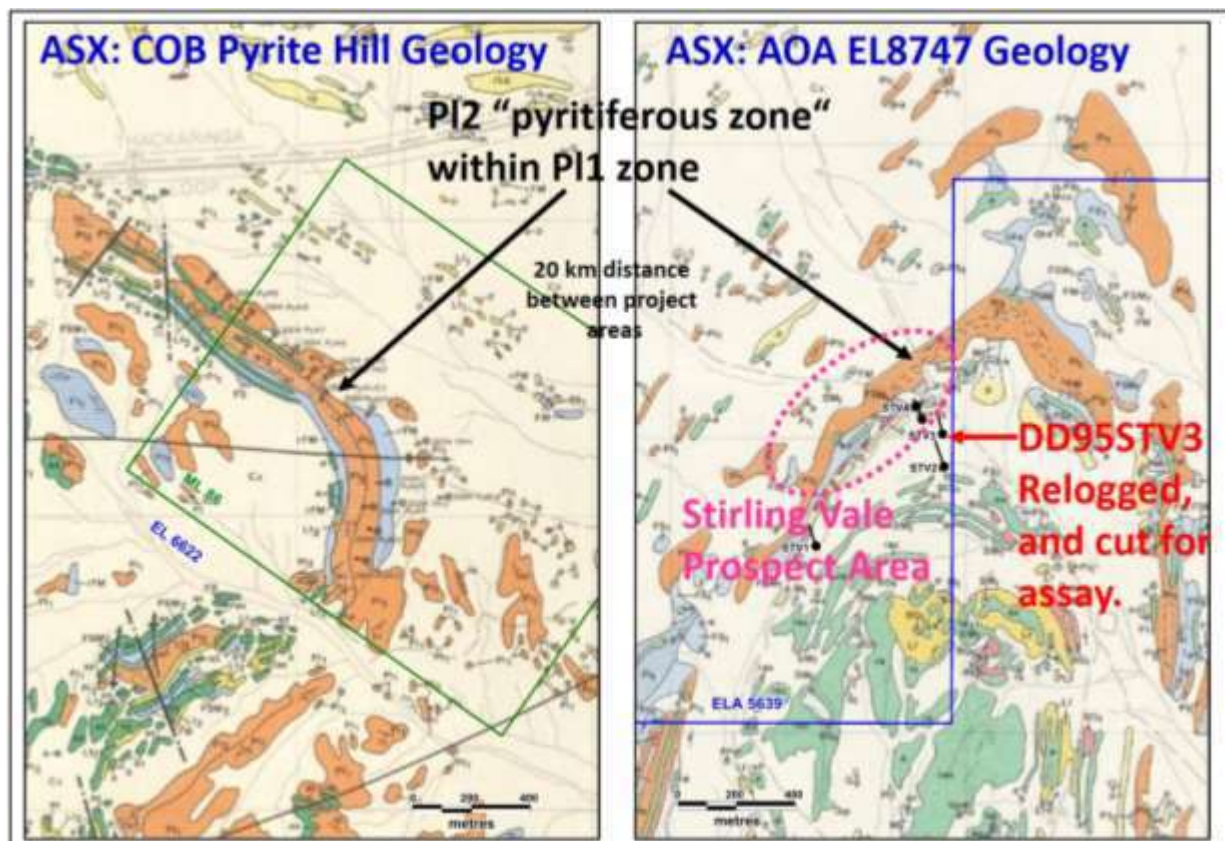


Figure 3: Geological similarities of Stirling Vale Prospect with Cobalt Blue's Cobalt Deposits*

*{Source of Geology Maps: NSW Geological Survey "Thackaringa" 1:25k Map (1977) for COB; and "Broken Hill" 1:25k (1979) for AOA}.

Wolfgang Leyh, a highly experienced geological consultant based in Broken Hill, had relogged the entire hole and had cut geologically significant intersections for analysis. A total of 51 samples were cut and sent for analysis covering 42.1 prospective metres. The relogging has revealed two significant findings:

1: Firstly, an extensive pyritiferous zone from 108.6 metres to the end of hole at 143.3 metres has been identified (open at depth). The zone from 108.6 to 126.2 metres has been visually estimated to contain up to 10% pyrite. The zone from 126.2 to 143.3 metres has been visually estimated to contain up to 25% pyrite (see *Figure 4*). This total intersection of 34.7 metres were cut and submitted for cobalt analysis at the Intertek Laboratory in Adelaide.



Figure 4: An example of the strongly pyritic (potentially cobaltiferous) bands in albitic gneiss in DD95STV3.

Figure 5 is a photo of the core tray from DD95STV3 showing the diamond core from around 123 to 133 metres with the yellow hue of pyrite sulphide bands visible throughout this core section.



Figure 5: Pyrite zone in DD95STV3 from around 123 to 133 metres being relogged.

2: Secondly, two zones of Broken Hill Type Lode Unit type have been identified from 51.5 to 52.7 metres (0.7m wide) and from 85.5 to 86.9 metres (1.4m wide). See Figures 6 and 7 respectively. These were submitted for gold and base metal analyses.

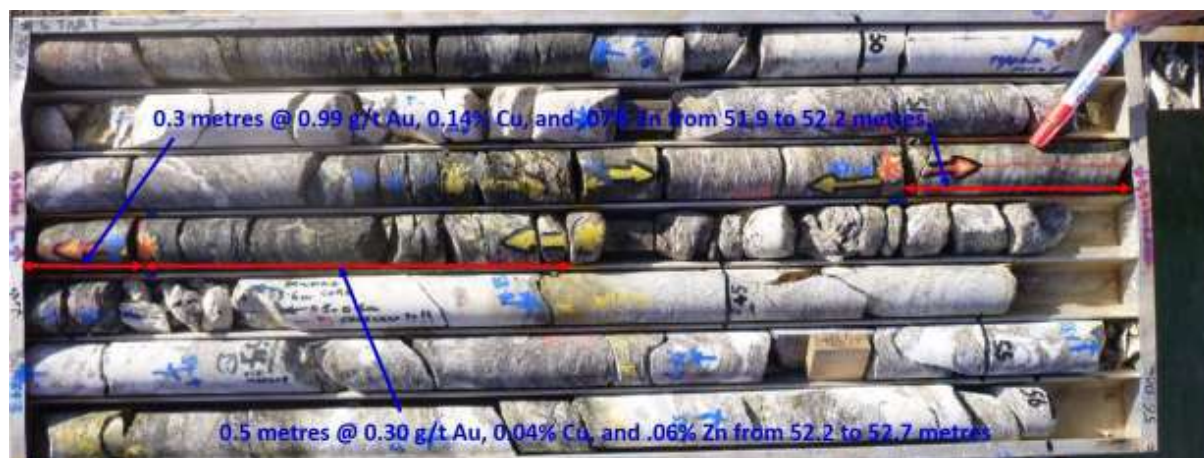


Figure 6: Mineralised quartz gahnite bearing BHT Lode Zone 1 from 51.5 to 52.7 metres.



Figure 7: Mineralised garnet & BIF bearing BHT Lode Zone 2 from 85.5 to 86.9 metres.

In mid-July 2018 the Company received encouraging results for cobalt and base and precious metals from the assaying of historic diamond hole DD95STV3.

Best cobalt results include:

- **1.4 metres @ 0.096% Co from 130 to 131.4 metres downhole, or 962 ppm Co.**
- **0.3 metres @ 0.074% Co from 131.7 to 132 metres downhole, or 739 ppm Co.**

The first zone of geologically interpreted Broken Hill Lode Unit type rocks from 51.9 to 52.7 metres downhole returned:

- **0.3 metres @ 0.99 g/t Au, 0.14% Cu, and 0.07% Zn from 51.9 to 52.2 metres downhole.**
- **0.5 metres @ 0.30 g/t Au, 0.04% Cu, and 0.06% Zn from 52.2 to 52.7 metres downhole.**

Best results from the second zone of geologically interpreted Broken Hill Lode unit type rocks returned 0.87 metres @ 0.15% Zn from 85.8 to 86.67 metres downhole. The interval from 51.5 to 86.7metres averaged 460 ppm zinc over 35.2 metres.

See Figure 8 for the drill hole plot of anomalous cobalt and base and precious metal intersections for DD95STV3.

These assay results provide the impetus to fast track exploration as hole DD95STV3 is located 300 metres to the south of the Stirling Vale Prospect that will be the target of cobalt exploration. Both the cobalt, gold and base metal results indicate that the EL 8747 Stirling Vale Prospect has the potential to host ore grade mineralisation.

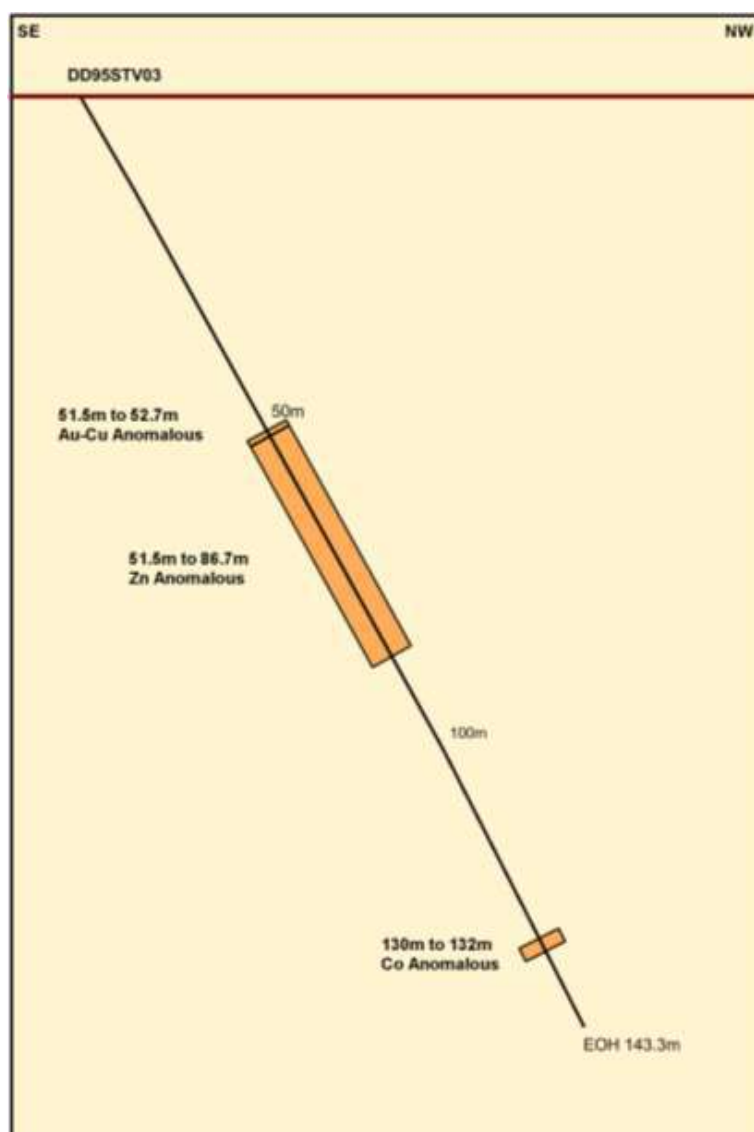


Figure 8: DD95STV3 Anomalous cobalt, gold, and zinc zones



Figure 9: Outcropping P12 Zone left and hand specimen of pyritic chert right

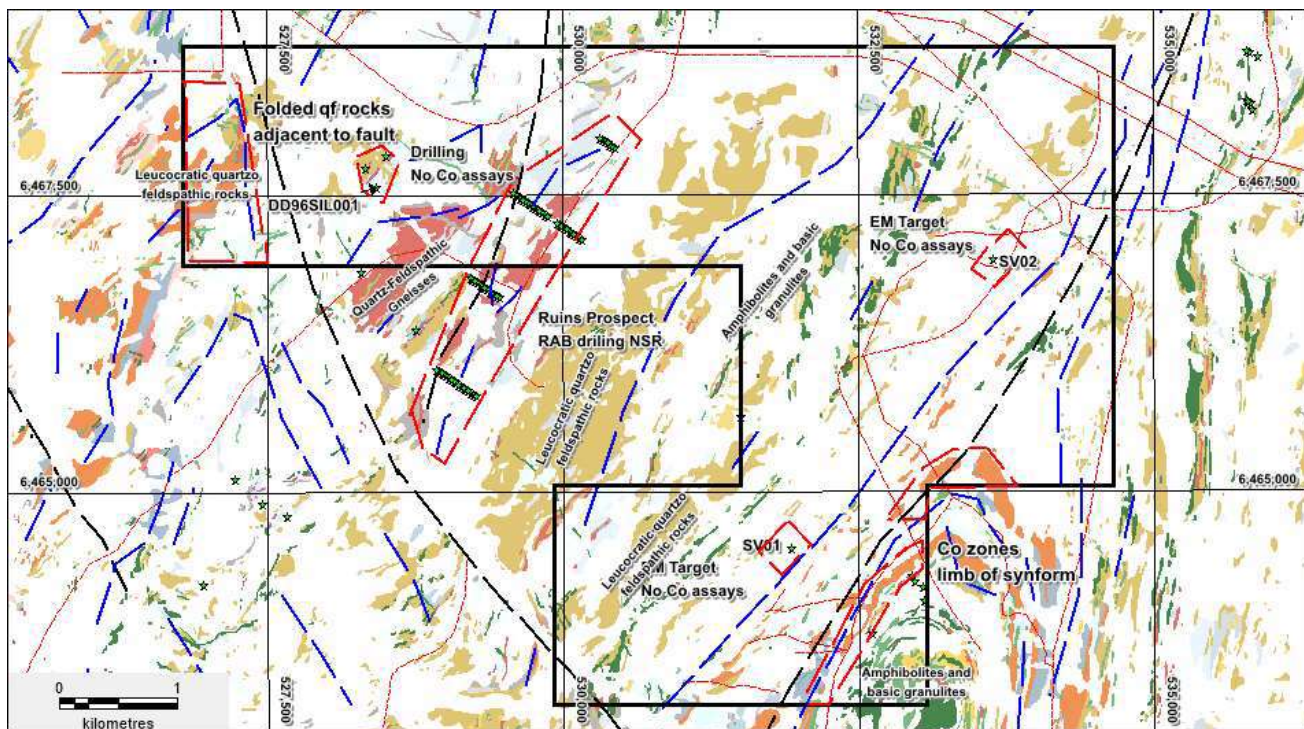


Figure 10: Outcrop geology showing target zones (red outlines) for future exploration and historical drilling as green stars

In addition to the cobaltiferous pyrite zone “PI2” located on the limb of the Stirling Vale Synform (Figure 10 lower right of tenement) is also prospective for Broken Hill style massive Zn+/Pb,Ag mineralisation as is currently being mined at Broken Hill. In a field visit to EL8747 several occurrences of Zn gossan were noted between drillholes SV01 and SV02 near the eastern margin of the tenement (Figure 10).



Figure 11: Hand specimens of ferruginous Zn gossan within EL8747

EL 8746

This tenement is located to the south of EL 8747 (Figure 2) and as is shown in Figure 12 comprises in excess of 60% transported cover sediments which will reduce the effectiveness of surficial geochemical exploration of which there has been very little. Figure 13 shows an aeromagnetic image with the transported cover sediments overlain and shown in a faint hatching. The known mineral occurrences (Cu and Pb) adjacent to EL 8746 are also shown and in many instances are associated with linear magnetic highs (Figure 13). As can be seen on Figure 13 many linear magnetic features are hidden by recent cover sediments. Before any further surficial geochemical sampling is contemplated a program of regolith mapping will be completed and in some instances shallow (<10m) interface drilling will be used to get a geochemical signature of the cover's geological units.

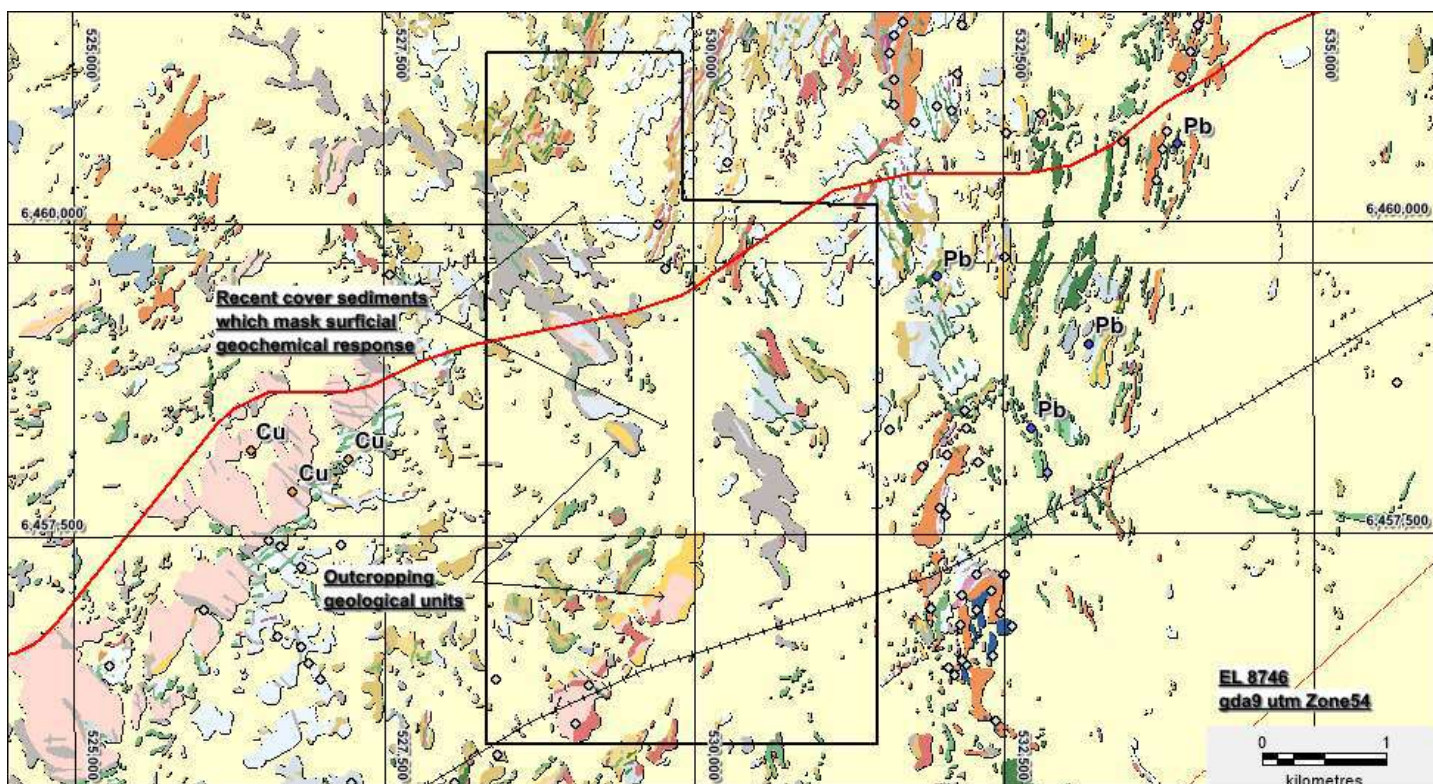


Figure 12: EL 8746 showing areas of outcropping geology and recent cover sediments

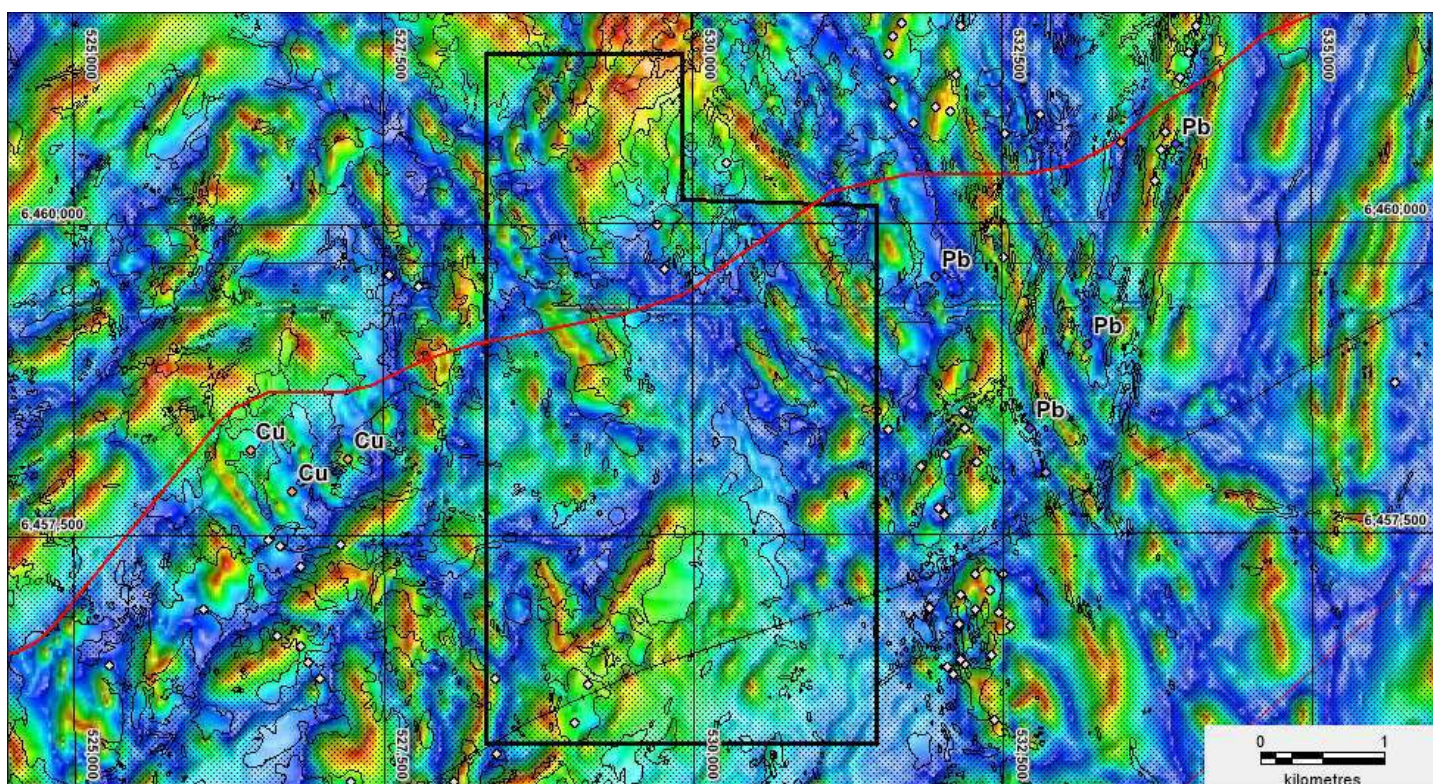


Figure 13: EL 8746 showing areas of recent cover sediments overlaid on aeromagnetics

EL 8745

This licence is located 30 km south east of Broken Hill with more extensive recent cover than the other two Broken Hill licenses. Figure 14 shows the extent of outcropping geology as coloured polygons and areas where the cover sediments are generally <2m in thickness. In other areas the thickness of cover sediment can be in excess of 50 m. A broad structural interpretation of the aeromagnetics has been completed and target areas based on a combination of known structures and likely thin depositional cover. These areas will form part of the Phase 1 field exploration program.

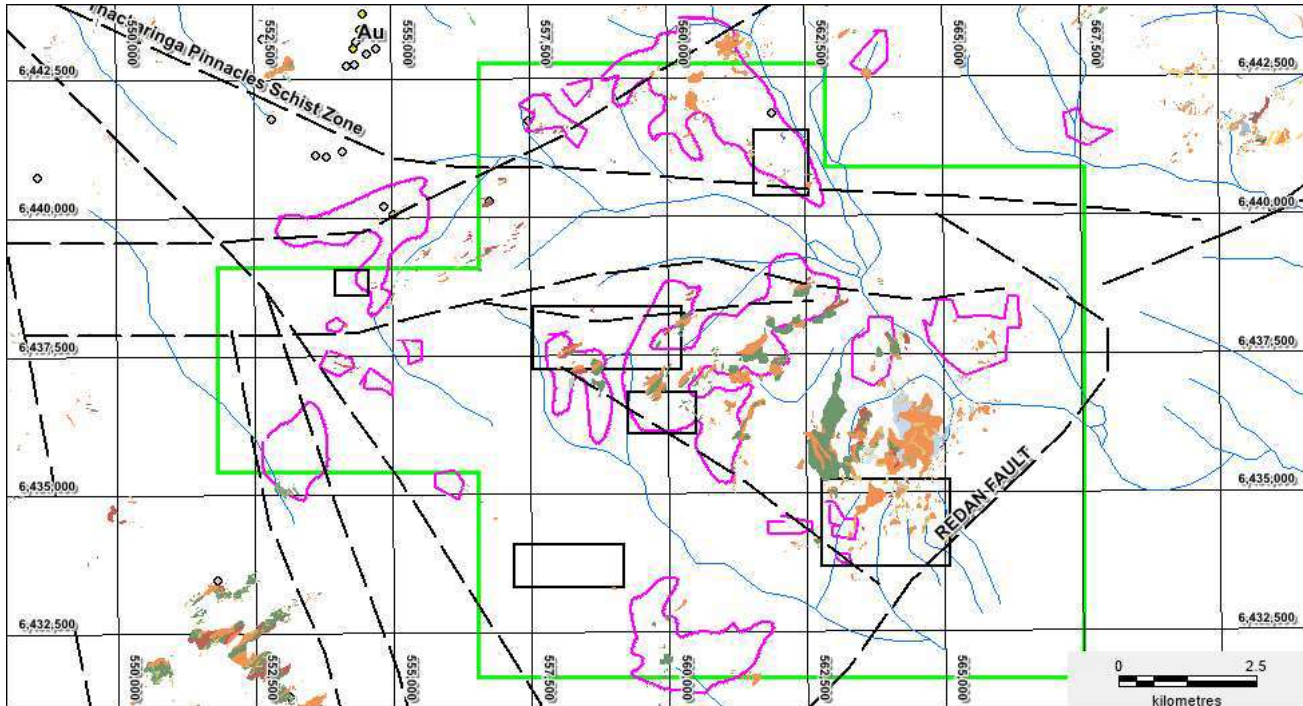


Figure 14: EL 8745 showing areas of outcropping geology and recent cover sediments with aeromagnetic structures and target areas (boxes)

Planned Exploration Work near Broken Hill

Initial field work will involve surface geological and regolith mapping along zones prospective for cobaltiferous pyrite and massive zinc (Broken Hill style) style mineralisation. In conjunction, targeted calcrete sampling will be carried out across the target zone to assist in delineation of mineralised zones. These zones will then be the focus of ground based geophysical surveys in order to define drill targets.

The Company presently has sufficient funds for the early stage of the work. The minimum total expenditure work commitment for the first year of the 3 ELs of \$46,000 will be fulfilled. The Company intends to invite potential joint partners to participate in the future drilling programs to share the risks and minimise the Company's cash outlays and therefore capital raisings.

QLD: GREENVALE COBALT- NICKEL EXPLORATION AREAS

EPMs 26813, 26814 and 26815 near Greenvale - 100% interest.

EPM 26813, EPM 26814 and EPM 26815 (see *Figure 1* and *Figure 15*) were granted in November 2018 for a 5-year period to November 2023. They cover a total area of approximately 276 km² and are strategically located 20-50 kms from the reportedly most advanced cobalt project in Australia (ASX: AUZ "Sconi" ML10368). Sconi has attracted an offtake agreement from SK Innovation, a very large battery supplier and one of the largest companies listed on the Korean Stock Exchange and this month has been declared a Prescribed Project by the Queensland Government that will assist it fast tracking future development. A project like Sconi near the EPMs will be helpful for future project development should the Company's exploration be successful within the EPMs.

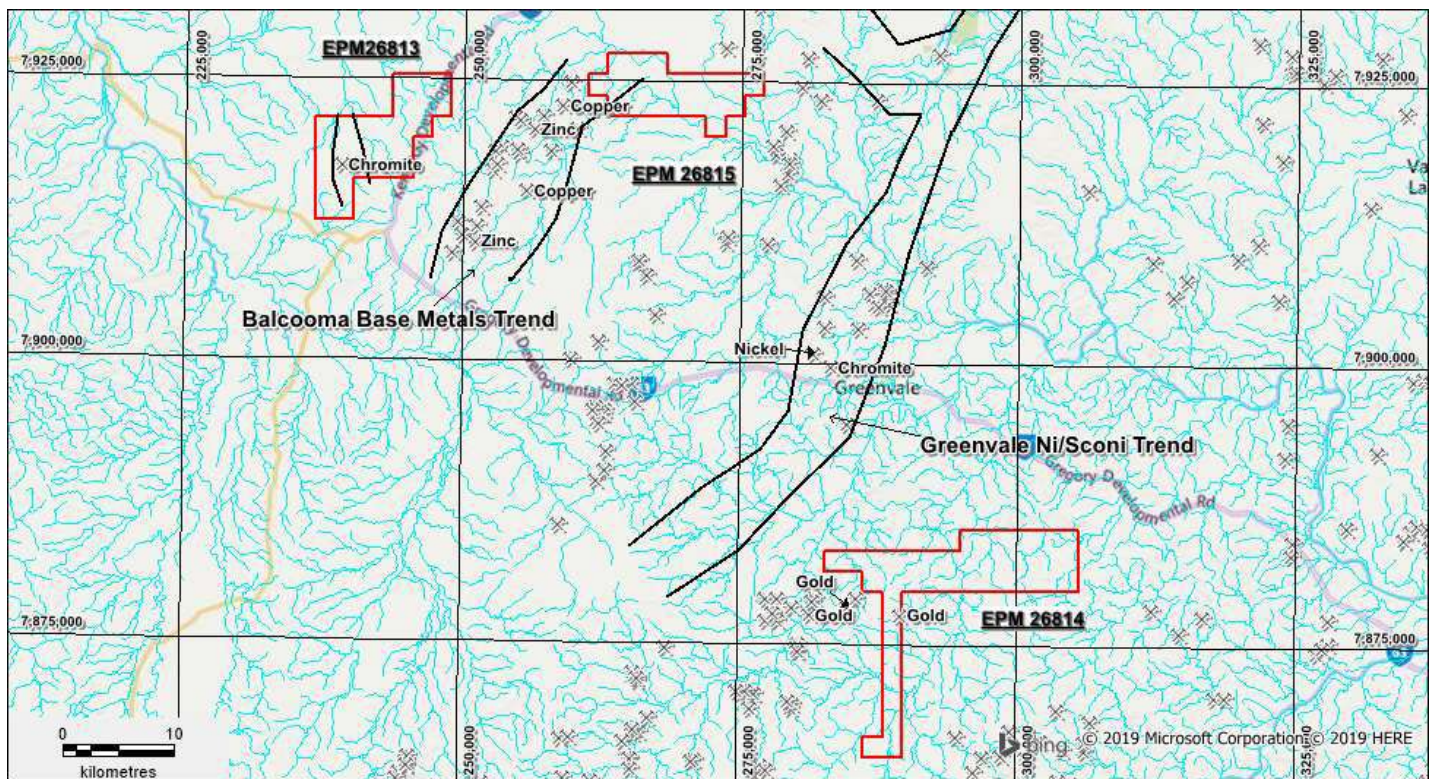


Figure 15: Greenvale Exploration Areas granted EPMs

The Greenvale tenements are located in a highly mineralised region of North Queensland adjacent to the regionally significant Greenvale Ni and Sconi Co/Sc trend with a chromite mineral occurrence located within EPM 26813 (Qld Department's data base). In addition, EPM 26815 is located along the Balcooma base metal trend that has produced several Cu/Zn mines. EPM 26814 is located adjacent to several historical gold workings.

Planned Exploration Work near Greenvale

Initial field work will involve surface geological mapping and geochemical sampling targeting Sconistyle Co mineralisation, chromite and nickel (Greenvale type) associated with ultramafic rocks, Balcooma VMS base metal mineralisation and vein hosted gold. These zones will then be the focus of ground based geophysical surveys in order to define drill targets.

The total minimum work expenditure commitment for the first year is \$60,000 for all 3 permits and will be fulfilled with current cash resources.

QLD: MOUNT TEWOO NICKEL COBALT MANGANESE EXPLORATION AREA

EPM 26764 near Gympie - 100% interest.

The Mount Tewoo Nickel Cobalt Manganese Exploration Areas comprise the EPM 26764 application covering an area of approximately 178 km² located 25 km south-west of Gympie, and 30 km south-east of Kilkivan (*see Figure 16*). During the Native Title Notification period that ended on 11 August 2018 an objection was lodged by the Kabi Kabi First Nation. The Company agreed to exclude access for exploration in a relatively small area that may be subject to Native Title Claim in order to expedite the process of the application. The Company awaits the grant of the permit.

The licence is applied for a period of 5 years and the total minimum work expenditure commitment for the first year is \$41,000 which can be fulfilled with current cash resources.

The EPM 26764 application:

- is 15 km south-east of Aus Tin Mining's (ASX: ANW) Mt Cobalt Nickel-Cobalt deposit and Pembroke Nickel Sulphide discovery in EPM 19366;
- covers approximately 32 kms of prospective Mount Mia Serpentinite, a potential host rock for nickel-cobalt mineralisation similar to that discovered by Aus Tin Mining (ASX: ANW) (*see Figure 17*).
- is in an area with similar geology to Pembroke and Mt Cobalt where nickel sulphide and oxide nickel-cobalt mineralisation have been discovered.

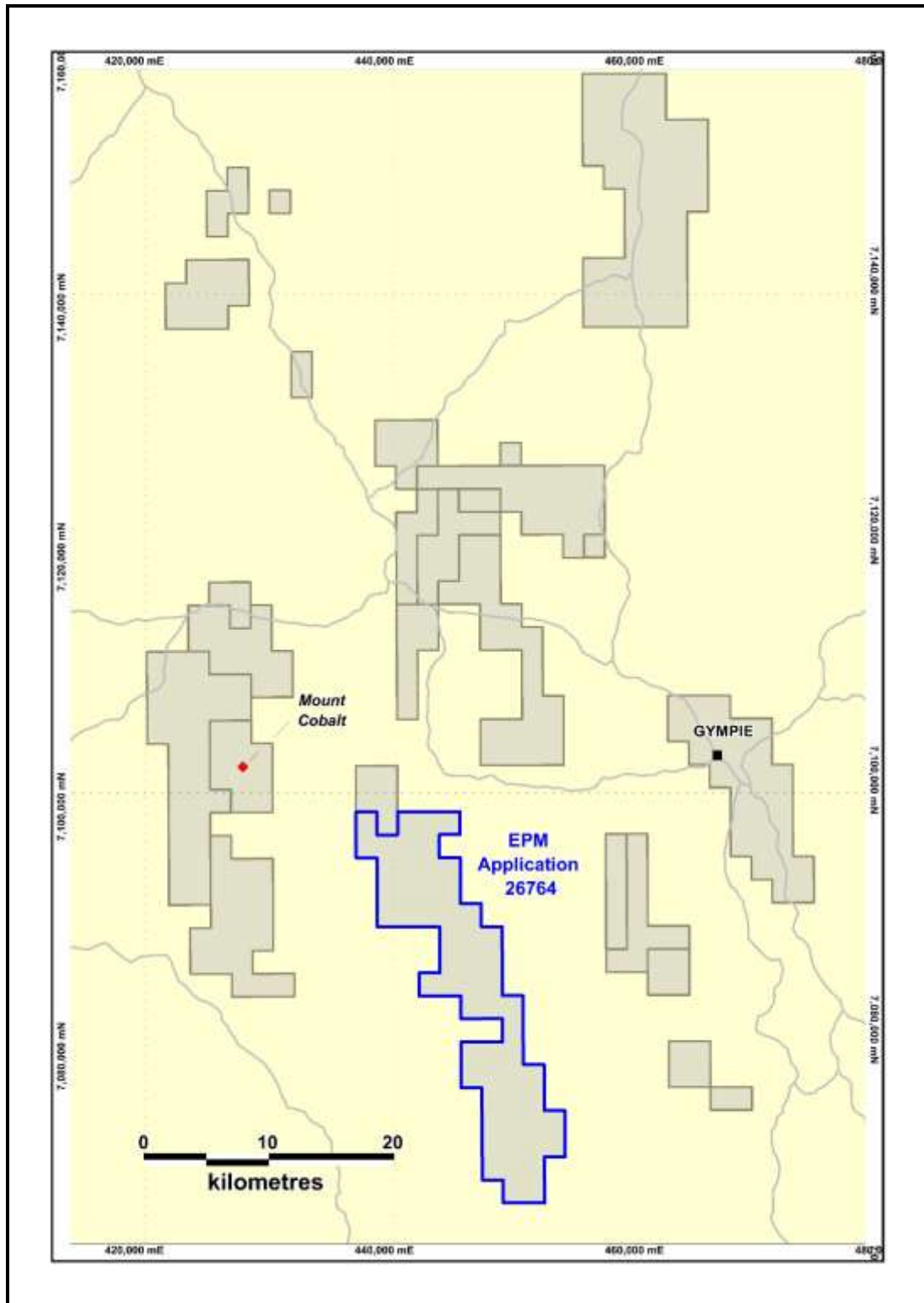


Figure 16: Mt Tewoo EPM application 26764 south east of ANW's Mt Cobalt Project

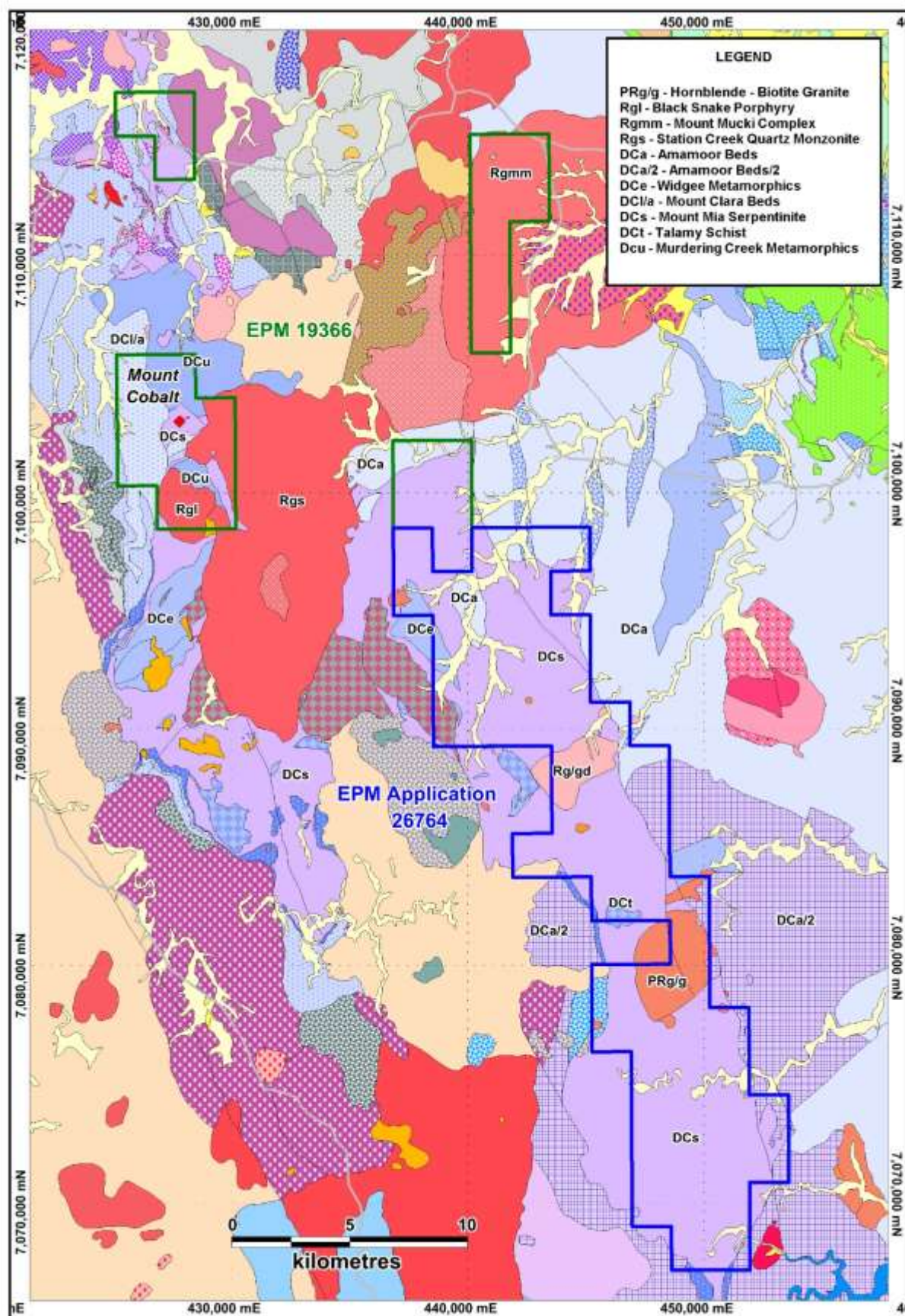


Figure 17: EPM Application 26764 geology map.

KOONENBERRY COPPER EXPLORATION AREA

EL 6400 NSW – 100% interest

Copper - Zinc - (Silver) Exploration

This EL covers the Grasmere-Peveril Cu-Zn-(Ag) deposits (Figure 18), which contain a significant indicated and inferred JORC Code 2004 compliant resource of 5.75mt @ 1.03% Cu, 0.35% Zn, 2.3g/t Ag and 0.05g/t Au (Inferred: 2.73 mt grading 0.9% Cu, 0.4% Zn, .04 g/t Au and 2.05 g/t Ag. Indicated: 3.02 mt grading 1.15% copper, 0.3% Zn, 0.06 g/t Au and 2.53 g/t Ag). Information relating to this mineral resource was prepared and first reported in accordance with the JORC Code 2004 in 2006. It has not been updated since, to comply with the JORC Code 2012, on the basis that the information has not materially changed since it was reported in 2006. Exploration to date has not achieved an increase in that resource.

The Company has shared proprietary information with certain parties to investigate the possibilities of an in situ leaching process for the extraction of the copper. It is the Company's intention to continue to seek joint venture partners to share the risks and costs of the project.

No field activities have been carried out during the quarter.



Figure 18 – Location of Current Koonenberry Exploration Licence EL 6400

POORAKA GOLD EXPLORATION AREA***Pooraka ELs 6413 and 8424 near Cobar – NSW - 100% interest
Gold, Silver and Base Metal Exploration***

EL 6413, 50 km east of Cobar, contain several gold and base metal target areas gleaned from earlier exploration results.

A renewal application for EL 8424 for a period of 2 years to May 2021 was lodged in December 2018 with the NSW Department.

No field activities have been carried out during the quarter.

LICENCES STATUS

Minerals tenements and applications for tenements held at 31 December 2018 and acquired or disposed of during the quarter and their locations are as follows:

Tenement	Area Name	Location	Beneficial Interest	Status
EL 6400	Koonenberry	NSW	100%	Expiry on 1 April 2019
EL 6413	Pooraka 1	NSW	100%	Expiry on 17 May 2019
EL 8424	Pooraka 3	NSW	100%	Expiry on 17 February 2019, Renewal application for 2 years lodged
EL 8745	Kanbarra	NSW	100%	Expiry on 15 May 2024
EL 8746	Redan	NSW	100%	Expiry on 15 May 2024
EL 8747	Stirling Vale	NSW	100%	Expiry on 24 May 2024
EPM 26813	Greenvale	QLD	100%	Expiry on 5 November 2023
EPM 26814	Greenvale	QLD	100%	Expiry on 5 November 2023
EPM 26815	Greenvale	QLD	100%	Expiry on 5 November 2023
EPM 26764	Mt Tewoo	QLD	100%	Permit Application acquired on 5 May 2018 and awaiting grant

EPMS 26813, 26814 and 26815 were granted during the Quarter.

(The information in the report above that relates to Exploration Results is based on information compiled by Mr Mark Derriman, who is the Company's Consultant Geologist and a member of The Australian Institute of Geoscientists (1566).

Mr Mark Derriman has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activities which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Mark Derriman consents to the inclusion in this report of matters based on his information in the form and context in which it appears.)

Eric Sam Yue
Director/Company Secretary

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

AUSMON RESOURCES LIMITED

ABN

88 134 358 964

Quarter ended ("current quarter")

31 DECEMBER 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(61)	(100)
(b) development		
(c) production		
(d) staff costs	(17)	(40)
(e) administration and corporate costs	(23)	(77)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	2
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (GST, projects)	1	5
1.9 Net cash from / (used in) operating activities	(99)	(210)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other		
	(a) Security deposit refund		
	(b) Security deposit paid	(8)	(8)
2.6	Net cash from / (used in) investing activities	(8)	(8)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares		
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	892	1,003
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(99)	(210)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(8)	(8)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	785	785

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	15	12
5.2	Call deposits	770	880
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	785	892

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

22

- Office rent contribution to a related entity of Managing Director John Wang
- Directors' management fees

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

Mining exploration entity and oil and gas exploration entity quarterly report

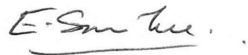
8.	Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities		
8.2	Credit standby arrangements		
8.3	Other (please specify)		
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	200
9.2	Development	
9.3	Production	
9.4	Staff costs	20
9.5	Administration and corporate costs	30
9.6	Other (provide details if material)	
9.7	Total estimated cash outflows	250

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2	Interests in mining tenements and petroleum tenements acquired or increased	EPM26813 (Big Sandy Creek, QLD)	Beneficial	-	100%
		EPM26814 (Porphyry Creek, QLD)	Beneficial	-	100%
		EPM26815 (Conjuboy, QLD)	Beneficial	-	100%

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
(Director/Company secretary)

Date: 31 January 2019

Print name:ERIC W Y M SAM YUE.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.