AUSMON RESOURCES LIMITED AND CONTROLLED ENTITY

ABN 88 134 358 964

Half-Year Financial Report

31 December 2011

AUSMON RESOURCES LIMITED

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CONTENT

REVIEW OF OPERATIONS

Highlights

CORPORATE

- Entered into an agreement with Jiangsu Datang International Jintan setting out the framework for a joint development of a gas-fired thermoelectric co-generation power project in Jiangsu Province in China to supply power to the Jintan Economic Development Zone.

MINERALS EXPLORATION PROJECTS

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

Australia

Work focussed on assessing and following up on the drilling results at Koonenberry (EL 6400), and on the RC percussion drilling on Cumnock (EL 6417), near Orange.

Copper Exploration at Koonenberry Belt

- Analytical results from 3 of the 4 diamond drill holes, drilled in June 2011 by the Company, into the Grasmere-Peveril line of lode gave very pleasing results, including 3.33 m at 3.33%Cu, 0.44% Zn and 7.3g/t Ag, and 0.73 m at 4.81% Cu, 0.8% Zn, and 10.1 g/t Ag.(see Footnote on true widths at end of this report).
- Detailed mapping continued on the recently discovered west-north-west extension to the Grasmere-Peveril line of lode. Lithologic, fault line, and sink hole mapping, plus magnetic trends, all point to the presence of extensions that need to be drill tested.
- Detailed petrographic/mineragraphic work (15 samples of core/chips) undertaken by CODES (University of Tasmania) confirmed that Cu sulphides are primary (ie not supergene) in nature. The report also said that metal concentrations and associations suggest that sulphides formed along a near concordant fault or shear zone, rather than in a sea floor VMS environment. That idea remains to be confirmed.
- Mapping and anomaly follow-up continued on ELs 6400, 6464, 7691 and 6424, with new mineralization noted on WNW continuations of the Grasmere-Peveril line of lode.

Gold, Silver and Base Metal Exploration at Orange and Cobar

- On EL 6417 (Cumnock, near Orange) 6 RC percussion holes were completed in August 2011. Two were drilled beneath the historic Cumnock Cu Mine, 2 into a skarn target at Gumble, and 2 into a large soil Cu anomaly at Mt Catombal. The 2 Gumble holes intersected broad skarned 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. *(see Foot note on true widths at end of this report)*. The other 4 holes did not intersect significant mineralisation, but did detect anomalous Cu values at depth.
- The Gumble results significantly upgraded the Gumble sub-area as being highly prospective for skarn-type Cu-Zn-Ag-(Au) deposits. At Anomaly A, broad skarn system (caused by mineralised granitic fluids reacting with limestones and associated rocks) is evident over 500+ metres. Elements present are the same as those seen in the nearby (historic) Delaney's Dyke mine—i.e. Cu, Zn, Ag-Au, and Sn.
- At Gumble sub-area another 11 targets remain to be drill tested. Silver grades in particular as noted above (e.g. 8 m at 30 g/t, 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)* are both high and consistent.
- 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.

CORPORATE

In November 2011, the Company entered into an agreement with Jiangsu Datang International Jintan ("Jiangsu") for a joint development of a gas-fired thermoelectric co-generation power project ("Project") in Jiangsu Province in China to supply power to the Jintan Economic Development Zone.

The agreement sets out the framework for the parties to develop the Project with no material financial commitments by the Company at this stage and is subject to a condition precedent to be achieved before proceeding to a transaction, which by reason of the size and nature of operations with respect to the Company may trigger Listing Rule 11.1 of Australian Securities Exchange ("ASX"). Progression of implementation of the agreement will be subject to ASX's consideration of applicable Listing Rules, including Listing Rule 11.1.

The condition precedent is the securing of supply of gas for the Project under applicable quotas in China. The Company has assumed responsibility for this task. No material expenditure, other than travel costs and executives time, are expected to be incurred at this stage by the Company.

Upon achieving the milestone, the Company and Jiangsu will proceed with setting up a joint venture for the phase 2 of the power plant of 800 MW with the Company as a minority partner, the percentage interest of and amount of investment by the Company are yet to be determined and agreed. The phase 1 of the power plant of 400 MW is to be owned and funded by Jiangsu.

For the construction and operation of the natural gas pipeline to feed the power plant, the Company has entitlement to be the majority partner. However, at this early stage the percentage of interest of the Company has not been determined and is yet to be agreed. The size and routing of the pipeline and the point of connection with the main pipeline of the supplier are subject to studies yet to be completed. The source of funding for and way of participation in the investment in the plant and pipeline by the Company is also yet to be determined.

The carrying out of studies, approval procedures and other processes to implement the Project rests with Jiangsu.

There is no timetable for the transaction other than that the agreement has a life of 2 years and each party is to use its best endeavours to promote the Project so that a transaction can be implemented for mutual benefits.

Jiangsu, its related parties or associates are not related parties or associates of the Company and do not hold a relevant interest in any issued securities of the Company.

MINERALS EXPLORATION PROJECTS

INVESTMENT IN ADVANCED GOLD EXPLORATION PROJECT VIA PEM - 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.

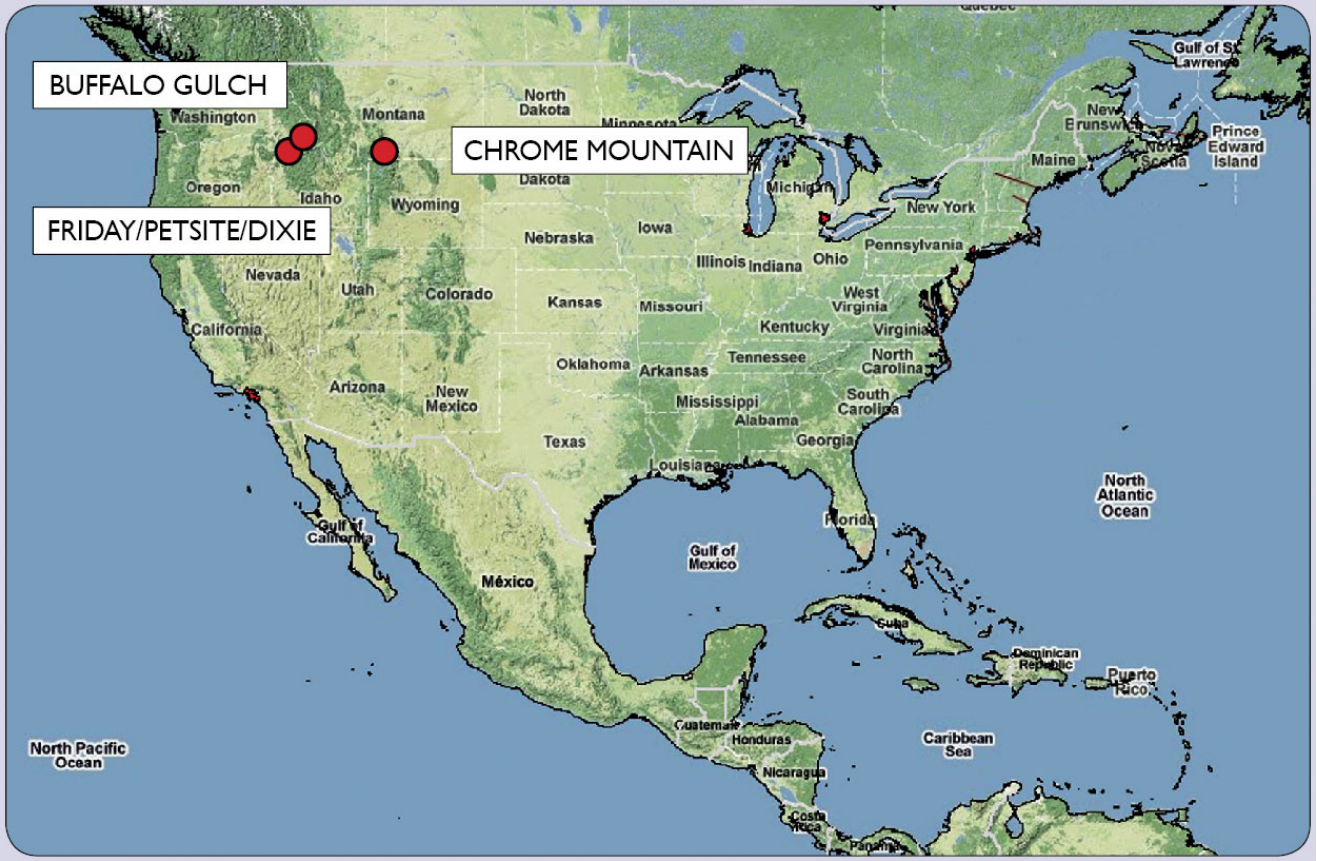


Figure 1 - Premium Exploration Inc.'s - Location of Projects in USA

PEM continued its extensive and exciting 25,000 metre Phase Four drilling program in the quarter following up on the success achieved in the 2010 Phase Three drilling program to develop a district with multiple near-surface gold resources along their +30 km property (Idaho Gold Project) in Idaho, USA.

Public announcements of PEM on exploration and drilling results can be viewed on their website.

COPPER EXPLORATION AT 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.

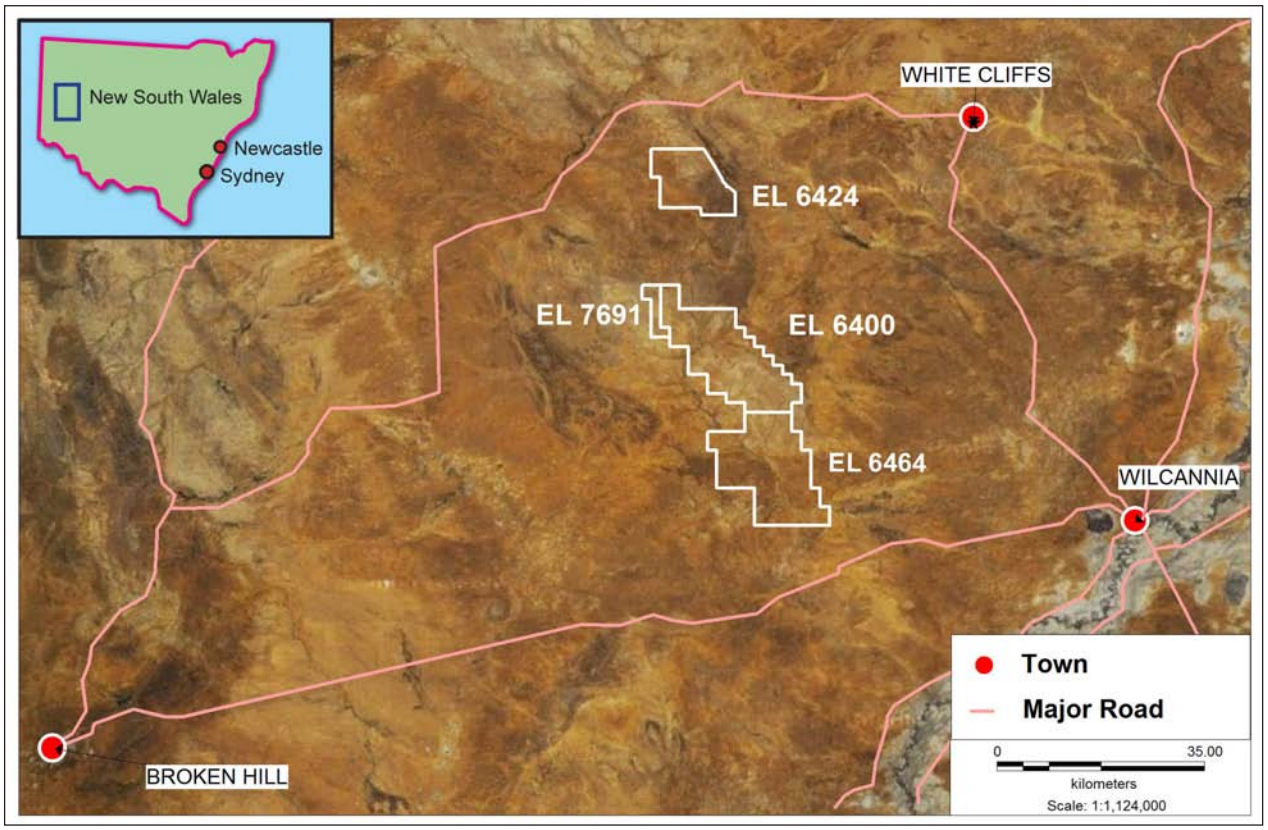


Figure 2 - Results of Diamond drilling- Koonenberry Copper Project (EL 6400)

Four diamond drill holes (ADD01-ADD04) were drilled in June 2011 into broader and/or more metal rich parts of the Grasmere-Peveril line of lode. Known Cu-Zn mineralisation occurs continually over a west-north-west strike of about 3.8 km. The lode is broken by several offsetting faults, and is most thickly developed in two near vertically dipping bodies, referred to as the Grasmere and Peveril bodies.

Findings were as follows:

Hole ADD01 intersected the western part of the Peveril ore body and substantially increased the down dip extension of known mineralisation.

Hole ADD04 was drilled 100 m further to the west and made a much narrower intersection, indicating proximity to the western edge of the Peveril ore body.

Hole ADD02 was drilled to test for thickening of the mineralisation in earlier drill holes 300 m west of the Peveril ore body.

Hole ADD03 was drilled to test the western part of the Grasmere ore body at a drill hole length of c. 250 m. Between 245.20 m and 255.55 m, it intersected a fault zone with core losses suggesting that the Grasmere body is displaced by a fault.

Cores were logged and photographed, and sulphide bearing intersections split by diamond saw. Half core samples (71 samples) were submitted to the laboratory in Orange for multi element analysis, including 13 samples for SG (density) determination.

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

High grade Cu intersections, with Zn and Ag credits, were as follows *(see Footnote on true widths at end of this report):*

Hole No	Intersection, m		Length m	Cu%	Zn%	Ag g/t	Au g/t
	from	to					
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

Discovery of Probable WNW Extension to Line of Lode (see Diagram)

Detailed (1:1000 scale) fault delineation and lithological mapping during half year 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 3. The presence of strong copper anomalies also suggests the possibility of higher concentrations of copper sulphides in that area.

Detailed mapping along the west-north-west extensions of the Grasmere-Peveril line of lode 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. Work on EL 7691 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.

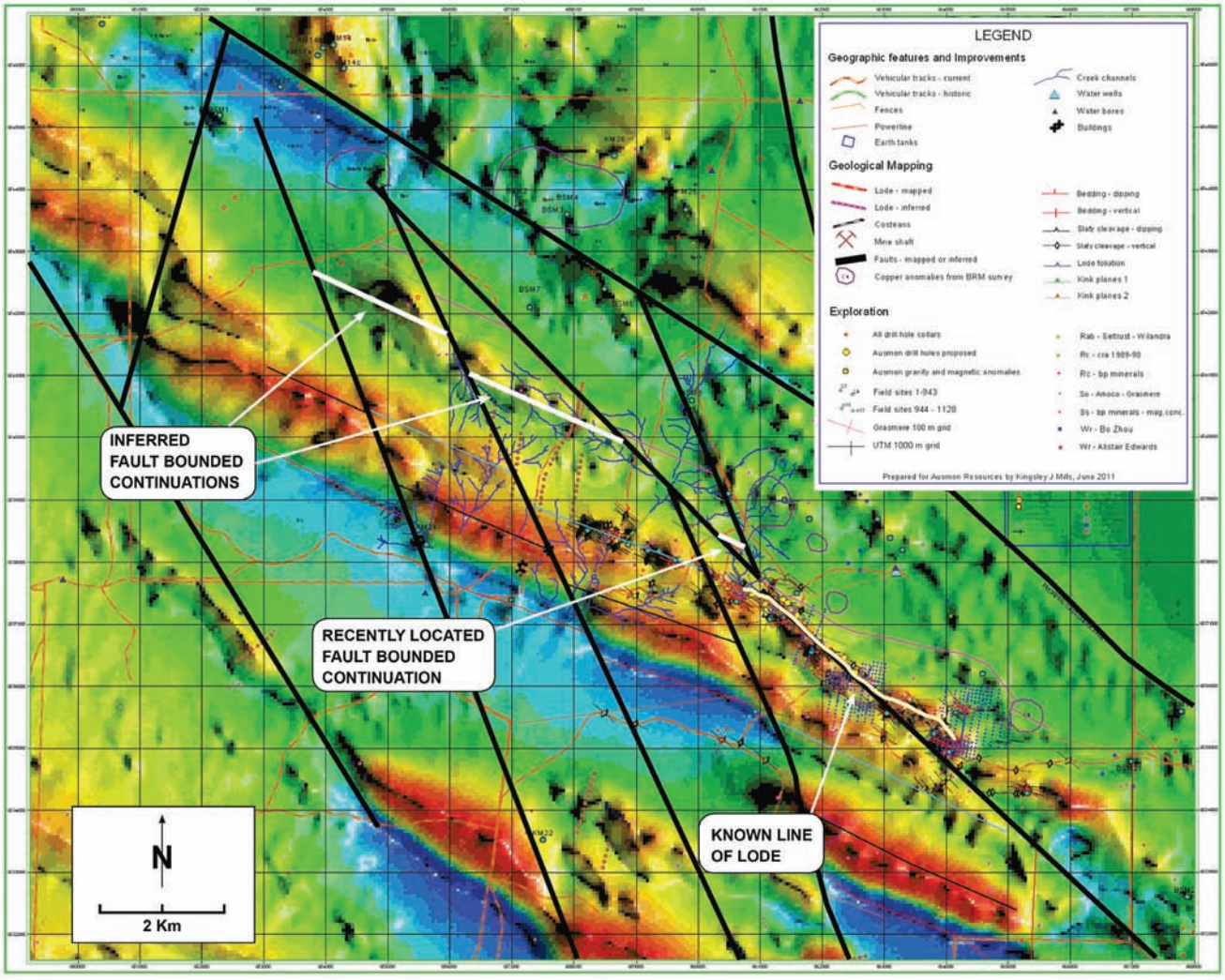


Figure 3 - EL 6400 Fault Delineation and Lithological Map

Petrographic/ Mineragraphic Study of Drill Cores and Chips at CODES, Tasmania

Fifteen samples of cores and chips were collected over 5 km from drill holes along the Grasmere-Peveril line of lode and submitted to CODES (University of Tasmania) for petrographic/mineragraphic analysis. The results of this work were as follows:

- Host rocks to the lode are thinly bedded shale-siltstone-fine sandstone metasediments of the Ponto Group, associated with lesser strongly veined and altered mafic volcanic, or volcaniclastic rocks.
- The lode itself is consistently fine-grained, with strong cataclasis (deformation of rigid particles by fracture, sliding and rolling, without internal strain) of the dominant sulfide mineral, pyrite, which is associated with variable amounts of chalcopyrite and minor sphalerite.
- Limited assay data provided shows very high Cu/Zn ratios, with Pb almost always <30 ppm, in keeping with the observed sulfide mineralogy and absence of galena.
- Although the pyritic, Cu-rich, Pb-poor lode is broadly similar to Cyprus-type VHMS deposits in mineralogy and metal ratios, over its entire 5 km extent there is no known evidence of stockwork zones, barite, exhalative sediments, or seafloor sulfide deposit constructional features (chimneys, mounds, concentrically banded sulfides) suggesting that it is unlikely to represent a Cyprus-type VHMS system.
- The strong and lode-wide cataclasis of brittle pyrite, coupled with evidence from detailed mapping that the lode appears to transect the host stratigraphy in places, suggests that the lode is structurally controlled, along a major fault. Further study is required however to thoroughly characterize the nature and origin of the lode.

- Other features noted include local plastic deformation of chalcopyrite, rare alteration along chalcopyrite rims to (blue) covellite, and very rare sulphosalt inclusions.

GOLD, SILVER AND BASE METAL EXPLORATION AT ORANGE AND COBAR *EL 6413, EL 6416 EL 6417 and EL 7564 - NSW (100%)*

EL 6417 (Cumnock)

EL 6417 (Cumnock) is composed of 3 segments (sub areas) centred about the town of Cumnock, near Orange. The EL contains gold and base metal mineralization hosted in a range of rock units of Ordovician to Devonian age. There are many recorded mineral occurrences, and the presence of historic mine workings, at Gumble, Cumnock, and Mt Catombal.

Work Undertaken and Results

In March 2011 RC percussion targets were selected and marked out for drilling. Due to ongoing wet weather, and logistical factors, drilling was delayed until August 2011. Up to 9 targets were marked out, and 6 were drilled - 2 each on the Mt Catombal, Gumble, and Cumnock sub areas.

Hole drilled were follows, in the order completed:

Hole No	Location	GPS Co-Ordinates	Plunge/	Direction/	Length
Hole 3A	(Cumnock)	0661753 E 6352209 N	50	W	100m
Hole 3	(Cumnock)	0661656 E 6352210 N	50	E	100m
Hole 4	(Mt Catombal)	0675867 E 6377293 N	50	E	30m
Hole 4A	(Mt Catombal)	0675897 E 6377291 N	60	E	80m
Hole 1A	(Gumble)	0656538 E 6342578 N	55	E	87m
Hole 1B	(Gumble)	0656518 E 6342409 N	55	E	91m

Samples were collected over 1 m intervals - total 488 samples. Chips were separated by dry and wet sieving, geologically logged, and retained. Intervals of interest were homogenised in collection bags, and 1 kg splits taken for chemical analyses. In all 279 such splits were collected and submitted to the laboratory in Orange. All were analysed for for Cu, Pb, Zn, Ag analysis (method ICP 41). Fifty of those samples were also submitted for Au analysis (AA 25), and 20 for Sn analysis (XRF). The results were received in late September for assessment by the Company.

Extensive close spaced soil grid sampling was undertaken at Gumble in 2009, and 2010 to cover the contact areas of the Gumble Granite, mainly in the prospective Ordovician Kabadah Formation, which hosts numerous gold and base metal occurrences along its western margin. Another aim was to test fault-bound Ordovician and Silurian-age units to the north for skarn type mineralization associated with shallow granite apophasis features. Some 12 anomalies were detected, and 2, (labeled A and G) were selected for initial drilling, viz:

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. Continues over some 500+ m.

Anomaly G (~659850mE, 6344600mN) is a smaller copper (< 148 ppm), gold (<13 ppb), Bi (< 3 ppm), As (<102 ppm), Zn (<256 ppm) anomaly coinciding with a northwest-southeast trending fault in the Maradana Shale.

The expectation was that these targets should contain Cu-Zn sulphides, with Ag-Au credits, and possibly Sn (tin) (as cassiterite- SnO_2). Anomaly G could not be drilled due to access issues, so it was decided to sink two (2), 55 degree inclined holes into Anomaly A.

The first hole (**Designated Hole 1A**) was about 170 m north of originally proposed Hole 1, and targeted old diggings in a gossanous (silicified ironstone) outcrop. The second (Designated Hole 1B) was on the same line as original Hole 1, but closer to the target soil anomaly. Hole 1A encountered red-brown soils (0 -12 m), followed by shaley sediments with lesser volcanic rocks (12 m - 45 m). This was underlain (45 m - 49 m) by what looked like weathered Fe sulphides, then by wet limestone karst (red-brown) muds containing sandstone and shale chips (49 m -56 m). The interval from 56 m - 58 m consisted of similar karst muds, but with 10 to 15% Cu carbonate (malachite and azurite) in sieved (i.e. concentrated) 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.

The second hole (**Designated 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 (skarned). The hole was stopped at 91 m in black shales with minor limestone chips.

Analytical results for the two holes were as follows (see Footnote on true widths at end of this report):

Hole 1A. 46 m to 56 m (**10 m**) @ 0.3% Cu (range 0.2% to 0.4%), 0.2% Zn (range 0.1% to 0.6%), and 3 g/t Ag (range 0.6 g/t to 6.8 g/t). 56 m to 64 m (**8 m**) @ 0.7% Cu (range 0.5% to 1.5%), 0.22 g/t Au (range 0.05 g/t - 0.61g/t), 30 g/t Ag (range 4 g/t to 79 g/t), and 0.15% Sn (last over 3 m from 62 m to 65 m). 65 m to 87 m (**23 m**) @ 0.1% Cu (range 0.05% - 0.4%), 4.5 g/t Ag (range 1.1 g/t to 13.7g/t).

Hole 1B. 68 m to 74 m (**7 m**) @ 3.9 g/t Au, and up to 0.2% Cu. Also nine non-limestone samples collected between 2 m and 65 m yielded 0.5 g/t to 12.1 g/t Ag, up to 0.18% Cu, up to 0.32% Zn, and up to 0.05% Sn.

Comment

The above results are very encouraging, and significantly upgrade the potential of the Gumble sub-area for base metal and silver discoveries. At Anomaly A, a broad skarn system (caused by mineralised granitic fluids reacting with limestones and associated rocks) is evident over 500+ m of strike. Elements present are the same as those seen in the nearby (historic) Delaney's Dyke mine—ie Cu, Zn, Ag-Au, and Sn. Another eleven anomalies remain to be tested (labeled B to L in Figure 5). Silver grades in particular (e.g. 8 m at 30 g/t, 23 m at 4.5 g/t, 10m at 3 g/t, and 7 m at 3.9 g/t are very high and consistent *(see Footnote on true widths at end of this report).*

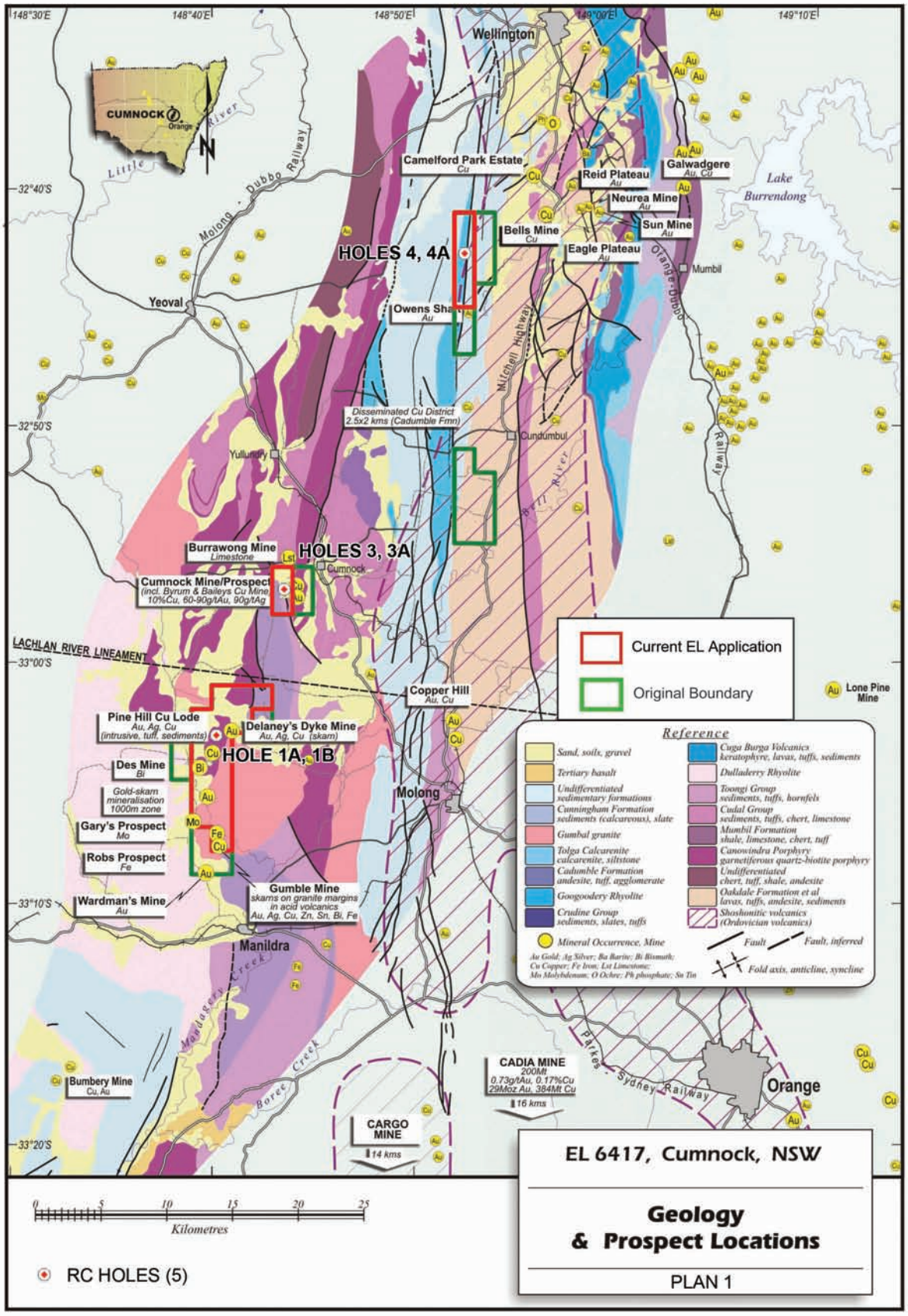


Figure 4 - Target 1--Gumble Skarns (2 holes)

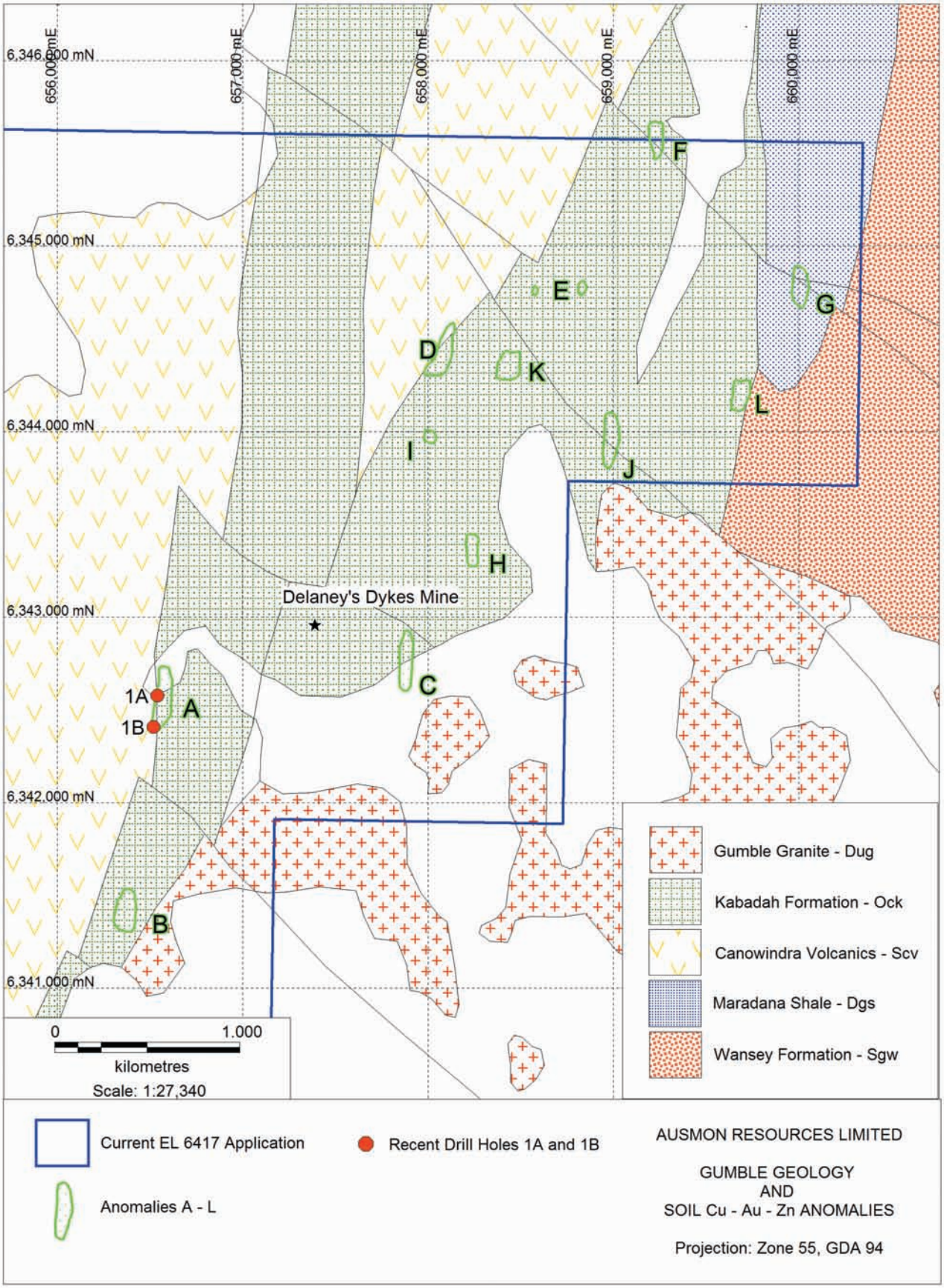


Figure 5 - Gumble Geology and Soil Anomaly

Target 2—Cumnock Cu Mine (2 holes)

In December 2007, a soil geochemical survey around the historic Cumnock Cu mine area, on a staggered 100 m by 100 m grid, revealed an extensive Cu anomaly, open to the south. Historically the Cumnock Cu Mine produced about 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 weathered sulphide blebs and disseminations associated with quartz veins in altered Silurian (mainly acid) volcanic rocks.

Two inclined (50 degree) scissors holes (designated 3 and 3A) were sunk beneath the Cumnock Cu Mine to test for possible disseminated and/or vein-type Cu-Zn sulphides and/or Au-Ag credits. Both holes 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 concentration (5% to 10%) was noted around 58 m. Minor lithologies included felsic volcanics (possibly cross cutting dykes) and thin grey shale bands.

Analytical results were as follows (see Footnote on true widths at end of this report):

Hole 3. 57 m to 58 m (**1 m**) @ 0.45% Cu and 1.7 g/t Ag. 59 m to 63 m (**4 m**) @ 100 ppm to 388 ppm Cu (3 to 13 X background). 75 m to 76 m (**1 m**) @ 696 ppm Cu (23 X background)

Hole 3A. 68 m to 76 m (**8 m**) @ 148 ppm to 542 ppm Cu (5 to 18 X background). Ag up to 0.2 g/t.

Comment

Drilling clearly detected the diminished downward continuation of the old Cumnock Cu diggings, which occur in a fracture zone in the acid volcanic host rocks. Lack of down dip continuity means that no further work is justified on this target area.

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

This most northerly segment of EL 6417 is located south of Wellington, and covers a few old Cu and Au diggings, and extensive soil and rock chip Cu-Au anomalies. These occur in the Cuga Burga Volcanics, a 10 km long 1.8 km wide patch of fault bounded, noth-noth-east striking, mainly andesitic rocks. These dip moderately west, and are part of the eastern limb of a regional syncline. The volcanics 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, referred to as the *Turner, Lawrence* and *Bayliss anomalies*, named after the current 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 spudded about 30 m to the east, and drilled to 80 m. Both holes encountered weathered and iron stained intermediate volcanic rocks, with extensive quartz veining and epidote alteration, however no secondary Cu minerals were noted.

Analytical results were as follows (see Footnote on true widths at end of this report):

Hole 4. 3 m to 4 m (**1 m**) @ 540 ppm Cu. 6 m to 16 m (**10 m**) @ 508 ppm to 1230 ppm Cu. Spot Ag - 0.2 g/t to 0.3. g/t.

Hole 4A. Average Cu content- 150 ppm. Nine samples were anomalous- in the range 500 ppm to 730 ppm Cu. Spot Ag - up to to 0.3 g/t.

Comment

Clearly bedrock Cu values are sufficiently high to explain the soil Cu anomaly, but drilling failed to detect any meaningful Cu-Ag-(Au) mineralisation in bedrocks. An extensive epithermal mineralising system is nevertheless evident at Mt Catombal, with sulphide concentrations seen in old Cu diggings, as veins and in fractures. All data (soil, rock chip, old diggings, mapping, and geophysics) now needs to be re-evaluated with the aim of finding any targets worthy of further drilling.

ELs 6413 and 7564 (Pooraka) and EL 6416 (Mt Barrow)

Eureka Consulting (Geophysical Consultants) prepared a detailed report on the analysis of 2011 aeromagnetic data from joined ELs 6413 and 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 Figure 6. 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 20 m and depths to tops ranging from 0 to 18m, averaging between 5 and 11m—see Diagrams after Figure 6 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 2012.

Glossary
Ag - silver
Au - gold
As - arsenic
Cu - copper
O2 - oxide
Pb - lead
Sn - tin
Zn - zinc
g/t - gram per tonne
km - kilometre
m - metre
ppb - parts per billion
ppm - parts per million

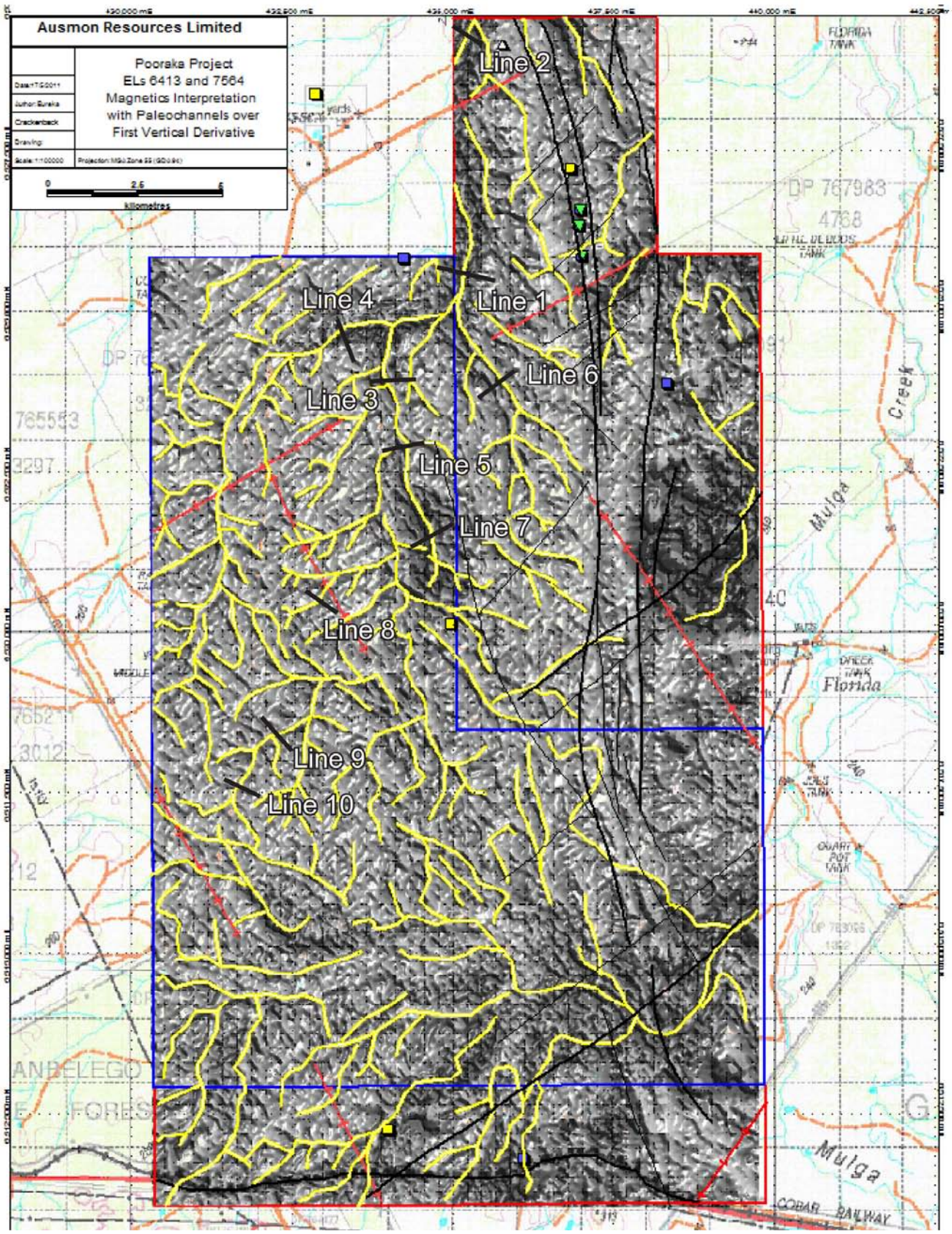
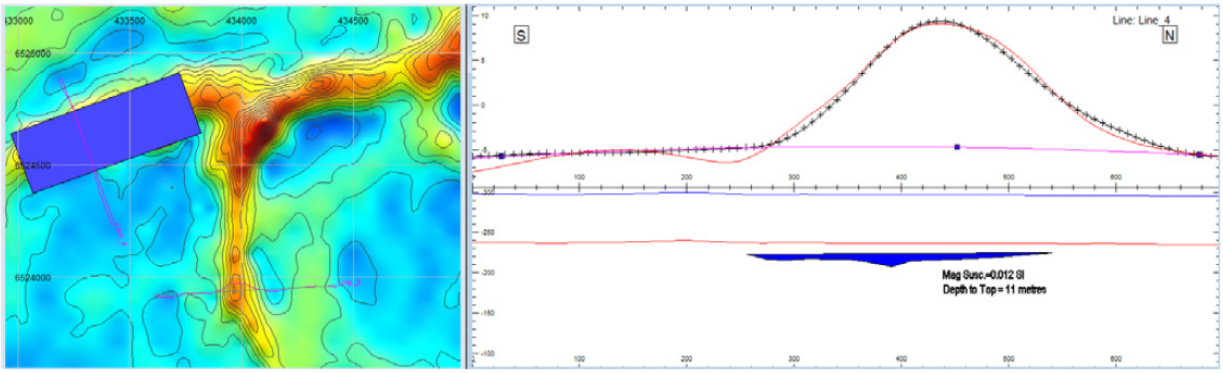
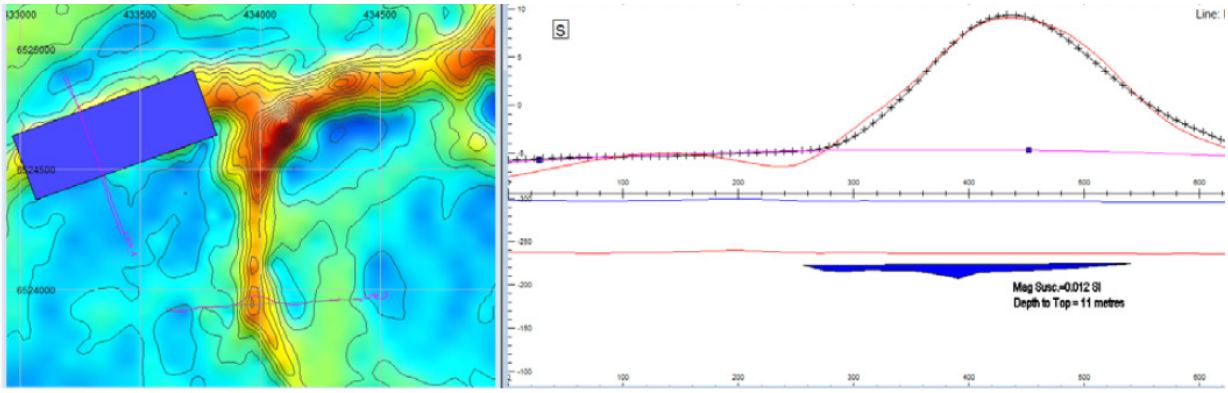


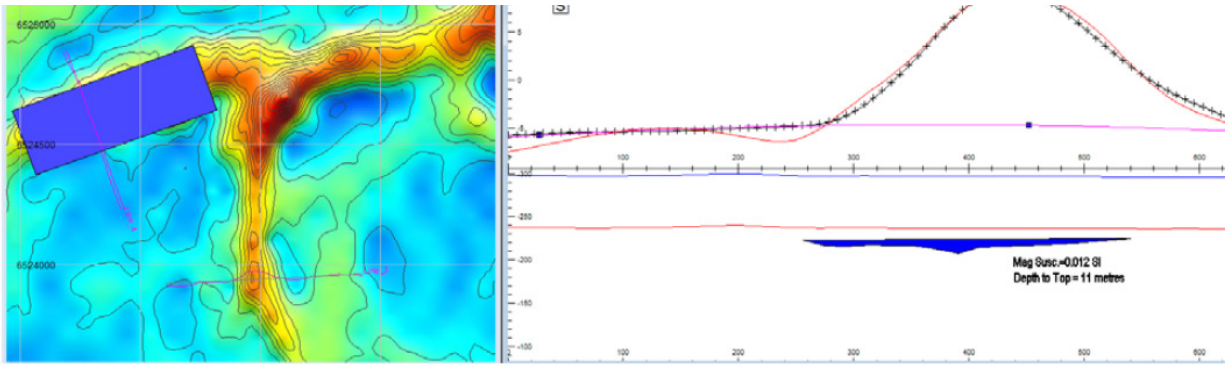
Figure 6 - ELs 6413 and 7564 Magnetics Interpretation with Paleochannels



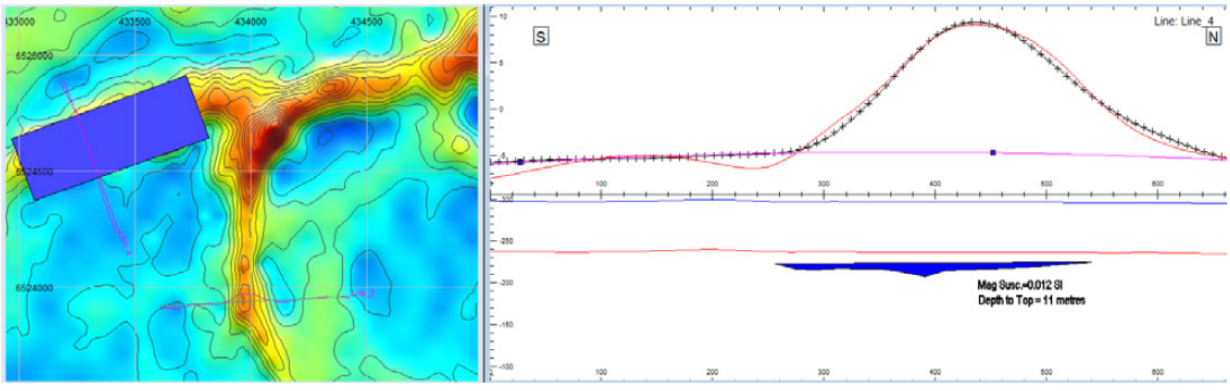
Line 4 with channel polygon, on the western extension of drainage channel



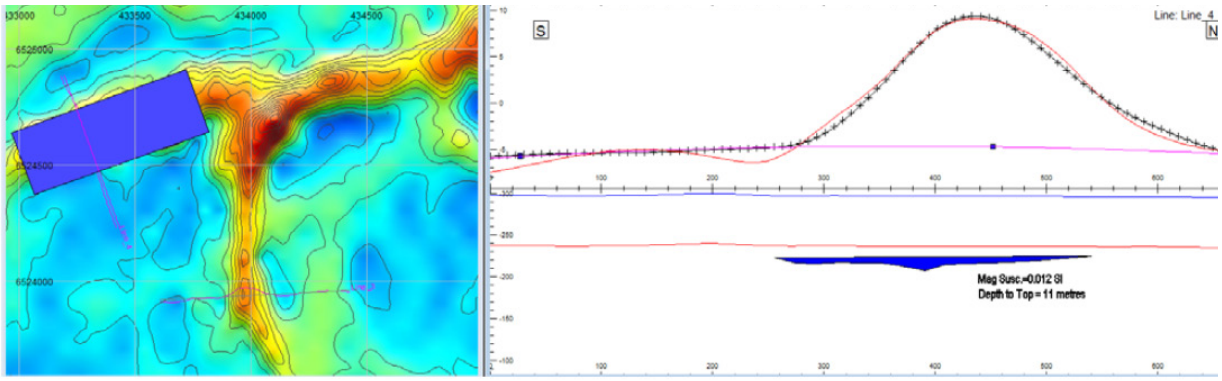
Line 5 with channel response modeled as a polygonal body



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.

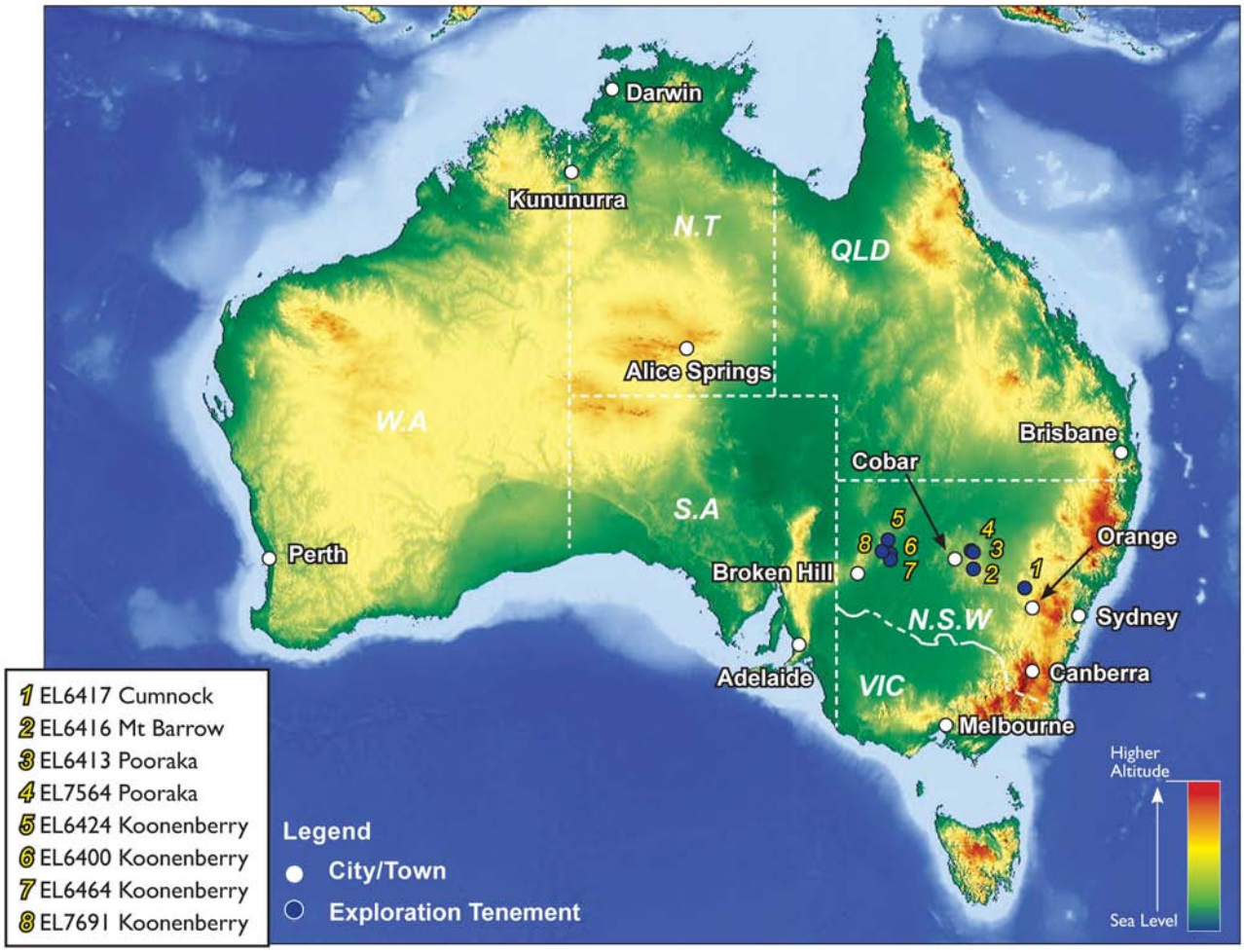


Figure 7 - Licence Locations in New South Wales, Australia

(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.)

DIRECTORS' REPORT

The Directors of Ausmon Resources Limited submit the financial report of the consolidated group for the half-year ended 31 December 2011.

Directors
The names of Directors who held office during or since the end of the half-year are:

King M Fan
John Q Wang
Gang (Gary) Zheng
David W King (Resigned 25 July 2011)

Operating Results
Total comprehensive income for the half-year ended 31 December 2011 was a loss $3,042,443 (2010: loss $430,741).

Review of Operations
A review of operations for the half-year ended 31 December 2011 is set out on pages 1 to 15.

Auditor's Independence Declaration
The auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 17, and forms part of this report.

This report is signed in accordance with a resolution of the Board of Directors.

King M Fan
Chairman

Dated this 8 March 2012

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 review of Ausmon Resources Limited for the half-year ended 31 December 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 review; and

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

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

C F Farley
Partner - Audit & Assurance

Sydney, 8 March 2012

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

We have reviewed the accompanying half-year financial report of Ausmon Resources Limited ("Company"), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the Company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the

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auditor of Ausmon Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Ausmon Resources Limited is not in accordance with the Corporations Act 2001, including:

a giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and

b complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

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GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

C F Farley
Partner - Audit & Assurance

Sydney, 8 March 2012

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 21 to 28 are in accordance with the Corporations Act 2001, including:

   a) complying with Accounting Standards AASB 134: Interim Financial Reporting; and

   b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date.

2. 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.

King M Fan
Chairman

Dated this 8 March 2012

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Half-Year Ended 31 December 2011

	Note	31 December 2011 $	31 December 2010 $
Revenue from continuing operations			
Interest income		9,884	34,442
		9,884	34,442
Expenses			
Depreciation expense		(6,011)	(6,319)
Employee benefits expense		(61,575)	(41,467)
Loss on financial assets at fair value through profit or loss		-	(93,066)
Other expenses	2	(731,994)	(671,042)
Loss before income tax expense		(789,696)	(777,452)
Income tax expense		-	-
Loss for the period		(789,696)	(777,452)
Other comprehensive (loss) income			
Unrealised fair value (loss)/gain on available-for-sale financial assets, net of tax		(2,105,218)	346,711
Realised fair value (loss)/gain on available-for-sale financial assets		(147,529)	-
Other comprehensive income for the period, net of tax		(2,252,747)	346,711
Total comprehensive income for the period		(3,042,443)	(430,741)
Loss attributable to:			
- members of the Parent Entity		(789,696)	(777,452)
Total comprehensive income attributable to:			
- members of the Parent Entity		(3,042,443)	(430,741)
Earnings per share			
Basic and diluted (loss) earnings per share		(1.01) cents	(1.24) cents

The accompanying notes form part of this financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2011

	Note	31 December 2011 $	30 June 2011 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		525,878	230,284
Trade and other receivables		47,209	53,862
Financial assets		938,885	4,306,385
Other current assets		40,000	235,637
TOTAL CURRENT ASSETS		1,551,972	4,826,168
NON-CURRENT ASSETS			
Plant and equipment		18,802	24,813
Exploration and evaluation expenditure		2,960,333	2,809,585
TOTAL NON-CURRENT ASSETS		2,979,135	2,834,398
TOTAL ASSETS		4,531,107	7,660,566
CURRENT LIABILITIES			
Trade and other payables		57,433	866,427
Provisions		7,333	9,955
TOTAL CURRENT LIABILITIES		64,766	876,382
TOTAL LIABILITIES		64,766	876,382
NET ASSETS		4,466,341	6,784,184
EQUITY			
Issued capital		9,517,076	8,893,076
Reserves		(1,423,017)	729,130
Accumulated Losses		(3,627,718)	(2,838,022)
TOTAL EQUITY		4,466,341	6,784,184

The accompanying notes form part of this financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Half-Year Ended 31 December 2011

		Reserves			
	Issued capital	Option reserve	Asset revaluation reserve	Retained profits	Total
	$	$	$	$	$
Balance at 1 July 2010	6,492,070	47,540	1,542,372	(1,369,271)	6,712,711
Total comprehensive income for the period	-	-	346,711	(777,452)	(430,741)
Transactions with owners in their capacity as owners:					
Shares issued during the period	1,309,000	-	-	-	1,309,000
Balance at 31 December 2010	7,801,070	47,540	1,889,083	(2,146,723)	7,590,970
Balance at 1 July 2011	8,893,076	47,540	681,590	(2,838,022)	6,784,184
Total comprehensive income for the period	-	-	(2,252,747)	(789,696)	(3,042,443)
Transactions with owners in their capacity as owners:					
Shares issued during the period	624,000	-	-	-	624,000
Share options issued under Employee Incentive Plan during the period	-	100,600	-	-	100,600
Balance at 31 December 2011	9,517,076	148,140	(1,571,157)	(3,627,718)	4,466,341

The accompanying notes form part of this financial report.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Half-Year Ended 31 December 2011

	31 December 2011 $	31 December 2010 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(473,457)	(171,578)
Interest received	10,327	34,442
Net cash used in operating activities	(463,130)	(137,136)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration and evaluation expenditure	(346,543)	(503,532)
Proceeds from sale of available-for-sale financial assets	1,114,752	-
Proceeds from refund of security deposits	20,515	-
Payments for security deposits	(30,000)	-
Net cash provided by / (used in) investing activities	758,724	(503,532)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	-
Share issue expenses	-	-
Net cash provided by financing activities	-	-
Net increase/(decrease) in cash held	295,594	(640,668)
Cash and cash equivalents at the beginning of period	230,284	1,937,975
Cash and cash equivalents at the end of period	525,878	1,297,307

The accompanying notes form part of this financial report.

Note 1 - Basis of Preparation

The condensed interim consolidated financial statements (the interim financial statements) of the Group are for the six months ended 31 December 2011 and are presented in Australian dollar ($), which is the functional currency of the parent company. These general purpose interim financial statements have been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 Interim Financial Reporting. They do not include all of the information required in annual financial statements in accordance with AIFRS, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2011 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the Corporations Act 2001.

The interim financial statements have been approved and authorised for issue by the board of Directors on 8 March 2012.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, with the exception of the following.

AASB 9: Financial Instruments

The Company has elected to early adopt AASB 9 Financial Instruments from 1 July 2011. This new standard has been adopted as it includes requirements for the classification and measurement of financial assets which improve and simplify the approach when compared with the requirements of the previous Accounting Standard AASB 139 Financial Instruments: Recognition and Measurement.

When adopting this standard the Company has designated investments held as at 1 July 2011 as financial assets at fair value through other comprehensive income. All gains and losses on investments are presented in other comprehensive income as part of the Statement of Comprehensive Income. Under AASB 9, there is no recycling of the realised gains and losses to the Income Statement as was previously required by AASB 139. There is also no requirement to test the Company's long-term investments for impairment with the result that there is no transfer of unrealised impairment revaluation charge from the investment revaluation reserve to the Income Statement.

The transition provisions of AASB 9 do not require restatement of prior year financial statements for an entity that adopts this Standard for reporting periods beginning before 1 January 2012. However, AASB 9 does require the standard to be applied retrospectively (in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors) by recognising any difference between the previous carrying amount and the carrying amount at the beginning of the annual reporting period for which the standard is applied (2010) in opening equity.

Reporting Basis and Conventions

The half-year report has been prepared on an accruals basis and is based on historical costs.

Note 2 – Other expenses from ordinary activities

	31 December 2011 $	31 December 2010 $
Audit fees	18,963	14,000
Consulting fees	290,458	341,086
Directors fees	180,000	-
Listing expenses	27,647	26,667
Operating leases	24,586	24,930
Projects written off	-	185,754
Registry and ASX fees	6,971	7,073
Share-based payment costs	100,600	-
Travel and accommodation	48,274	21,460
Other	34,495	50,072
	731,994	671,042

Note 3 – Operating segments

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 segments 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.

Note 4 – Financial assets

	31 December 2011 $	31 December 2010 $
CURRENT		
Available-for-sale financial assets, at fair value	938,885	4,306,385

During the half year the Group has disposed 2,882,333 fully paid ordinary shares held in Premium Exploration Inc ("PEM") at fair value of $1,114,752 and has a realised loss of $147,529 included within other Comprehensive Income. The Group owns 6,951,000 shares at 31 December 2011 representing 5.3% of the issued capital of PEM, and these are carried at fair value after recognising an unrealised loss of $2,105,218 in the Consolidated Statement of Comprehensive Income.

Note 5 – Equity securities issued

	31 December 2011		30 June 2011	
	Number	$	Number	$
(a) Ordinary shares				
Balance at beginning of half-year	71,379,125	8,893,076	59,820,004	6,492,070
Shares issues during half-year:				
For consultancy services	1,100,000	220,000	1,809,121	381,006
For directors' fees	2,020,000	404,000	3,350,000	737,000
Private placements	-	-	5,000,000	1,000,000
For acquisition of ELs 6400 and 6424	-	-	1,000,000	215,000
For acquisition of 15% interest in ELs 6413, 6416, 6417 and 7564	-	-	400,000	88,000
Share issues expenses	-	-	-	(20,000)
Balance at end of half-year	74,499,125	9,517,076	71,379,125	8,893,076

At the Annual General Meeting held on 28 November 2011, shareholders approved the issue of 2,020,000 fully paid ordinary shares at 20 cents per share (arrived at by reference to the market price of the shares) to Directors in payment of outstanding fees at 30 June 2011.

(b) Options over unissued shares

	31 December 2011 Number	30 June 2011 Number
Options exercisable at $0.80 each on or before 30 June 2014:		
Listed		
Balance at beginning of half-year	33,750,000	21,475,000
Released from escrow and listed during half-year	-	12,275,000
Balance at end of half-year	33,750,000	33,750,000
Unlisted and Restricted		
Balance at beginning of half-year	-	12,275,000
Released from escrow and listed during half-year	-	(12,275,000)
Balance at end of half-year	-	-
Options exercisable at $0.25 each on or before 30 June 2013:		
Unlisted		
Balance at beginning of half-year	-	-
Issued during half-year	1,000,000	-
Balance at end of half-year	1,000,000	-
Total at end of half-year	34,750,000	33,750,000

	31 December 2011 $	30 June 2011 $

Note 6 - 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 31 December 2011 have not been provided for in the financial statements and are due:

Within twelve months	486,500	547,500
Twelve months or longer and not longer than 5 years	496,500	512,500
	983,000	1,060,000

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

Operating Leases

Minimum payment under non-cancellable operating leases according to the time expected to elapse to the expected date of payment:		
Not later than 1 year	22,932	45,864

Note 7 - Contingent Liabilities

The Group has no contingent liabilities at 31 December 2011.

Note 8 – Events after Balance Date

There has not arisen in the interval since 31 December 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.