

New South Resources – High Quality Growth Assets

Building a robust portfolio of gold and base-metal exploration prospects by using new and historic data has placed the Company in a very strong growth position

CORPORATE DETAILS

20th March 2018

Ordinary Shares on
Issue: 123.5M

Debt: Nil

Directors:
Mike Diemar
Chris Ryan
Graham Brown

CEO
Glen Diemar

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Forward Plan

- ✓ Consideration being given to offers of JV for Junee to unlock value while minimising dilution
- ✓ Oberon drilling 2nd half 2018 for potential discovery in 100% owned mineral field

Key Points

- Exploration target rationalisation has been a key focus over the last two years. Huge value has been added through target definition
- Oberon project has a 5km strike length of gold & base-metal prospects which have high priority status due to positive exploration results and the similarities to the 2.3M Oz gold McPhillamys deposit in NSW being developed by Regis Resources (ASX: RRL)
- Junee project field work & Gov. co-funded drilling at Dobroyde has brought it to the attention of the international mining sector
- \$176,294 drilling grant rebated to NSR by the NSW Government
- This drilling grant was awarded to the company on the technical merits of the Dobroyde epithermal/porphyry target, at Junee
- The NSW Minister of Resources and Energy, the Hon. Don Harwin address to the 2017 Exploration in the (Parliament) House conference stated the pleasing results of NSR's drilling at Dobroyde
- Also at Junee, a large new zone called Burringa, prospective for gold and copper, has been identified 5km south of Dobroyde
- A number of major international mining companies have expressed interest in a joint venture with NSR over the Junee project
- Steve Brown and Chip Nichols have resigned as Directors and NSR welcomes back Graham Brown who has accepted a board position
- The Company is in a very solid position for future growth

New South Resources Pty Ltd (NSR or the Company)
Board and management now believe the Company is in a very strong position for

future growth. The two key locations over which the company holds mineral exploration licences are:

1. **Junee NSW**, the key gold-copper prospects are called Dobroyde and Burringa.
2. **Oberon NSW**, the key gold and base-metals (lead & zinc) prospects within the Wisemans Creek Trend include Murphys, Wisemans, Lund, Phoenix, Mabel, Phoenix East and Native Dog.

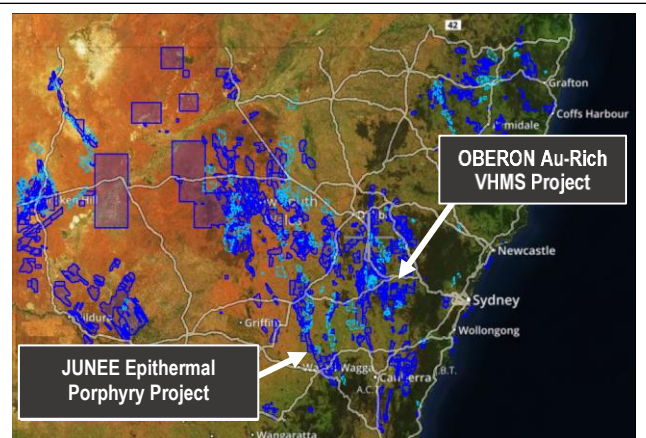


Figure 1: NSW exploration licences location map showing locations of NSR's Junee and Oberon licences.
Source: Geological Survey of NSW



Figure 2: Structural measurements being recorded from the drill core of the important diamond hole NDD005 drilled by NSR in 2016/17. This NSW Government co-funded hole has helped NSR gain international recognition. See notes on page 3 for further explanation.

Exploration Target Rationalisation

The focus for the company over the last two years has been defining and building on our key exploration licences. There were many decades of historic data to be rediscovered and input into a format which is easily accessible and best presented. This has proven to be a very cheap but valuable resource. This work has now been completed and **has led to the discovery of the Burringa prospect 5km south of Dobroyde**, see figures 3 and 5. Also relatively cheap but very effective field work including geological mapping, sampling, ground magnetics, interpretation and drill target planning has been instrumental in better understanding the Junee and Oberon project areas. The creation of technical PowerPoint presentations clearly demonstrates the value and potential of these projects. These technical presentations are available to shareholders upon request.

Forward Plan

NSR's overheads are approximately one quarter of a comparable ASX listed entity. Our ability to leverage our assets with minimal shareholder dilution is just one of our points of difference. Over the next 12 months we will continue to explore the Junee Project while we consider offers of joint venture to deliver further exploration success. At Oberon we plan to drill test our best gold and base-metal prospects. We believe this forward plan will create significant value for the company and for stakeholders.

Junee Project Area

The recent ground work performed and the successful government co-funded drilling at Dobroyde in 2016/17 has brought the project to the attention of the mining sector. The drilling grant was awarded to the company on the technical merits of the Dobroyde epithermal-porphyry target. The success of this drilling which was previously reported to shareholders ([see announcements](#) 1st Nov 2016, 25th Feb, 25th April and 4th Sept 2017) has also been recognised by the NSW Minister of Resources and Energy. The Hon. Don Harwin's address to the 2017 Exploration in the (Parliament) House conference stated the pleasing results of NSR's drilling at Dobroyde. **\$176,294 has since been rebated to NSR by the NSW Government for the drilling grant.**

We are pleased to advise that a number of mid-tier to large companies seeking quality joint venture projects have also recognised the advances NSR has made at Junee in defining the enormous potential for major gold and copper resources.

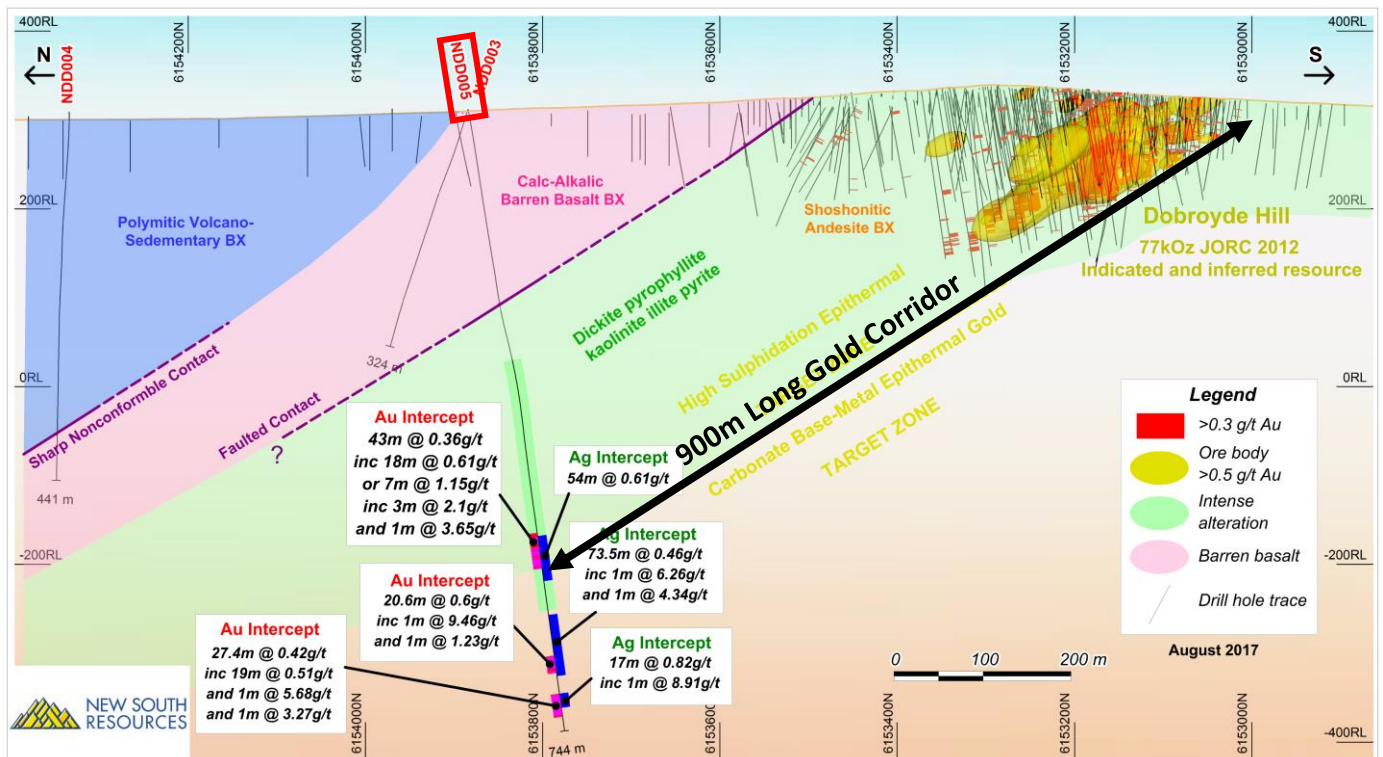
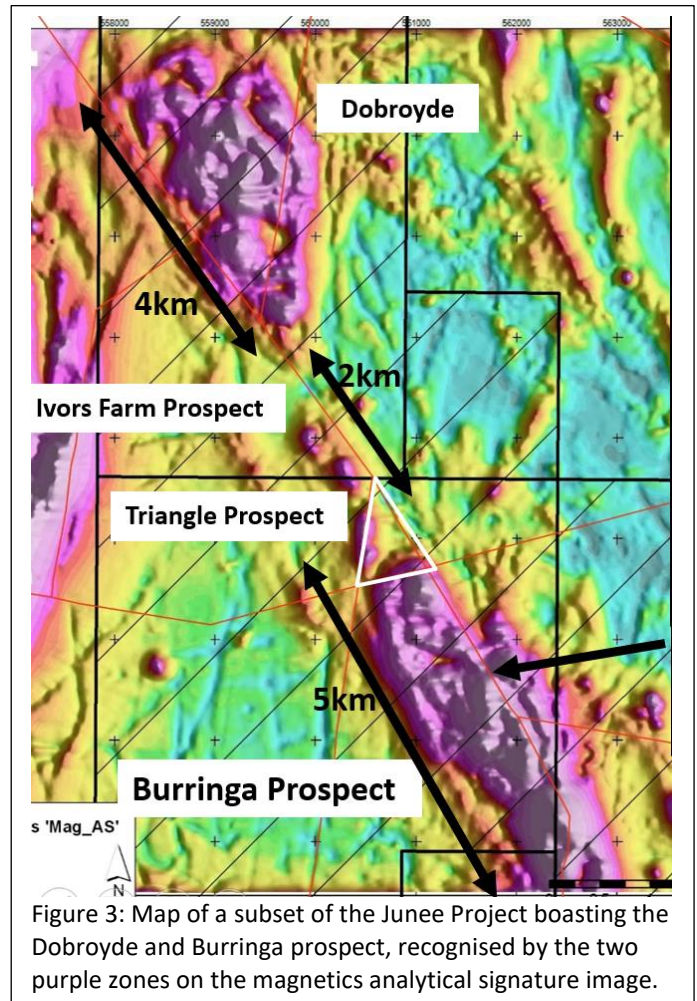


Figure 4: This Dobroyde long section has been developed over the last year and highlights the main features of the deposit including the recent hole NDD005 which intercepted gold and highlighted the prospective 900m long gold corridor.

The Junee project is one of NSR's most valued and advanced assets as the area hosts a JORC 2012 indicated gold resource and has numerous other exploration targets for both porphyry and epithermal style deposits. **The potentially large tonnage low grade porphyry-epithermal nature of Dobroyde and now Burringa make them both ideal big company targets and hence the Board and staff are assessing whether the best value for shareholders may be unlocked by way of a joint venture to fund the extensive future exploration required to adequately realise their potential.**

Burringa is a large new zone prospective for gold and copper that has been identified 5km south of Dobroyde in the Junee group of tenements, figures 3 and 5. The prospect measures 5km by 2km and hosts analogous volcanic rocks and similar alteration to the deeper levels of the Dobroyde deposit which is considered more prospective than the upper levels. Field work conducted over the last quarter has included rock sampling, assaying and spectral analysis, geological mapping and a large ground magnetics survey. Burringa has not previously been the focus of detailed exploration but the recent recognition of its considerable potential presents as a huge opportunity for NSR.

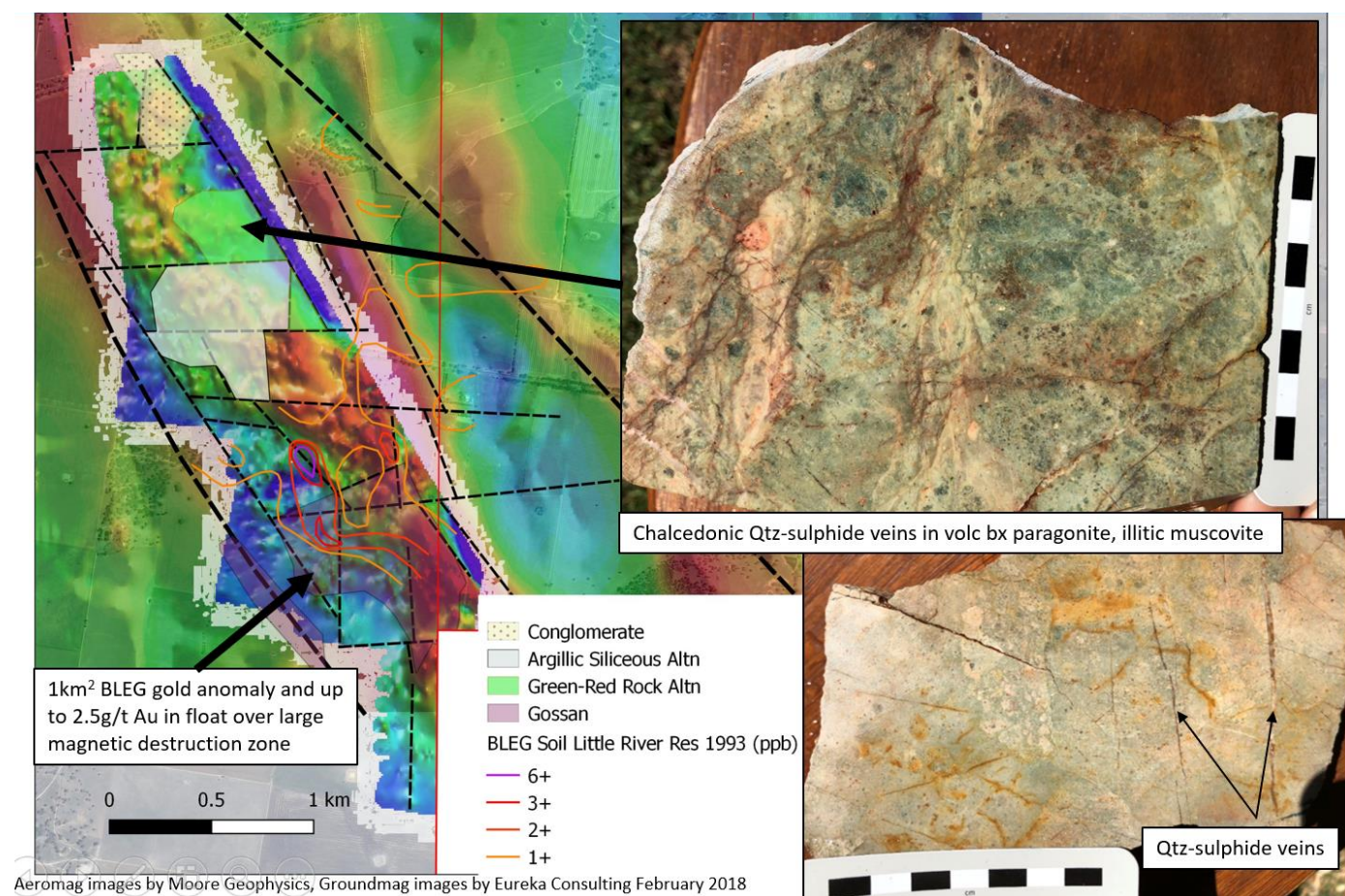


Figure 5: The Burringa prospect is over 5km long and 2km wide and has assayed up to 2.5g/t gold and 0.4% copper in rock float samples which include a high Bi, Te and Se association. The alteration mineralogy and the Au-Bi-Te association correlate with an intermediate sulphidation epithermal style of gold mineralisation which is similar to the giant Cowal Gold Mine operated by Evolution Mining which is 120km north of Junee and high grade gold zones within the giant Wafi-Golpu gold-copper deposit in Papua New Guinea being developed by Newcrest and Harmony Gold.

Oberon Project Area

The Phoenix-Mabel historic mining area near Oberon has been lifted to a high priority status for NSR due to the recognition of its large potential following positive exploration results gained from a recently completed historic data compilation, resampling of selected historic drill holes, ground based magnetics survey and geological mapping and sampling. These programs have defined quality targets for drilling later in 2018. Geographically, Oberon is valuable as it is only 140km from the workforce of Western Sydney.

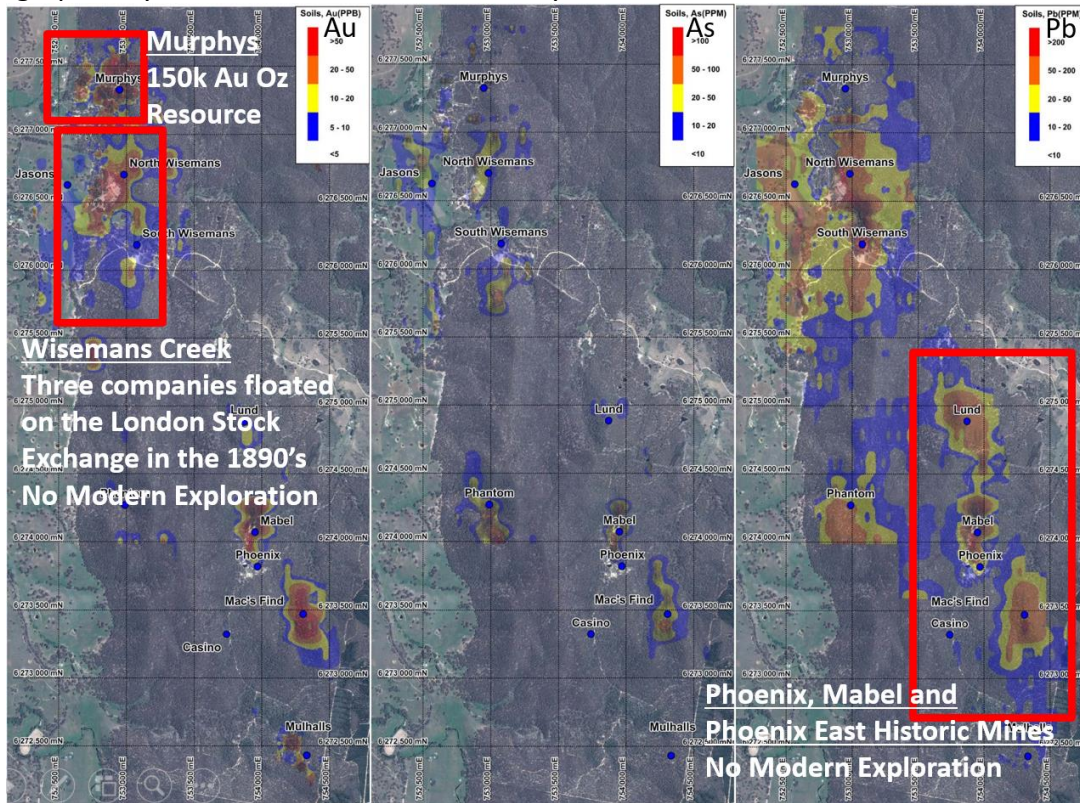


Figure 6: Three identical satellite images of the 6km long Wisemans Creek trend showing gold-Au (left), Arsenic-As (middle) and lead-Pb (right) in historic soil samples. The 150k Oz gold resource at Murphys was drilled by NSR and proves the potential of the area. Other major target areas in this mineral field are Wisemans Creek, Phoenix-Mabel and Phoenix East area.

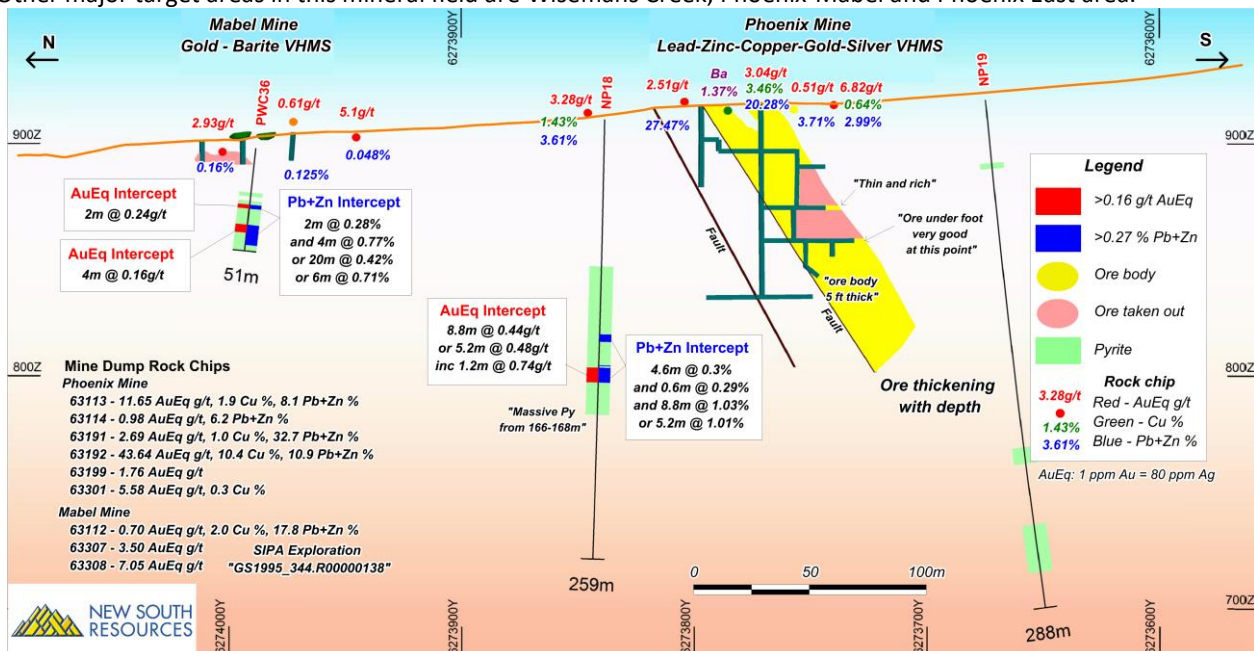
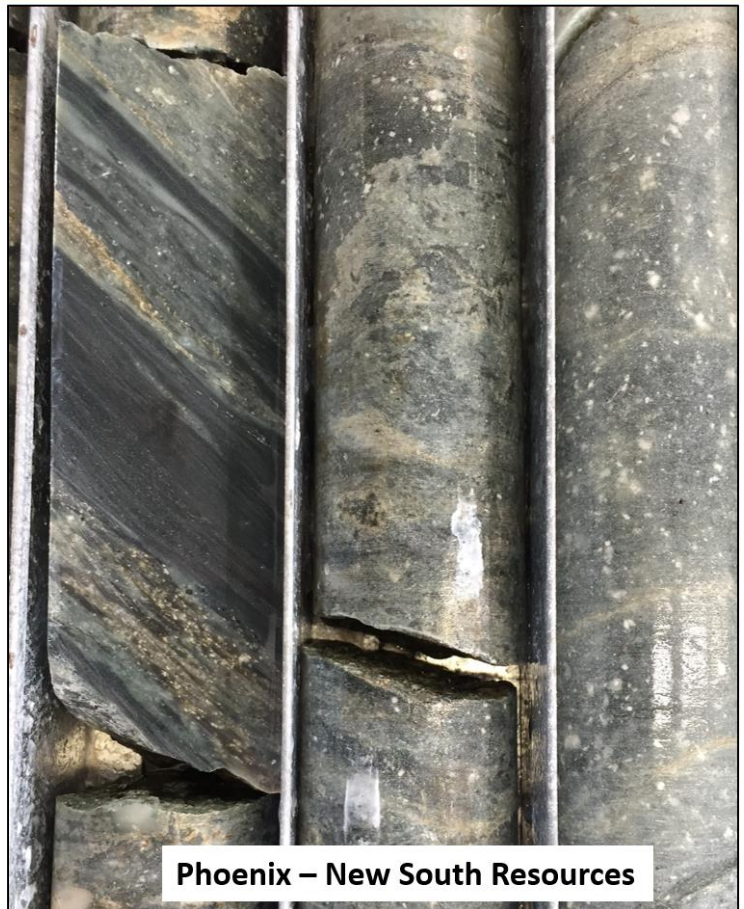


Figure 7: North-South long section of the historic Phoenix Mabel mining district, mined for 25 years until 1908 by an 80-year-old prospector. The prospectivity of this area has been increased by positive results gained from recent work by NSR including a compilation of historic data, resampling of selected historic drill holes, careful mapping and rock chip sampling.



2.3M oz McPhillamys – Regis Resources



Phoenix – New South Resources

Figure 8: The 1.2km of strike along the Lund, Phoenix-Mabel and Phoenix East gold prospects also have high priority status due to positive exploration results and the similarities to the 2.3M Oz gold McPhillamys deposit in NSW being developed by Regis Resources (ASX: RRL). Imaged here is drill core from McPhillamys (left) and Phoenix (right) demonstrating the similarities in rock type and alteration. This Phoenix hole NP18 was drilled in 1965 and its location is shown on the long section in figure 7.

Directors Steve Brown and Chip Nichols have recently resigned and are thanked for the contributions they have made over many years. The company is very pleased with Graham Brown, one of the original founding Directors and most passionate shareholders accepting a board position and we welcome his prior experience and knowledge of the exploration licences, the landowners and most importantly, the shareholders.

New South Resources has been working successfully on a very tight budget to deliver the best potential for a discovery and subsequent value uplift for shareholders.

Kind Regards

Glen Diemar
Chief Executive Officer

The New South Resources Management Team

Michael Diemar Director	Discovered, defined, permitted, funded & developed, Chatree Gold Mine Thailand as the Managing Director of Kingsgate Cons. Ltd
Graham Brown Director	Co-founding stakeholder of NSR, Kitchwin Hills Thoroughbred Stud and Director of Alamo Limestone, discovery and permitting of the Stearns Ridge Limestone deposit
Chris Ryan Director	>20 years in financial markets, Ex-Director ABN AMRO Bank Australia and UBS
Glen Diemar CEO	Exploration Geologist Australia, Indonesia, Central Asia, focused on greenfield discovery

Competent Persons Statements

The information in this announcement that relates to exploration results, data quality, geological interpretations for the Company's Project areas is based on information compiled by Glen Diemar, a Competent Person who is a Member of the Australian Institute of Geoscientists and a full-time employee of New South Resources Pty Ltd. Mr Diemar has sufficient experience that is relevant to the styles of mineralisation and type of deposits under consideration and to the activity being undertaken 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" for the Company's Project areas. Mr Diemar consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

Forward Looking Statements

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