

## **ACTIVITIES REPORT SEPTEMBER 2009 QUARTER**

### **HIGHLIGHTS**

#### **CORPORATE**

- Relocation of office to Level 15, 370 Pitt Street, Sydney
- Private placement of securities raising \$1.2 million in October 2009
- Strategic investment in gold and precious metals exploration in USA in October 2009

#### **EXPLORATION**

- Pooraka EL 6413, Tindarey EL 6415, Mt Barrow EL 6416 and Cumnock EL 6417 in NSW were renewed, with compulsory 50% area reduction, for 2 years to 16 May 2011.
- On Cumnock EL 6417, recent infill soil sampling detected enhanced anomalies requiring follow-up work (prospecting, bedrock sampling) in current tenement year, and RC percussion drilling in the next tenement year.
- 1,000 metre RC percussion drilling of strong bedrock gold anomalies on Pooraka EL 6413, Tindarey EL 6415 and Mt Barrow EL 6416 at Cobar commenced in the last week of October.
- Intensive field work on Mary River EL 26007, near Pine Creek, NT was undertaken in September 2009.

#### **CORPORATE**

##### **Capital Raising**

On 26 October 2009, the Company agreed to place 6 million fully paid ordinary shares and 6 million Options to raise \$1.2 million from investors who do not require a disclosure document. The Options are exercisable for one fully paid ordinary share at \$0.80 per Option on or before 30 June 2014. 3.4 million shares and 3.4 million Options have been issued within the 15% limit allowed under the ASX Listing Rules without the prior approval of shareholders. The balance of 2.6 million shares and 2.6 Options will be issued after approval of shareholders at the Annual General Meeting to be held on 30 November 2009. The funds raised are for funding the investment in Premium Exploration Inc., cost of the placement and working capital.

## **Investment in Exploration in USA**

Following several months of appraisal of various opportunities, the Company made a very significant first step forward in October 2009 in its stated (see IPO prospectus) strategy for growth by investing in new ventures in the mining industry.

The Company invested approximately A\$1.2 million for a strategic stake of 5,750,000 shares in Premium Exploration Inc. (Premium) representing approximately 10% of the issued capital of Premium, a company listed on the TSX Venture Exchange of Canada (TSX-V:PEM). The Company assesses Premium to have some very exciting advanced projects and looks forward to work closely with the management of Premium through its representation on the Board of Premium.

Each share of Premium acquired has an attached share purchase warrant entitling the Company to acquire an additional share at C\$0.30 for an 18 months period. The warrants are subject to an acceleration clause which comes into effect once the shares trade above a weighted average price of 200% or more from the exercise price, for any fifteen consecutive trading-day period subsequent to four months from the acquisition date. In this event, Premium may accelerate the expiry of the warrants upon providing 60 days notice to the warrant holders.

Premium is an explorer and developer of precious metals projects with significant potential for near-term production and growth. The projects are located in the USA and Mexico (see attached map); stable regions where Premium has a history of success. The Premium team is committed to unlocking mineral wealth for their shareholders by discovering, developing, and permitting precious metals assets to production. Premium's portfolio includes one of the largest land packages in Idaho, USA, including an NI 43-101 gold inferred resource of 531,890 ounces, a platinum group metals exploration project in Montana, and a past-producing silver project in Mexico. For additional information, please visit the Premium website at [www.premiumexploration.com](http://www.premiumexploration.com).

The acquisition of the interest in Premium is primarily funded by the fresh capital raised under the October 2009 private placement of shares by the Company.

## **EXPLORATION**

### **Renewal of Pooraka EL 6413, Tindarey EL 6415, Mt Barrow EL 6416 and Cumnock EL 6417**

During the quarter, all four Annual Reports submitted on 16 June 2009 to the NSW Department of Primary Industries (DPI) were accepted, and all four EL renewal applications submitted on 16 April 2009 were approved by DPI. The four ELs have been renewed, with compulsory 50% area reductions, until 16 May 2011.

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**Pooraka EL 6413, Tindarey EL 6415 and Mt Barrow EL 6416 – Cobar NSW**

*Ausmon Resources Limited: Earning 85% to 16 May 2011*

*Robust Resources Limited (Operator): 15% free carried to 16 May 2011*

In July 2009, the Joint Venture approved the drilling of 10 RC percussion holes into strong gold anomalies on Tindarey EL 6415 (6 holes), Pooraka EL 6413 (2 holes), and Mt Barrow EL 6416 (2 holes). The targets are exciting and the drilling locations were selected on the basis of results described in the June Quarter Activities Report, in particular:

**Tindarey:** *The samples revealed strongly gold anomalous zones (5 to 50 times background of 2 ppb) in 25 to 75 metre wide patches around historical diggings.*

**Pooraka:** *Detection of strongly anomalous bedrock gold values (12 to 50 times background of about 2 ppb) over a 150 metre wide zone.*

**Mt Barrow:** *21 samples were noted to be strongly gold anomalous (up to 40 times background of 4 to 5 ppb).*

From 4 to 9 August 2009 the Operator marked out the drill sites, and collected data and photos required for Surface Disturbance Notices (SDNs). SDNs are required by the DPI before permission to drill can be given. SDNs were submitted on 12 August 2009, and the permission for drilling was granted on 15 October 2009. Drilling commenced in the last week of October 2009.

All 10 holes are designed to plunge at 50 degrees and be 100 metres long. It is planned to collect about 1,000 of 1 kg samples which will be analysed for gold and silver, selected base metals, and indicator elements. The drilling programme is planned to take 2 to 3 weeks to complete. The analyses are expected to take about a month to complete. An announcement on the results may be expected in about 8 weeks, subject to any unexpected delays.

The drilling is being undertaken by Chief Drilling, of Orange and the programme is under the management of Dr Pieter Moeskops, GM Technical of Robust Resources Limited.

**Cumnock EL 6417**

*Ausmon Resources Limited: Earning 85% to 16 May 2011*

*Robust Resources Limited (Operator): 15% free carried to 16 May 2011*

An extensive (182 samples) programme of infill soil sampling was undertaken on the southern (Gumble) segment. This work enhanced 4 significant copper and/or gold anomalies (designated A, E, K and G) requiring follow-up work (prospecting/rock-chip sampling, and possibly, auger drilling) to be undertaken during the next 2 quarters. The Gumble segment is very prospective for skarn and related deposits.

On the northern (Mt Catombal) segment of the EL a similar programme of follow up soil sampling (351 samples) was undertaken to test 2 strong anomalies designated "Turner's Anomaly" and "Lawrence's Anomaly". The host Cuga Burga Volcanics are very prospective for epithermal copper-gold deposits associated with hydrothermal (epidote-silica-calcite-chlorite) alteration.

The above, and other recent work, has considerably increased the prospectively of Cumnock EL 6417, and has produced very good targets for RC percussion drilling to be undertaken in 2010.

**Mary River EL 26007 - NT**

*Ausmon Resources Limited (Operator): 100%*

Intensive field work on this EL, near Pine Creek, NT was undertaken from 20 to 26 September 2009. Timing was tightly constrained by weather (impending Wet Season).

Work consisted of geological mapping, prospecting, and rock chip sampling. Mapping defined 5 rock types. There are two types of granites with enclosed rafts of hornfelses (sediments, cooked and changed by the enveloping granite), folded/ metamorphosed shales, and river sands/ gravels. The last ones are known to contain alluvial gold, as found by prospectors using metal detectors.

62 grab samples were collected and submitted to the laboratory for Au, Ag, Cu, Pb, Zn, Sn, W and U analysis. Significant occurrences of uranium, gold-silver, and copper-lead-zinc are known to occur within 10 km of the EL. The results are expected in November 2009.

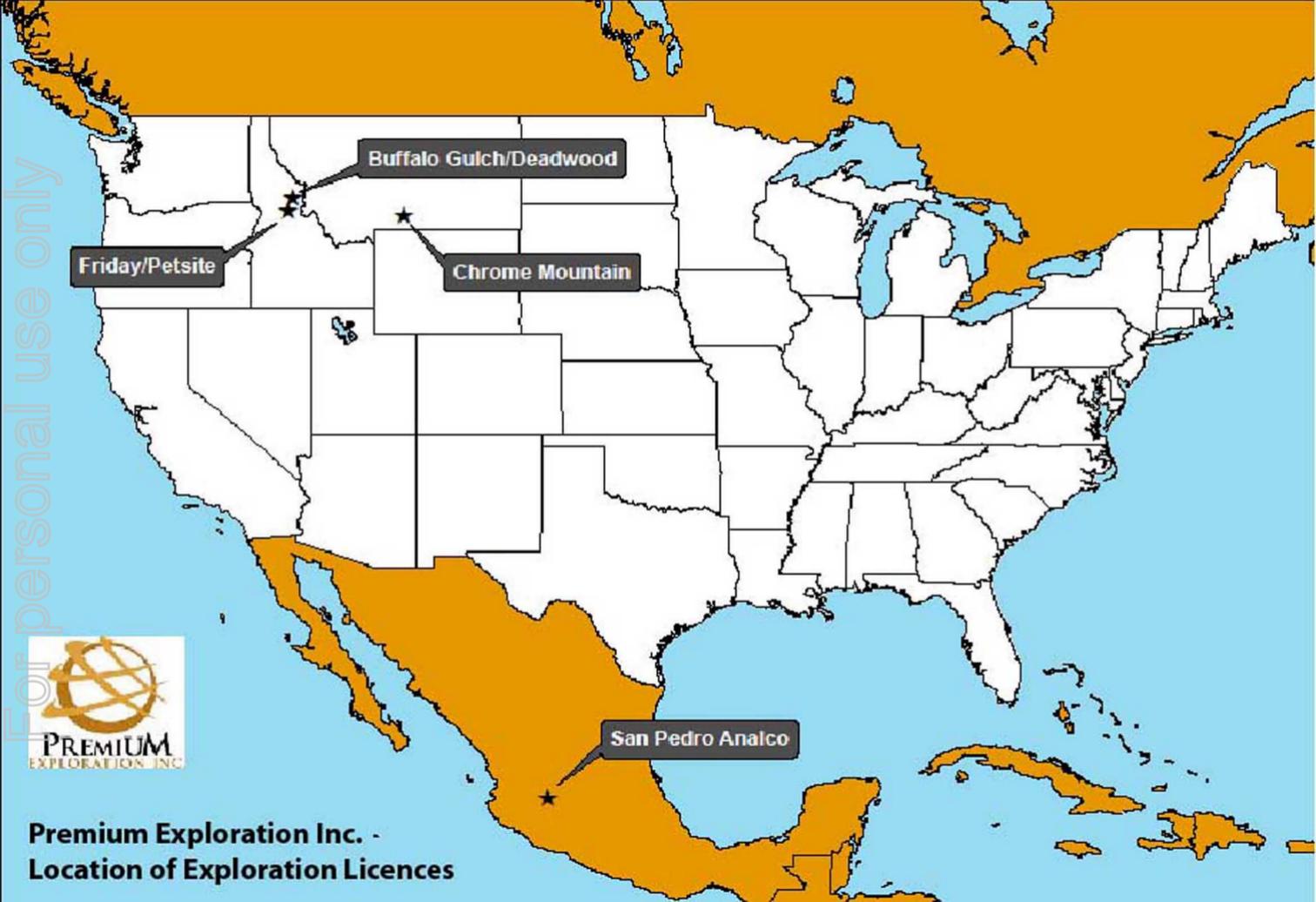
On 28 November 2009 this EL of 7 graticular units is due for renewal, with compulsory area reduction to 4 units.

*(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 he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Moeskops consents to the inclusion in this report of matters based on his information in the form and context in which it appears.)*

John Wang  
Executive Director/Company Secretary  
30 October 2009

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Friday/Petsite

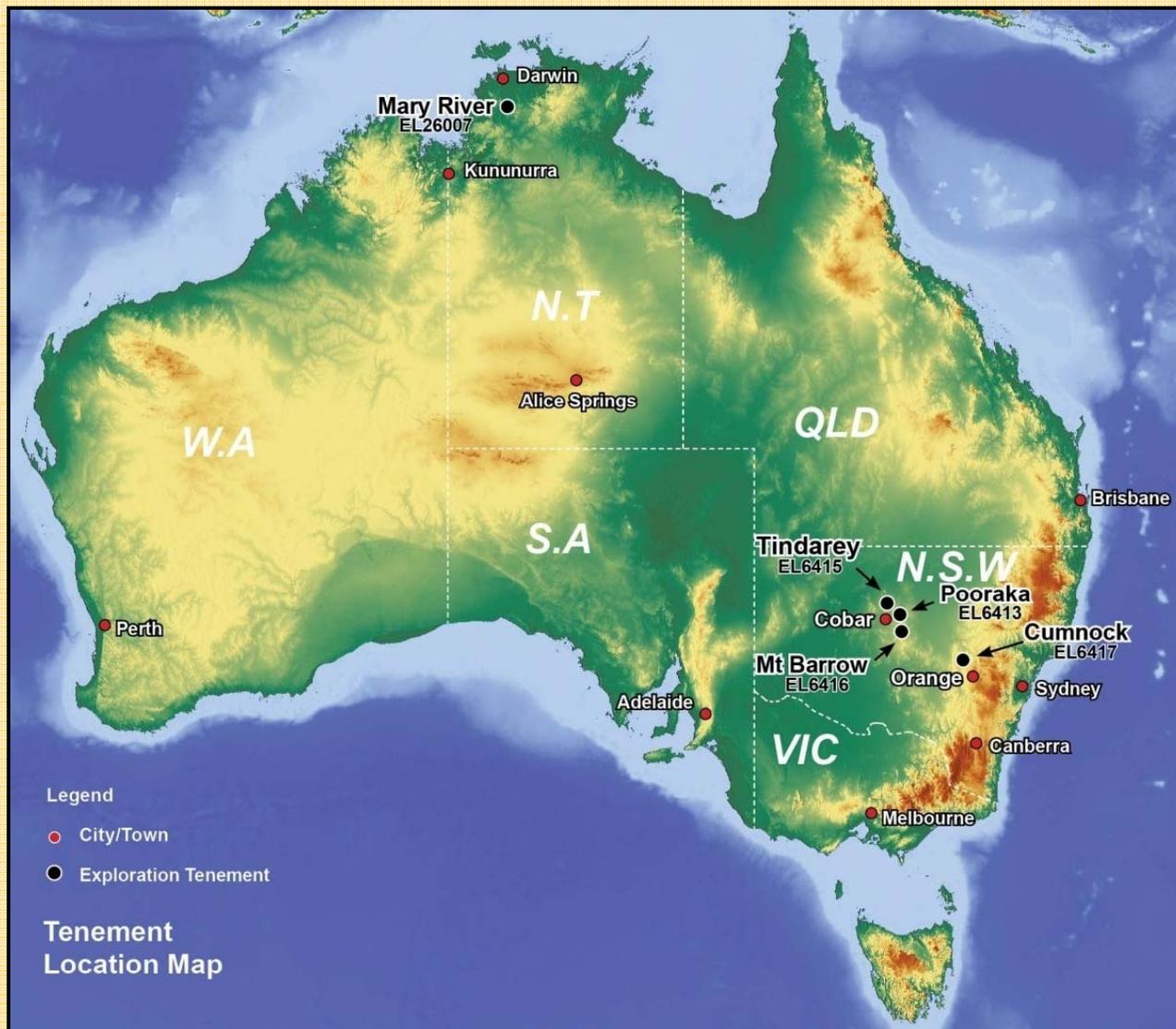
Buffalo Gulch/Deadwood

Chrome Mountain

San Pedro Analco



**Premium Exploration Inc. -  
Location of Exploration Licences**



# Appendix 5B

## Mining exploration entity quarterly report

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

Name of entity

AUSMON RESOURCES LIMITED

ABN

88 134 358 964

Quarter ended ("current quarter")

30 SEPTEMBER 2009

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(29)	(29)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	26	26
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other	(24)	(24)
<b>Net operating cash flows</b>	<b>(130)</b>	<b>(130)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a)prospects (b)equity investments (c)other fixed assets	(29)	(29)
1.9 Proceeds from sale of: (a)prospects (b)equity investments (c)other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
<b>Net investing cash flows</b>	<b>(29)</b>	<b>(29)</b>
1.13 Total operating and investing cash flows (carried forward)	(159)	(159)

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**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(159)	(159)
<b>Cash flows related to financing activities</b>			
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		
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	(159)	(159)
1.20	Cash at beginning of quarter/year to date	2,848	2,848
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	2,689	2,689

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

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

1.25 Explanation necessary for an understanding of the transactions

**Non-cash financing and investing activities**

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

100,000 fully paid ordinary shares were issued at \$0.25 per share under the Employee Incentive Plan and a loan of \$25,000 was granted to the eligible person to acquire the shares under the plan.

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		

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**Estimated cash outflows for next quarter**

		\$A'000
4.1	Exploration and evaluation	150
4.2	Development	-
<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	59	38
5.2	Deposits at call	2,630	2,810
5.3	Bank overdraft		
5.4	Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>		<b>2,689</b>	<b>2,848</b>

**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		

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**Appendix 5B**  
**Mining exploration entity quarterly report**

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

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

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference 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>	45,600,004	18,000,004		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	100,000			
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	Conversion of one ordinary share per option  27,750,000	14,375,000	<i>Exercise price</i>  \$0.80	<i>Expiry date</i>  30 June 2014
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>	-			

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## 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 ~~not~~\* (*delete one*) give a true and fair view of the matters disclosed.



Sign here: ..... Date: 30 October 2009  
(Executive Director/Company secretary)

Print name: John Wang

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.