AUSMON RESOURCES LIMITED ***ABN 88 134 358 964***

Level 15, Suite 1502
370 Pitt Street
Sydney NSW 2000

T 61 2 9264 3100
F 61 2 9264 0099
E office@ausmonresources.com.au

31 January 2012

Company Announcements Office
ASX Limited

ACTIVITIES REPORT—DECEMBER 2011 QUARTER

Highlights

North America

- Premium Exploration Inc. ("PEM") continued its 2011 Phase Four 25,000 metre district wise drilling program at the Idaho Gold Project, making further gold discoveries.

- Premium continued a property review of its Chrome Mountain Platinum Group Metals ("PGM") Project located within the Stillwater Complex, Montana, USA.

- In December 2011 PEM announced a proposed placement of up to 50 million units (shares) at $C0.15 (up to $C7.5m) with 1.5 Warrant Shares issued with each share, exercisable over 24 months at $C0.25 per Warrant Share.

Australia

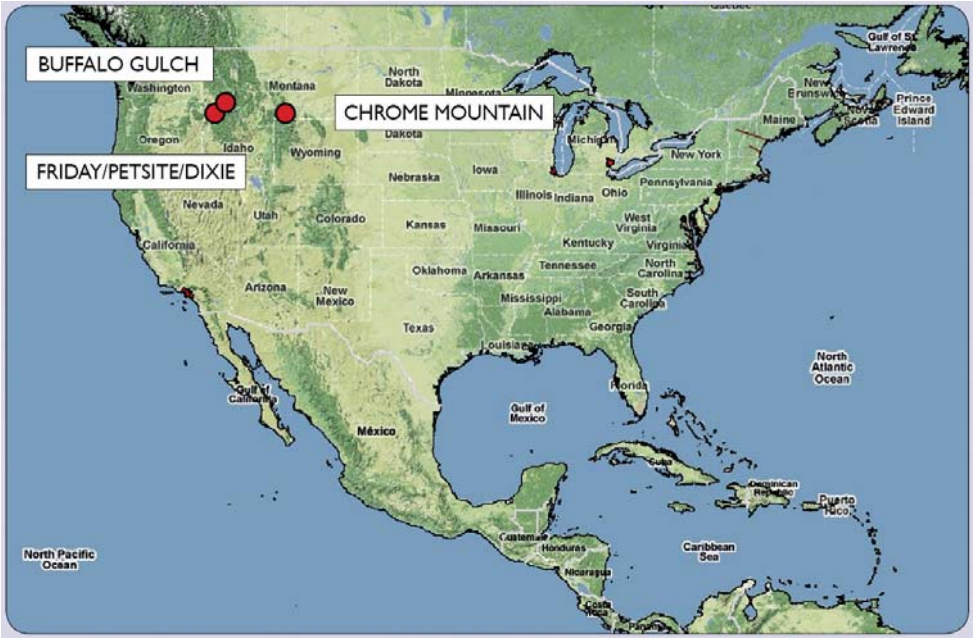
- Mapping and anomaly follow-up continued on Koonenberry ELs 6400, 6464, 7691 and 6424, with new mineralization noted on WNW continuations of the Grasmere-Peveril line of lode.

- Further analysis of recent RC drilling results from Cumnock EL 6417, near Orange confirmed the Gumble sub area as being highly prospective for skarn-type Cu-Zn-Ag-(Au) deposits. Up to eleven targets remain to be drill tested.

- Targets were honed for bedrock sampling on Cobar ELs 6413 & 7564 (Pooraka) and 6416 (Mt Barrow). This work included detailed analysis of aeromagnetic features to determine bedrock depths beneath soils and ferruginised palaeochanels.

INVESTMENT IN ADVANCED GOLD EXPLORATION PROJECT - IDAHO, USA

PEM is focused on gold exploration at its district-sized land package along the Orogrande Shear Zone ("OSZ") in North-Central Idaho, USA. The "OSZ" is a +30 km regionally-significant structure with multiple known zones of gold mineralization and is similar to many large gold belts including the Carlin Trend in Nevada. Armed with a proven exploration strategy, advancing gold resources, and 30 km of drill-ready targets, PEM is well positioned to create shareholder value through exploration and the development of this emerging gold district. PEM also has a platinum group metals exploration project (Chrome Mountain) in Montana.



Premium Exploration Inc.'s - Location of Projects in USA

During the Quarter PEM continued its extensive and exciting 25,000 metre Phase Four drilling program following up on the success achieved in the 2010 Phase Three drilling programs are being undertaken by PEM to develop a district with multiple near-surface gold resources along their +30 km long property (Idaho Gold Project) in Idaho USA. In précis, following was achieved;

- Six of 9 holes were sunk into the 35km^2 Deadwood Zone, 12 km north of the main Friday Zone, locating 4 new gold mineralized zones,
- Step out drilling at the Friday Main Zone increased the strike length by 200m to the south, a 113% increase,
- Drill and grab sample results from Deadwood Zone encountered Friday-Zone style mineralization. Cross cutting, gold rich (19.4 to 54.1g/t Au) quartz veins are an attractive secondary target.
- PEM also acquired 13 prospective mineral claims in the Deadwood Zone and a 640 acre block of private property in the Buffalo Gulch Zone,
- At Chrome Mountain PGM+Cu+Ni property in Montana, USA, PEM undertook limited mapping, prospecting and soil sampling, and planned future drilling operations. The

property covers part of the Stillwater Complex where the AB chromitite horizon parallels the richest PGM (platinum group metals) reef on earth (MJ reef-15-21 g/t PGM).

- In December 2011 PEM announced a proposed placement of up to 50 million units (shares) at $C0.15 (up to $C7.5m) with 1.5 Warrant Shares issued with each share, exercisable over 24 months at $C0.25 per Warrant Share. This should raise up to $C7.5m, before costs.

Details of all public announcements by PEM on all the above matters can be viewed on their website.

ACTIVITIES IN THE KOONENBERRY BELT
ELs 6400, 6424, 6464 and 7691 - NSW (100%)

The Company holds a 100% interest in 4 ELs covering a total area of 753 sq kms in the highly prospective and under-explored Koonenberry Belt in Western NSW, near Broken Hill.

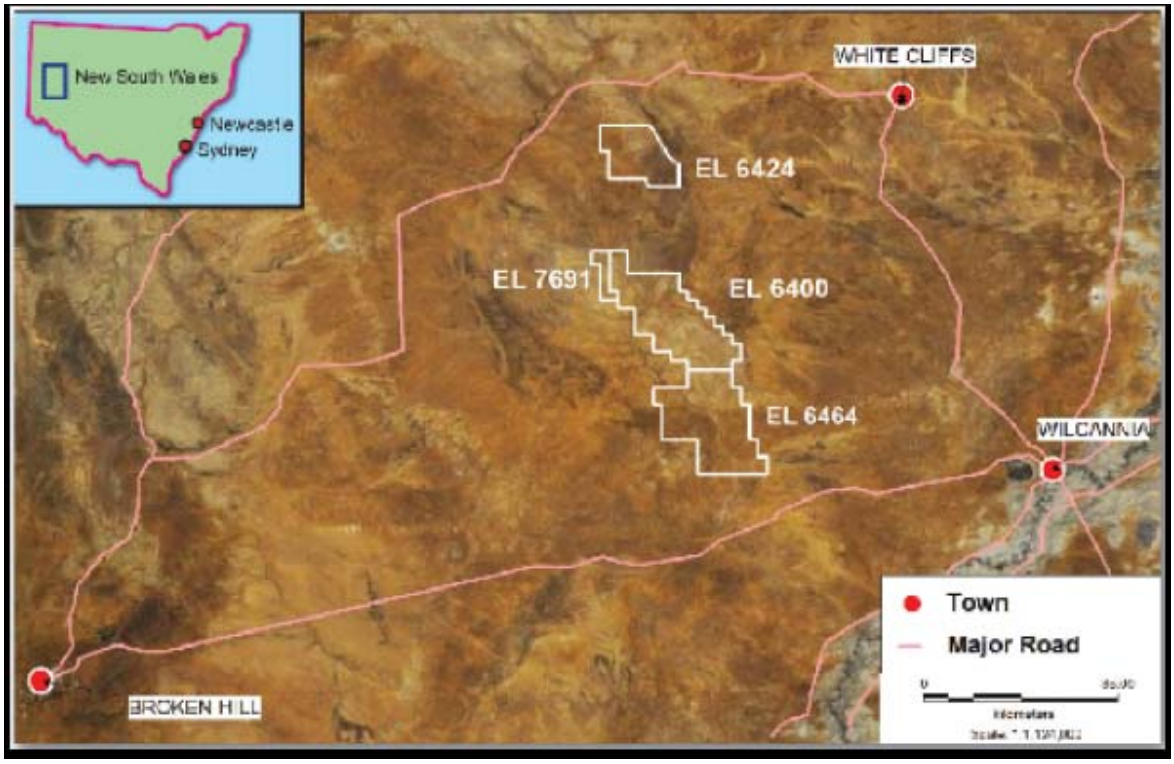
Detailed (1:1000 scale) fault delineation and lithological mapping during the September quarter 2011 led to the discovery of a new, south-east displaced, fault bounded, slice of the line of lode, roughly one kilometre north of the Company's June 2011 drilling area. Lithological, fault line, and aeromagnetic evidence also pointed to further extensions to the west-north-west as indicated. Earlier explorers were beguiled by high copper concentrations in soils draining the area, leading to the drilling of extensive lines of RAB (bedrock probing) holes—shown as brown dots on figure. The presence of strong copper anomalies also suggests the possibility of higher concentrations of copper sulphides in that area.

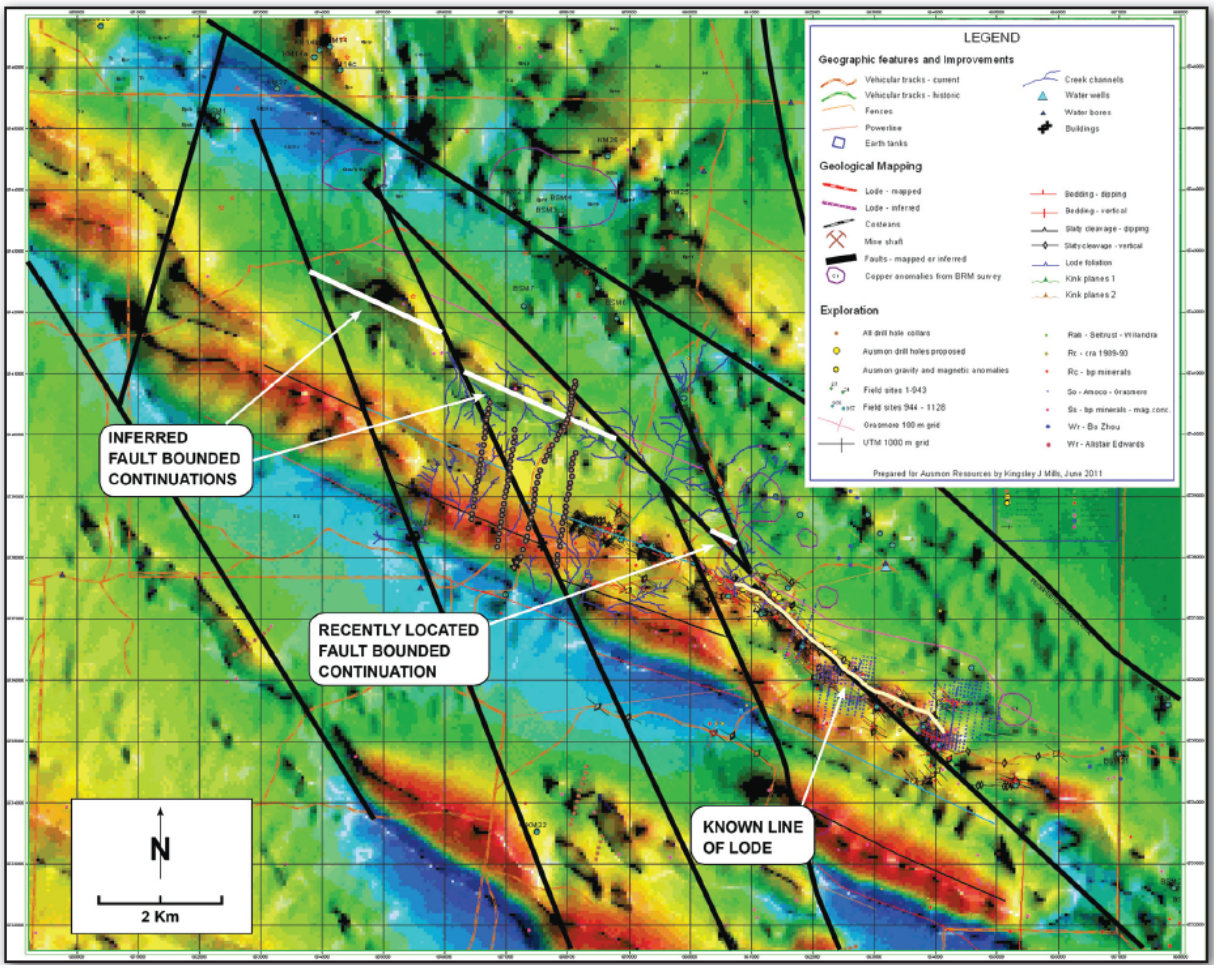
During the current Quarter detailed mapping continued along the west-north-west extensions of the Grasmere-Peveril line of lode. Mapping located new features, including narrow, late stage, cross cutting veins, showing at surface as silicified ironstones. Portable XRF (Niton) field testing of these detected the presence of Cu and Zn. A number of targets were selected for later testing by RC percussion drilling.

The DPI Annual Report for EL 7691 was largely completed for submission to the DPI in late January or February 2012. Work on that EL has revealed a number of targets for drilling.

Data from 2011 diamond drilling of the line of lode have demonstrated that higher grade Cu zones (shoots) are primary in nature, and not caused by supergene enrichment effects. Lode extensions to the west-north-west will now be more precisely located by mapping and, where required, bedrock (air core drill) sampling. Lodes will then need to be tested by RC percussion and diamond drilling. The aim will be to confirm continuity, thickness and Cu content of lodes to the west-north-west.

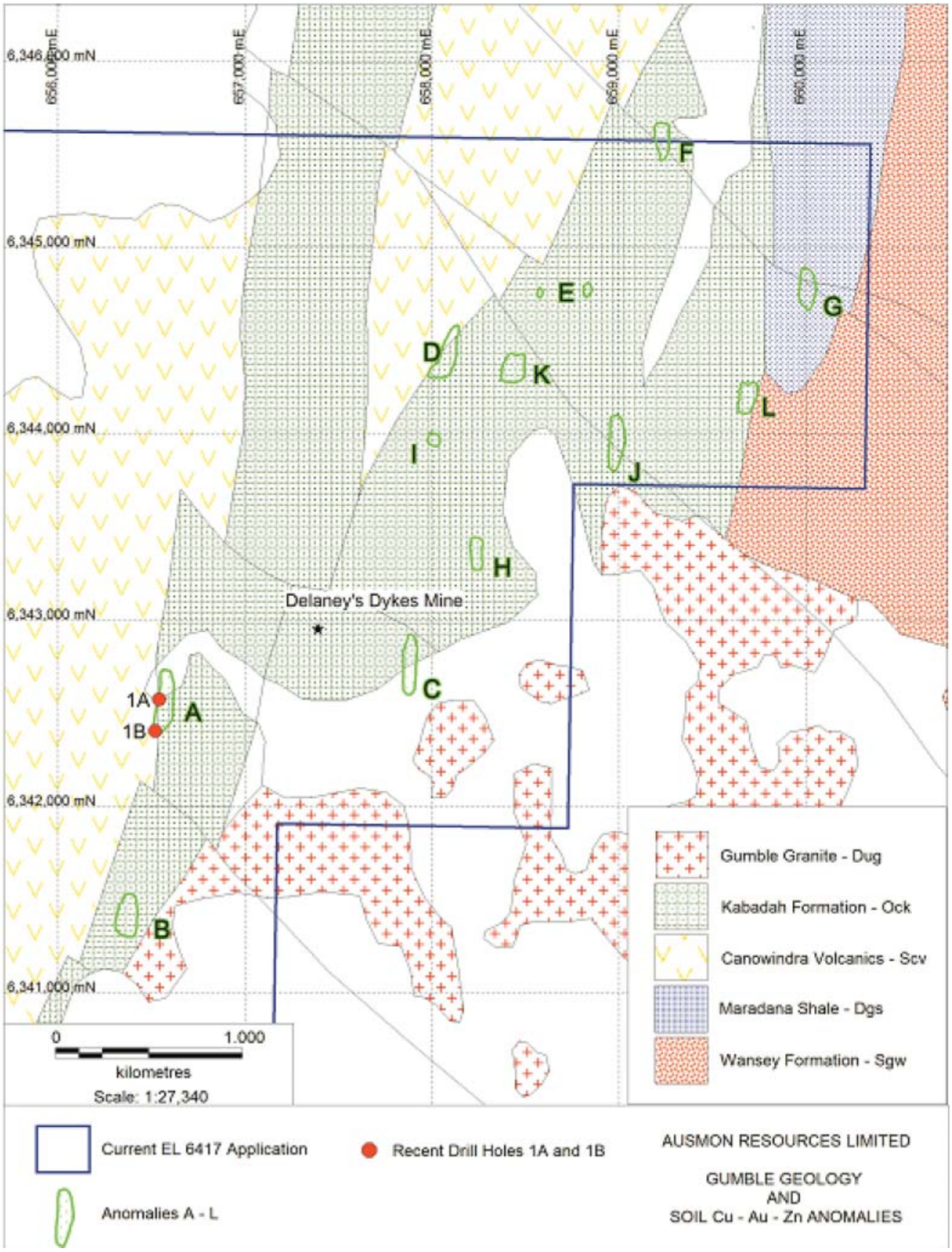
The lode is considered to probably be structurally controlled, along a major fault, however given the highly deformed and altered nature of the host rocks, primary features would have been largely or entirely obliterated, which means a re-constituted Cyprus-type VMS seafloor origin cannot be ruled out**.**


New South Wales
Newcastle
Sydney
WHITE CLIFFS
EL 6424
EL 7691
EL 6400
EL 6464
WILCANNIA
BROKEN HILL
Town
Major Road



ACTIVITIES NEAR ORANGE-Gold, Silver and Base Metal Exploration
(EL 6417-Cumnock-100%)

As announced to ASX in October 2011 6 RC percussion holes were completed in August 2011 including 2 holes into Anomaly A, on the Gumble sub-area. Those 2 holes intersected broad zones enriched in Ag, Cu, and Zn, with lesser Sn and Au —e.g. 8 m @ 0.7% Cu, 30 g/t Ag, and 0.22 g/t Au, with 0.15% Sn over 3 m. Other Ag intersections included 23m at 4.5 g/t, 10m at 3 g/t, and 7 m at 3.9 g/t (*see Footnote on true widths at end of this report*). Results look very promising, and significantly upgrade the potential of the Gumble sub-area. Anomaly A is part of an extensive skarn system (caused by mineralised fluids from granitic intrusions reacting with limestones and associated rocks) evident over 500+ metres. Elements concentrated are the same as those at the nearby (historic) Delaney's Dyke mine—i.e. Cu, Zn, Ag-Au, and Sn. Another 11 similar anomalies, labeled B to L, remain to be drill tested—see Fig below.

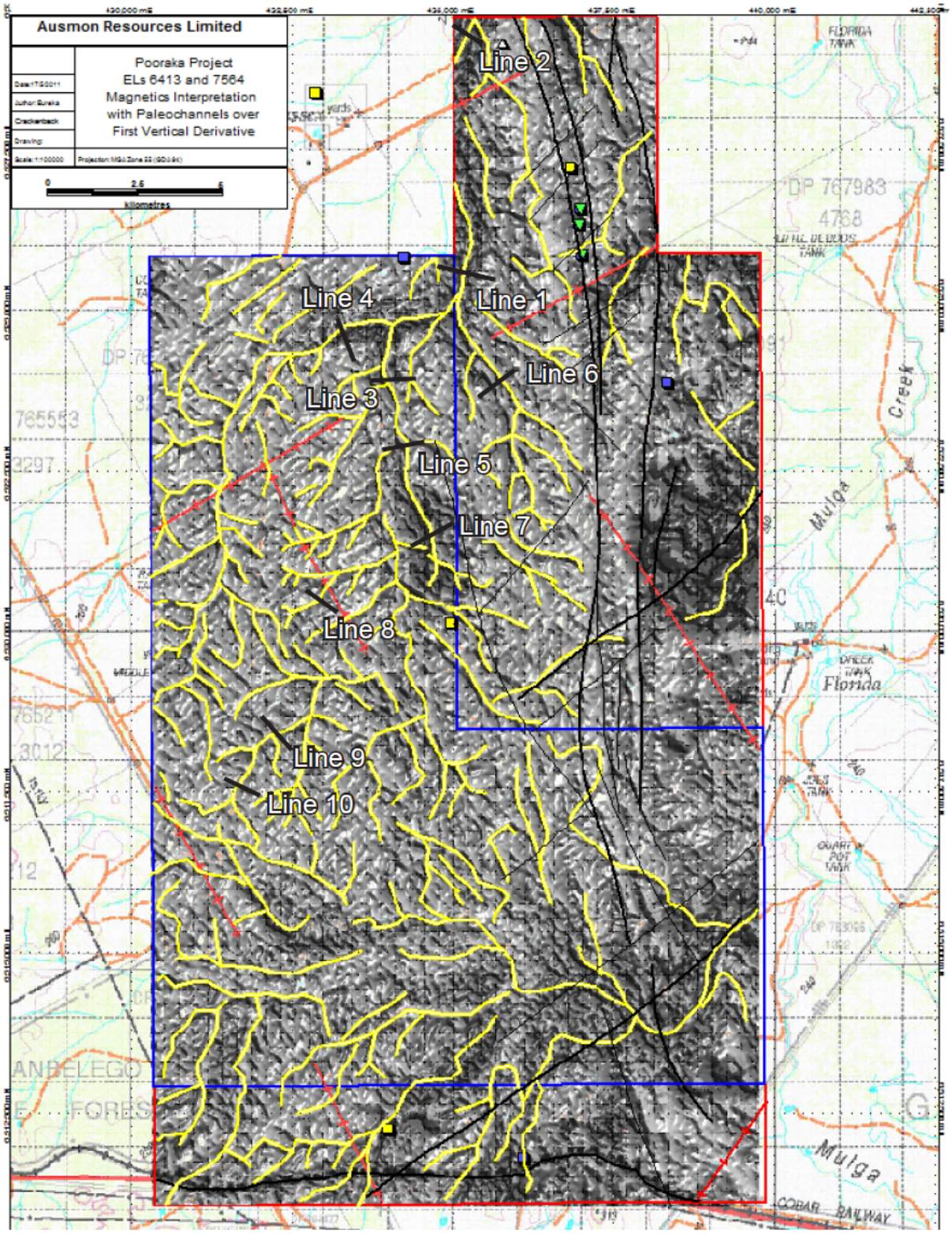

656,000 mE
657,000 mE
658,000 mE
659,000 mE
665,000 mE
6,346,000 mN
6,345,000 mN
6,344,000 mN
6,343,000 mN
6,342,000 mN
6,341,000 mN
Delaney's Dykes Mine
A
B
C
D
E
F
G
H
I
J
K
L
1A
1B
0
1.000
kilometres
Scale: 1:27,340
Gumble Granite - Dug
Kabadah Formation - Ock
Canowindra Volcanics - Scv
Maradana Shale - Dgs
Wansey Formation - Sgw
Current EL 6417 Application
Recent Drill Holes 1A and 1B
Anomalies A - L
AUSMON RESOURCES LIMITED
GUMBLE GEOLOGY
AND
SOIL Cu - Au - Zn ANOMALIES

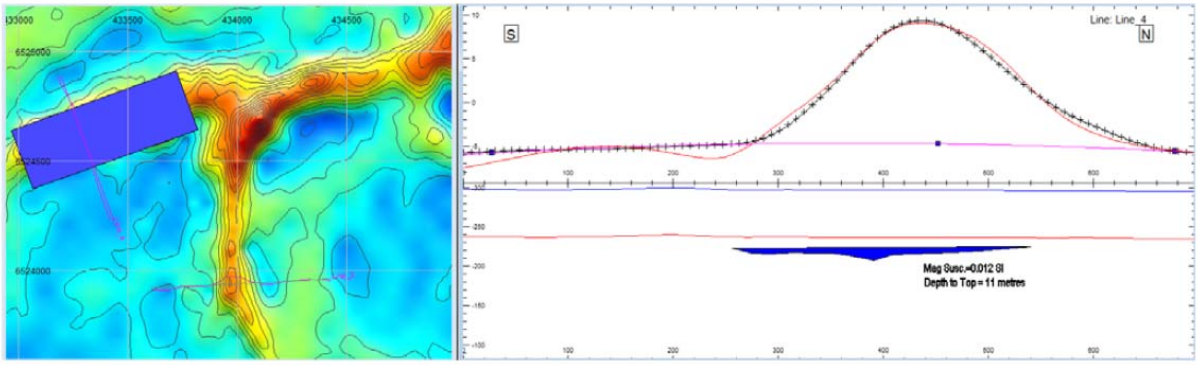
ACTIVITIES NEAR COBAR (Adjacent ELs 6413 and 7564, and EL 6416)—100% Ausmon

During the Quarter Eureka Consulting (Geophysical Consultants) prepared a detailed report on the analysis of Ausmon's 2011 aeromagnetic data from joined ELs 6413 & 7564, near Pooraka. The western parts of these ELs are covered by soils and alluvium which overlie extensive dendritic magnetic (maghemite bearing) palaeochannels of uncertain depth and thickness. TMI data acquired from the survey were analysed, using the first vertical derivative (tilt filter) which highlights shallow magnetic geological features and surface features like roads, train lines and fences. Abundant dendritic palaeochannels are evident—see Diagram below. Ferric mineral precipitation (as pisolites in soils and along drainage channels) is caused by occasional heavy rains in the high evaporation environment. Resultant channel iron deposits (CIDs) vary considerably in width and thickness, and are an important part of the regolith. In detail iron oxides (goethite and maghemite) are associated with clays, silica, carbonates, and detrital material, forming thin lenses that follow palaeochannels.

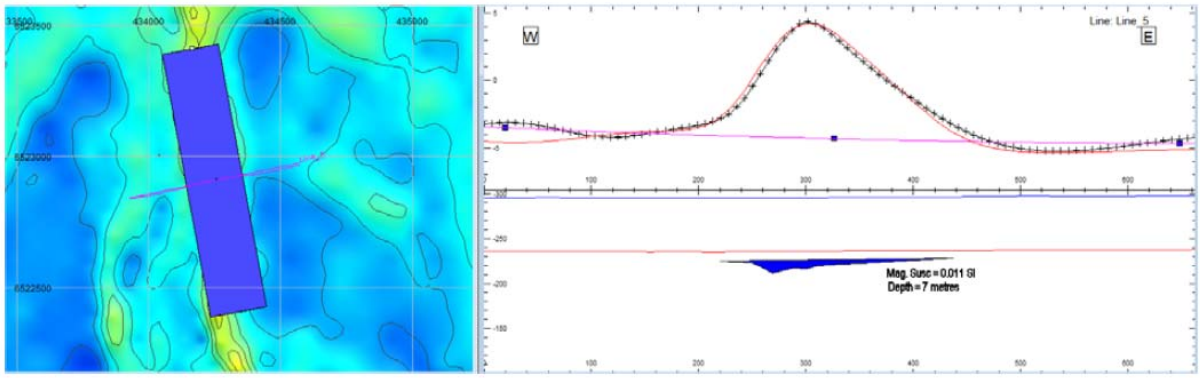
For the analysis, 10 magnetic profiles across a range of palaeochannel types were studied to determine depths to channel tops, thicknesses, and magnetic responses. In the modeling process channels were assumed to be tabular and thinning towards edges. Data profiles, adjusted for terrain and regional effects, revealed channel thicknesses ranging from about 12 to 20m and depths to tops ranging from 0 to 18m, averaging between 5 and 11m—see Diagrams below.

These data are an important precursor to bedrock sampling by aircore or RAB drilling of deeper magnetic and/ or geologic features, including in areas close to known mineralisation. Also, bedrock sampling beneath deeper channels and cover will most likely require wider spaced inclined holes. Bedrock sampling of targets is planned for the next 2 quarters.

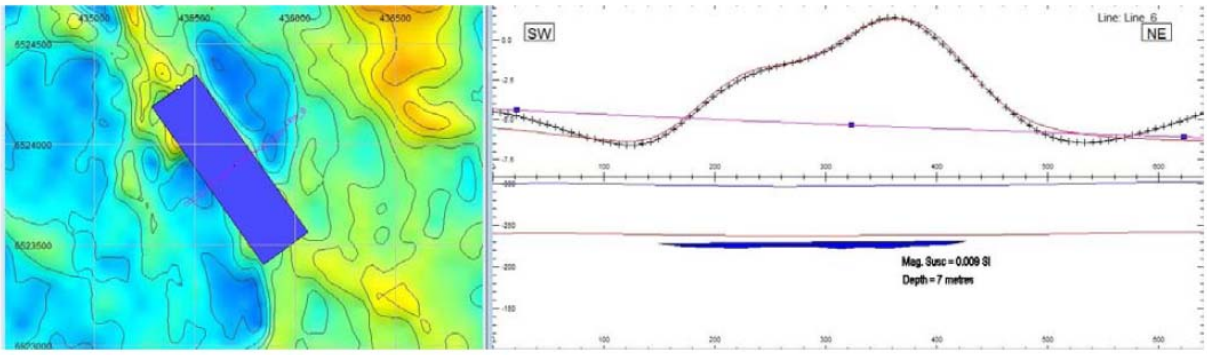

Ausmon Resources Limited
Pooraka Project
ELs 6413 and 7564
Magnetics Interpretation
with Paleochannels over
First Vertical Derivative
Line 1
Line 2
Line 3
Line 4
Line 5
Line 6
Line 7
Line 8
Line 9
Line 10



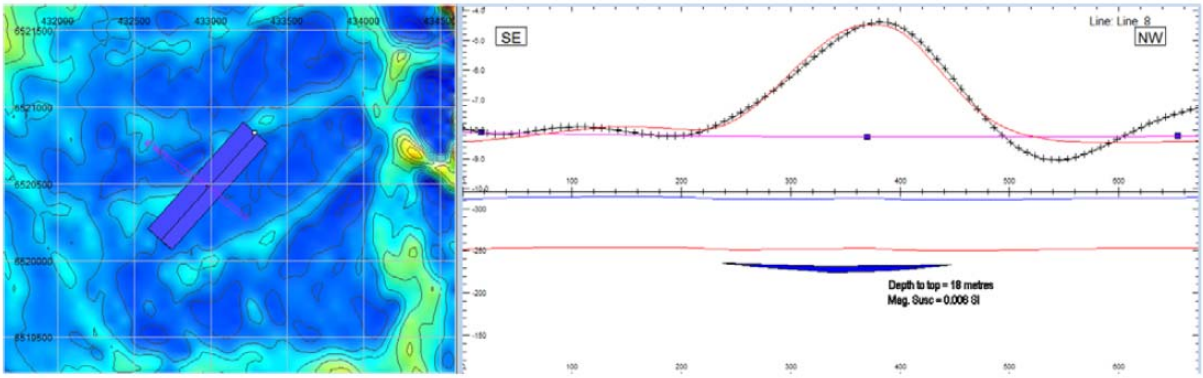
Line 4 with channel polygon, on the western extension of drainage channel



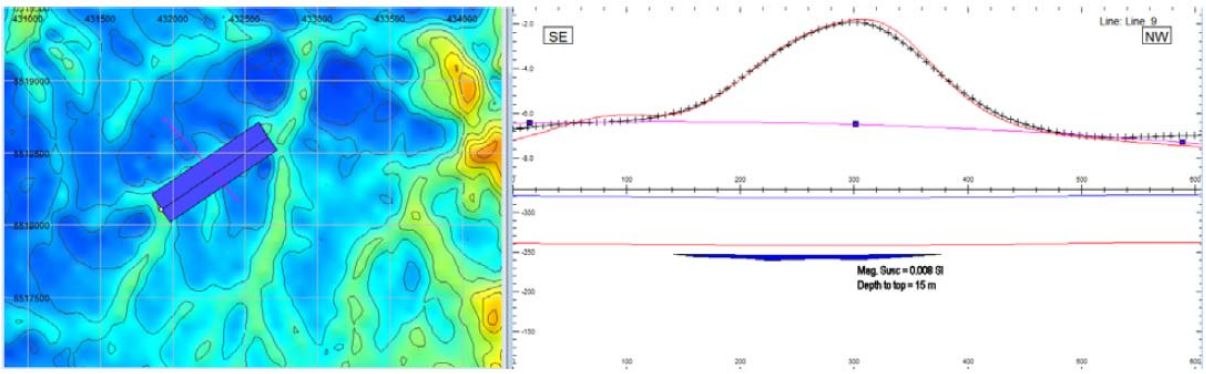
Line 5 with channel response modeled as a polygonal body



Line 6 with channel response modeled as a polygonal body over a minor tributary



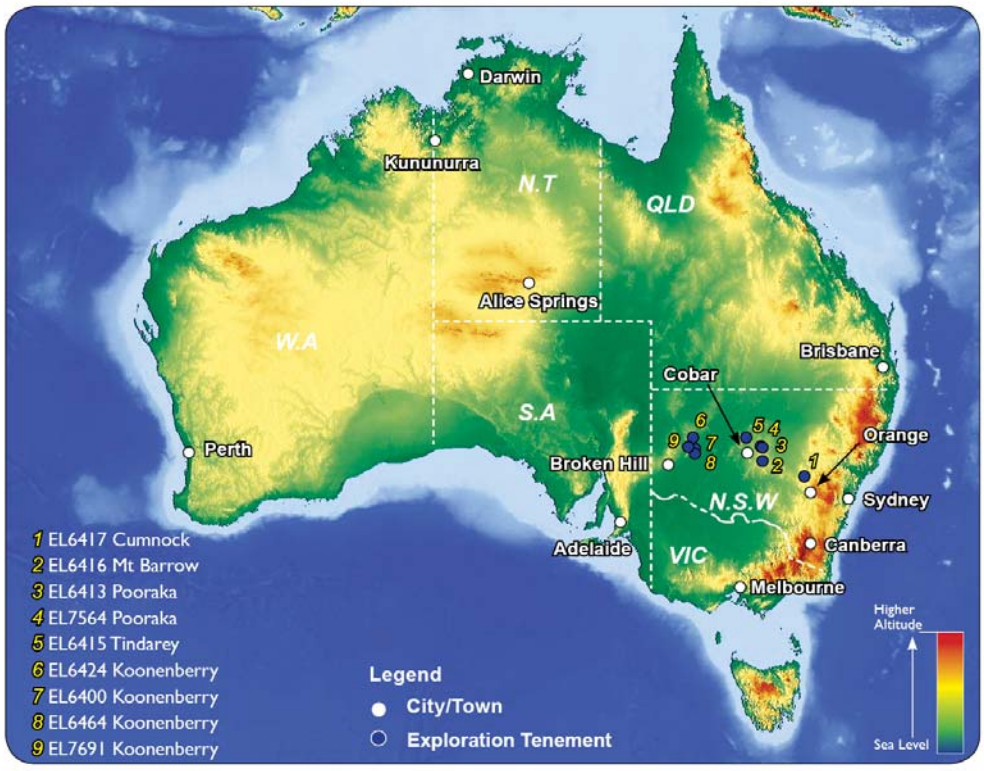
Line 8 with low amplitude channel response modeled as a polygonal body



Line 9 with low amplitude channel response modeled as a polygonal body

Footnote

Based on geometry, and geological information, intersection widths (in metres) described in this report are estimated to be 20% to 50% greater than true widths.



License Locations in New South Wales, Australia

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

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

John Wang
Director/Secretary

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

AUSMON RESOURCES LIMITED

ABN	Quarter ended ("current quarter")
88 134 358 964	31 DECEMBER 2011

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (6 months) $A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(48)	(347)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(239)	(472)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	6	9
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material) - GST	23	(3)
	Net Operating Cash Flows	**(258)**	**(813)**
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets		
1.9	Proceeds from sale of: (a) prospects		
	(b) equity investments	-	1,115
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (a)security deposit paid	-	(30)
	(b)Security deposit refund	20	20
	Net investing cash flows	**20**	**1,105**
1.13	Total operating and investing cash flows (carried forward)	**(238)**	**292**

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	**(238)**	**292**
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (capital raising costs)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(238)	292
1.20	Cash at beginning of quarter/year to date	764	234
1.21	Exchange rate adjustments to item 1.20		
1.22	**Cash at end of quarter**	**526**	**526**

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

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	95
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Salaries for executive directors.

Non-cash financing and investing activities

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

2,020,000 fully paid ordinary shares were issued at $0.20 per share in payment of outstanding Directors' fees approved at the annual general meeting.

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

Financing facilities available

Add notes as necessary for an understanding of the position.

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

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	100
4.2	Development	
4.3	Production	
4.4	Administration	200
	Total	**300**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	106	113
5.2	Deposits at call	420	651
5.3	Bank overdraft		
5.4	Other (provide details)		
	Total: cash at end of quarter (item 1.22)	**526**	**764**

Changes in interests in mining tenements

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

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

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

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	74,499,125	74,279,125		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	2,020,000	2,020,000	$0.20	$0.20
7.5	**+Convertible debt securities** (*description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*	One ordinary share per option 33,750,000	33,750,000	*Exercise price* $0.80	*Expiry date* 30 June 2014
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

+ See chapter 19 for defined terms.

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: ..... Date: 31 January 2012
(Director/Company secretary)

Print name: John Wang

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == == ==

+ See chapter 19 for defined terms.