



29 October 2010

Company Announcements Office
ASX Limited

ACTIVITIES REPORT SEPTEMBER 2010 QUARTER

Highlights

North America

- Premium Exploration Inc. continues to obtain exciting results in their current 10,000 meter Phase-3 drill program at the Friday-Petsite Gold Project, Idaho, USA.
- Premium Exploration Inc added new claims to now total 1,168 claims along the Orogrande Shear Zone covering an area of 94.5 square kilometres.

Australia

- Acquisition of 100% interest in EL 6400 and EL 6464 in the Koonenberry Belt.
- 32 targets identified within the Koonenberry Project including possible extensions to Grasmere-Peveril mineralisation, parts of the Black Mountain Silverfield, and one interesting gold target.
- Completed field mapping and sampling of EL 6424, focusing on the Wertago-Eclipse-Bradys-Copper Well-Bunker Hill area, and the Nutherungie Silverfield area, with emphasis on possible gold targets at Eclipse and Bradys. 49 rock chip samples were collected and submitted for multi-element analysis.
- Field trip identified several locations at Koonenberry for drilling in November.
- Aeromagnetic/geological trends plotted within the new EL 7564 in Cobar area as a precursor to targeted bedrock sampling in early 2011.

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INVESTMENT IN ADVANCED GOLD EXPLORATION PROJECT - IDAHO, USA
5,750,000 Shares and 5,750,000 Warrants of Premium Exploration Inc.

The Company holds a strategic stake in Premium Exploration Inc. (PEM) which is listed on the TSX Venture Exchange of Canada (TSX-V:PEM). The Company assessed PEM to possess exciting advanced precious metal projects.

PEM is an explorer and developer of precious metals projects with good potential for near-term production and growth. Projects are located in the USA and Mexico, politically stable regions where PEM has a history of success. The management team is committed to unlocking mineral wealth for shareholders by discovering, developing, and permitting precious metals assets to production. PEM's portfolio includes one of the largest land packages in Idaho, USA, including an NI 43-101 gold inferred resource of 531,890 ounces (certified by Mr. Wilf Struck, P.Eng a Qualified Person as defined by NI43-101), a platinum group metals exploration project in Montana, and a historically producing silver project in Mexico.



PEM has continued to obtain exciting results during and since the end of the quarter in their 10,000 meter Phase-3 drilling program at the Friday-Petsite Gold Project in Idaho, USA. After completion of an airborne geophysical survey and a review of geophysical data, PEM added a large number new claims to total its claims to 1,168 covering an area of 94.5 square kilometres along the Orogrande Shear Zone. Public announcements of PEM on drilling results can be viewed on their website and are also posted on the website of the Company.

INTERESTS IN KOONENBERRY BELT **ELs 6400, 6424 and 6464 - NSW (100%)**

Acquisition of 100% interest in ELs 6400 and 6464

In August 2010, the Company acquired through its wholly owned subsidiary Great Western Minerals Pty Ltd ("GWM") a 100% interest in ELs 6400 and 6464 in the Koonenberry Belt area north east of Broken Hill in New South Wales.

In December 2009, Ausmon acquired 100% GWM which had farm-in arrangements to earn 51% in the two ELs through expenditure work programs of \$1 million over a period to October 2011. There is provision to earn another 24% to a total of 75% interest under certain conditions from 2011. This acquisition terminates the farm-in arrangements and the farm-in expenditure obligations of the Company.

The consideration for the acquisition consisted of a cash payment of \$200,000 and the allotment of 1,000,000 fully paid ordinary shares in Ausmon to Black Range Minerals Limited parent of the licences holder.

ELs 6400 and 6464 contain the extensive Grasmere and Peveril Cu-Zn-Ag-Au deposits, which contain an indicated and inferred JORC compliant resource of 5.75 Mt (million tonnes) @ 1.03% Cu, 0.35% Zn, 2.3 g/t (gram/tonne) Ag and 0.05 g/t Au (Inferred: 2.73 Mt grading 0.9% copper, 0.4% zinc, 0.04 g/t gold and 2.05 g/t silver. Indicated: 3.02 Mt grading 1.15% copper, 0.3% zinc, 0.06 g/t gold, and 2.53 g/t silver).

Together with the acquisition of EL 6424 in May 2010, which contains the historic Wertago Copper Field and Netherungie Silver Field, the Company now holds 100% interests in ELs covering a total area of 753 sq kms in the highly prospective and under-explored Koonenberry Belt. The Company is now also in full control of the expenditure program.

Data Analysis, Field Work and Drilling Program

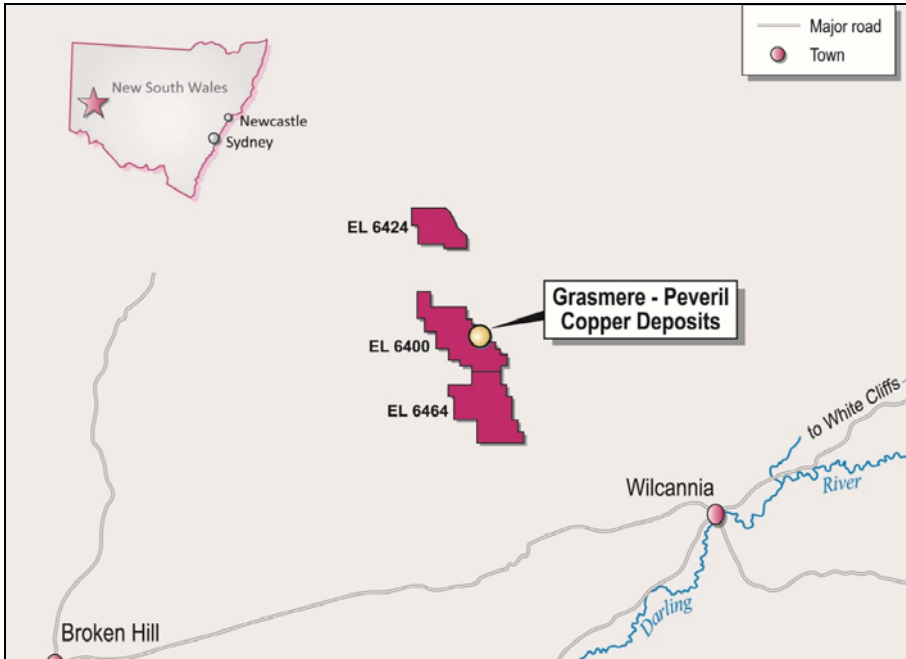
During the quarter, field work progress was slowed by continuing heavy rain (e.g. EL 6400 is at the date of this report still not accessible from the south, doubling travel time from Broken Hill). Also DPI (Department of Primary Industries) processing of applications to drill was slowed by backlogs due to lack of access for site checking. Nevertheless some very significant work has been accomplished during the quarter.

Grasmere-Peveril drilling data and recent and historic geophysical data on ELs 6400 and 6464 were carefully studied and analysis was completed in the quarter. 32 targets have been identified, including possible extensions to the Grasmere-Peveril mineralisation, parts of the Black Mountain Silverfield, and one interesting gold target. It is planned to visit, map, prospect and sample these targets in November and December 2010, weather permitting. In addition 3 diamond and 6 RC percussion holes have been located to drill identified targets in November 2010, subject to weather, availability of drill rig and obtaining DPI approval.

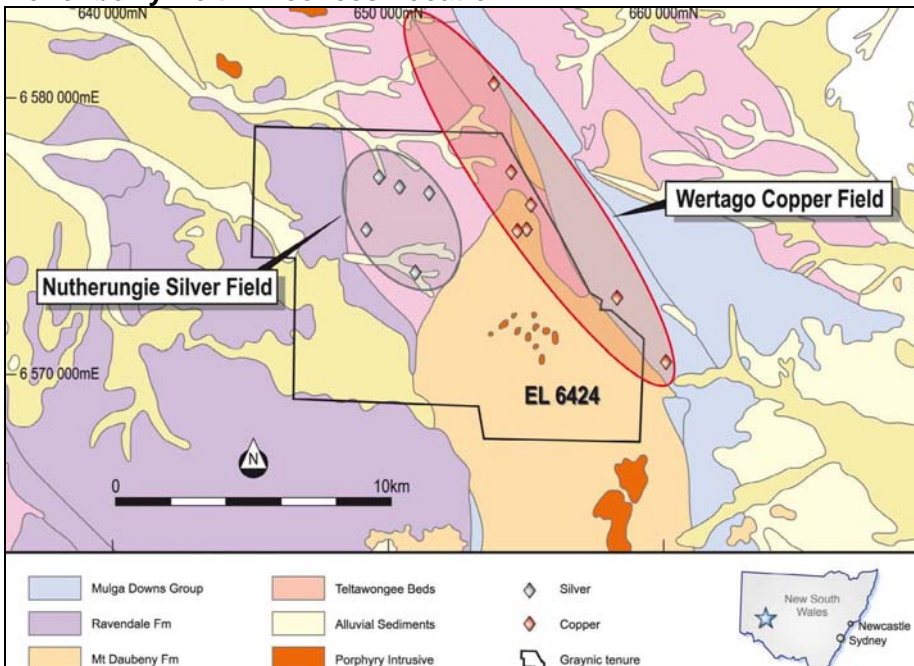
Detailed field mapping and sampling within EL 6424 has also been carried out. The work focused on the Wertago-Eclipse-Bradys-Copper Well-Bunker Hill area, and Netherungie Silverfield, with emphasis on possible gold targets at Eclipse and Bradys. 49 rock chip samples have been collected and submitted for multi element analysis during the quarter. Gold values were of prime interest and ranged from 5 to 345 ppb (parts per billion) with the highest values coming from the Bradys Open Cut and Eclipse areas. In

early 2011, it is proposed to test Bradys at depth with 3 newly located RC percussion holes.

Five additional RC percussion holes have also been proposed (3 at Black Mountain and 2 at Eclipse-Bunker Hill) but these and any additional holes will probably not be drilled until February 2011 as both areas are within National Parks, requiring REF (review of environmental factors) reports to the DPI. REFs normally take 6 to 8+ weeks for approval. The Black Mountain targets require further confirmation by additional mapping and sampling to be undertaken shortly.



Konenberry Belt – Licences Location



AUSMON - ROBUST JV**EL 6413, EL 6415, EL 6416 and EL 6417 - NSW (earning 85%)****EL 7564 - NSW (85%)***Operator: Robust Resources Limited*

During the quarter, work was directed at anomaly highlighting, data compilation and report writing with a view to meeting current year licence obligations and planning 2010 exploration program. Pooraka ELs 6413 and 7564 are considered most prospective, followed by Cumnock EL 6417, Mt Barrow EL 6416, and Tindarey EL 6415.

New EL 7564, at Pooraka

This EL of 30 graticular units, adjacent to and covering the area between the northern and southern segments of Pooraka EL 6413, was granted in June. Pooraka EL 6413 and EL 7564 remain highly prospective for Au, and Pb-Zn-Ag deposits, with untested targets, and gold anomalies/ intersections, close to, and on strike from, Mt Boppy. The main target is the Mt Boppy/ Hardwicks/ Langbein /McGuinness zone. Proposed exploration will consist of filtering of magnetic data plus bedrock sampling of selected targets.

Cumnock EL 6417

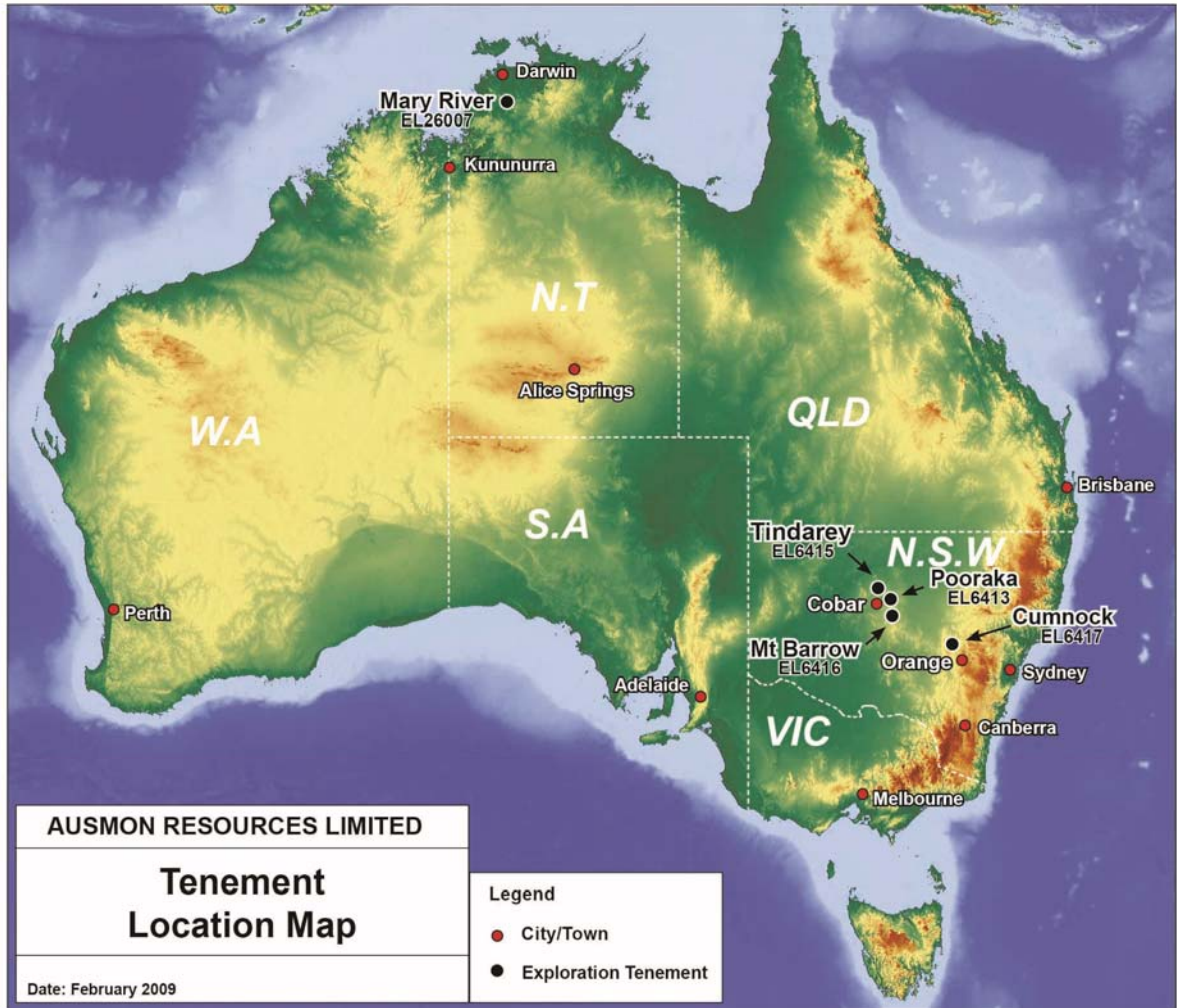
Recent work on the Gumble segment (highly prospective for skarn and skarn-related deposits) highlighted 4 significant Cu and/or Au anomalies, including 2 quite good drill targets. These are situated about 1 km from the historic Delaneys Dyke mine.

Also, recent work on the northern (Mt Catombal) segment highlighted 2 strong Cu-Au anomalies designated "Turner's Anomaly" and "Lawrence's Anomaly". The host Cuga Burga Volcanics are prospective for Cadia type epithermal copper-gold deposits associated with hydrothermal (epidote-silica-calcite-chlorite) alteration. The Company plans to drill test these anomalies in first half of 2011.

MARY RIVER EL 26007, NEAR PINE CREEK, NT (100%)

This EL is located east of Pine Creek, on the SW boundary of the Mt Evelyn 1:250,000 geological sheet. At renewal of the EL in October 2009, the Company applied to retain 4 graticular sub blocks (about 12.5 sq Kms) making up the northern part of the EL which has potential for vein and stockwork mineralisation along granite/country rock contact zones, and alluvial gold in river and stream sediments.

No field work has been carried out in this EL during the Quarter.



(The information in this report that relates to Exploration Results 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 which 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/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, 01/06/10.

Name of entity

AUSMON RESOURCES LIMITED

ABN

88 134 358 964

Quarter ended ("current quarter")

30 SEPTEMBER 2010

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(156)	(156)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	19	19
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material) - GST	39	39
Net Operating Cash Flows	(226)	(226)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	(200)	(200)
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)		
Net investing cash flows	(200)	(200)
1.13 Total operating and investing cash flows (carried forward)	(426)	(426)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(426)	(426)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		
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)		
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(426)	(426)
1.20	Cash at beginning of quarter/year to date	1,938	1,938
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	1,512	1,512

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

During the quarter, the Company issued 1,700,000 fully paid ordinary shares in payment of fees to consultants for services rendered and 1,000,000 fully paid ordinary shares as part consideration for the acquisition of 100% interests in Exploration Licences 6400 and 6464 in NSW.

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

+ See chapter 19 for defined terms.

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		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	250
4.2 Development	
4.3 Production	
4.4 Administration	125
Total	375

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	93	81
5.2 Deposits at call	1,419	1,857
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	1,512	1,938

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	EL 6400 EL 6464	Undivided interest	Earning 51%	100%

+ 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 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	62,520,004	37,000,004		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	2,700,000	2,700,000		
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	One ordinary share per option		<i>Exercise price</i>	<i>Expiry date</i>
	33,750,000	21,475,000	\$0.80	30 June 2014
	2,900,000	-	\$0.50	30 June 2011
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <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 give a true and fair view of the matters disclosed.



Sign here: Date: 29 October 2010
(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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+ See chapter 19 for defined terms.