

31 July 2009

**AUSMON RESOURCES LIMITED ("Ausmon")  
QUARTERLY ACTIVITIES REPORT  
30 JUNE 2009**

**Highlights**

- Dr Guojian Xu joins the executive team as Executive Technical Director.
- New copper and gold anomalies found at Cumnock EL in Lachlan Fold Belt.
- RC percussion drilling of strong bedrock gold anomalies planned for October/November 2009 for approximately 10 X 100m holes 3 Cobar ELs.
- All DPI work/expenditure commitments met , including timely submission of Annual Reports.

**Dr Guojian Xu**

Dr Xu has over 20 years experience in Australian and international mining industry. This experience includes technical and senior management roles with Queensland Mining Corporation, Xstrata, Sparton Resources and Queensland Epithermal Gold. He holds an MSc in Economic Geology from China University of Geosciences and PhD from James Cook University in Australia. A geologist with specialist IOCG, Mt Isa Style copper and Carlin gold skills, Dr. Xu has in-depth knowledge of exploration techniques and extensive experience in mineral resources in Australia, China and Papua New Guinea. He is a Member of the Australasian Institute of Mining and Metallurgy and Fellow of the Society of Economic Geologists, and a competent person as defined by the 2004 JORC Code.

**Work Undertaken, Results and Proposed Work**

During the current quarter planned work progressed rapidly meeting NSW Department of Primary Industries ("DPI") time and expenditure deadlines, including reporting and licence renewal applications deadlines. Areas for renewal of each EL (after 50% reduction) were selected, and renewal applications were sent to the DPI on 16 April 2009. DPI Annual Reports were dispatched on 16 June 2009.

**Cobar ELs (Pooraka EL 6413, Tindarey EL 6415, Mt Barrow EL 6416)**

*Earning 85% interest*

A programme of intensive field work was undertaken on the 3 Cobar ELs during March 2009. Targets consisted of earlier delineated geochemical, geophysical and geological hot spots requiring shallow bedrock sampling by air core drilling. In all 435 holes were drilled (Tindarey EL-78, Mt Barrow EL-139, Pooraka EL-218—for a total of



2,094m- average depth 4.8m). An additional 40 rock chip samples were collected, mainly from the Golconda and Mt Merrere gold diggings on Tindarey EL (26 samples) plus several anomalous spots on Pooraka EL (8 samples). Samples were analysed for Au, Ag, As, Sb, Cu, Pb, and Zn, with results contoured onto plans.

On **Pooraka EL 6413** nine 150 to 200m long EW lines were run across about 700m of strike near Chert Ridge, in the northern part. Bedrock Au values were slightly anomalous (2 to 5 times background - 2 ppb) in patches with other elements forming broad anomalies with local spikes. Although clearly a mineralised area no strong (drillable) anomaly targets were detected. Two test lines were also run in the southern segment of the EL to test an earlier detected one station bedrock Au anomaly, beneath alluvium, at Langbein West. The shorter (southern) line detected *strongly anomalous bedrock Au values (12 to 50 times background of about 2 ppb) over a 150m wide zone*. A lesser bedrock gold anomaly (3 to 4 times background - 45m wide) was also detected on the next line about 150m from a strong 3 station Pb spike showing up to 1,005 ppm. *Two or three RC percussion holes are planned to test these anomalies in October/ November 2009.*

On **Mt Barrow EL 6416** nine lines of bedrock samples were collected across 3 patches of black ferruginous (gossanous) float and sub crop in the Glengarry area, proximal to the Glengarry eruption centre. The eruption centre contains very coarse grained acid pyroclastic rocks, which, with distance (in the anomalous areas) become finer grained and associated tuffs and lesser shales. The areas – designated Areas 1 to 3, exhibited extensive anomalism. Area 1 (63 samples covering about 8 ha) was traversed by 2 long and 2 short lines. 16 of the samples were quite anomalous in Au (3 to 10 times background of 4 to 5 ppb). Area 2 (59 samples covering about 6 ha) was traversed by 4 EW 100 to 200+m lines. 21 samples were noted to be *strongly Au anomalous (up to 40 times background of 4 to 5 ppb)*. Area 3 (19 samples, 3 ha) was covered by one line yielding 7 Au anomalous samples (3 to 7 times background). *Two RC percussion holes are planned in October/November 2009 to test the main anomaly in Area 2.*

On **Tindarey EL 6415** five 50 to 75m long lines of air core holes were run across about 500m of strike in the northern part of the Mt Merrere Gold Field and three 75 to 150m lines were run across about 500m of strike in the southern part. In all 78 bedrock samples were collected, plus an additional 20 rock chip samples from surface outcrops. *These revealed strongly Au anomalous zones (5 to 50 times background of 2 ppb) in 25 to 75m wide patches around historical diggings. About 5 or 6 RC percussion holes are planned to test anomalies in the northern part.*

#### **Cumnock EL 6417**

*Earning 85% interest*

On **Cumnock EL 6417** an extensive (10 sq km, 850 sample) programme of soil sampling was undertaken on the southern (Gumble) segment of the EL. This was designed to cover skarn prospective granite/country rock contacts and/or possible extensions to



the earlier drilled (Robust-2007) Delaney's Dyke Zn-Ag-Cu-Au mineralisation. Orientation sampling was initially undertaken to maximise anomaly detection. This work detected 12 significant Cu and/or Au anomalies requiring follow-up work (in fill sampling, prospecting/rock-chip sampling, possible bedrock probing) to be undertaken over the next 2 quarters.

In the northern (Mt Catombal) segment of the EL a similar, but less extensive soil sampling (369 samples) programme was undertaken to test 3 zones of the Cuga Burga Volcanics, considered to be prospective for epithermal copper-gold deposits associated with hydrothermal (epidote-silica-calcite-chlorite) alteration. One large and several smaller gold-copper-arsenic anomalies were detected, requiring follow up work. This will include infill and extension sampling, as well as geological and alteration mapping, and will be undertaken over the next one or two quarters.

This recent work has considerably increased the prospectivity of Cumnock EL 6417, and follow up work will almost certainly produce excellent targets for RC percussion drilling to be undertaken late in the current tenement year, or early in the next tenement year.

**EL 26007 (Mary River) in NT**  
**100% interest**

Field work is planned to be carried out in September 2009. No exploration work has been carried out on the EL during the quarter.

*(The information in this report that relates to Exploration Results with respect to the NSW ELs is based on information compiled by Dr Pieter Moeskops, the Principal of Agaiva Holdings Pty Ltd and a member of The Australasian Institute of Mining and Metallurgy.*

*Dr Moeskops has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activities he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Moeskops consents to the inclusion in this report of matters based on his information in the form and context in which it appears.)*

John Wang  
Executive Director/Company Secretary



# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

AUSMON RESOURCES LIMITED

ABN

88 134 358 964

Quarter ended ("current quarter")

JUNE 2009

### Consolidated statement of cash flows

<b>Cash flows related to operating activities</b>	Current quarter \$A'000	Year to date (from incorporation on 26 Nov 2008) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(214)	(227)
1.3 Dividends received	(72)	(133)
1.4 Interest and other items of a similar nature received	29	31
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other	(46)	(47)
<b>Net operating cash flows</b>	(303)	(376)
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a)prospects (b)equity investments (c)other fixed assets	(18)	(18)
1.9 Proceeds from sale of: (a)prospects (b)equity investments (c)other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
<b>Net investing cash flows</b>	(18)	(18)
1.13 Total operating and investing cash flows (carried forward)	(321)	(394)

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(321)	(394)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.		3,400
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other : Capital raising costs	(158)	(158)
	<b>Net financing cash flows</b>	(158)	3,242
	<b>Net increase (decrease) in cash held</b>	(479)	2,848
1.20	Cash at beginning of quarter/year to date	3,327	-
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	2,848	2,848

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	-
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities		
3.2	Credit standby arrangements		

+ See chapter 19 for defined terms.

**Estimated cash outflows for next quarter**

		\$A'000
4.1	Exploration and evaluation	250
4.2	Development	-
<b>Total</b>		250

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	38	27
5.2 Deposits at call	2,810	3,300
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>	2,848	3,327

**Changes in interests in mining tenements**

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference securities</b> <i>(description)</i>	-	-	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	45,500,004	18,000,004		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	Conversion of one ordinary share per option  27,750,000	  14,375,000	<i>Exercise price</i>  \$0.80	<i>Expiry date</i>  30 June 2014
7.8 Issued during quarter	14,375,000	14,375,000	\$0.80	30 June 2014
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>	-			

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act [or other standards acceptable to ASX](#) (see note 4).
- 2 This statement does ~~/does not~~\* (*delete one*) give a true and fair view of the matters disclosed.



Sign here: ..... Date: 31 July 2009  
(Executive Director/Company secretary)

Print name: John Wang

## 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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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