

## **ACTIVITIES REPORT – DECEMBER 2013 QUARTER**

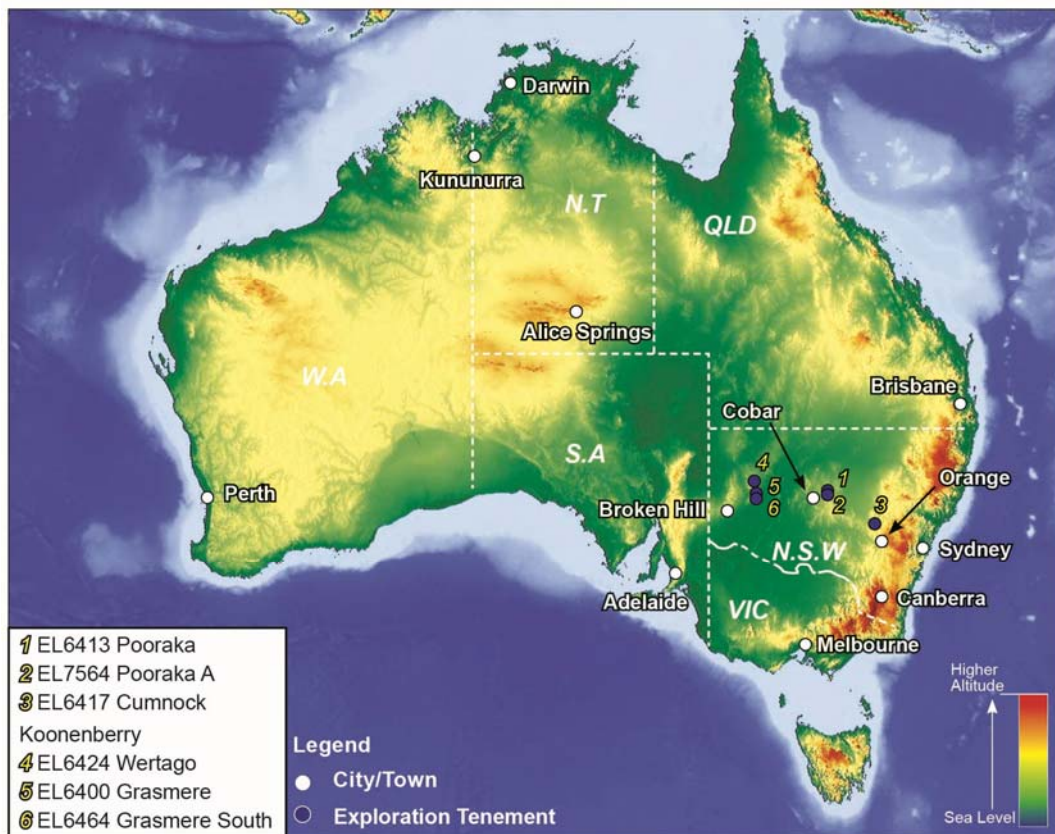
### **SUMMARY**

#### **Corporate**

- On 26th September, the Company raised \$300,000 by private placement of 10,000,000 fully paid ordinary shares at \$0.03 per share to fund exploration.
- Mr Qian who subscribed for the full amount of the placement became a substantial shareholder with 11.8% of the Company's issued capital and joined the Board with special responsibility for exploration and mining projects.

#### **Exploration**

- Koonenberry ELs 6464 and 6424 have been renewed with 50% area reduction to September 2015 and May 2015 respectively. EL 6400 was renewed with no area reduction to March 2015. Drill targets on suspected WNW extensions to the Grasmere-Peveril line of lode were inspected, imaged, and applications to drill submitted to the Department of Primary Industry ("DPI"). RC-percussion drilling is planned for the March 2014 quarter. A gravity survey over Koonenberry EL 6424 (covers the Wertago copper diggings and Nutherungie silver field) is planned for the June 2014 quarter. This work may include one or 2 RC-percussion holes into a recently recognized silver target.
- Due to cropping no work was undertaken on Cumnock EL 6417, near Orange. This EL was recently renewed with 50% area reduction to May 2015. The retained area, proximal to Gumble, remains a prime target for skarn-type Cu-Zn-Sn-Ag-Au deposits, and several targets are planned to be tested by RC percussion drilling in mid-2014.
- Pooraka EL 6413, near Cobar, was recently renewed with 50% area reduction to May 2015. EL 6413 joins EL 7564 (Pooraka A) which is due for renewal in June 2014. These ELs are proximal to, and on strike from, the Mt Boppy gold-copper deposits, and contain several drill ready targets.



**Figure 1: Licence Locations in New South Wales, Australia**

## CORPORATE

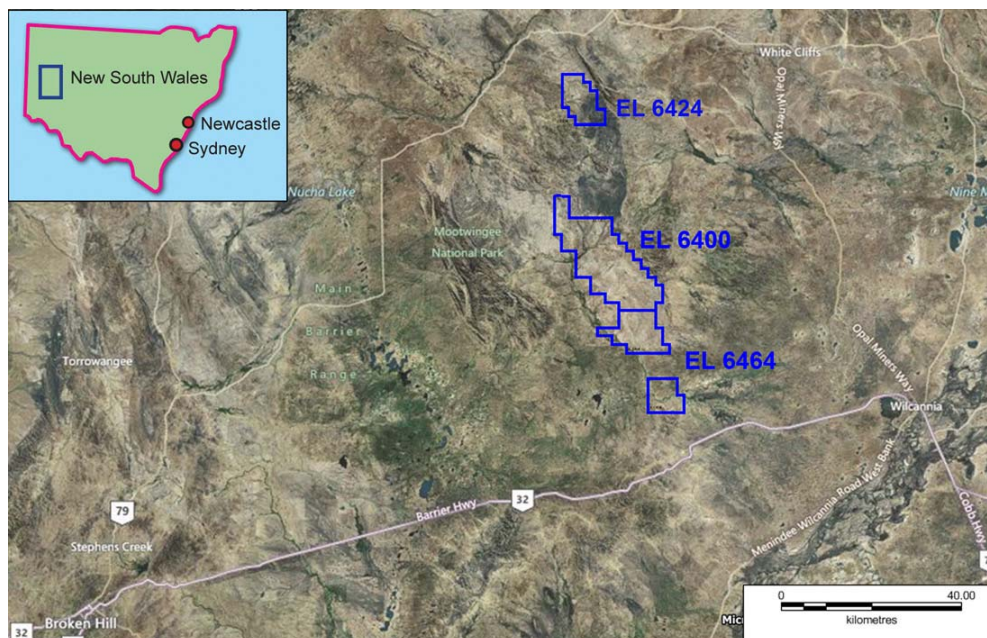
On 26 September 2013, the Company issued 10,000,000 fully paid ordinary shares at \$0.03 per share raising \$300,000. The shares were placed with Mr Qian who became a substantial shareholder with 11.8% of the Company's issued capital. Mr Qian joined the Board with special responsibility for exploration and mining, particularly to oversee the use of the capital raised for exploration in New South Wales exploration licences.

## ACTIVITIES IN THE KOONENBERRY BELT – Copper-Zinc-(Silver) and Gold Exploration

### **ELs 6400, 6464, and 6424 - NSW (100%)**

The Company holds a 100% interest in 3 ELs covering a total area of 510 sq kms in the highly prospective and under-explored Koonenberry Belt of Western NSW, near Broken Hill. During the Quarter the DPI confirmed renewal of ELs 6424 & 6464 with 50% area reduction, and EL 6400 with 100% retention.

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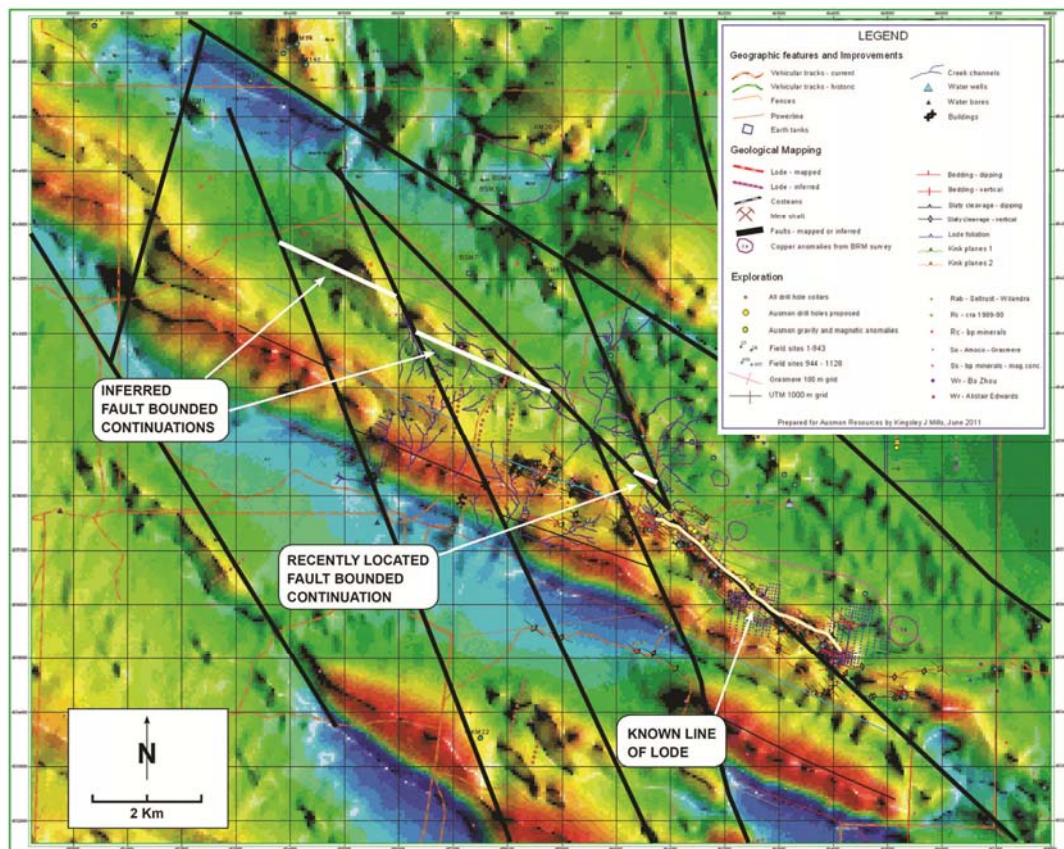
**Figure 2 - Location map of Koonenberry Exploration Licences**

EL 6400 is of principal interest as it contains the Grasmere- Peveril Cu-Zn-(Ag) deposits, which contain a significant indicated and inferred JORC compliant resource of 5.75mt @ 1.03% Cu, 0.35% Zn, 2.3g/t Ag and 0.05g/t Au ( Inferred: 2.73 mt grading 0.9% Cu, 0.4% Zn, .04 g/t Au and 2.05 g/t Ag. Indicated : 3.02 mt grading 1.15% copper, 0.3% Zn, 0.06 g/t Au and 2.53 g/t Ag). In late 2011 detailed (1:1000 scale) fault delineation and lithological mapping led to discovery of a probable new, south-east displaced, fault bounded slice of the line of lode, roughly one km north of the Company's June 2011 drilling targets. Lithological, fault line, and aeromagnetic evidence also pointed to further extensions to the west-north-west. Mapping and prospecting has continued to locate new features, including narrow, late stage, cross-cutting veins presenting at surface as silicified ironstones. Portable XRF (Niton) field testing of these has detected the presence of Cu and Zn, as is also the case in Grasmere-Peveril line of lode. The expectation is that the recently located line of lode will turn out to be wider and/or more Cu rich than at Grasmere or Peveril. In July 2013 a field trip was made to check the strongly suspected WNW extension which express at surface as lines of gypsum bearing sink holes associated with high Cu soil anomalies. Since then targets have been honed and application has been made to test these targets at depth in 3 locations (see Figure 3) using close spaced RC-percussion drilling. Drilling is planned for the March 2014 quarter, weather permitting.

In the case of EL 6424, which covers the Wertago copper diggings and Nutheringie silver field, a detailed (250 station) gravity survey is now planned for mid-2014. The silver field is strongly suspected to represent the epithermal cap above a concealed porphyry (Cu-Mo-Au) system, which itself should express as gravity high. Regional data have already revealed a broad gravity high over the silver field. This high needs to be honed in more detail to assist with selection of a deep drill target. The Company has asked the DPI to fund half the cost of a deep diamond drill hole and that proposal is being considered. The silver field is of interest in its own right, because when the White Cliffs opal field was suddenly discovered in the 1890s,



Nutheringi miners deserted their shallow diggings, which remain untested at depth to this day. These include one shallow digging, proximal to Wertago, which the Company's technical consultants recently noted was abandoned in valuable silver-rich galena (PbS). That digging represents a good RC-drilling target, because in the (analogous) Silverton silver field, near Broken Hill, similar mineralization does persist to depth.

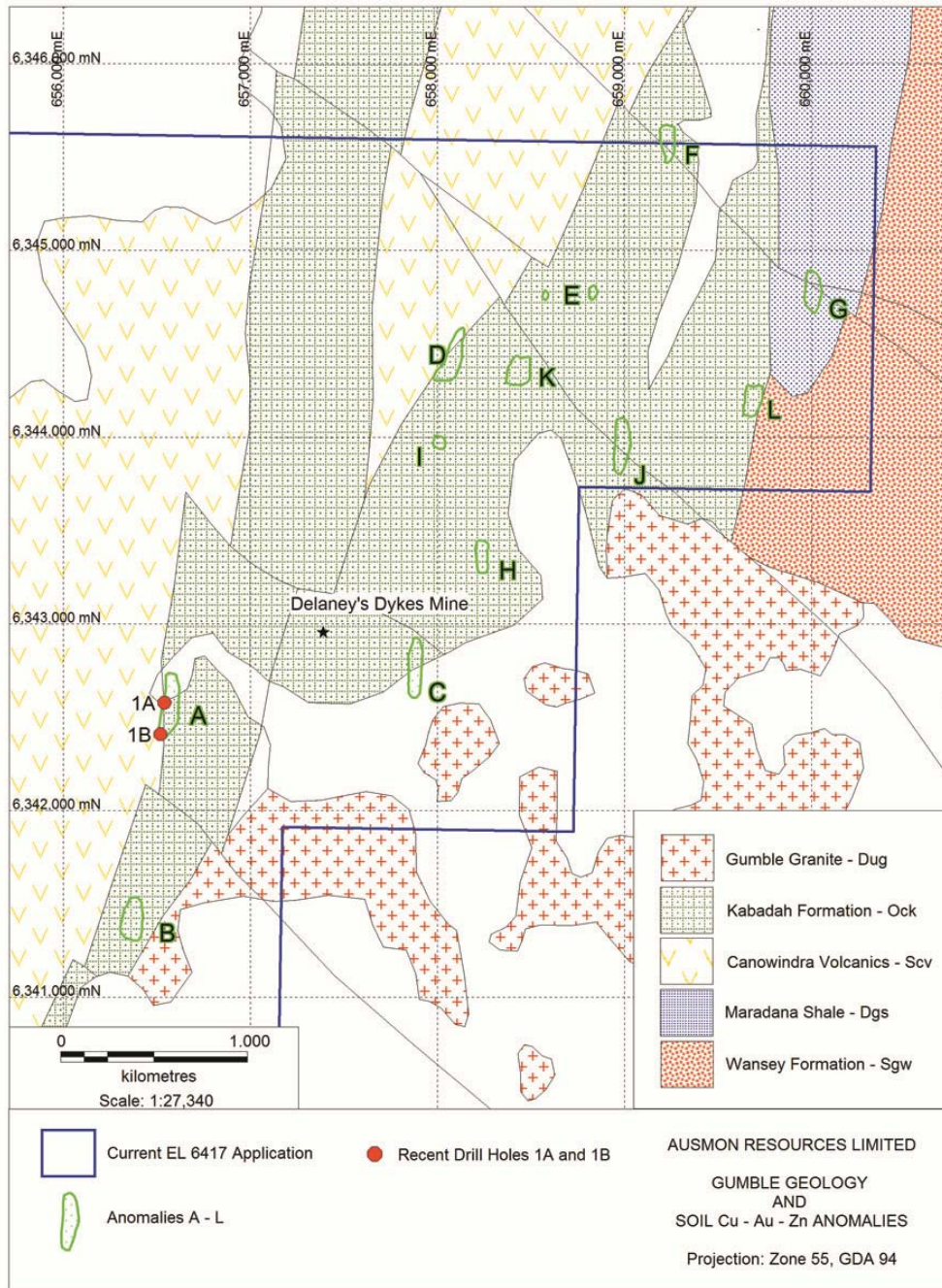


**Figure 3 - EL 6400 – Probable WNW Extension to Grasmere Peverill Line of Lode**

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

Drilling in prior periods considerably upgraded the potential of the Gumble sub-area within EL 6417. In particular "Anomaly A" (2 RC holes drilled in August 2011) was noted to be part of an extensive skarn system (caused by mineralising fluids from granitic intrusions reacting with limestones and associated country rocks) which is evident over 500+ metres. Elements concentrated are the same as those noted in the nearby (historic) Delaney's Dyke diggings i.e. Cu, Zn, Ag-Au, and Sn. Another 11 similar anomalies, labeled B to L, remain to be tested by RC percussion drilling (see Figure 4). Most targets occur within the prospective Kabadah Formation.

The DPI has confirmed renewal of EL 6417 with 50% area reduction to 15 May 2015. Since mineralization is of the skarn type the presence of magnetite is expected and a detailed analysis of historic aeromagnetic data is continuing to hone 2 or 3 better targets for RC-percussion drilling in mid-2014. To date only Anomaly A has been drilled and that work yielded very encouraging results (see earlier reports).



**Figure 3 – EL 6417 - Gumble Geology and Soil Cu-Au-Zn Anomalies**



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## **ACTIVITIES NEAR COBAR - Gold, Silver and Base Metal Exploration ELs 6413 and 7564 – NSW (100%)**

Joined ELs 6413 & 7564, located at Pooraka, 50 km east of Cobar, contain several drill ready gold and base metal targets gleaned from the Company's prior periods' exploration work. Much of these two highly prospective ELs is hidden beneath deep magnetic overburden, and the Company is currently seeking joint venture partners to participate in funding a Sky-TEM or similar geophysical survey to locate conductors with signatures resembling those seen at Cobar and at the nearby Canbelego gold-copper-zinc mine.

EL 7564 is current, and is due for renewal in June 2014. EL 6413 has been renewed with 50% area reduction, until May 2015. Retention of this EL is based on recent technical re-evaluation of data resulting in an upgrade in prospectivity.

*(The information in the report above 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  
17 January 2014



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**Appendix 5B**  
**Mining exploration entity and oil and gas exploration entity quarterly report**

Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10,  
01/05/2013

Name of entity

AUSMON RESOURCES LIMITED

ABN

88 134 358 964

Quarter ended ("current quarter")

31 DECEMBER 2013

**Consolidated statement of cash flows**

	Current quarter	Year to date ( 6 months)
	\$A'ooo	\$A'ooo
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation	(17)	(41)
(b) development	-	-
(c) production	-	-
(d) administration	(71)	(171)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	2	4
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material) - GST	(2)	(16)
<b>Net Operating Cash Flows</b>	<b>(88)</b>	<b>(224)</b>
<b>Cash flows related to investing activities</b>		
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	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other		
(a) Security deposit paid	-	-
(b) Security deposit refund	-	-
<b>Net investing cash flows</b>	<b>-</b>	<b>-</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(88)</b>	<b>(224)</b>

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**Appendix 5B**  
**Mining exploration entity and oil and gas exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(88)	(224)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	300
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)	-	-
	<b>Net financing cash flows</b>	-	300
	<b>Net increase (decrease) in cash held</b>	(88)	76
1.20	Cash at beginning of quarter/year to date	393	229
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>305</b>	<b>305</b>

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

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

1.25 Explanation necessary for an understanding of the transactions

**Non-cash financing and investing activities**

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

The Company issued a total of 4,200,000 fully paid ordinary shares at a deemed value of \$126,000.00 to three directors in payment of Directors' fees for the financial year 2013 as approved by shareholders at the Annual General Meeting held on 29 November 2013.

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**Appendix 5B**

**Mining exploration entity and oil and gas exploration entity quarterly report**

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- 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

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**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	50
<b>Total</b>	<b>150</b>

**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	25	60
5.2 Deposits at call	280	333
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>305</b>	<b>393</b>

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## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

#### Changes in interests in mining tenements and petroleum tenements

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

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

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

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	<b>Preference</b>			
	<b>+ securities</b>			
	<i>(description)</i>			
7.2	Changes during quarter			
	(a) Increases through issues			
	(b) Decreases through returns of capital, buy-backs, redemptions			
7.3	<b>+Ordinary securities</b>	88,699,125	88,479,125	
7.4	Changes during quarter			
	(a) Increases through issues	4,200,000	4,200,000	3 cents
	(b) Decreases through returns of capital, buy-backs			
7.5	<b>+Convertible debt securities</b>			
	<i>(description)</i>			

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## Mining exploration entity and oil and gas exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b> (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	<b>Debentures</b> (totals only)				
7.12	<b>Unsecured notes</b> (totals only)				

## 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 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: ..... Date: 17 January 2014  
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.

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## Appendix 5B Mining exploration entity and oil and gas exploration entity quarterly report

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- 2 The “Nature of interest” (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum 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 or petroleum 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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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