30 September 2011

Company Announcements Office
ASX Limited

AMENDMENTS AND CLARIFICATION TO ANNUAL REPORT 2011

We refer to the Annual Report 2011 lodged on 27 September 2011 and advise that 12,275,000 listed options of the Company were incorrectly reported as unlisted. We attach a revised set of the Annual Report 2011 with amended pages 21, 43, 59 and 60.

We also clarify that "resources" referred to on Pages 1, 2, and 4 of the Annual Report in describing the gold projects of Premium Exploration Inc. are not JORC compliant.

John Wang
Director/Secretary

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AUSMON RESOURCES LIMITED

ANNUAL REPORT 2011

AUSMON RESOURCES LIMITED

CORPORATE DIRECTORY

AUSMON RESOURCES LIMITED
ABN 88 134 358 964

Directors

King M Fan	Executive Chairman
John Q Wang	Finance Director
Gang (Gary) Zheng	Projects Director

Company Secretary
John Q Wang

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CONTENT

GLOSSARY

Ag - silver
Au - gold
As - arsenic
Cu - copper
O_2 - oxide
Pb - lead
ppb - parts per billion
ppm - parts per million
S - sulphur
Sn - tin
Zn - zinc
E - east
N - north
S - south
W - west

Dear Shareholder,

I am pleased to present you the 2011 Annual Report of Ausmon Resources Limited.

We have continued active exploration in our gold and copper licences. When the opportunity arose during the year, we increased our interests in all our licences to 100 percent ownership delivering us full control over the work programmes. The consideration for the acquisitions of the interests from our joint venture partners has been mainly shares in the Company with a relatively small amount of cash which is testament to their belief in the potential success of the projects and confidence in the Company.

Following from the results of an aeromagnetic/radiometric survey last year at the Koonenberry Copper Project we drilled four diamond holes at the Grasmere-Peveril copper deposits area with very encouraging results. We also carried out aeromagnetic/radiometric survey over 2 licences in the Cobar area and identified targets for drilling next year. In August 2011, delayed by inclement weather, we have drilled six holes in Cumnock EL 6417 near Orange. Details on that exploration work are set out in the Review of Operations.

Mineral exploration is a time consuming process to prove up resources before a project can reach the development stage. To move the Company's development to a faster pace, we have sought new opportunities in other commodities including iron ore, coal and petroleum projects which are nearer to production or with downstream potential. Some of the projects that we have considered are very large requiring very substantial capital. In that respect, we have sought to align with major commodity partners in China who are looking for security of supply. I was pleased to welcome Mr Liu Zhongliang, former chairman of China Minmetals Corporation, as Chief Advisor in July 2010 to assist in that endeavour.

At the last Annual General Meeting, our shareholders approved that we seek to venture in activities in the upstream and downstream petroleum industry, including the construction of an oil refinery in Sakhalin Region of the Russian Federation. We progressed substantially a potential venture bringing together partners from Russia and China and had the support of the regional government at ministerial level. However, our partners are waiting for arrangements for security of supply of petroleum products for the venture to be realised.

Our investment in Premium Exploration Inc. ("PEM"), a company listed on the Canadian TSX Venture Exchange, performed very well. PEM's advanced gold projects in Idaho, USA achieved very successful drill results and increased its gold resource significantly. We exercised the warrants that we held in PEM that increased our holding to 11.5 million shares at an average cost of C$0.25 per share. The PEM shares traded to a high of C$0.83 in March 2011 although it has receded recently in line with current equity market sentiment in North America. We have disposed of some of the shares at a profit, but still hold a significant interest in PEM.

I would like to thank the staff and consultants at Ausmon for their dedicated efforts and our loyal shareholders for their continued support as we strive to create value at the Company.

King M Fan
Chairman
27 September 2011

SUMMARY

CORPORATE

- Exercise of 5.75 million warrants increased the Company's investment to 11.5 million shares in Premium Exploration Inc. ("Premium"), a North American gold and precious metals explorer with advanced exploration projects and listed on TSX Venture Exchange of Canada (TSX-V).

EXPLORATION

North America

- Premium completed its 10,000 metre Phase-3 drill program of the Idaho Gold Project funded from a C$10 million raising in July 2010 and achieved significant discoveries increasing its gold resource.
- Premium increased its land package by 200% and completed a 30 km airborne geophysical survey in Idaho
- Premium received funds from the exercise of warrants in April/May 2011 sufficient to fund its 25,000 metre Phase-4 drill program that is underway at the Idaho Gold Project.

Australia

- Acquisition in August 2010 of 100% interest in exploration licences ("EL") 6400 and 6464 with a focus on exploration for copper in the Koonenberry Belt north east of Broken Hill. Projects include Grasmere-Peveril Copper resources and the historic Wertago (copper) and Nutherungie (silver) fields. Previously the Group was earning 51% interest in those licences.
- New EL 7691 was granted in January 2011 consisting of 9 graticular units (approx 26 sq km) abutting the northwest part of EL 6400, and covering the western part of the Black Mountain Silverfield. Near Rawlins Tank, EL 7691 covers old diggings and geochemical anomalies that were not fully investigated by earlier explorers.
- Targets arising from detailed aeromagnetic/radiometric survey (completed in April 2010), plus earlier work, were followed up on the ground. On EL 6400 these included possible WNW extensions to Grasmere-Peveril, and untested targets near the Black Mountain Silverfield. On EL 6424 targets included the Nutherungie Silverfield and the Bunker Hill-Wertago Cu-Au diggings.
- In May-June 2011 four deep (200-300 m) diamond drill holes were sunk into broader and more Cu rich parts of the Grasmere-Peveril line of lode to check for lode continuity, grade, and thickness, and to confirm that shallower high Cu values were not caused by supergene enrichment.
- Recent detailed (1:1000 scale) fault and lithology mapping has led to the discovery of a new, south-east displaced, fault bounded, slice of the line of lode, roughly one km north of recent diamond drilling. Further fault bounded extensions are inferred by lines of gypsum-rich sink holes. This new, potentially Cu rich target, which alluded earlier explorers, now requires depth testing by RC percussion and diamond drilling.
- Aeromagnetic/radiometric survey at Pooraka ELs 6413 and 7564 carried out and completed in April 2011. This was designed to detect subtle trends running NW from the nearby Mt Boppy Gold Mine.
- In April 2011 the Company acquired 100% interest in ELs 6413, 6416 and 7564 (near Cobar), and 6417 (near Orange) and assumed operatorship. The Group was earning an 85% interest in each of the ELs under a farmin agreement.
- Applications were made for renewal of Pooraka EL 6413, Mt Barrow EL 6416 and Cumnock EL 6417 with compulsory 50% area reduction, for 2 years from 16 May 2011. Tindarey EL 6415 was relinquished in May 2011.

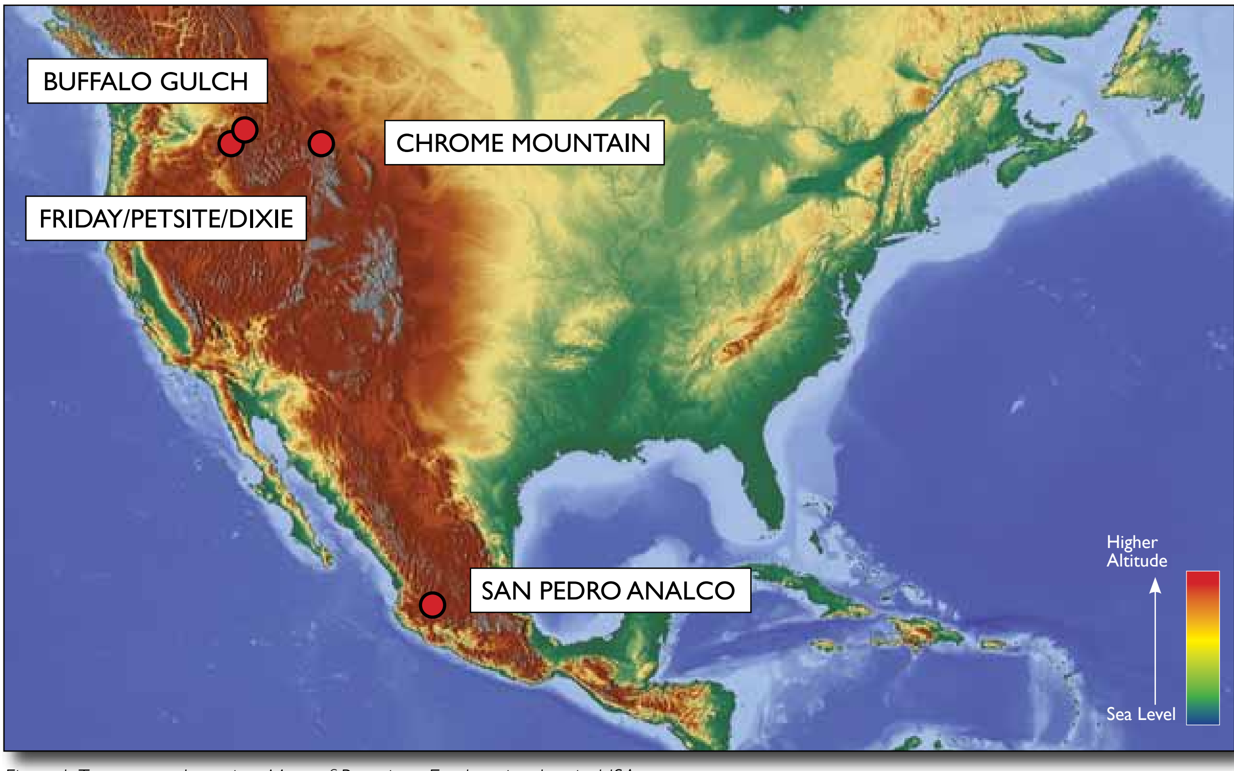


Figure 1: Tenements Location Map of Premium Exploration Inc. in USA

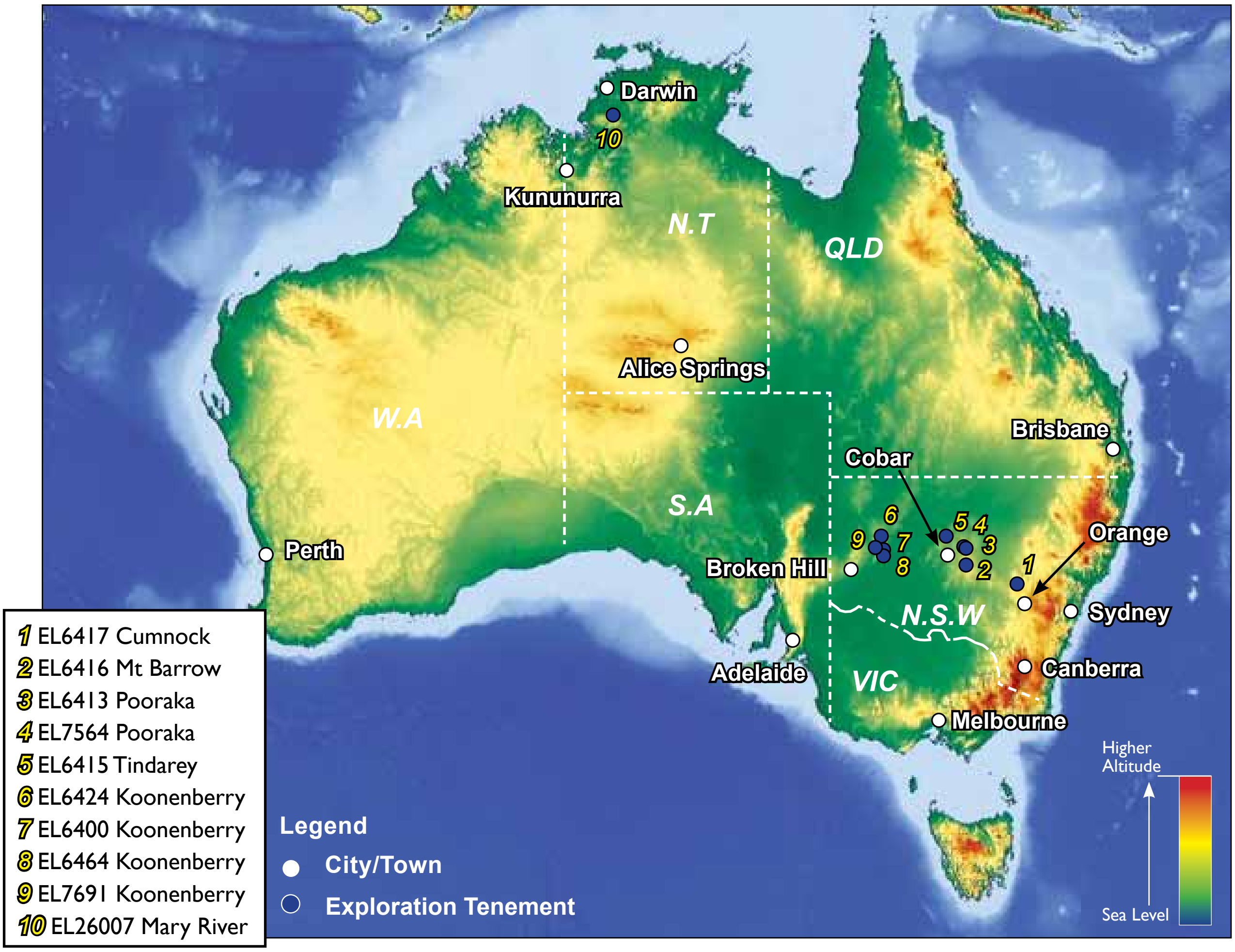


Figure 2: Tenements Location Map in Australia

INVESTMENT IN ADVANCED GOLD EXPLORATION PROJECT - IDAHO, USA

Investment in Exploration in USA

In April 2011, the Company exercised at a cost of C$1.725 million (A$1.71 million) the 5,750,000 warrants that it was granted in Premium when it made its initial investment of C$1.15 million (A$1.2 million) in October 2009 for 5,750,000 shares. Consequently, in April 2011 the Company held 11,500,000 shares in Premium at an average cash cost of C$0.25 (A$0.25) per share in keeping with its stated strategy for growth by investing in new ventures in the mining industry. The exercise of the warrants in Premium was funded from a combination of existing funds of the Company and a loan of $989,609. The loan was repaid during the year with the transfer of 1,666,667 million shares in Premium to the lender.

The Company assessed Premium to have some very exciting advanced projects and management with many years of experience in the project areas. The Company's Executive Technical Director Dr Guojian Xu has been a director of Premium since January 2010.

Premium is making new gold discoveries while exploring its district-sized Idaho Gold Project along +30 km of the Orogrande Shear Zone ("OSZ") in North-Central Idaho, USA. It stated its goal is to discover multiple gold deposits along its 30 km property; the Idaho Gold Project hosts five zones of mineralization along a 30 km trend, similar to many large gold belts such as the Carlin Trend in Nevada.

Premium's strategy of drilling structures identified by geophysics and gold-in soil trends has led to four gold discoveries and significant resource development. With growing resources and less than 1% of the +60 km's parallel and cross-cutting structures drilled to date, Premium is well positioned to create shareholder value through exploration and development of this emerging gold district.

The main project of Premium likely to have a significant near term impact on the value of the investment is the Gold Project in Idaho. Premium had completed a Phase 1 drilling program in July 2009 and a Phase 2 drilling program in December 2009 at the Idaho Gold Project. A capital raising in July 2010 funded the Phase 3 drilling program with very exciting results extending significantly its resource and areas of discoveries of gold mineralisation. Recent gold discoveries, 3 existing deposits, 15 km of gold-in-soil trends, and +60 km of structural targets provide tremendous exploration upside potential and is the focus of the 25,000 meter Phase-Four Exploration Program currently underway funded from funds received on exercise of warrants previously issued by Premium.

Details of the exploration results and program of Premium are available on their website.

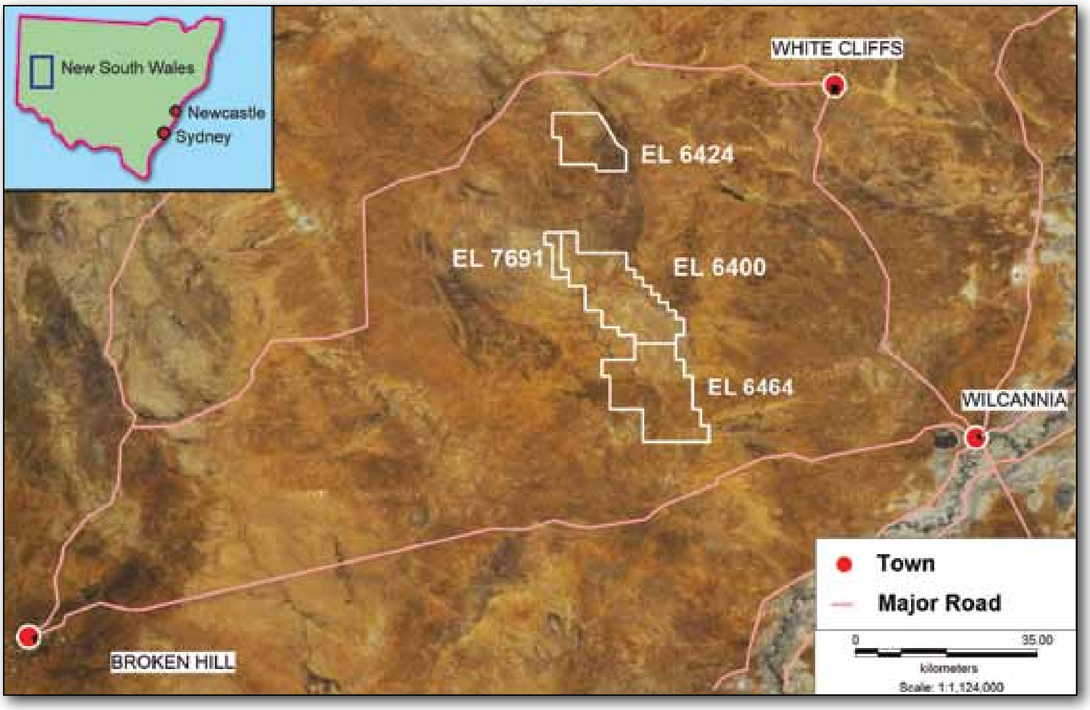


Figure 3: Koonenberry Location Map

KOONENBERRY - NSW

EL 6424, EL 6400, EL 6464 and EL 7691 (100% ownership)

In December 2009, the Company acquired 100% of the issued capital of Great Western Minerals Limited (GWM). At that time the assets of GWM consisted of farm-in arrangements in respect of ELs 6424, 6400 and 6464 covering approximately 753 sq kms in the heart of the highly prospective and under-explored Koonenberry Belt, North East of Broken Hill.

With respect to EL 6424, the farm-in allowed GWM to earn a 51% interest by expending $500,000 over the period to September 2011, with an option for a second $500,000 expenditure over the next 2 years to earn an additional 24%, to a total of 75%. In May 2010, GWM acquired a 100% interest in EL 6424 from the joint venture partner, thereby terminating the farm-in arrangements. The consideration for the acquisition consisted of a cash payment, the allotment of 200,000 fully paid ordinary shares in the Company and grant of 200,000 unlisted options to acquire fully paid ordinary shares in the Company at $0.50 per share on or before 30 June 2011. The options lapsed without being exercised. The vendors retained a 1% net smelter royalty on production from EL 6424 with the Company having a 2 year option to buy-out that royalty interest.

Under the farm-in for ELs 6400 and 6464, GWM had the right to earn a minimum 51% interest in both through expenditure of $1 million over the period to October 2011, with provision to earn up to a 75% interest, under certain conditions, after that. In August 2010, GWM acquired a 100% interest in EL 6400 and 6464 from the joint venture partner and terminated the farm-in arrangements. 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 the Company.

EL 6400, 6464 and 7691 - Grasmere, Grasmere South, and Grasmere Northwest

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 million tonnes @ 1.03% Cu, 0.35% Zn, 2.3 g/t Ag and 0.05 g/t Au (Inferred: 2.73 Mt (million tonnes) grading 0.9% copper, 0.4% zinc. 0.04 g/t (gram/tonne) 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).

The resource is open in both directions and down dip, and has strong affinities with Besshi type VMS deposits. Besshi type deposits occur in Canada, Japan and elsewhere. They are known to be concordant, and continue for large distances along strike and down dip, often as stacked lenses. Tonnages are large, ranging from 15 to 300 million tonnes, with geochemical and mineralogical signatures closely resembling those seen at Peveril and Grasmere.

New EL 7691 was granted in January 2011 consisting of 9 graticular units (approx 26 sq km) abutting the northwest part of EL 6400, and covering the western part of the Black Mountain Silverfield. Near Rawlins Tank, EL 7691 covers old diggings and geochemical anomalies that were not fully investigated by earlier explorers.

Aeromagnetic Survey and Field Work

In March and April 2010, the Company undertook a detailed (40 m x 40 m) aeromagnetic-radiometric survey over ELs 6424, 6400 and 6464. Later, detailed analysis of these data revealed subtle magnetic trends suggestive of WNW and ESE continuations of the Grasmere-Peveril line of lode, in addition to some 32 geophysical (gravity and magnetic) anomalies requiring field follow-up. In October 2010, 12 drill holes were marked out to test broader Cu rich parts of the above mentioned line of lode. Also, review of all data showed that the Black Mountain silver field, and environs, near the NW part of EL 6400 had never been drill tested.

Diamond Drilling

During May/June 2011 the Company completed 4 initial diamond drill holes, totaling 1,068 metres (Figure 4) as follows:

Summary of Diamond Drill Program

Hole No.	Collar Local Grid		Collar GDA94		Azimuth	Decl.	Length
	mE	mN	mE	mN	° Local	°	m
ADD01	22,800	25,930	661,443	6,537,350	180	60	287
ADD02	22,450	25,780	661,075	6,537,331	360	60	192
ADD03	24,950	24,880	663,110	6,535,623	360	60	300
ADD04	22,700	25,940	661,365	6,537,395	180	60	289

Note: Local grid north bears c.20.25° east of GDA94 north and c.10.25° east of magnetic north

Known Cu-Zn mineralisation occurs continually over a WNW striking distance of approximately 3.8 km. The line of lode is cut by several offsetting faults, and is most broadly developed in 2 near vertically dipping bodies or shoots, referred to as the Grasmere and the Peveril bodies.

Hole ADD01 (Figure 4A) intersected the western part of the Peveril Body and substantially increased the down dip extension of the mineralisation. **Hole ADD04** was drilled 100 metres further west and made a much narrower intersection which indicates the proximity of the western edge of the Peveril body.

Hole ADD02 (Figure 4B) was drilled to test for thickening of the mineralisation in earlier drill holes 300 metres west of the Peveril body.

Hole ADD03 (Figure 4C) was drilled to test the western part of the Grasmere body at a drill hole length of approximately 250 metres. Between 245.20 and 255.55 metres it intersected a fault zone showing core losses, suggesting the Grasmere body is displaced by a fault in that locality.

All cores were logged and photographed, and sulphide bearing intersections split by diamond saw. Half core samples (71 samples) were submitted to for multi element analysis, including 13 samples for SG determinations. Analytical results are précised below (lengths in metres, averages in brackets, Cu & Zn in %, and Ag & Au in g/t):

Hole ADD01.

- 250.50 to 254.0 (3.50 m). 6% - 15% sulphides. Cu 0.23%, Zn 0.1%, Ag 0.6 g/t.
- 254.0 to 257.33 (3.33 m). 45% - 65% sulphides. Cu 3.33%, Zn 0.44%, Ag 7.3 g/t, Au 0.08 g/t.
- 257.33 to 259.00 (1.67 m). 1.5% - 5+% sulphides. Cu 0.22%, Ag 0.4 g/t.

Hole ADD02.

- 158.2 to 158.4 (0.2 m). 60+% sulphides. Cu 3.17%, Zn 0.31%, Ag 5.2 g/t, Au 0.04 g/t
- 158.4 to 160.5 (3.4 m). 1% to 16% sulphides. Cu to 0.29%, Zn to 0.72%, Ag to 0.6 g/t.
- 268.68 to 269.34 (0.66 m). 50% - 70% sulphides. Cu 2.07 to 6.89% (4.14%), Zn 0.2 to 2.03% (0.81%), Ag 5 to 13 g/t (8.8g/t), Au 0.1 to 0.2 g/t (0.16g/t)

Hole ADD04.

- 268.81 to 269.54 (0.73m). 65+% sulphides. Cu 4.81%, Zn 0.80%, Ag 10.1 g/t, Au 0.15 g/t.

Sulphide minerals were noted to consist of pyrite, with lesser chalcopyrite, sphalerite and pyrrhotite, but proportions were difficult to estimate visually. Shears and crush zones were noted in all holes. As listed above, high grade intersections (45%-65+% sulphides) were noted to be associated in part with lower grade intersections (2%-20% sulphides) containing of the same four sulphide minerals.

High grade copper intersections were noted as follows:

Hole	Intersection, m		Length	Cu	Zn	Ag	Au
No	from	to	m	%	%	g/t	g/t
ADD01	254.00	257.33	3.33	3.33	0.44	7.3	0.08
ADD02	158.20	158.40	0.20	3.17	0.31	5.2	0.04
ADD04	268.81	269.54	0.73	4.81	0.80	10.1	0.15

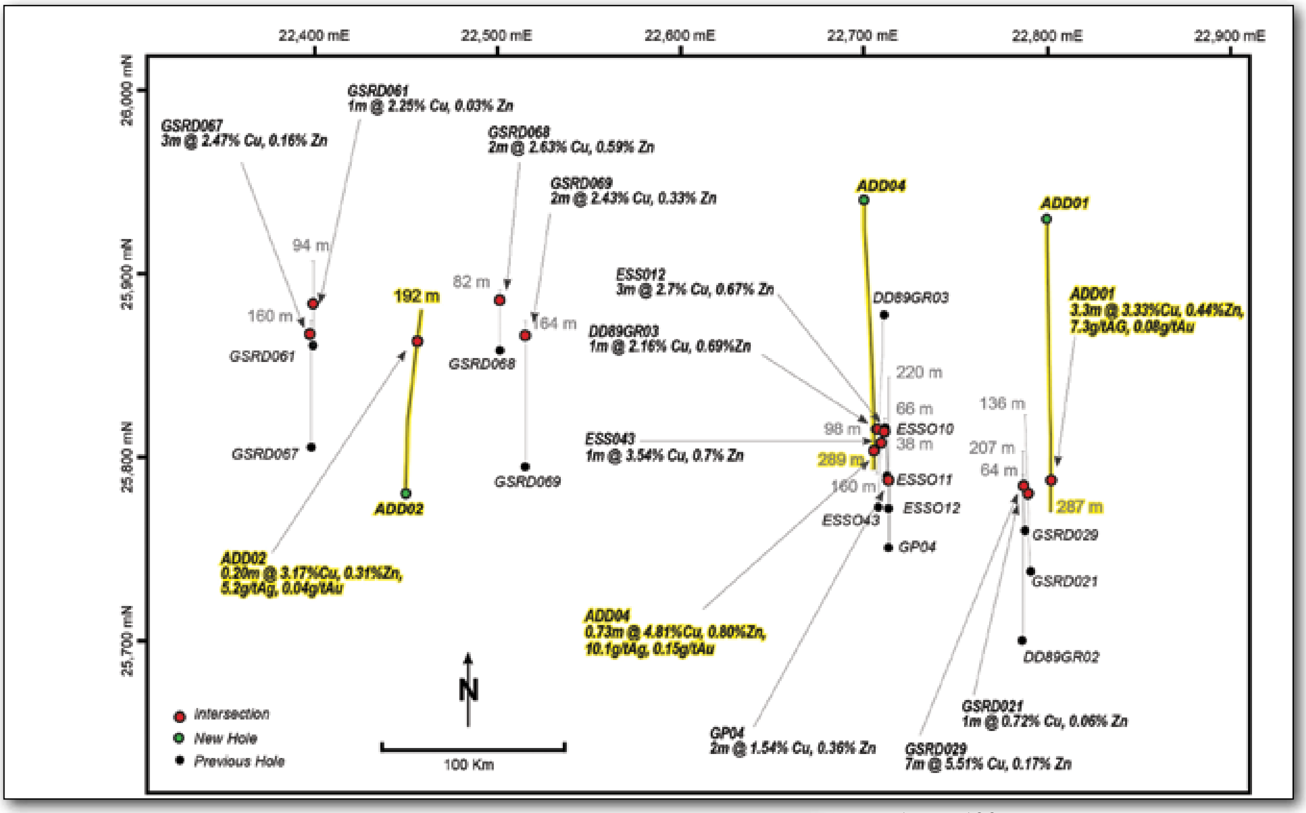


Figure 4: EL 6400 Recent Koonenberry Drilling

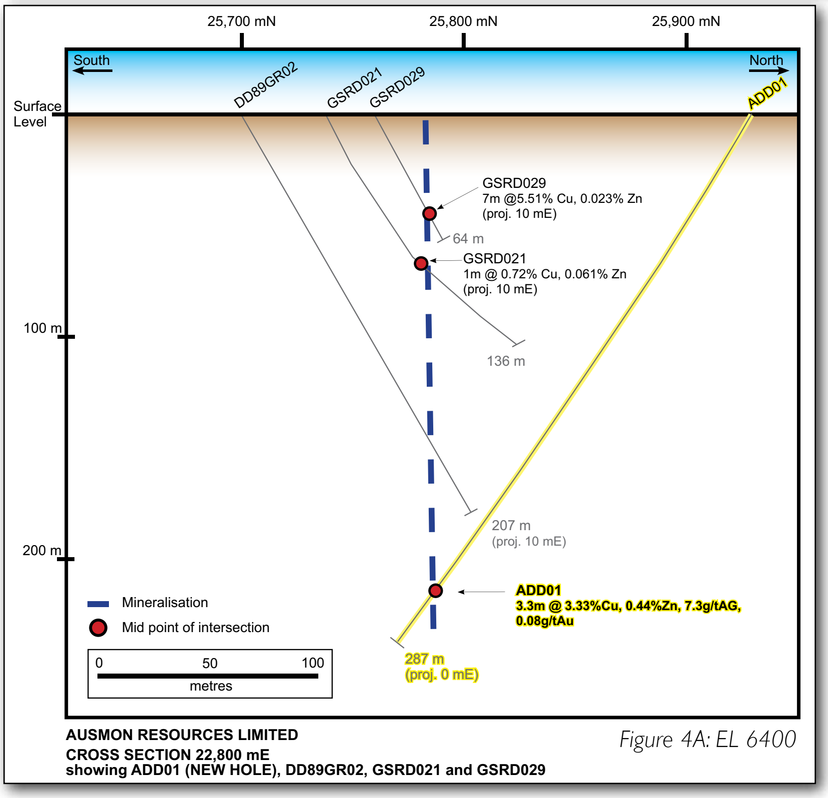


Figure 4A: EL 6400

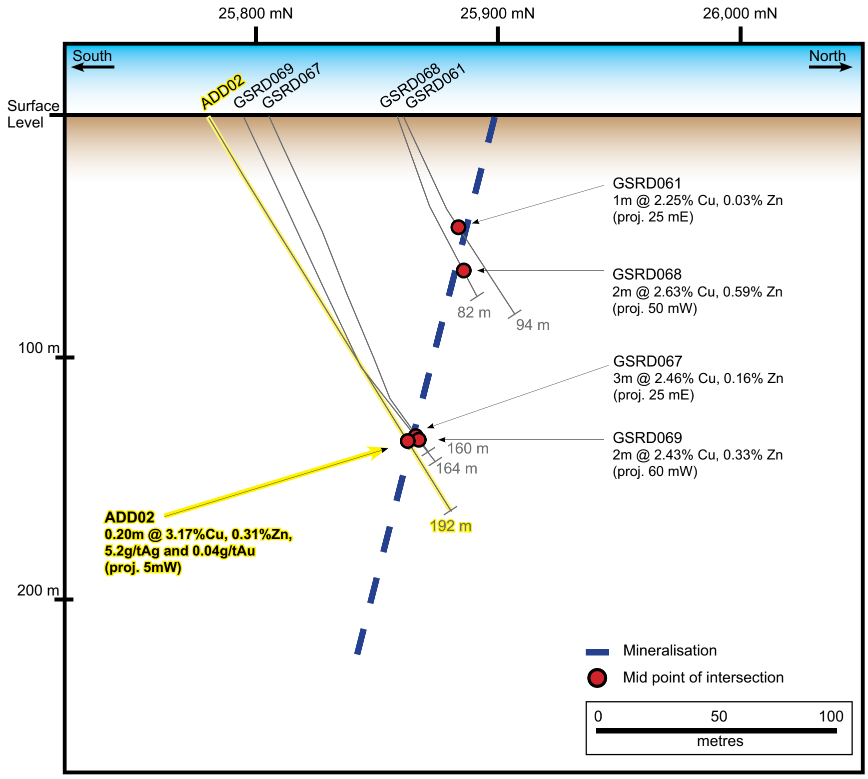


Figure 4B: EL 6400

AUSMON RESOURCES LIMITED
CROSS SECTION 22,450 mE
showing ADD02 (New Hole), GSRD061, GSRD067, GSRD068 and GSRD069

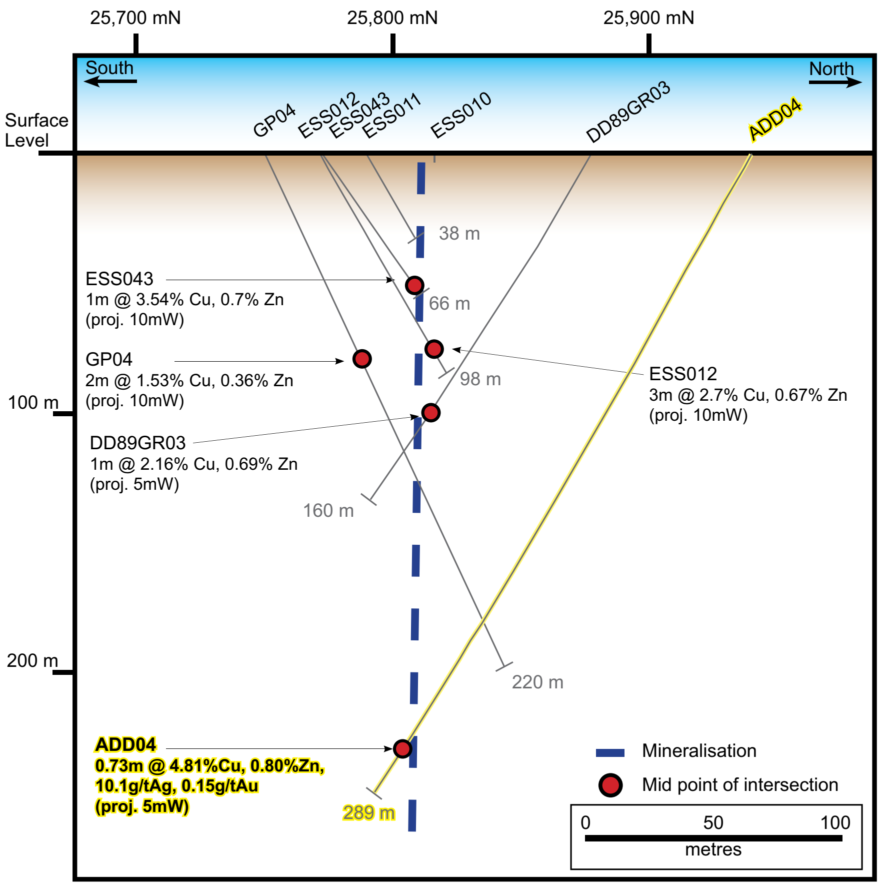


Figure 4C: EL 6400

AUSMON RESOURCES LIMITED
CROSS SECTION 22,700 mE
showing ADD04 (New Hole), GP04, ESS010, ESS011, ESS012, ESS043 and DD89GR03

Discovery of Probable WNW Extensions to the Line of Lode

Recent detailed (1:1000 scale) fault delineation and lithological mapping has led to the discovery of a new, south-east displaced, fault bounded, slice of the line of lode, roughly one km north of recent Company drilling. Lithological, fault line, and aeromagnetic evidence clearly point to further extensions to the west north-west as shown in Figure 5. Earlier explorers were beguiled by high copper concentrations in soils draining that area, leading to the drilling of extensive lines (fences) of RAB (bedrock probing) holes—shown as brown dots on Figure 5. The presence of strong copper anomalies also pointed to the likelihood of higher concentrations of copper sulphides in hidden lodes to the west north-west. Recent mapping has clearly shown that the lode extension does not outcrop, but is revealed by lines of gypsum rich sink holes. This potentially Cu rich target requires testing by RC percussion and diamond drilling.

Effect of Recent Work

Recent diamond drilling results are expected to increase the known resource in the Peveril-Grasmere Cu deposits (calculations pending). It also demonstrated that higher grade Cu zones (shoots) are primary in nature, and not due to supergene enrichment effects. Lode extensions to the WNW will now be located by mapping and, if required, bedrock (air core drill) sampling. Sulphide shoots will then need to be tested by RC percussion and diamond drilling. The expectation now is that the Cu sulphide content of lodes increases towards the WNW.

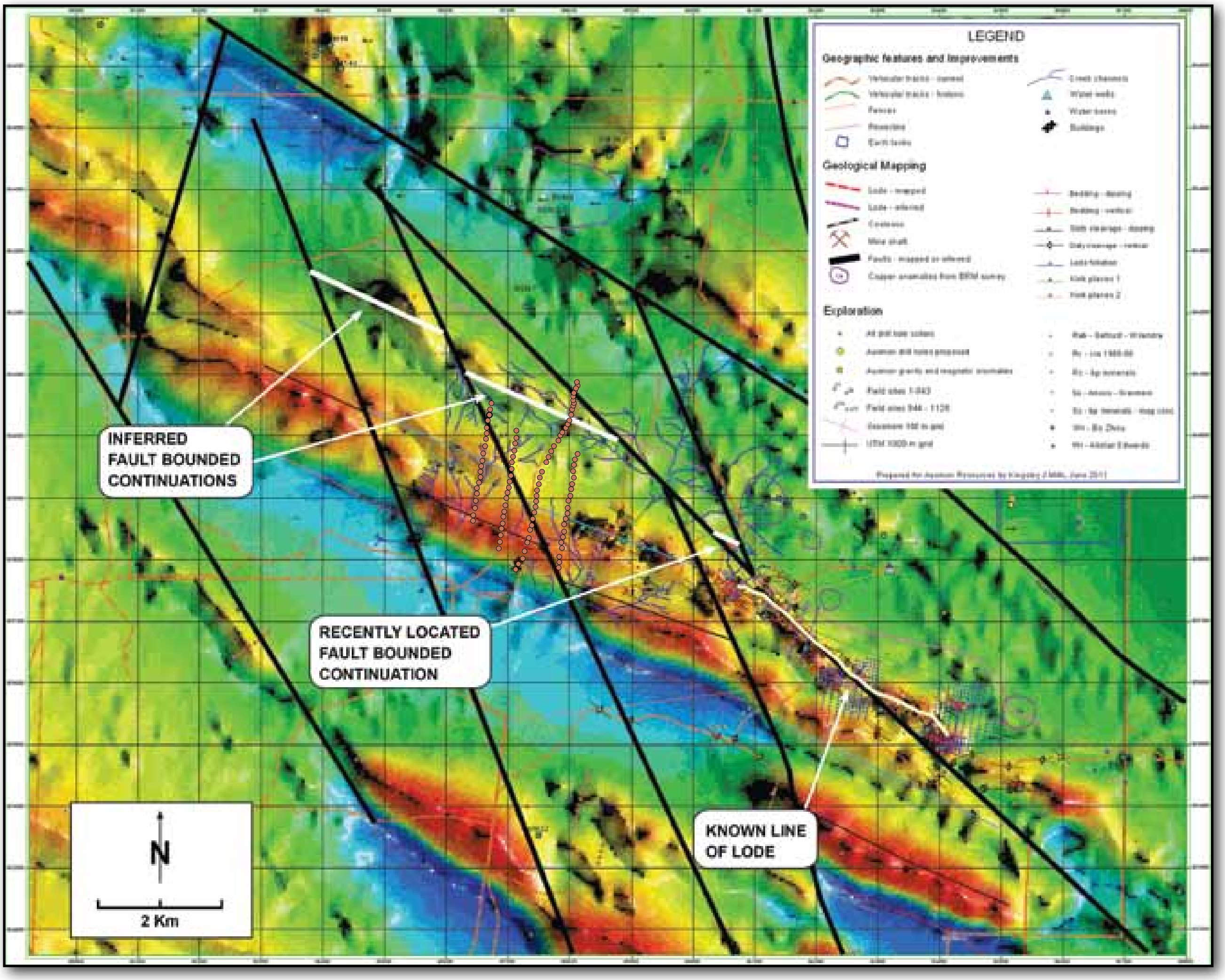


Figure 5: EL 6400 - Probable WNW Extension To Grasmere Peverill Line Of Lode.

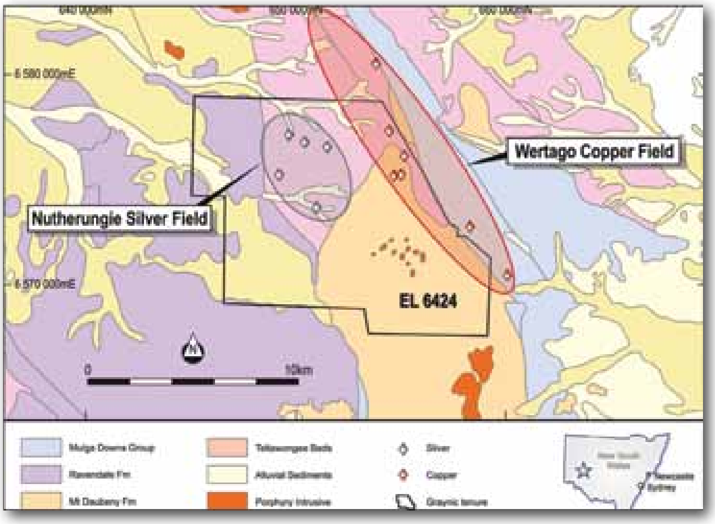


Figure 6: Koonenberry - EL 6424 Regional Geology Map

EL 6424—Wertago and Nutherungie Fields

EL 6424 contains the historic Wertago Copper Field and the Nutherungie Silver Field (Figure 6), both of which are considered highly prospective and underexplored. Detailed mapping and sampling, in the September quarter of 2010, resulted in 49 rock chip samples being collected from the Wertago-Eclipse-Brady's-Copper Well-Bunker Hill area, and the Nutherungie Silver Field. These were submitted for multi element analysis, with gold values being of prime interest. Gold values ranged from 5 to 345 parts per billion (ppb), with highest values at Elipse and Brady's. Six RC percussion holes were tentatively marked out for later drilling. In early 2011, detailed analysis of current and historic geophysical data revealed 10 new anomalies requiring follow up. At the same time concept studies undertaken separately by the Company and geologists at Newcastle University have come up with a geological model which has the Nutherungie Silverfield as an epithermal cap overlying a large, hidden porphyry Cu-Au system at depth. The latter expresses as a gravity high, with the above mentioned Cu deposits representing epithermal leakage along the eastern part.

The plan now is to undertake a detailed (surface) gravity survey to hone targets for deep drilling. Several deep (300 m to 400 m) diamond drill holes would then be required to test the above concept. Shallow RC percussion drilling of selected shallow epithermal gold and silver targets also needs to be be undertaken.

COBAR - ORANGE - NSW

EL 6413, EL 6416, EL 6417 and EL 7564 (100% ownership)

EL 6415 - relinquished in May 2011

Following submission of Annual Reports and renewal applications to the NSW Department of Primary Industries ("DPI") in 2009, all four ELs 6413, 6415, 6416 and 6417 were renewed, with compulsory 50% area reduction, until 16 May 2011.

In 2009, 10 m x 100 m RC percussion holes were drilled into bedrock gold and base metal anomalies on 3 of the ELs - Tindarey EL 6415 (6 holes), Pooraka EL 6413 (2 holes), and Mt Barrow EL 6416 (2 holes). Targets were selected on the basis of exploration work undertaken in prior year. In all 1,000 one metre samples were collected and assayed for Au, Ag, Cu, Pb, Zn, As, and S.

Background Au values on all 3 ELs were noted to be around 5 ppb (parts per billion) with anomalous gold intersections ranging from 40 ppb to 1,650 ppb. Principal findings and conclusions were as follows:

Tindarey EL 6415

The 6 Tindarey holes contained the highest proportion of Au anomalous material - about 8% of the total. Gold anomalous intervals were mostly 1 m, and sometimes 2 m or 3 m in length. Anomalous gold was mainly accompanied by anomalous silver ranging from 0.2 ppm to 1.7 ppm. Coincident high base metal (Cu, Pb, Zn) and arsenic values were not common, but noted in holes T1 (68 m - 69 m) and T6 (41 m - 42 m). The hydrothermal mineralising event that formed the Merrere Goldfield was clearly extensive, and related to low angle cross shearing, leading to the introduction of swarms of broad to narrow quartz veins associated with minor sulphides and chlorite (now sheared). In historical records high to bonanza gold grades were noted in narrow veins and pods, but the drilling programme did not detect a hoped for minable low grade envelope (of say 2 ppm to 4 ppm Au) around the diggings. Findings strongly downgraded the potential of Tindarey EL 6415, including the nearby (undrilled) Golconda Goldfield, which closely resembles the Merrere Goldfield. As a result of the above work EL 6415 was relinquished in May 2011.

Mt Barrow EL 6416

Drilling of two bedrock gold anomalies in the Glengarry Gossan Field (Holes MB1 and MB2) confirmed that high bedrock Au values did not improve substantially with depth, but reaffirmed the fertile nature of a large mineralising system, which still requires further investigation, possibly using geophysics, before it can be discounted. The gossan field is extensive, proximal to a volcanic centre, and weekend prospectors have allegedly found small gold nuggets in ironstone floats about 1 km from the above two holes drilled by the Company. Prospecting and bedrock (augur) sampling undertaken on central parts of the EL in early 2011 led to the discovery of strong base metal and gold anomalies above a magnetic high. These anomalies need to be more precisely honed using close spaced air core drilling in 2011/2012, as a precursor to possible RC percussion drilling.

Pooraka ELs 6413 and 7564

Drilling of one bedrock gold anomaly (Hole P1, west of Langbein) indicated that it did not persist at depth. The second drill hole (P2, near Langbein) detected three 13 m to 15 m long zones containing significant Pb and Au values (up to 1,615 ppm Pb, and 166 ppb Au) which are worthy of further investigation. The EL also contains 5 or 6 other untested gold-silver-base metal anomalies, including one co-incident magnetic anomaly.

Pooraka EL 6413 and EL 7564 are highly prospective for Au, and Pb-Zn-Ag deposits, with untested targets close to, and on strike from Mt Boppy. The main targets were noted to be the Mt Boppy - Hardwicks - Langbein, and West Langbein - McGuiness Au-Pb trends.

In early 2011, it was decided to study these trends in greater detail by undertaking a close spaced, low level, high resolution aeromagnetic-radiometric survey over both ELs and environs. This work has yielded new anomalies and subtle aeromagnetic trends which will also require follow up bedrock sampling by air core drilling in 2011/2012.

Cumnock EL 6417 (Figure 6)

During 2009 and 2010 very extensive, close spaced, soil sampling programs were undertaken over the Mt Catombal and Gumble sub areas of the EL. In the case of Gumble some 12 Cu-Au-Zn anomalies (designated A and G) were discovered leading to the selection of two good drill targets. These are located about 1 km from Delaneys Dyke, a substantial historically mined (skarn type) deposit, which was test drilled by the previous operator in 2007 (9 RC percussion holes).

On the northern (Mt Catombal) segment of the EL, a program of close spaced soil and rock chip sampling in 2009 and 2010 highlighted 3 strong Cu-Au anomalies designated “Turmer Anomaly”, “Lawrence Anomaly”, and “Bayliss Anomaly. The andersitic volcanic host rocks (Cuga Burga Volcanics) are considered very prospective for Cadia type, and epithermal copper-gold, deposits. Numerous Cu diggings and anomalies are evident in the area and are generally associated with hydrothermal (epidote-silica-calcite-chlorite) alteration.

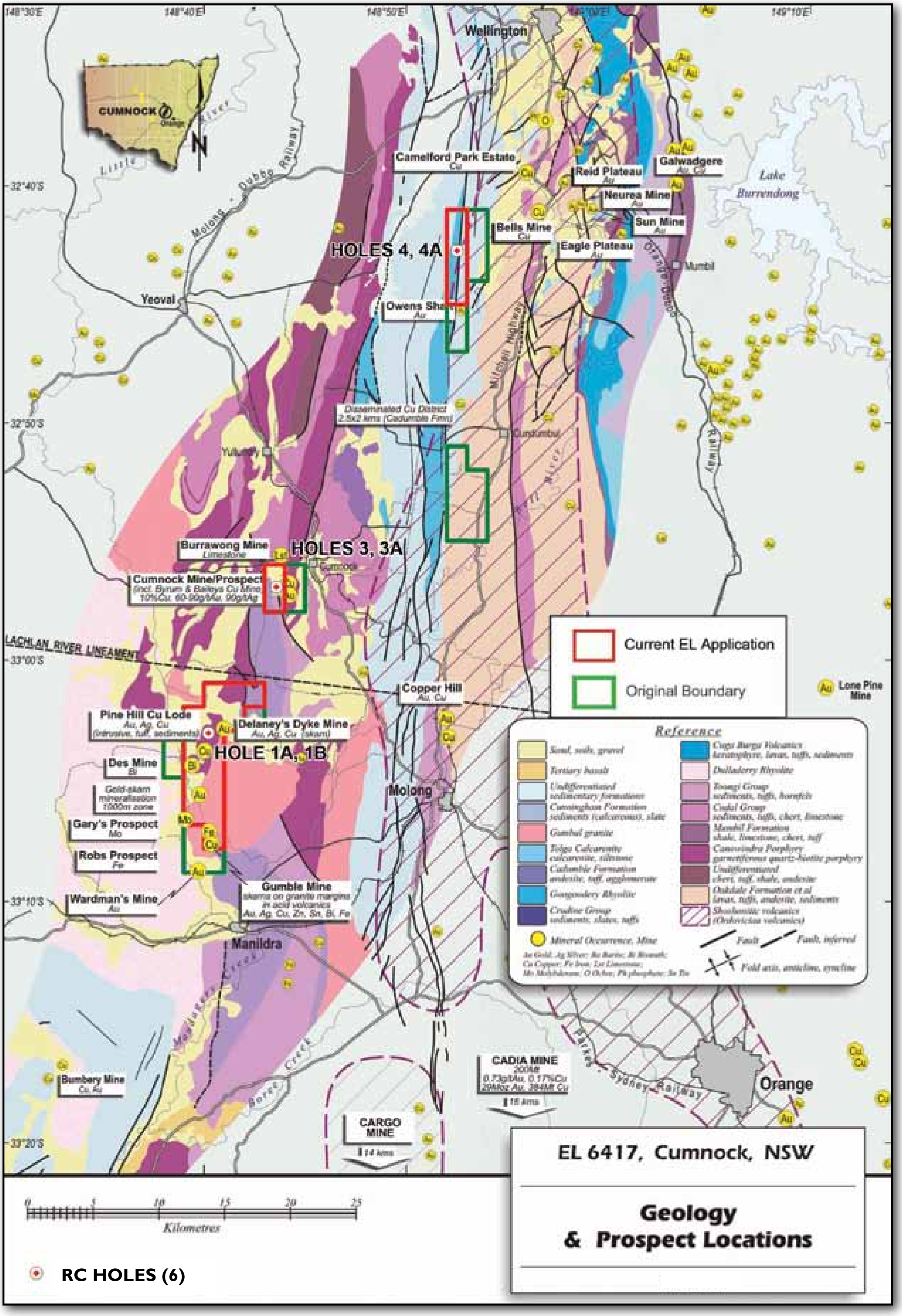
Another target of interest was the historic Cumnock Cu-Au Mine located in the sub area directly north of Gumble, where Cu-Au mineralization occurs in a north trending fracture zone in acid volcanics. Earlier work also showed this to be enveloped by a soil Cu anomaly.

In early 2011, 6 RC percussion targets were selected for drilling, two from each of the above 3 sub areas, and the holes were drilled in August 2011. All holes were sampled over 1m intervals - total 488 samples. Chips were separated, logged geologically, and retained. Intervals of interest were homogenised in the 25 kg collection bags, and 1 kg splits taken for chemical analyses. In all 279 such samples were collected and submitted for Cu, Pb, Zn, and Ag analysis (method ICP 41). Fifty were also submitted for Au analysis (AA 25), and 20 for Sn analysis (XRF).

Hole details were as follows, in order drilled;

Hole	GPS Co-ordinates	Plunge	Length
Hole 3A (Cumnock)	0661753 E 6352209 N	50 W	100 m
Hole 3 (Cumnock)	0661656 E 6352210 N	50 E	100 m
Hole 4 (Mt Catombal)	0675867 E 6377293 N	50 E	30 m
Hole 4A (Mt Catombal)	0675897 E 6377291 N	60 E	80 m
Hole 1A (Gumble)	0656538 E 6342578 N	55 E	87 m
Hole 1B (Gumble)	0656518 E 6342409 N	55 E	91 m

Targets, and initial findings are discussed in following pages.



EL 6417, Cumnock, NSW
Geology & Prospect Locations
Current EL Application
Original Boundary
RC HOLES (6)
HOLES 4, 4A
HOLES 3, 3A
HOLE 1A, 1B
Wellington
Camelford Park Estate
Reid Plateau
Galwadgere
Neurea Mine
Bells Mine
Sun Mine
Eagle Plateau
Owens Shaft
Yeoval
Burrawong Mine
Cumnock Mine/Prospect
LACHLAN RIVER LINEAMENT
Copper Hill
Pine Hill Cu Lode
Delaney's Dyke Mine
Des Mine
Gary's Prospect
Robs Prospect
Wardman's Mine
Gumble Mine
Manildra
Molong
Bumbery Mine
CADIA MINE
CARGO MINE
Orange
Lake Burrendong
Lone Pine Mine
CUMNOCK
Kilometres
Reference

Figure 7

Target 1—Gumble Skarns (2 holes)

Two inclined (55 degree) holes were drilled into Anomaly A. Anomaly A (~656550mE, 6342000mN), takes in old surface diggings, and is a Cu (<135 ppm), Au (<23 ppb), As (<23 ppm), Zn (<163 ppm) anomaly located about 200 m west of the contact of the Gumble Granite with the Kabadah Formation (Figure 8). The anomaly most probably reflects skarn mineralization in bedrock. The expectation was that these targets could contain Cu-Zn sulphides, with some Ag, and Au, and possibly tin (as cassiterite-SnO_2).

The first hole (designated Hole 1A) targeted old diggings in a gossanous (silicified ironstone) outcrops. The second (designated Hole 1B) was on the same line as Hole 1 but 60 m closer to the target. Hole 1A encountered red-brown soils (0 - 12 m), followed by shaly sediments with lesser volcanics (12 m - 45 m). This was underlain (45 m - 49 m) by what looked like weathered Fe sulphides, then by wet limestone karst muds containing sandstone and shale chips (49 m - 56 m). The interval from 56m - 58m consisted of similar (karst) muds, but with 10% to 15% Cu carbonate (malachite and azurite) chips. Muds, with traces of Cu carbonate chips persisted to 64 m, followed by black shales with minor traces of Cu carbonates and non-magnetic black specks (possibly SnO_2). The hole was stopped at 87 m in shales.

Hole 1B intersected deep, rich soils underlain by weathered basic volcanics to 36 m. Below that monotonous limestones persisted, with lesser interbedded black shales. One weathered limestone/ shale contact zone (70 m - 73 m) looked somewhat silicified and ferruginised. The hole was stopped at 91 m in black shales with minor limestone.

Target 2—Cumnock Cu Mine (2 holes)

An earlier soil geochemical survey over the historic Cumnock Cu Mine area revealed an extensive Cu anomaly, open to the south. Historically the Cumnock Cu Mine produced some 10+ tonnes of 10+% Cu ore with Au (60 g/t-90 g/t), and Ag (90 g/t) credits. Mineralisation in dumps exhibits as sulphide blebs and disseminations associated with quartz veins in fractured Silurian, acid volcanic, rocks.

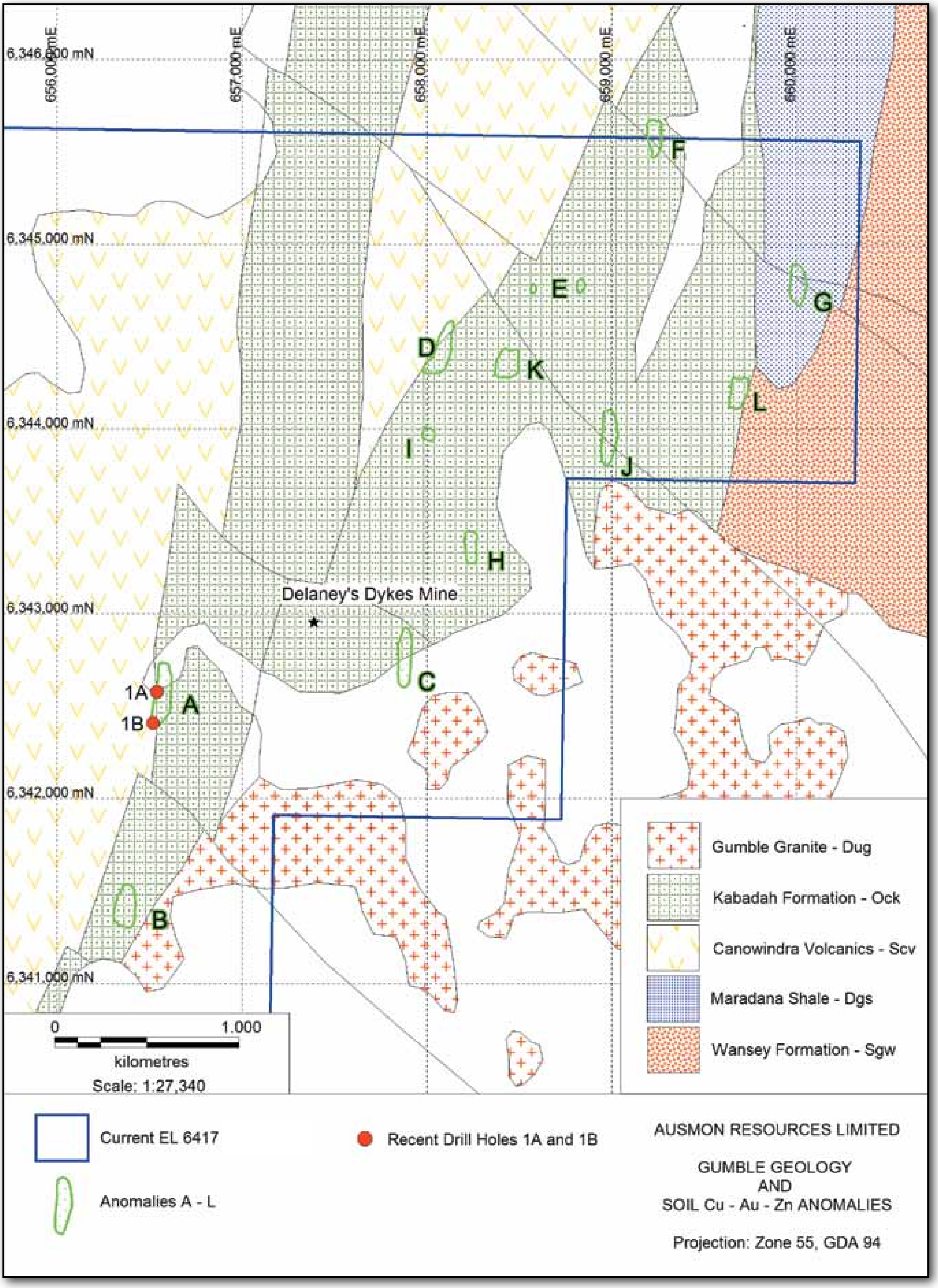
Two inclined (50 degree) scissor holes (designated 3 and 3A) were sunk beneath the Cumnock Cu Mine to test for possible disseminated and/or vein-type Cu-Zn sulphides with Au-Ag credits. Both holes 3 and 3A mainly intersected fine grained grey-olive acid volcanics, with variable amounts of vein quartz. In Hole 3 trace to minor amounts of very fine grained sulphides (mainly pyrite, with lesser chalcopyrite) were noted between 48 m and 62 m. The highest sulphide concentration (5% to 10%) were noted around 58 m. Minor lithologies included felsic volcanics and thin shale bands.

Target 3—Mt Catombal epithermal Cu-Au targets (2 holes)

This area covers several old Cu and Au diggings and extensive soil and rock chip Cu-Au anomalies in the Cuga Burga Volcanics, a 10 km long 1.8 km wide patch of fault bounded, NNE striking, mainly andesitic, rocks. These dip moderately to the west, and form part of the eastern limb of a regional syncline. The rocks exhibit widespread epidote alteration associated with disseminated pyrite-chalcopyrite and minor epithermal quartz, suggesting the possibility of large undiscovered Mt Aubrey type Cu-Au deposits. Variations in magnetic response (due to selective magnetite destruction) also point to extensive hydrothermal activity. Detailed soil sampling by the Company in 2009 and 2010 led to the delineation of 3 large Cu anomalous areas, named the Turner, Lawrence and Bayliss anomalies, after the landholders.

Two inclined RC holes were sunk into the most Cu anomalous part of Turner anomaly. The anomaly (<1580 ppm, background 50 ppm) is extensive, near the eastern edge of the volcanic sequence, and close to a faulted contact with sedimentary rocks. The first hole, designated Hole 4, reached refusal at 30 m. The plunge angle (50 degrees) was apparently too low for the conditions (wet, hard, fractured rocks), so a second, more steeply inclined (60 degree) hole, designated 4A, was then spudded about 30 m to the east, and drilled to 80 m. Both holes encountered weathered, ferruginised, intermediate volcanics, with quartz veining and abundant epidote, however no secondary Cu minerals were seen, apart from possible cuprite, which resembles iron oxides.

Analytical results are awaited.



6,346,000 mN
6,345,000 mN
6,344,000 mN
6,343,000 mN
6,342,000 mN
6,341,000 mN
656,000 mE
657,000 mE
658,000 mE
659,000 mE
660,000 mE
A
B
C
D
E
F
G
H
I
J
K
L
1A
1B
Delaney's Dykes Mine
0
1,000
kilometres
Scale: 1:27,340
Gumble Granite - Dug
Kabadah Formation - Ock
Canowindra Volcanics - Scv
Maradana Shale - Dgs
Wansey Formation - Sgw
Current EL 6417
Anomalies A - L
Recent Drill Holes 1A and 1B
AUSMON RESOURCES LIMITED
GUMBLE GEOLOGY
AND
SOIL Cu - Au - Zn ANOMALIES
Projection: Zone 55, GDA 94

Figure 8

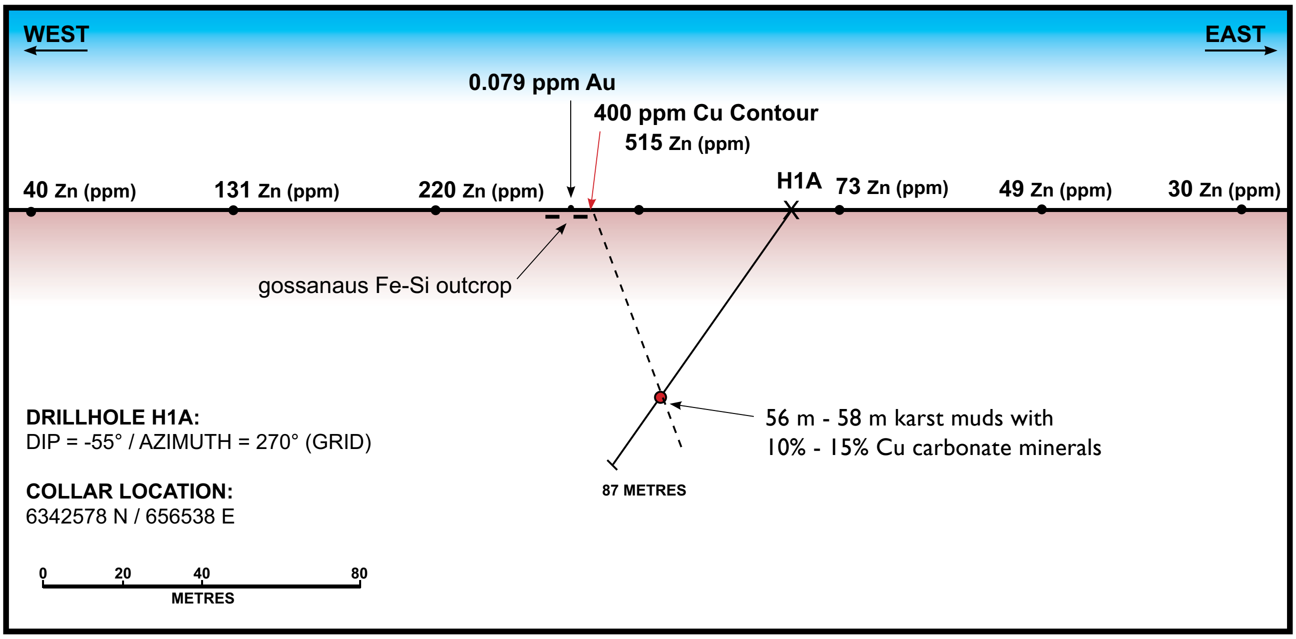


Figure 9: EL 6417 - Cross Section - Gumble - Anomaly 'A' - Drillhole - 1A

MARY RIVER - NEAR PINE CREEK, NT

EL 26007, (relinquished 100% ownership)

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. During the licence year to November 2010 it was proposed to undertake additional mapping, prospecting and sampling in those area, however access and weather issues intervened, and the decision was taken to relinquish the EL in December 2010.

(The information in this report that relates to Resources and 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.)

Licence Schedule

as at the date of this report

Licence	Location	Project Name	Interest
EL 6413	New South Wales	Pooraka 1	100%
EL 7564	New South Wales	Pooraka 2	100%
EL 6416	New South Wales	Mt Burrow	100%
EL 6417	New South Wales	Cumnock	100%
EL 6400	New South Wales	Koonenberry - Grasmere	100%
EL 6424	New South Wales	Koonenberry - Wertago	100%
EL 6464	New South Wales	Koonenberry - Grasmere South	100%
EL 7691	New South Wales	Koonenberry - Grasmere NW	100%

The Directors present their report on Ausmon Resources Limited ("Company") and its controlled entity ("Group") for the financial year ended 30 June 2011.

DIRECTORS

The names of Directors in office at any time during or since the end of the year are:

King Ming Fan

Executive Chairman

Mr Fan was the Non-Executive Chairman during the financial year and was appointed Executive Chairman and Chief Executive Officer of the Company on 30 June 2011. He has over 30 years experience in diversified businesses in Hong Kong, China and Australia. He has a wide network of business and official relationships in China and has been assisting Australian companies to invest in China. More recently, he has been facilitating investment in Australia by both government and privately owned Chinese entities in a wide range of business sectors.

Special responsibilities: *Member of the Remuneration Committee.*
Current directorship of other listed public companies: *None.*
Former directorship of listed public companies in the last three years: *None.*

John Qiang Wang

Finance Director

Mr Wang holds a Bachelor of Computer Science from Shanghai University and a Master of Business Administration from the University of Technology, Sydney. He is a Justice of the Peace with more than 20 years experience in the accounting profession in Australia. He is a Fellow Member of the Taxation Institute of Australia, a member of National Institute of Accountants and an affiliate member of the Financial Planner Association of Australia. He was an Executive Director during the financial year and was appointed Finance Director on 30 June 2011. He is also the Company Secretary of the Company.

Special responsibilities: *Member of the Audit Committee.*
Current directorship of other listed public companies: *None.*
Former directorship of listed public companies in the last three years: *None.*

Gang (Gary) Zheng

Projects Director

Mr Zheng has over 15 years experience in business in China, primarily in Shanghai and Beijing, and also in Australia. He has developed a good network of business and investors relationships in China and Australia. He has been working in conjunction with Mr Fan for a number of years. He was an Executive Director during the financial year and was appointed Projects Director on 30 June 2011.

Special responsibilities: : *None.*
Current directorship of other listed public companies: *None.*
Former directorship of listed public companies in the last three years: *None.*

David William King

Non-Executive Director,
Resigned 25 July 2011

Dr King graduated with a First Class Honours degree in Physics/Mathematics from the University of East Anglia in 1968, a Masters degree in geophysics from Imperial College, University of London in 1969, and a PhD in Seismology from the Australian National University in 1974. After an early academic research career, he held executive positions at Offshore Oil NL and Hartogen Energy Limited before an appointment as Managing Director of gold producer North Flinders Mines Ltd. In 1991, he joined Beach Petroleum/Claremont Petroleum as Chief Executive Officer and Director, a position he held until 1995.

Special responsibilities: *Chairman of the Audit Committee and the Remuneration Committee.*
Current directorship of other listed public companies: *Eastern Star Gas Limited, Cellmid Limited (Chairman since January 2008) and Robust Resources Limited (Chairman since February 2010).*
Former directorship of listed public companies in the last three years: *Gas2Grid Limited (December 2004 to August 2008) and Sapex Limited (March 2006 to October 2008).*

COMPANY SECRETARY

Mr John Qiang Wang (Finance Director) is the Company Secretary of the Company as at the end of the financial year and at the date of this report.

PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year consisted of acquiring interests and carrying out exploration in minerals tenements with a focus on gold, silver, copper and other base metals and also seeking new projects in the resources industry.

OPERATING RESULTS

The loss of the Group after income tax for the year was $1,468,751 (2010: $1,238,398).

FINANCIAL POSITION

The net assets of the Group at 30 June 2011 were $6,784,184 (2010: $6,712,711). Total assets decreased by $164,590 and total liabilities decreased by $236,063 with cash on hand of $230,284 (2010: $1,937,975) and no borrowings.

DIVIDENDS

No dividends have been paid or declared by the Company since the beginning of the year.

STATE OF AFFAIRS

The following significant changes in the state of affairs of the Company occurred during the financial year:

(a) Issue of a total of 10,159,121 fully paid ordinary shares for cash proceeds of $800,000 and settlement of consultants fees and 2010 directors fees of $1,621,007;

(b) Issue of 1,000,000 fully paid ordinary shares as part consideration for acquisition of 100% interests in exploration licences 6400 and 6464 in New South Wales; and

(c) Issue of 400,000 fully paid ordinary shares for acquisition of 15% interests in exploration licences 6413, 6416, 6417 and 7564 in New South Wales.

(d) Exercise of 5.75 million warrants increased the Company's investment to 11.5 million shares in Premium Exploration Inc. ("Premium"), a North American gold and precious metals explorer with advanced exploration projects and listed on TSX Venture Exchange of Canada (TSX-V).

REVIEW OF OPERATIONS AND LIKELY DEVELOPMENTS

A Review of Operations for the financial year, together with future prospects, is set out on pages 2 to 15.

During the subsequent financial year the likely developments of the Group will involve continuation of exploration in its tenements to define mineral resources and seeking additional projects in Australia and overseas. Except as described elsewhere in this Annual Report, the likely results of the exploration activities are unknown at the date of this report.

ENVIRONMENTAL ISSUES

The Group's operations are subject to significant environmental and other regulations under the laws of the Commonwealth and State. The Group has a policy of engaging appropriately experienced contractors and consultants to advise on and ensure compliance with environmental regulations in respect of its exploration activities. There have been no reports of breaches of environmental regulations in the financial year and at the date of this report.

AFTER BALANCE DATE EVENTS

In the opinion of the Directors, no items, transactions or events of a material or unusual nature have arisen in the interval between the end of the financial year and the date of this report which have significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

REMUNERATION REPORT

Details of the nature and amount of remuneration for each key management personnel of Ausmon Resources Limited and for the executives receiving the highest remuneration are set out below.

Remuneration Policy and Practices

The Group's policy for determining the nature and amount of remuneration of Board members and senior executives is as follows:

(i) Non-Executive Directors

The Board's policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities with annual reviews based on market practices.

The maximum aggregate annual remuneration of Non-Executive Directors is subject to approval by the shareholders in general meeting. The Company had determined the maximum aggregate amount at $500,000 per year.

(ii) Key Management Personnel

The remuneration structure for senior executives, including Executive Directors, is based on a number of factors, including qualifications, particular experience and general past performance of the individual concerned, overall performance of the Group and general human resources market pricing. There is no predetermined equity compensation element within the remuneration structure nor predetermined performance condition to be satisfied. Remuneration including equity compensation is reviewed on an annual basis with advice from external remuneration advisers as may be required. There are no contracts for service between the Company and Executive Directors and other key management personnel currently in place.

The Board along with the Remuneration Committee determines payments to Non-Executive and Executive Directors and other key management personnel. During and after the year, the Board, having regards to the development of the Group resolved to remunerate Directors for the year ended 30 June 2011 as follows:

- the Chairman and the Executive Directors $222,080 (inclusive of any superannuation contributions) for the financial year, each paid in cash of $102,080 during the year and by the issue of 600,000 fully paid ordinary shares at $0.20 per share in the Company subject to approval of shareholders at a general meeting; and

- the Deputy Chairman $44,000 for the financial year (inclusive of any superannuation contributions) payable by the issue of 220,000 fully paid ordinary shares at $0.20 per share in the Company subject to approval of shareholders at a general meeting.

Company performance, shareholder wealth and Director and executive remuneration

The remuneration policy at this early stage of the Group has been tailored for goal congruence between shareholders, directors and executives.

Employee Incentive Plan

The Company has established an Ausmon Resources Limited Employee Incentive Plan under which the Directors may offer options and ordinary shares in the Company to eligible persons. The Directors may also offer interest free loans for terms of up to 5 years under the plan for subscription of shares and under such loans the Company holds a lien over the issued shares. The options are issued free at grant. The shares may not be subscribed for less than the market value of the shares at the time an offer is made under the plan. The maximum total number of options and shares that may be offered or issued under the plan may not exceed 10% of the issued shares of the Company.

The shares issued under the plan rank pari passu with other issued ordinary shares and are not listed while there are loans outstanding on the subscription of the shares. Executives participate in the Ausmon Resources Employee Incentive Plan at the invitation of the Board after a review of performance. Directors may participate in the Plan subject to approval of shareholders.

No options or ordinary shares were granted under the plan during the financial year.

Key Management Personnel Remuneration

The key management personnel of the Group are the Directors K M Fan, D W King, J Q Wang and G Zheng.

	Short-term benefits		Post employment		Share-based payment		
	Cash salary and fees	Non-cash benefits	Superannuation	Termination benefits	Options	Total	Total remuneration represented by options
	$	$	$	$	$	$	%
2011							
K M Fan	222,080	-	-	-	-	222,080	-
D W King	44,000	-	-	-	-	44,000	-
J Q Wang	222,080	-	-	-	-	222,080	-
G Zheng	222,080	-	-	-	-	222,080	-
	710,240	-	-	-	-	710,240	-

At 30 June 2011 Director's fees amounting to $404,000, included above, were accrued and have not been paid as at the date of this report. The Directors agreed, subject to shareholders' approval at a general meeting, for this remuneration due and payable at 30 June 2011 to be made in fully paid ordinary shares in the Company at 20 cents per share (arrived at by reference to the market price of the shares).

	Short-term benefits		Post employment		Share-based payment		
	Cash salary and fees	Non-cash benefits	Superannuation	Termination benefits	Options	Total	Total remuneration represented by options
	$	$	$	$	$	$	%
2010							
K M Fan	220,000	-	-	-	-	220,000	-
D W King	77,000	-	-	-	-	77,000	-
J Q Wang	220,000	-	-	-	-	220,000	-
G Zheng	220,000	-	-	-	-	220,000	-
	737,000	-	-	-	-	737,000	-

At the annual general meeting held on 25 November 2010 shareholders approved for the total remuneration due and payable at 30 June 2010 of $737,000 to be made in fully paid ordinary shares in the Company at 22 cents per share. The shares were issued on 6 December 2010.

Key Management Shareholdings

	Balance at beginning of year	Granted as compensation	Issued on exercise of options	Other changes	Balance at end of year
2011					
K M Fan, J Q Wang and G Zheng[1]	24,300,000	-	-	-	24,300,000
K M Fan[2]	1,875,001	-	-	250,000	2,125,001
D W King[3]	280,001	-	-	350,000	630,001
J Q Wang[4]	1,137,501	-	-	380,000	1,517,501
G Zheng[5]	1,207,501	-	-	1,000,000	2,207,501
	28,800,004	-	-	1,980,000	30,780,004

	Balance at beginning of year	Granted as compensation	Issued on exercise of options	Other changes	Balance at end of year
2010					
K M Fan, J Q Wang and G Zheng[1]	24,300,000	-	-	-	24,300,000
K M Fan[2]	1,875,001	-	-	-	1,875,001
D W King[3]	280,001	-	-	-	280,001
J Q Wang[4]	1,137,501	-	-	-	1,137,501
G Zheng[5]	1,237,501	-	-	(30,000)	1,207,501
	28,830,004	-	-	(30,000)	28,800,004

Key Management Option holdings

	Balance at beginning of year	Granted as compensation	Issued on exercise of options	Other changes	Balance at end of year
2011					
K M Fan, J Q Wang and G Zheng[1]	12,150,000	-	-	-	12,150,000
K M Fan[2]	937,500	-	-	-	937,500
D W King[3]	145,000	-	-	-	145,000
J Q Wang[4]	668,750	-	-	-	668,750
G Zheng[5]	768,750	-	-	-	768,750
	14,670,000	-	-	-	14,670,000
2010					
K M Fan, J Q Wang and G Zheng[1]	12,150,000	-	-	-	12,150,000
K M Fan[2]	937,500	-	-	-	937,500
D W King[3]	145,000	-	-	-	145,000
J Q Wang[4]	668,750	-	-	-	668,750
G Zheng[5]	768,750	-	-	-	768,750
	14,670,000	-	-	-	14,670,000

[1] Shares are held by Aumeng Investments Limited of which Directors K M Fan, J Q Wang and G Zheng are directors and in which they have substantial financial interests.

[2] 250,000 shares are registered in the name of KMFan Family Pty Ltd <FMFan Family Trust A/C>

[3] 260,000 shares and 135,000 options are registered in the name Seistend Pty Ltd <D W King Super Fund>.

[4] 580,000 shares and 200,000 options are registered in the name of MBA Accountants Pty Ltd <Australian MBA Super Fund> of which J Q Wang is a beneficiary.

[5] 50,000 shares and 50,000 options are registered in the name of H&G Camden Pty Ltd in which G Zheng is a director.

SHARE OPTIONS

The number of options over unissued ordinary shares at the date of this report were as follows:

Options exercisable on or before 30 June 2014 at $0.80 per share:	
Listed	33,750,000

No option holder has any right under the options to participate in any share issue of the Company or of any other body corporate.

MEETINGS OF DIRECTORS

The number of meetings of Directors and number of meetings attended by each of the Directors of the Company during the financial year are as follows:

	Directors' Meetings		Audit Committee		Remuneration Committee	
	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended
K M Fan	5	5	-	-	1	1
D W King	5	4	2	2	1	-
J Q Wang	5	5	2	2	-	-
G Zheng	5	5	-	-	-	-

Board business during the year has also been effected by execution of circulated resolution by Directors.

INDEMNIFYING OFFICERS OR AUDITORS

The Group has not during or since the end of the year indemnified an officer or an auditor of the Group or of any related body corporate, against a liability incurred by such an officer or auditor. The Group has not paid or agreed to pay a premium to insure a current or former officer or the auditor against legal liabilities.

PROCEEDINGS

During the financial year and in the interval between the end of the financial year and the date of this report, the Group has made no application of leave under section 237 of the Corporations Act 2001.

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings in the year.

NON-AUDIT SERVICES

No non-audit services were provided by the auditor during the year ended 30 June 2011.

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with section 307C of the Corporations Act 2001 the auditor's independence declaration for the year ended 30 June 2011 has been received and can be found on page 23 of the Annual Report and forms part of this report.

Signed in accordance with a resolution of the Board of Directors.

John Wang
Director
27 September 2011

Grant Thornton

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Auditor's Independence Declaration
To the Directors of Ausmon Resources Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Ausmon Resources Limited for the year ended 30 June 2011, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

C F Farley
Director - Audit & Assurance

Sydney, 27 September 2011

The table below on Corporate Governance Statement sets out the extent to which the Company has followed the recommendations of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

	Principles and Recommendations	Compliance	Comment
1.	**Lay solid foundations for management and oversight**		
1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	Complies	The Group's Corporate Governance Statement includes a Board Charter, which discloses the specific responsibilities of the Board. The Board delegates responsibility for the day to day operations and administration of the Group to the Executive Directors. The Corporate Governance Statement is posted on the Group's website.
1.2	Companies should disclose the process for evaluating the performance of senior executives.	Does not comply	During the financial year the Group had a Remuneration Committee consisting of two Non-Executive Directors (K Fan and D King) to evaluate the performance of senior executives on an annual basis. On 30 June 2011 K Fan was appointed Executive Chairman and Chief Executive Officer and is the only member of the committee after the resignation of D King on 25 July 2011. A new committee will be established when new non-executive directors are appointed at an appropriate time.
1.3	Companies should provide the information indicated in the Guide to reporting on Principle 1.	Complies	Explanation of departure from the Recommendation 1.2 is set out in this section. There are no departures from the Recommendations 1.1 and 1.3. The Corporate Governance Statement is posted on the Group's website.
2.	**Structure the Board to Add Value**		
2.1	A majority of the board should be independent directors.	Does not comply	During the financial year the Board consisted of four directors: two Non-Executive Directors (K Fan and D King); and two Executive Directors (J Wang and G Zheng). K Fan is not an independent director because he has a substantial shareholding interest in the Company via an entity controlled in conjunction with the two Executive Directors. K Fan was subsequently appointed Executive Chairman on 30 June 2011. D King is an independent director as he has no relationships with the other directors or a substantial shareholder and does not have a substantial shareholding in the Company. D King resigned on 25 July 2011. The current stage of establishment and size of the Group does not justify the cost of increasing the number of directors. However new Non-Executive Directors will be appointed at an appropriate time.
2.2	The chair should be an independent director.	Does not comply	The Chairman was a non-executive during the year until his appointment as Executive Chairman and Chief Executive Officer on 30 June 2011 and not considered to be independent because he has a substantial shareholding interest in the Company via an entity controlled in conjunction with two Executive Directors.
2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	Does not comply	During the year Chairman K Fan was not an executive, until on 30 June 2011 he was appointed Executive Chairman and Chief Executive Officer. With the current stage of development, it was decided that the Chair takes a more active role in the day to day business of the Company, in particular in negotiations of new projects.

	Principles and Recommendations	Compliance	Comment
2.4	The board should establish a nomination committee	Does not comply	Given the present size of the Group, the existing Board structure is able to meet the needs of the Group in the examination of selection and appointment practices without the establishment of a nomination committee of the Board.
2.5	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	Does not comply	The Group has not yet established a formal process for evaluating the performance of the Board and its committees although there is a peer review procedure for evaluating the performance of individual directors. The Board intends to put in place an evaluation process by an independent consultant as the Group develops.
2.6	Companies should provide the information indicated in the Guide to reporting on Principle 2.	Complies	Explanations of departures from the Recommendations 2.1, 2.2, 2.3 2.4 and 2.5 are set out in this section. There are no departures from the Recommendation 2.6.The Corporate Governance Statement is posted on the Group's website.
3.	**Promote ethical and responsible decision-making**		
3.1	Companies should establish a code of conduct and disclose the code or a summary of the code as to: • the practices necessary to maintain confidence in the company's integrity • the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders • the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	Complies	The Group's Corporate Governance Statement includes a Code of Conduct on Ethical Standards, which provides a guide to ethical conduct of Directors and management. The Corporate Governance Statement is posted on the Group's website.
3.2	Companies should establish a policy concerning trading in company securities by directors, senior executives and employees, and disclose the policy or a summary of that policy.	Complies	The Group's Corporate Governance Statement includes a Code of Conduct on Securities Trading. The Corporate Governance Statement is posted on the Group's website. The Securities Trading Policy of the Company has been released to the Australian Securities Exchange.
3.3	Companies should provide the information indicated in the Guide to reporting on Principle 3.	Complies	There are no departures from the Recommendations 3.1, 3.2 and 3.3. The Corporate Governance Statement is posted on the Group's website.
4.	**Safeguard integrity in financial reporting**		
4.1	The board should establish an Audit Committee.	Complies	The Board has established an Audit Committee, consisting of two Directors, to assist in matters relating to the audit functions and to safeguard the integrity of the Group's financial reporting.

	Principles and Recommendations	Compliance	Comment
4.2	Structure the Audit Committee so that it: • consists of only non-executive directors • consists of a majority of independent directors • is chaired by an independent chair, who is not chairperson of the board • has at least three members.	Does not comply	During the year the Audit Committee consists of 2 members as follows: • D King – Chairman of the Audit Committee, Non-Executive and independent Director; and • J Wang – Executive Director. The Executive Director has been selected for his qualification and experience in accounting and finance. On 25 July 2011, D King resigned as a director and the Audit Committee subsequently consists of one Executive Director. A new Audit Committee will be established when new independent Non-Executive Directors are added to the Board. Presently the cost of a larger Board size is not justifiable.
4.3	The audit committee should have a formal charter.	Complies	The Audit Committee has a formal charter (policy) that is included within the Corporate Governance Statement. The Corporate Governance Statement is posted on the Group's website.
4.4	Provide the information indicated in Guide to reporting on Principle 4.	Complies	Explanation of departure from the Recommendation 4.2 is set out in this section. There are no departures from the Recommendations 4.1, 4.3 and 4.4. The Corporate Governance Statement is posted on the Group's website.
5.	**Make timely and balanced disclosure**		
5.1	Companies should establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	Complies	The Group's Corporate Governance Statement states the policy and procedures to ensure compliance with ASX Listing Rule disclosure requirements. The Board has delegated the function of continuous disclosure as required under the ASX Listing Rule to the Executive Directors and the Company Secretary to assess the type of information that needs to be disclosed and to ensure that Group's announcements are made in a timely manner, are factual, do not omit material information and are in compliance with the ASX Listing Rules. Information which is considered to be price sensitive is approved by the Board before its release.
5.2	Companies should provide the information indicated in the Guide to reporting on Principle 5.	Complies	There is no departure from the Recommendations 5.1 and 5.2. The Corporate Governance Statement is posted on the Group's website.
6.	**Respect the rights of shareholders**		
6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	Complies	The Board's policy is for all investors to have equal and timely access to material information concerning the Group, including its financial position, performance, ownership and governance. The Board has established practices to facilitate communication with the Company's shareholders. The Company Secretary oversees this process through the Group's website and direct mailing of announcements by email. Briefings are held with professional investors. Prior to such briefings, information to be given will be first released to ASX (if not previously released) and later broadcast to shareholders/investors who have registered their email address with the Company. All shareholders are notified in writing of general meetings and encouraged to attend and participate.

	Principles and Recommendations	Compliance	Comment
6.2	Companies should provide the information indicated in the Guide to reporting on Principle 6.	Complies	There is no departure from the Recommendations 6.1 and 6.2. The Corporate Governance Statement is posted on the Group's website.
7.	**Recognise and manage risk**		
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Complies	The Group's Corporate Governance Statement includes a business risk oversight and management policy. The Board monitors and receives advice as required on areas of operational and financial risk, and considers appropriate risk management strategies. Specific areas of risk that are identified are regularly considered at Board meetings. Included in these areas are performance of activities, human resources, health, safety and the environment, continuous disclosure obligations, asset protection and financial exposures.
7.2	The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	Complies	The Board requires the Executive Directors including the Chief Financial Officer to provide such a report at the relevant time.
7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Complies	The Board requires the Executive Directors including the Chief Financial Officer to provide such a statement at the relevant time.
7.4	Provide the information indicated in Guide to reporting on Principle 7.	Complies	There is no departure from the Recommendations 7.1, 7.2, 7.3 and 7.4. The Corporate Governance Statement is posted on the Group's website.

	Principles and Recommendations	Compliance	Comment
8.	Remunerate fairly and responsibly		
8.1	The board should establish a remuneration committee	Does not comply	The Board has established a Remuneration Committee consisting of only two Non-Executive Directors, K Fan and D King. K Fan was appointed Executive Chairman and Chief Executive Officer on 30 June 2011 and D King resigned from the Board on 25 July 2011.
8.2	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	Complies	The Company's constitution provides that the remuneration of Non-Executive Directors will be not more than the aggregate fixed sum determined by a general meeting. The Remuneration Committee reviews the remuneration packages and policies applicable to all Directors and senior executives on an annual basis and makes recommendations to the Board. Where necessary, the Remuneration Committee will obtain independent advice.
8.3	Companies should provide the information indicated in the Guide to reporting on Principle 8.	Complies	Explanation of departure from the Recommendation 8.1 is set out in this Section. There are no departure from the Recommendations 8.2 and 8.3.

New recommendations 3.2 – 3.4 on diversity

The Board notes the recent changes to the ASX Corporate Governance Principles and Recommendations, which seek to incorporate three new recommendations in relation to diversity, and in particular gender diversity.

Whilst the Company notes that disclosure in relation to the recently introduced changes will only be required to be made in and from its 2012 Annual Report, the Board has taken the opportunity to consider the changes at an early stage in its commitment to maintaining good corporate governance standards.

New 3.2: Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.

The Board has contemplated the necessity of implementing a diversity policy. Noting the relatively small size of the Company and the fact that the Company has a small number of employees, the Board has resolved to depart from the new recommendations by not implementing a gender diversity policy. The departure from recommendation 3.2 will subsequently be explained in the Company's annual report for the financial year ending 30 June 2012, by indicating that the recommendation is inappropriate to the Company's particular circumstances.

New 3.3: Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them

The Board's departure from recommendation 3.3 will be explained in the Company's annual report for the financial year ending 30 June 2012, by indicating that the recommendation is inappropriate to the Company's particular circumstances.

New 3.4: Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.

The Company intends to disclose in each future annual report the proportion of women employees in the whole organisation (if applicable), women in senior executive positions and women on the board.

	Note	Consolidated Group	
		2011	2010
		$	$
Other income			
Interest income		54,577	93,681
Gain on financial assets at fair value through profit or loss		918,802	593,265
Foreign exchange gains		21,209	-
		994,588	686,946
Expenses			
Depreciation expense		(12,559)	(12,090)
Employee benefits expense		(97,075)	(66,525)
Projects written off		(569,373)	(51,443)
Other expenses	2	(1,784,332)	(1,795,286)
Loss before income tax expense		(1,468,751)	(1,238,398)
Income tax expense	3	-	-
Loss for the year		(1,468,751)	(1,238,398)
Other comprehensive income			
Fair value (loss)/gain on available-for-sale financial assets, net of tax		(860,782)	1,542,372
Other comprehensive income for the year, net of tax		(860,782)	1,542,372
Total comprehensive income for the year		(2,329,533)	303,974
Loss attributable to:			
- members of the Parent Entity		(1,468,751)	(1,238,398)
Total comprehensive income attributable to:			
- members of the Parent Entity		(2,329,533)	303,974
Earnings per share			
Basic and diluted loss per share	21	2.23 cents	2.36 cents

These financial statements should be read in conjunction with the accompanying notes.

	Note	Consolidated Group	
		2011	2010
		$	$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	230,284	1,937,975
Trade and other receivables	5	53,862	69,738
Financial assets	7	4,306,385	-
Other current assets	6	235,637	626,909
TOTAL CURRENT ASSETS		4,826,168	2,634,622
NON-CURRENT ASSETS			
Financial assets	7	-	3,509,690
Plant and equipment	8	24,813	37,372
Exploration and evaluation expenditure	9	2,809,585	1,643,472
TOTAL NON-CURRENT ASSETS		2,834,398	5,190,534
TOTAL ASSETS		7,660,566	7,825,156
CURRENT LIABILITIES			
Trade and other payables	10	866,427	1,109,160
Provisions	11	9,955	3,285
TOTAL CURRENT LIABILITIES		876,382	1,112,445
TOTAL LIABILITIES		876,382	1,112,445
NET ASSETS		6,784,184	6,712,711
EQUITY			
Issued capital	12	8,893,076	6,492,070
Reserves	13	729,130	1,589,912
Accumulated losses		(2,838,022)	(1,369,271)
TOTAL EQUITY		6,784,184	6,712,711

These financial statements should be read in conjunction with the accompanying notes.

	Issued capital	Option reserve	Asset revaluation reserve	Accumulated losses	Total
		Reserves			
	$	$	$	$	$
CONSOLIDATED GROUP					
Balance at 30 June 2009	3,241,884	-	-	(130,873)	3,111,011
Total comprehensive income for the period	-	-	1,542,372	(1,238,398)	303,974
Transactions with owners in their capacity as owners:					
Shares issued during the period	3,306,500	-	-	-	3,306,500
Transaction costs	(56,314)	-	-	-	(56,314)
Shares issued under Employee Incentive Plan during the year	-	41,940	-	-	41,940
Options issued for acquisition of licence	-	5,600	-	-	5,600
Balance at 30 June 2010	6,492,070	47,540	1,542,372	(1,369,271)	6,712,711
Total comprehensive income for the year	-	-	(860,782)	(1,468,751)	(2,329,533)
Transactions with owners in their capacity as owners:					
Shares issued during the year	2,421,006	-	-	-	2,421,006
Transaction costs	(20,000)	-	-	-	(20,000)
Balance at 30 June 2011	8,893,076	47,540	681,590	(2,838,022)	6,784,184

These financial statements should be read in conjunction with the accompanying notes.

	Note	Consolidated Group	
		2011	2010
		$	$
CASH FLOW FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(867,474)	(526,452)
Interest received		54,577	93,681
Net cash used in operating activities	19(b)	(812,897)	(432,771)
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for plant and equipment		-	(31,280)
Payments for exploration and evaluation expenditure		(723,188)	(651,715)
Payments for investment in listed company		(1,711,215)	(1,211,553)
Payment for purchases of prospects		(200,000)	-
Payments for security deposits		(30,000)	(10,000)
Net cash used in investing activities		(2,664,403)	(1,904,548)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from the issue of shares		800,000	1,479,000
Capital raising costs		(20,000)	(52,350)
Proceeds from borrowings		989,609	-
Net cash provided by financing activities		1,769,609	1,426,650
Net (decrease) increase in cash and cash equivalents		(1,707,691)	(910,669)
Cash and cash equivalents at beginning of year		1,937,975	2,848,644
Cash and cash equivalents at end of year	19(a)	230,284	1,937,975

The Group has used its cash in a way consistent with its business objectives.

These financial statements should be read in conjunction with the accompanying notes.

Note 1 – Statement of significant accounting policies

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards (including Australian Accounting Interpretations) other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial statements cover Ausmon Resources Limited ("Parent Entity"), its controlled entity and its share of the assets, liabilities, revenue and expenses of joint venture operations as a consolidated entity ("Group"). Ausmon Resources Limited is a listed public company limited by shares, incorporated and domiciled in Australia.

Statement of compliance

Compliance with Australian Accounting Standards ensures that the financial statements and notes of Ausmon Resources Limited comply with International Financial Reporting Standards (IFRS).

Basis of preparation

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the revaluation of selected non-current assets and financial instruments for which the fair value basis of accounting has been applied.

Adoption of new and revised accounting standards

In the current year, the Group has adopted all of the new and revised accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period.

There were no significant effects on current, prior or future periods arising from the first-time application of the standards discussed above in respect of presentation, recognition and measurement of accounts.

Standards and interpretations not yet effective which have not been early adopted by Ausmon Resources Limited and its controlled entity

At the date of authorisation of the financial statements, the following Australian Accounting Standards / Accounting Interpretations have been issued or amended and are applicable to the Group but are not yet effective and have not been adopted in preparation of the financial statements.

Name of standard	Summary	Application date	Impact
(1) AASB 9 Financial Instruments and AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9	AASB 9 Financial Instruments addresses the classification and measurement of financial assets.	1 Jan 2013	None
(2) Revised AASB 124 Related Party Disclosures and AASB 2009-12 Amendments to Australian Accounting Standards	The amendment clarifies and simplifies the definition of a related party.	1 Jan 2011	None
(3) AASB 2010-6 Amendments to Australian Accounting Standards – Disclosures on transfers of financial assets	Amendments introduce additional disclosures in respect of risk exposures arising from transferred financial assets.	1 Jul 2011	None
(4) AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements	On 30 June 2010 the AASB officially introduced a revised differential reporting framework in Australia. Under this framework, a two-tier differential reporting regime applies to all entities that prepare general purpose financial statements.	1 Jul 2013	None

Name of standard	Summary	Application date	Impact
(5) AASB 10 Consolidated Financial Statements	AASB 10 establishes a new control model that applies to all entities. It replaces parts of AASB 127 Consolidated and Separate Financial Statements dealing with the accounting for consolidated financial statements and SIC-12 Consolidation - Special Purpose Entities The new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations including when acting as a manager may give control, the impact of potential voting rights and when holiding less than a majority voting rights may give control.	1 Jan 2013	None
(6) AASB 11 Joint Arrangements	AASB 11 replaces AASB 131 Interests in Joint Ventures. AASB 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint operations that give the venturers a right to the underlying assets and obligations themselves is accounted for by recognising the share of those assets and obligations. Joint ventures that give the venturers a right to the net assets is accounted for using the equity method.	1 Jan 2013	This will result in a change from accounting for joint ventures using proportionate consolidation to equity accounting.
(7) Fair value Measurement	IFRS 13 establishes a single source of guidance under IFRS for determining the fair value of assets and liabilities. IFRS 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value under IFRS when fair value is required or permitted by IFRS. Application of this definition may result in different fair values being determined for the relevant assets. IFRS 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined.	1 Jan 2013	None

Management anticipates that all of the above pronouncements will be adopted in the Group's financial statements for the first period beginning after the effective date of the pronouncements.

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

Significant Accounting Policies

(a) Basis of Accounting and Going Concern

The consolidated financial statements have been prepared on a going concern basis. The Company has significant cash requirements to meet its overhead and exploration licences commitments. For the Company to continue to operate as a going concern it must continue to obtain financing; although the Company has been successful in the past at raising funds, there can be no assurance that this will continue in the future.

At balance date, the Company had working capital of $3,949,786 of which $ 230,284 is cash and $4,306,385 consists of available-for-sale listed shares. The Directors believe that sale of those listed shares will provide the cash for its operations if new capital is not raised. The disposal of the shares is dependent on market pricing and demand for those shares. There is no certainty that the proceeds on disposal of those shares will be sufficient to meet the funds requirements of the Company.

If the going concern assumption is not appropriate for these financial statements then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used and such adjustments could be material.

(b) Principles of consolidation

A controlled entity is any entity that Ausmon Resources Limited has the power to control the financial and operating policies of the entity so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

A list of controlled entities is contained in Note 23 to the financial statements. All controlled entities have a June financial year end.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the Group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

All inter-company balances and transactions between entities in the Group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the Parent Entity.

Minority interests, being that portion of the profit or loss and net assets of subsidiaries attributable to equity interests held by persons outside the Group, are shown separately within the equity section of the consolidated statement of financial position and in the consolidated statement of comprehensive income.

Business combinations occur where control over another business is obtained and results in the consolidation of its assets and liabilities. All business combinations, including those involving entities under common control, are accounted for by applying the purchase method. The purchase method requires an acquirer of the business to be identified and for the cost of the acquisition and fair values of identifiable assets, liabilities and contingent liabilities to be determined as at acquisition date, being the date that control is obtained. Cost is determined as the aggregate of fair values of assets given, equity issued and liabilities assumed in exchange for control together with costs directly attributable to the business combination. Any deferred consideration payable is discounted to present value using the entity's incremental borrowing rate.

Goodwill is recognised initially as the excess of cost over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If the fair value of the acquirer's interest is greater than cost, the surplus is immediately recognised in profit or loss after the fair value of the acquired assets and liabilities have been reassessed.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets liabilities and contingent liabilities recognised.

(c) Income tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income). Current and deferred income tax expense (income) is charged or credited directly to other comprehensive income instead of the profit or loss when the tax relates to items that are credited or charged directly to other comprehensive income.

Current tax

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

Deferred tax

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(d) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

(e) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) Receivables

Receivables represent the principal amounts due at balance date plus accrued interest and less, where applicable, any unearned income and allowance for doubtful accounts.

(g) Plant and equipment

Plant and equipment are measured on the cost basis. On disposal of an item of plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognised as a gain or loss. All items of plant and equipment are depreciated using the straight line method over their expected useful lives to the Group. The expected useful lives are as follows:

Class	Useful life
Furniture and other office equipment	5 years

(h) Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest, and carried forward in the statement of financial position where:

(i) rights to tenure of the area of interest are current; and

(ii) one of the following conditions is met :

- (i) such costs are expected to be recouped through successful development and exploitation of the area of interest or by its sale; or
- (ii) exploration and/or evaluation activities in the area of interest have not at balance date yet reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the areas are continuing.

Indirect costs relating to exploration and evaluation in areas of interest are capitalised in the period they are incurred. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Accumulated expenditure on areas which have been abandoned, or are considered to be of no value, is written off in the year in which such a decision is made.

(i) Critical accounting estimates and judgments

The Directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and internally. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key estimate – Share-based payments

The fair value of assets acquired in return for options granted are measured by reference to the fair value of options granted. The estimate of the fair value of the assets acquired is measured based on the Black-Scholes option pricing model. The contractual life of the options is used as an input into the model. Expectations of early exercise are incorporated into the model as well.

The expected volatility is based on historic volatility (calculated on the average remaining life of the share option).

Significant estimate – Fair value of investments

The Group has decided to classify investments in listed and unlisted securities as "available-for-sale" investments and movements in fair value are recognised directly in other comprehensive income. The warrants are recorded at fair value through profit & loss. The fair value of listed shares has been determined by reference to published price quotations in an active market.

The estimate of the fair value of unlisted warrants is measured based on the Black-Scholes option pricing model. The contractual life of the warrants is used as an input into the model. Expectations of early exercise are incorporated into the model as well. The expected volatility is based on historic volatility (calculated on the average remaining life of the share warrant).

(j) Impairment

At each reporting date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are dependent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at each reporting date and whenever there is an indication that the asset may be impaired. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Plant and equipment are assessed for impairment on a cash generating unit ("CGU") basis. A cash generating unit is the smallest grouping of assets that generates independent cash flows and generally represents an individual tenement. Impairment losses recognised in respect of cash generating units are allocated to reduce the carrying amount of the assets in the unit on a pro-rata basis. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior year. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value. Impairment of goodwill is not reversed.

(k) Restoration, rehabilitation and environmental protection expenditure

Where applicable, a provision for material restoration obligations is recognised for exploration licences. The amount recognised includes costs of reclamation and site rehabilitation after taking into account restoration works which are carried out during exploration. The provision for restoration costs are determined from an estimate of future costs and are capitalised as exploration expenditure.

If the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(l) Interests in joint ventures

The proportionate interest in the assets, liabilities and expenses of joint venture operations have been incorporated in the financial statements under the appropriate headings. Details of the joint venture are set out in note 15.

(m) Foreign currency transactions and balances

Functional and presentational currency

The Group's financial statements are presented in Australian dollars which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions during the period are translated into functional currency using the rates of exchange prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined. Exchange differences arising on the translation of monetary items are recognised in the income statement.

(n) Accounts payable

Accounts payable represent the principal amounts outstanding at balance date plus, where applicable, any accrued interest.

(o) Equity-settled compensation

The Company operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black–Scholes pricing model which incorporates all market vesting conditions.

The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

(p) Financial instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost.

Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as

a. the amount at which the financial asset or financial liability is measured at initial recognition;
b. less principal repayments;
c. plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
d. less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

i. *Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

ii. *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets.)

iii. *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other financial assets are classified as current assets.)

iv. *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Impairment

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired.

(q) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expenses. Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(r) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(s) Earnings per share

Basic loss per share is determined by dividing the operating loss after income tax attributable to members of the Company by the weighted average number of ordinary shares outstanding during the financial period or year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share by taking into account any reduction in earnings per share that will probably arise from the exercise of options outstanding during the financial period.

When the Group has an operating loss after income tax and the conversion of ordinary share capital in respect of potential ordinary shares does not lead to a diluted earnings per share that shows an inferior view of the earnings performance of the Group, than is shown by basic loss per share, the diluted loss per share is reported as the same as basic loss per share.

(t) Segment reporting

Operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the Group's chief operating decision maker which, for the Group, is the Board of Directors. In this regard, such information may be provided using different measures to those used in preparing the Statement of Comprehensive Income and Statement of Financial Position. Reconciliations of such management information to the statutory information contained in the financial statements have been included, where applicable.

(u) Parent Entity financial information

The financial information for the Parent Entity, Ausmon Resources Limited, disclosed in Note 24 has been prepared on the same basis as the consolidated financial statements.

(v) Comparative information

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Note 2 – Other expenses

	Consolidated Group	
	2011 $	2010 $
Audit fees	39,000	39,500
Consulting and contract fees	776,322	597,978
Directors remuneration	710,240	737,000
Investment transaction costs	-	110,403
Listing expenses	54,635	38,346
Operating leases	52,468	52,575
Registry and ASX fees	12,821	14,831
Share-based payments	-	41,940
Other	138,846	162,713
	1,784,332	1,795,286

Note 3 - Income tax

The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax expenses as follows :		
Prima facie tax benefit on the loss from ordinary activities calculated at 30%	(440,625)	(371,519)
Tax effect of:		
Non - temporary differences	300	7,439
Equity capital raising costs debited to equity	(14,066)	(12,866)
Temporary differences and tax losses not recognised	454,391	376,946
Income tax expense	-	-

Tax losses

Unused tax losses for which no tax loss has been recognised as a deferred tax asset adjusted for non-temporary differences at 30%	1,265,384	824,758

The taxation benefits will only be obtained if:

(i) the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for the loss to be realised;

(ii) the Group continues to comply with the conditions for deductibility imposed by law; and

(iii) no changes in tax legislation adversely affect the Group in realising the benefits from the deductions for the loss.

Note 4 – Cash and cash equivalents

Cash at bank and in hand	230,284	1,937,975

Note 5 – Trade and other receivables

Current

Other receivables	53,862	69,738

(a) Allowance for impairment loss

The Group does not have trade receivables. Other receivables are non-interest bearing and are generally on 30 day terms. A provision for impairment loss is recognised when there is objective evidence that an individual receivable is impaired. No impairment has been recognised by the Group in the current period. No receivables are past due.

(b) Fair value and credit risk

Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value. The maximum exposure to credit risk is the fair value of receivables. Collateral is not held as security, nor is it the Group's policy to transfer (on-sell) receivables to special purpose entities.

(c) Foreign exchange and interest rate risk

Detail regarding foreign exchange and interest rate risk exposure is disclosed in Note 22.

	Consolidated Group	
	2011 $	2010 $
Note 6 – Other current assets		
Prepayments	205,637	616,909
Security deposits	30,000	10,000
	235,637	626,909
Note 7 – Financial assets		
Current		
Available-for-sale financial assets[2], at fair value	4,306,385	-
	4,306,385	-
Non-Current		
Financial assets at fair value through profit or loss[1]	-	1,140,009
Available-for-sale financial assets[2], at fair value	-	2,369,681
	-	3,509,690

[1] 5,750,000 share warrants were exercised at CAD 0.30 each on 15 April 2011 for shares in Premium Exploration Inc. Changes in fair value are included in the consolidated statement of comprehensive income.[2] 5,750,000 ordinary shares held in Premium Exploration Inc.

[2] 9,833,333 (2010 – 5,750,000) fully paid ordinary shares held in Premium Exploration Inc. representing 7.5% of its issued capital. In April 2011, 1,666,667 fully paid ordinary shares were applied in settlement of a loan of $989,609 made to the Company. Gain on disposal of the shares is included in the consolidated statement of comprehensive income.

	2011 $	2010 $
Note 8 – Plant and equipment		
Office equipment and furniture – at cost	42,070	42,070
Accumulated depreciation	(18,489)	(9,010)
	23,581	33,060
Leasehold improvements – at cost	7,392	7,392
Amortisation	(6,160)	(3,080)
	1,232	4,312
Total plant and equipment	24,813	37,372

Movements during the year

Movements in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year:

	Office equipment and furniture	Leasehold improvements	Total
	$	$	$
Balance at 30 June 2009	19,325	-	19,325
Additions	22,745	7,392	30,137
Depreciation	(9,010)	(3,080)	(12,090)
Balance at 30 June 2010	33,060	4,312	37,372
Additions	-	-	-
Depreciation	(9,479)	(3,080)	(12,559)
Balance at 30 June 2011	23,581	1,232	24,813

	Consolidated Group	
	2011	2010
	$	$
Note 9 – Exploration and evaluation expenditure		
Exploration and evaluation areas of interest at cost	2,809,585	1,643,472
Movements during the year		
Exploration areas:		
Balance at beginning of year	1,643,472	244,629
Additions at cost	1,735,486	625,329
Acquired through business combination	-	753,514
Projects written off *	(569,373)	-
Balance at end of year	2,809,585	1,643,472

* Accumulated expenditure on projects which have been abandonned, or are considered to be of no value, is written off in the year when such a decision is made.

Ultimate recoupment of the carrying value of the exploration areas is dependent on successful development and commercial exploitation, or alternatively sale of the respective areas of interest. The areas of interest are exploration licences held or being earned by the Group are detailed in the Licence Schedule on page 16.

Note 10 – Trade and other payables

	2011	2010
Trade payables	1,032	39,265
Directors' remuneration accrual[1]	404,000	737,000
Sundry payables and accrued expenses	461,395	332,895
	866,427	1,109,160

[1]The Directors agreed, subject to shareholders' approval at a general meeting, for the remuneration accrual at 30 June 2011 to be made in fully paid ordinary shares in the Company at 20 cents per share (arrived at by reference to the market price of the shares).

Note 11 – Provisions

Current

	2011	2010
Employee provisions	9,955	3,285
	9,955	3,285

	Consolidated Group	
	2011 $	2010 $
Note 12 – Issued capital		
71,379,125 (2010: 59,820,004) fully paid ordinary shares	8,893,076	6,492,070

	2011		2010	
	Number	$	Number	$
(a) Fully Paid Ordinary shares				
Balance at beginning of year/period	59,820,004	6,492,070	45,500,004	3,241,884
Share issues during the year:				
Under Employee Incentive Plan	-	-	220,000	-
Private placements at 20 cents each	-	-	6,000,000	1,200,000
Private placements at 25 cents each	-	-	5,400,000	1,350,000
For acquisition of Great Western Minerals Limited	-	-	2,500,000	712,500
For acquisition of EL 6424	-	-	200,000	44,000
For consultancy services at 21 cents each	1,700,000	357,000	-	-
For consultancy services at 22 cents each	109,121	24,006	-	-
For acquisition of ELs 6400 and 6424 at 22 cents each	1,000,000	215,000	-	-
For 2010 Director's fees at 22 cents each	3,350,000	737,000	-	-
Private placement at 20 cents each	4,000,000	800,000	-	-
Private placement at 20 cents each	1,000,000	200,000	-	-
For acquisition of 15% interest in ELs 6413, 6416, 6417 and 7564 at 22 cents each	400,000	88,000	-	-
Share issues expenses	-	(20,000)	-	(56,314)
Balance at end of year/period	71,379,125	8,893,076	59,820,004	6,492,070

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. Every ordinary shareholder present at a meeting of the Company in person or by proxy, is entitled to one vote, and upon a poll each ordinary share is entitled to one vote.

Ordinary shares have no par value.

	2011 Number	2010 Number
(b) Options over unissued shares		
Options exercisable at $0.80 each on or before 30 June 2014:		
Listed		
Balance at beginning of year	21,475,000	14,375,000
Released from escrow during the year	12,275,000	1,100,000
Issued during the year	-	6,000,000
Balance at end of year	33,750,000	21,475,000
Unlisted		
Balance at beginning of year	12,275,000	13,375,000
Listed during the year	(12,275,000)	(1,100,000)
Balance at end of year	-	12,275,000
Options exercisable at $0.50 each on or before 30 June 2011:		
Unlisted		
Balance at beginning of year	2,900,000	-
Issued during the year	-	2,900,000
Expired during the year	(2,900,000)	-
Balance at end of year	-	2,900,000
Total	33,750,000	36,650,000

(c) Capital management

When managing capital, management's objective is to ensure the Group continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the Group.

Management adjusts the capital structure to the extent possible to take advantage of favourable costs of capital or high returns on assets. As the market is constantly changing, management may change the amount of dividends to be paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.
The Group is not subject to any externally imposed capital requirements.

Note 13 – Reserves

(a) Asset revaluation reserve

The asset revaluation reserve records movements in fair value of financial assets classified as available-for-sale.

(b) Option reserve

The option reserve records items recognised as expenses on shares granted under the Employee Incentive Plan and the fair value of options issued for the acquisition of an exploration licence.

Note 14 – Share-based payments

Employee incentive plan

The Company has established an Ausmon Resources Limited Employee Incentive Plan under which the Directors may offer options and ordinary shares in the Company to eligible persons. The Directors may also offer interest free loans for terms of up to 5 years under the plan for subscription of shares and under such loans the Company holds a lien over the issued shares.

No Employee Incentive Plan shares were issued during the year. The loan amount on granted shares at the end of the year was $55,000 (2010 - $55,000).

	2011 Number	2010 Number
Balance at beginning of year	220,000	-
Grant during the year	-	220,000
Balance at end of year	220,000	220,000

	Consolidated Group	
	2011 $	2010 $
Note 15 – Interests in joint ventures		
Interests in joint ventures	-	498,962

On 12 April 2011, the Company acquired the remaining15% interest in each of ELs 6413, 6416 6417 and 7564 that it is not already earning under a farm-in agreement to take its interest to 100% for a consideration of 400,000 fully paid ordinary shares in the Company. The unincorporated joint venture was terminated on that date.

The Group's share of assets employed in the joint venture operations is included in the consolidated statement of financial position in accordance with the accounting policy described in note 1, under the following classifications:

	2011	2010
Current Assets		
Cash and cash equivalents	-	2,583
Trade and other receivables	-	43,442
Other	-	10,000
Total Current Assets	-	56,025
Non-Current Assets		
Exploration and evaluation expenditure	-	453,627
Total Non-Current Assets	-	453,627
Current Liabilities		
Trade and other payables	-	10,690
Total Current Liabilities	-	10,690
Net Assets	-	498,962
Revenues	-	-
Expenses	-	(1,255)
Loss before income tax expense	-	(1,255)
Income tax expense	-	-
Loss after income tax expense	-	(1,255)

Note 16 – Acquisition of controlled entity in 2010 financial year

On 21 December 2009, the Company acquired all the issued capital of Great Western Minerals Limited for a purchase consideration of 2,500,000 fully paid ordinary shares in the Company. At the date of issue of the shares the market price was $0.285 per share. The Directors estimated the fair value of Great Western Minerals Limited at $712,500. Great Western Minerals Limited is a limited liability company incorporated and domiciled in Australia.

	Acquiree's carrying amount $	Fair value $
Purchase consideration – 2,500,000 fully paid ordinary shares	712,500	712,500
Receivables	2,397	2,397
Exploration and evaluation expenditure	17,144	753,514
Payables	(43,411)	(43,411)
Identifiable assets acquired and liabilities assumed	(23,870)	712,500

	Consolidated Group	
	2011 $	2010 $
Acquiree's results since acquisition included in the consolidated statement of comprehensive income:		
Revenues	-	-
Expenses	-	(1,250)
Loss	-	(1,250)
Acquiree's results if acquisition had occurred at the beginning of the reporting period:		
Revenues	-	-
Expenses	-	(25,123)
Loss	-	(25,123)

Note 17 – Related party transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

During the year the following related party transactions occurred in addition to the transactions disclosed elsewhere in these financial statements:

Key management personnel (KMP)

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2011.

(a) KMP compensation

The totals of remuneration payable to KMP of the Company and the Group during the year are as follows:

	Consolidated Group	
	2011 $	2010 $
Short-term employee benefits	710,240	737,000
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
	710,240	737,000

At 30 June 2011 Director's fees amounting to $404,000 were accrued and have not been paid as at the date of this report. The Directors agreed, subject to shareholders' approval at a general meeting, for this remuneration due and payable at 30 June 2011 to be made in fully paid ordinary shares in the Company at 20 cents per share (arrived at by reference to the market price of the shares).

(b) KMP share holdings

The number of ordinary shares in Ausmon Resources Limited held directly and indirectly by each key management personnel of the Group during the financial year is as follows:

	Balance at beginning of year	Granted as compensation	Issued on exercise of options	Other changes	Balance at end of year
2011					
K M Fan, J Q Wang and G Zheng[1]	24,300,000	-	-	-	24,300,000
K M Fan[2]	1,875,001	-	-	250,000	2,125,001
D W King[3]	280,001	-	-	350,000	630,001
J Q Wang[4]	1,137,501	-	-	380,000	1,517,501
G Zheng[5]	1,207,501	-	-	1,000,000	2,207,501
	28,800,004	-	-	1,980,000	30,780,004
2010					
K M Fan, J Q Wang and G Zheng[1]	24,300,000	-	-	-	24,300,000
K M Fan[2]	1,875,001	-	-	-	1,875,001
D W King[3]	280,001	-	-	-	280,001
J Q Wang[4]	1,137,501	-	-	-	1,137,501
G Zheng[5]	1,237,501	-	-	(30,000)	1,207,501
	28,830,004	-	-	(30,000)	28,800,004

(c) KMP Option holdings

2011					
K M Fan, J Q Wang and G Zheng[1]	12,150,000	-	-	-	12,150,000
K M Fan[2]	937,500	-	-	-	937,500
D W King[3]	145,000	-	-	-	145,000
J Q Wang[4]	668,750	-	-	-	668,750
G Zheng[5]	768,750	-	-	-	768,750
	14,670,000	-	-	-	14,670,000
2010					
K M Fan, J Q Wang and G Zheng[1]	12,150,000	-	-	-	12,150,000
K M Fan[2]	937,500	-	-	-	937,500
D W King[3]	145,000	-	-	-	145,000
J Q Wang[4]	668,750	-	-	-	668,750
G Zheng[5]	768,750	-	-	-	768,750
	14,670,000	-	-	-	14,670,000

[1] Shares are held by Aumeng Investments Limited of which Directors K M Fan, J Q Wang and G Zheng are directors and in which they have substantial financial interests.

[2] 250,000 shares are registered in the name of KMFan Family Pty Ltd <FMFan Family Trust A/C>

[3] 260,000 shares and 135,000 options are registered in the name Seistend Pty Ltd <D W King Super Fund>.

[4] 580,000 shares and 200,000 options are registered in the name of MBA Accountants Pty Ltd <Australian MBA Super Fund> of which J Q Wang is a beneficiary.

[5] 50,000 shares and 50,000 options are registered in the name of H&G Camden Pty Ltd in which G Zheng is a director.

	Consolidated Group	
	2011 $	2010 $
(d) Other		
Paid to John Wang & Partners Pty Ltd, an entity controlled by Director J Q Wang		
- Services for tax return	2,000	2,000
- Rent for use of office space	-	6,500
Note 18 – Remuneration of auditors		
Remuneration of the auditors for:		
- auditing or reviewing the financial reports	39,000	39,500
Note 19 – Notes to the Cash Flow Statement		
(a) Reconciliation of cash		
Cash at bank and on hand	230,284	1,937,975
(b) Reconciliation of loss from ordinary activities after income tax to net cash used in operating activities		
Loss after income tax	(1,468,751)	(1,238,398)
Add non-cash items in operating costs:		
Depreciation	12,559	12,090
Exploration and evaluation expenditure written off	569,373	-
Provision for employee entitlements	6,670	3,285
Shares issued to creditors	380,997	908,500
Shares issued under Employee Incentive Plan	-	41,940
Unrealised gain on investments	(925,486)	(593,265)
Changes in assets and liabilities relating to operations:		
Decrease in prepayment	411,272	-
Increase in creditors and accruals	187,947	1,070,749
Decrease (increase) in receivables	12,522	(637,672)
Net cash used in operating activities	(812,897)	(432,771)

c) Non-cash financing activities

Issue of shares in the Company

During the year the Company issued fully paid ordinary shares in settlement of consultants fees and acquisition of interests in exploration licences as follows:

- 109,121 shares for consultancy services rendered $24,006.
- 1,000,000 shares under private placement to settle consultants fees due and payable of $200,000;
- 1,700,000 shares for consultancy services rendered of $357,000;
- 3,350,000 shares for 2010 Director's fees of $737,000;
- 1,000,000 shares for acquisition of ELs 6400 and 6424 of $215,000; and
- 400,000 shares for acquisition of remaining 15% interest in ELs 6413, 6416, 6417 and 7564 of $88,000.

Repayment of borrowings

During the year, the Company borrowed $989,609 which was settled in full by the transfer of 1,666,667 shares in Premium Exploration Inc. to the lender.

Note 20 – Segment information

The Group has identified its operating segments based on internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources. The Group operates in one business segment being mineral exploration. All segment assets, segment liabilities and segment results relate to the one business segment and therefore no segment analysis has been prepared. This position has not changed from the prior period.

	Consolidated Group	
	2011 $	2010 $
Note 21 – Earnings per share		
Operating loss after income tax used in the calculation of basic and diluted loss per share	(1,468,751)	(1,238,398)
	Number	Number
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and diluted loss per share	65,791,872	52,404,223

The options are non dilutive for the period to 30 June 2011 (see Note 1(r)).

Note 22 – Financial risk management

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and from subsidiaries, bills, leases, preference shares and derivatives.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	Consolidated Group	
		2011 $	2010 $
Financial assets			
Cash and cash equivalents	4	230,284	1,937,975
Trade and other receivables	5	53,862	69,738
Other current assets	6	235,637	626,909
Financial assets at fair value through profit or loss			
— warrants	7	-	1,140,009
Available-for-sale financial assets at fair value			
— listed investments	7	4,306,385	2,369,681
Total Financial Assets		4,826,168	6,144,312
Financial Liabilities			
Financial liabilities at amortised cost			
— Trade and other payables	10	866,427	1,109,160
Total Financial Liabilities		866,427	1,109,160

(a) Financial risk management policies

The Board of Directors is responsible for, amongst other issues, monitoring and managing financial risk exposures of the Group. It also reviews the effectiveness of internal controls relating to commodity price risk, counterparty credit risk, currency risk, financing risk and interest rate risk. Management, in conjunction with the Board, reviews and agrees policies for managing each of these risks.

The overall risk management strategy seeks to assist the Group in meeting its financial targets, while minimising potential adverse effects on financial performance. This also include the review of the use of hedging derivative instruments, credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, foreign currency risk and commodity and equity price risk.

(i) Interest rate risk

The Group has cash at bank and its income and operating cash flows are exposed to changes in market interest rates.

At balance date the Group had the following financial assets exposed to variable interest rate risk:

	Consolidated Group	
	2011 $	2010 $
Financial assets		
Cash and cash equivalents	230,284	1,937,975
Other current assets	30,000	10,000
	260,284	1,947,975

(ii) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at balance date, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed in Note 5.

The Group does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Group.

(iii) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The Group does not have a material exposure to liquidity risk.

(iv) Price risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Group is also exposed to securities price risk on investments held for trading or for medium to longer terms.

The Group has performed sensitivity analysis relating to its exposure to securities price risk at balance date. This sensitivity analysis demonstrates the effect on the current period results which could result from a change in these risks.

	Consolidated Group	
	2011 $	2010 $
Decrease/ (increase) in loss for the period		
- increase in fair value of warrants by 5%	-	39,900
- decrease in fair value of warrants by 5%	-	(39,900)
Decrease/ (increase) in other comprehensive income, net of tax		
- increase in fair value of shares by 5%	150,732	82,900
- decrease in fair value of shares by 5%	(150,732)	(82,900)

As the Group does not derive revenue from sale of products, the effect on profit and equity as a result of changes in the price risk is not considered material. The fair value of the mining projects will be impacted by commodity price changes (predominantly gold, silver and copper) and could impact future revenues once operational. However, management monitors current and projected commodity prices.

(v) Foreign currency risk

The Group is exposed to foreign currency risk on purchases and financial assets that are denominated in a currency other than Australian dollar. The currency giving rise to foreign currency risk on financial assets is Canadian dollars (CAD). The Group does not currently enter into derivative financial instruments to hedge such transactions denominated in a foreign currency.

At 30 June 2011, the Group had the following exposure to Canadian dollars:

	2011 $'000	2010 $'000
Financial assets		
Financial assets at fair value through profit or loss	-	1,140,009
Available-for-sale financial assets	4,306,385	2,369,681
	4,306,385	3,509,690

The Consolidated Group has performed sensitivity analysis relating to its exposure to foreign currency risk at balance date. This sensitivity analysis demonstrates the effect on the net exposure which could result from a change in this risk.

Foreign currency sensitivity analysis		
Increase/(decrease) in net exposure		
-Australian dollar depreciates by 5% against CAD	226,665	184,700
-Australian dollar appreciates by 5% against CAD	(205,078)	(167,100)

(b) Net fair values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying values of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Group. Most of these instruments which are carried at amortised cost (i.e. term receivables, held-to-maturity assets, loan liabilities) are to be held until maturity and therefore the net fair value figures calculated bear little relevance to the Group.

For assets and other liabilities, the net fair value approximates their carrying values. The Group has no financial assets where the carrying amount exceeds net fair values at balance date.

(c) Financial instruments

Interest rate risk

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and liabilities, is as follows:

			Fixed interest rate maturing		Non-interest bearing	
	Average interest rate	Variable interest rate	Within 1 year	1 to 5 years	Within 1 year	Total
2011	%	$	$	$	$	$
Financial assets						
Cash and cash equivalents	2.3	230,277	-	-	7	230,284
Trade and other receivables	-	-	-	-	53,862	53,862
Other	-	30,000	-	-	205,637	235,637
		260,277	-	-	259,506	519,783
Financial liabilities						
Trade and other payables	-	-	-	-	866,427	866,427
2010	%	$	$	$	$	$
Financial assets						
Cash and cash equivalents	4	1,937,968	-	-	7	1,937,975
Trade and other receivables	-	-	-	-	69,738	69,738
Other	-	10,000	-	-	616,909	626,909
		1,947,968	-	-	686,654	2,634,622
Financial liabilities						
Trade and other payables	-	-	-	-	1,109,160	1,109,160

(d) Sensitivity analysis

The Group has performed sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current period results which could result from a change in these risks.

	Consolidated Group	
	2011 $	2010 $
Interest rate sensitivity analysis		
Decrease/ (increase) in loss		
- increase in interest rate by 2%	4,605	46,000
- decrease in interest rate by 2%	(4,605)	(46,000)

Note 23 – Controlled entity

Great Western Minerals Pty Ltd (formerly Great Western Minerals Limited) is incorporated in Australia and is wholly-owned by the Parent Entity.

Note 24 – Parent Entity information

	2011 $	2010 $
Assets		
Current assets	481,912	2,632,225
Non-current assets	7,179,653	5,165,827
Total assets	7,661,565	7,798,052
Liabilities		
Current liabilities	876,380	1,084,091
Total liabilities	876,380	1,084,091
Equity		
Issued capital	8,893,076	6,492,070
Reserves	729,130	1,589,912
Accumulated losses	(2,837,021)	(1,368,021)
Total equity	6,785,185	6,713,961
Financial performance		
Loss for the year	(1,469,000)	(1,237,147)
Other comprehensive income	(860,782)	1,542,372
Total comprehensive income	(2,329,782)	305,225

The Parent Entity has not entered into any financial guarantees which is outstanding and has no contingent liabilities or commitments for the acquisition of property, plant and equipment as at 30 June 2011 and 30 June 2010.

Note 25 – Commitments

Exploration expenditure commitments

The expenditure commitments to maintain and renew rights to tenure and earn interests under joint venture arrangements in exploration licences as at 30 June 2011 have not been provided for in the financial statements and are due:

	$	$
Within twelve months	547,500	1,136,300
Twelve months or longer and not longer than five years	512,500	-
	1,060,000	1,136,300

The Group has obligations to restore land disturbed during exploration under the terms and conditions of licences.

In July 2011, the Company renewed the office lease agreement for a period of 1 year with rental commitments of $45,864.

Note 26 – Contingent liabilities

The Group has no contingent liabilities at 30 June 2011 or 30 June 2010.

Note 27 – Events after balance sheet date

There has not arisen in the interval since 30 June 2011 and up to the date of this report, any matter that, in the opinion of the Directors, has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

The financial report was authorised for issue on 27 September 2011 by the Board of Directors.

Directors' Declaration

The Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 29 to 54, are in accordance with the Corporations Act 2001 and:
   (a) comply with Accounting Standards;
   (b) give a true and fair view of the financial position as at 30 June 2011 and of the performance for the year ended on that date of the Consolidated Group; and
   (c) complies with International Financial Reporting Standards as disclosed in Note 1.

2. the Chief Executive Officer and Chief Financial Officer have each declared that:
   (a) the financial records of the Company for the financial period have been properly maintained in accordance with section 286 of the Corporations Act 2001;
   (b) the financial statements and notes for the financial year comply with the Accounting Standards; and
   (c) the financial statements and notes for the financial year give a true and fair view.

3. in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

K M Fan
Director

27 September 2011

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Independent Auditor's Report
To the Members of Ausmon Resources Limited

Report on the financial report

We have audited the accompanying financial report of Ausmon Resources Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2011, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view of the financial report in accordance with Australian Accounting Standards and the Corporations Act 2001. This responsibility includes such internal controls as the Directors determine are necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards which require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

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In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion

In our opinion:

a the financial report of Ausmon Resources Limited is in accordance with the Corporations Act 2001, including:

  i giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its performance for the year ended on that date;

  ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and

b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Report on the remuneration report

We have audited the remuneration report included in pages 18 to 22 of the directors' report for the year ended 30 June 2011. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of Ausmon Resources Limited for the year ended 30 June 2011, complies with section 300A of the Corporations Act 2001.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

C F Farley
Director - Audit & Assurance

Sydney, 27 September 2011

Additional information included in accordance with Listing Rules of the ASX Limited.

1. SHAREHOLDINGS

(a) Distribution of Shareholders as at 6 September 2011

Size of Holding	Holders	Ordinary Shares Held	%
1-1,000	2	410	0.001
1,001-5,000	17	63,176	0.087
5,001- 10,000	103	1,007,911	1.391
10,001-100,000	99	4,401,279	6.072
100,001 – and over	76	67,006,349	92.449
	297	72,479,125	100.000

6 shareholders held less than a marketable parcel.

(b) Top Twenty Shareholders as at 6 September 2011

Shareholder	Number of Ordinary Shares	% Held of Issued Ordinary Capital
Aumeng Investments Limited	24,300,000	33.527
WVM & ML Sam Yue <Samyue Super Fund a/c>	3,272,247	4.515
Atlantic Pacific Capital Limited	2,350,000	3.242
X P Pu & X Y Wang & J Wang <Ivy Family S/F a/c>	2,066,362	2.851
Yongjian Wang	2,000,000	2.759
Suzhou Jiutai Group Company	2,000,000	2.759
King Ming Fan	1,875,001	2.587
Fort Capital Pty Ltd	1,750,000	2.414
Wujiang Investment Pty Ltd	1,360,000	1.876
Yaohua Yang	1,000,000	1.380
Black Range Minerals Limited	1,000,000	1.380
CK Camden Pty Ltd <Zhengs Family A/C>	1,000,000	1.380
Zhen Long Holdings Limited	1,000,000	1.380
Yelin Xu	991,000	1.367
P R & H M Murray <PHM Super Fund a/c>	980,000	1.352
Gang Zheng	907,501	1.252
Smart Step Limited	822,750	1.135
Australasia Access Pty Ltd	800,000	1.104
Yu Fan	770,000	1.062
John Wang	750,001	1.035
Twenty largest shareholders	50,994,862	70.357
Others	21,484,263	29.643
	72,479,125	100.000

2. LISTED OPTION HOLDINGS

(a) Distribution of Option holders as at 6 September 2011

Listed options – $0.80 exercisable on or before 30 June 2014

Size of Holding	Holders	Options Held	%
1-1,000	0	0	0.000
1,001-5,000	0	0	0.000
5,001- 10,000	132	1,320,000	3.911
10,001-100,000	77	3,293,750	9.759
100,001 – and over	48	29,136,250	86.330
	257	33,750,000	100.000

(b) Top Twenty Listed Options holders as at 6 September 2011

Shareholder	Number of Options Shares	% Held of Issued Options
Aumeng Investments Limited	12,150,000	36.000
Yongjian Wang	1,500,000	4.444
Fort Capital Pty Ltd	1,100,000	3.259
WVM & ML Sam Yue <Samyue Super Fund a/c)	1,100,000	3.259
Wujiang Investment Pty Ltd	1,075,000	3.185
Yaohua Yang	1,000,000	2.963
King Ming Fan	937,500	2.778
X P Pu & X Y Wang & J Wang <Ivy Family S/F a/c>	655,000	1.941
Yelin Xu	500,000	1.481
Songqing Ma	500,000	1.481
John Wang	468,750	1.389
Gang Zheng	468,750	1.389
Xiao Hua Li	400,000	1.185
Yongquan Zhang	400,000	1.185
Qin Liu	400,000	1.185
Wong Yuet Moye Sam Yue	335,000	0.993
Smlinda Pty Ltd	312,500	0.926
Huiqing Yuan	310,000	0.919
Xiao Ping Pu	250,000	0.741
Actwise Pacfic Pty Ltd	250,000	0.741
Twenty largest optionholders	24,112,500	71.444
Others	9,637,500	28.556
	33,750,000	100.000

3. VOTING RIGHTS

(a) At meetings of members each member entitled to vote may vote in person or by proxy or attorney or, in the case of a member which is a body corporate, by representative duly authorized.

(b) On a show of hands every member entitled to vote and be present in person or by proxy or attorney or representative duly authorised shall have one (1) vote.

(c) On a poll every member entitled to vote and be present in person or by proxy or attorney or representative duly authorised shall have one (1) vote for each fully paid share of which he is a holder.

4. AUDIT COMMITTEE

As at the date of this report the Company does not have an Audit Committee following the resignation of the Chairman of the Audit Committee on 25 July 2011 from the two members committee.

5. SUBSTANTIAL SHAREHOLDERS

The securities held by substantial shareholders are as follows:

Name	Number of Shares
Aumeng Investments Limited, K M Fan, J Q Wang and G Zheng	30,150,003