

1.3km Gold in Soil Anomaly Discovered at Oberon at the Phoenix East and Yvette Prospects

CORPORATE DETAILS

12th July 2018

Ordinary Shares on
Issue: 123.5M

Debt: Nil

Directors:
Mike Diemar
Chris Ryan
Graham Brown

CEO
Glen Diemar

For further details contact
gdiemar@newsouthresources.com.au
+61 434 827 965

Forward Plan

- ✓ Receive & interrogate pending assays, due late July
- ✓ Planning & budgeting of drill holes
- ✓ Environmental applications & approvals
- ✓ Drilling for potential discovery in 100% owned mineral field

A large gold in soil anomaly has been discovered at NSR's 100% owned Oberon licence, the scale of the anomaly is such that it could host a deposit of significance

Key Points

- 1.3km long gold in soil (+50ppb) anomaly discovered at Oberon over two prospects, called Phoenix East and Yvette, see figure 2
- Associated with the gold in soil anomaly is strong hydrothermal fluid alteration, a coincident IP geophysics anomaly and highly anomalous pathfinder metals, all favourable for gold mineralisation
- Gold assayed up to 2.8g/t in rockchips highlights mineralisation is outcropping on the surface
- Gold anomaly is open to the north and the west, follow up samples have been taken with assays pending
- Mapping shows the mineralised horizon may be up to 2km in length, 25m in thickness at surface and dipping 60° to the west
- The mineralisation style is analogous to the Company's 150k Oz gold resource at Murphy's, 2km to the north
- The mineralisation style also has similarities to the 2.3M Oz gold McPhillamys deposit in NSW being developed by Regis Resources (ASX: RRL)
- The new anomaly is hosted within volcanic rocks in an area with many gold & base-metal historic mines over a 6.5km trend
- Multiple other targets of a similar nature are being followed up
- The Company is excited about the new discoveries

New South Resources Pty Ltd (NSR or the Company) is pleased to announce the positive results of a soil survey of 201 samples taken over 1.5km strike highlighting the Phoenix East and Yvette prospects. Gold assayed greater than 50 parts per billion (ppb) for 1.3km strike with a maximum gold assay of 396ppb or 0.4g/t. This anomaly is split over two prospects, Phoenix East and Yvette. Mapping has provided evidence for the Yvette prospect being open to the north and hence a follow up soil sampling program has already been completed over this area, with assays expected towards the end of July. NSR believes the surface expression of

the prospects to be of a significant size and the work to date has de-risked the targets enough to move to the next stage of exploration, which is the planning and budgeting of a small-scale drilling program.

History

The Phoenix East prospect was initially reported in 1995 by SIPA Resources during routine soil sampling however the prospect was never followed up and the licence was relinquished during the 1997 Asian market crises. NSR revisited the Phoenix East prospect late last year, since then mapping and rockchip

sampling has highlighted the potential for a 600m long alteration and coincident anomalous gold zone. **Mapping in the general area then led to the discovery of a new zone called the Yvette prospect** which was not covered by the historic soil sampling in 1995. Six initial rockchips were sampled during the recent mapping and all were anomalous in gold, with the highest grading 1.0g/t. An induced polarisation (IP) geophysics survey completed in 1964 was also reprocessed in recent months by renowned IP geophysicist Steve Collins of Arctan Services Pty Ltd which has highlighted three extensive pyrite zones trending to depth. Gold in this style of deposit is intimately associated with the mineral pyrite and hence this IP geophysics survey is supporting evidence for the prospect extending from surface to depth.

In the recent March company update, this area was described as highly prospective and that quality targets were being recognised. Since then, the Yvette prospect and the soil sampling results have further highlighted this potential of this belt which NSR controls in its entirety.

The recent soil survey was completed due to the recognition of strong hydrothermal alteration coincident with elevated gold in rockchips and the induced polarisation geophysics anomaly highlighting the presence of pyrite at depth.

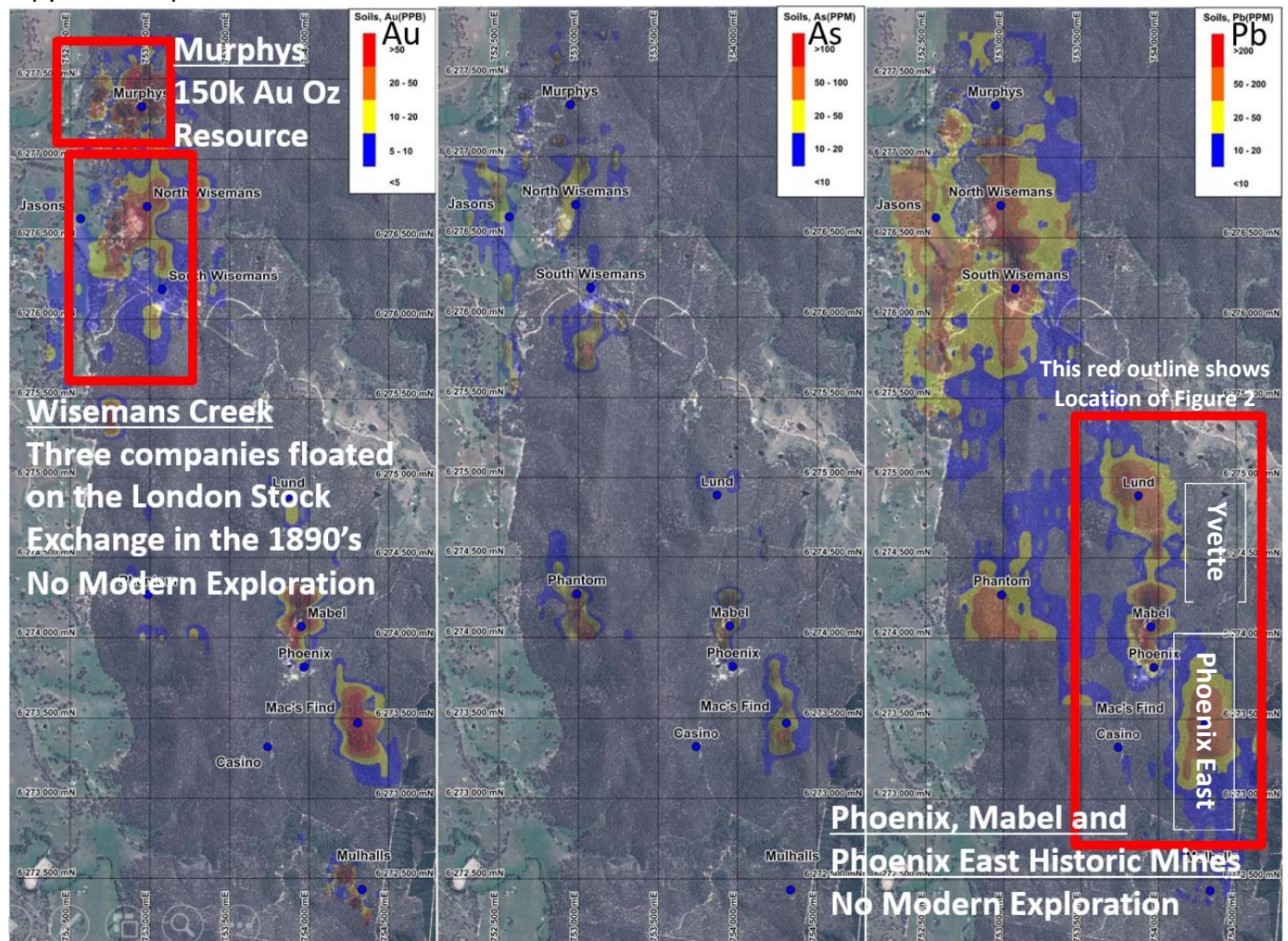


Figure 1: This figure is edited from the March company update and it shows three identical satellite images of a portion of the 6km long Wisemans Creek trend showing gold-Au (left), Arsenic-As (middle) and lead-Pb (right) in historic soil samples sampled in 1995 by SIPA Resources. The 150k Oz gold resource at Murphys was drilled by NSR and proves the fertility of the area. The locations of Yvette and Phoenix East are shown in white boxes on the image on the right. Yvette was not covered by the 1995 soil samples and hence was only discovered during this last quarter. The red outline on the right image is the location of figure 2.

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

Kind Regards

Glen Diemar
Chief Executive Officer

The New South Resources Management Team

Michael Diemar Director	Discovered, defined, permitted, funded & developed the Chatree Gold Mine Thailand as the Managing Director of Kingsgate Cons. Ltd (ASX:KCN), resigned from KCN in 2003
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	More than 20 years in financial markets, Ex-Director ABN AMRO Bank Australia & UBS
Glen Diemar CEO	BSc & Masters (Economic Geology) Exploration Geologist Australia, Indonesia, Central Asia, focused on early stage discoveries

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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Phoenix East and Yvette Prospects Gold in Soil Anomaly

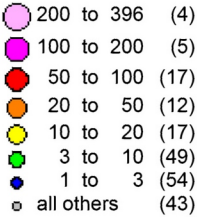
Soils, Au(PPB)



IP geophysics anomaly at 100m depth

awaiting assays

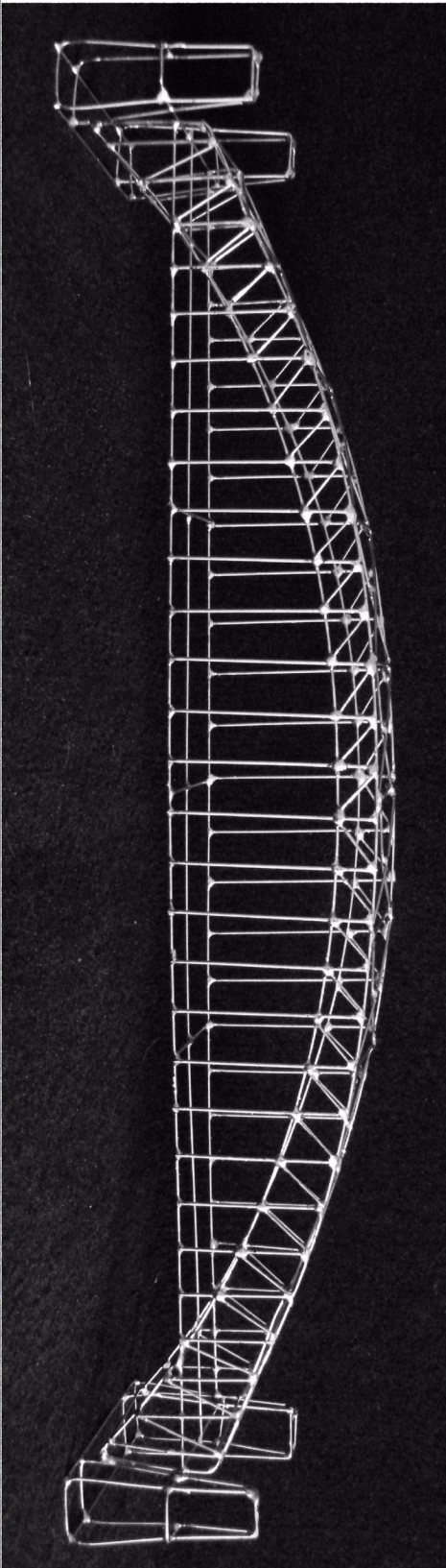
Soils_Wisemans_2018
Au_PPb



*Gold Associated with Sericite,
Silica and Disseminated Pyrite
Hosted in Felsic Volcanics*

Prospect Size Comparison

*Sydney Harbour Bridge
length from pylon to pylon
is 1149m*



Yellow line: IP geophysics anomaly at 100m depth

Lund Cu Mines

OPEN

Yvette
Au-Ag Prospect

Mabel Polymetallic
Historic Mine (25m deep)

Phoenix Polymetallic
Historic Mine (100m deep)

OPEN

Phoenix East
Au-Ag Prospect

Casino