

**AUSMON RESOURCES LIMITED
AND CONTROLLED ENTITY**

ABN 88 134 358 964

**Half-Year Financial Report
31 December 2009**

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CORPORATE DIRECTORY

Directors

King M Fan (Non-Executive Chairman)
David W King (Non-Executive Deputy Chairman)
John Q Wang – Executive
Gang (Gary) Zheng - Executive

Company Secretary

John Q Wang

Registered Office

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Email: office@ausmonresources.com.au

Website

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Share Registry

Registries Limited
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207 Kent Street
Sydney NSW 2000
Telephone: 61 2 9290 9600
Facsimile: 61 2 9279 0664

Home Stock Exchange

ASX Limited
20 Bridge St
Sydney NSW 2000

ASX Codes: AOA (shares)
AOAO (options)

Solicitors

Piper Alderman
Level 23, Governor Macquarie Tower
1 Farrer Place
Sydney NSW 2000

Auditors

Grant Thornton Audit Pty Ltd
Level 17
383 Kent Street
Sydney NSW 2000

REVIEW OF OPERATIONS

HIGHLIGHTS

CORPORATE

- Raised a total of \$1.2 million by private placement of securities in the period.
- Strategic investment of approximately \$1.2 million in Premium Exploration Inc. (PEM), a North American precious metals explorer with advanced exploration projects and listed on TSX Venture Exchange of Canada (TSX-V).
- Acquisition of 100% of Great Western Minerals Limited, an Australian company with a focus on exploration for copper in the Koonenberry Belt north east of Broken Hill. Projects include Grasmere-Peveril Copper resources and the historic Wertago (copper) and Nutherungie (silver) fields.

EXPLORATION

North America

- In November/December, PEM drilled 6 holes into Friday-Petsite Gold Project in Idaho, USA. In 3 deep HQ core holes, very significant, broad gold intersections were encountered. Recalculation of previously reported NI 43-101 inferred resource is under way.

Australia

- Three highly prospective exploration licences (ELs) 6400, 6424 and 6464 were acquired in the Koonenberry Belt near Broken Hill, including one with JORC compliant copper resource.
- Ausmon-Robust Joint Venture (JV) - ELs 6413, 6415, 6416 and 6417 :
 - Year 2 JV commitment largely met - \$200,000 of \$250,000 spent up to the end of December 2009.
 - Year 2 DPI work/expenditure commitments largely met. Interim (6 month) NSW DPI Reports submitted on time in December 2009.
- Cumnock EL 6417 near Orange-recent soil sampling revealed several significant anomalies requiring testing by RC percussion drilling.
- New EL application (ELA 3818) made at Pooraka to protect and retain prospective ground near, and on strike from Mt Boppy.
- Pooraka EL 6413, Tindarey EL 6415 and Mt Barrow EL 6416 near Cobar. RC Percussion drilling (10 x 100 metre holes into bedrock gold targets) completed in October/November 2009. Tindarey EL 6415 returned disappointing results. Other ELs results require follow-up.
- EL 26007, near Pine Creek, NT was mapped, sampled, renewed with area reduction, and DPI Annual Report submitted and accepted.

CAPITAL RAISING

During the period, the Company privately placed a total of 6 million fully paid ordinary shares and 6 million Options raising a total of \$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.. The funds raised were primarily applied to the investment in PEM.

INVESTMENT IN PEM WITH ADVANCED GOLD EXPLORATION PROJECTS - USA

In October 2009, following several months of appraisal of various world-wide opportunities, the Company made a very significant step forward in its stated strategy of growth by investing in advanced exploration and mining ventures.

The Company invested approximately \$1.2 million in a strategic stake (5,750,000 shares at C\$0.20 per share) in PEM which is listed on the TSX-V. From that investment the Company was also granted warrants to acquire an additional 5,750,000 shares at C\$0.30 per share within an 18 month 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. In this event, PEM may accelerate the expiry of the warrants upon providing 60 days notice to the warrant holders.

PEM is an explorer and developer of precious metals projects with good potential for near-term production and growth. Projects are located in the USA and Mexico, politically stable regions where PEM has a history of success. PEM's portfolio includes one of the largest land packages in Idaho, USA, including an NI 43-101 gold inferred resource of 531,890 ounces (certified by Mr. Wilf Struck, P.Eng a Qualified Person as defined by NI 43-101), a platinum group metals exploration project in Montana, and a historically producing silver project in Mexico.

The Company assessed PEM to possess exciting advanced precious metal projects.



Locations of projects of Premium Exploration Inc.

ACQUISITION OF INTERESTS IN KOONENBERRY BELT

EL 6400, EL 6424 and EL 6464 - NSW (earning 51%)

Operator: Ausmon Resources Limited

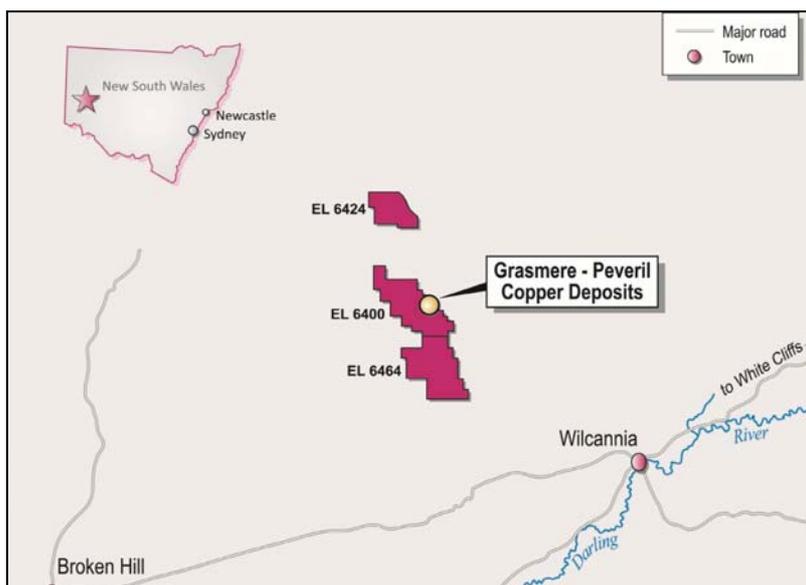
On 18 December 2009, the Company acquired 100% of the issued capital of Great Western Minerals Limited (GWM). The assets of GWM consisted of Joint Ventures (JVs) in respect of Exploration Licences (ELs) 6400, 6424 and 6464 covering approximately 753 sq km in the heart of the highly prospective and under-explored Koonenberry Belt, north east of Broken Hill.

In the case of ELs 6400 and 6464 GWM has the right to earn a minimum 51% interest in both through expenditure of \$1 million over the period to October 2011, with provision to earn up to a 75% interest, under certain conditions, after that. The recently discovered “Peveril” and “Grasmere” Copper Deposits on EL 6400 contain an indicated and inferred JORC compliant resource of 5.75 million tonnes (Mt) at 1.03% Cu, 0.35% Zn, 2.3 g/t Ag and 0.05 g/t Au (Inferred: 2.73 Mt grading 0.9% Cu, 0.4% Zn, 0.04 gram/tonne (g/t) Au and 2.05 g/t Ag. Indicated: 3.02 Mt grading 1.15% Cu, 0.3% Zn, 0.06 g/t Au, and 2.53 g/t Au. Measured: Nil)

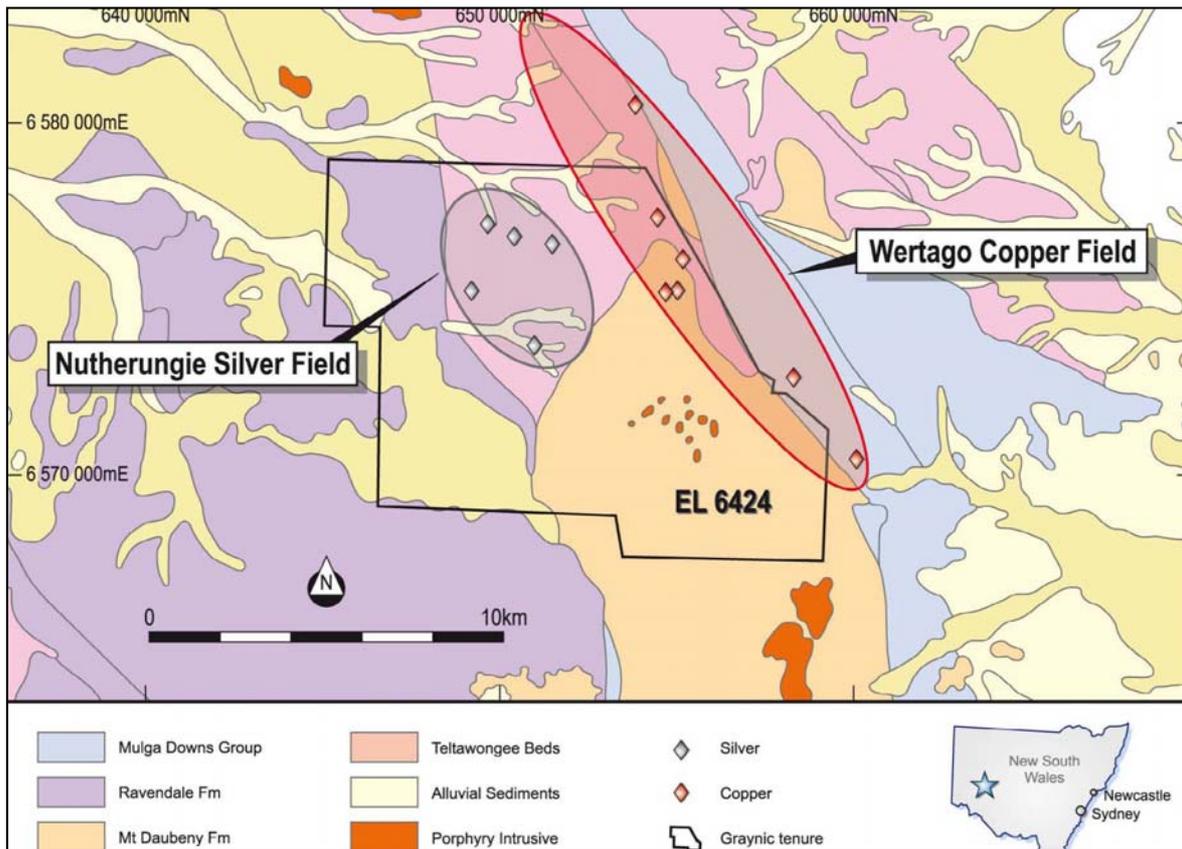
The resource is open in both directions, down dip, and has strong affinities with Besshi type VMS deposits. Besshi type deposits occur in Canada, Japan and elsewhere. They are known to be concordant, continuing for large distances along strike and down dip, often in stacked lenses. Tonnages are large,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

In the case of EL 6424, a second farm-in allows GWM to earn a 51% interest by expending \$500,000 over the period to September 2011, with an option for a second \$500,000 expenditure over the next 2 years to earn an additional 24% (total 75%). EL 6424 contains the historic Wertago Copper Field and the Nutherungie Silver Field, both of which are considered by the Company to be highly prospective and underexplored.

The Company, through GWM, will undertake extensive exploration on the 3 Koonenberry Belt ELs commencing in March quarter of 2010. During the December quarter 2009 GWM had reviewed current and historical geological, geophysical and geochemical data on the 3 ELs, and this work is continuing. Arrangements were also made to undertake close spaced (40 m) airborne magnetic and radiometric surveys in February 2010, and to begin plotting all historical data onto EL plans as a precursor to selecting exploration hot spots and drilling targets.



Koonenberry Belt – Licences Location



AUSMON - ROBUST JOINT VENTURE

EL 6413, EL 6415, EL 6416 and EL 6417 - NSW

Ausmon Resources Limited: Earning 85% to 16 May 2011

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

During the period, 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.

In July 2009, the JV 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 10 hole (bedrock gold targets) drilling and sampling program was undertaken between 24 October 2009 and 5 November 2009, utilising a smaller, less expensive, truck mounted RC percussion rig rated to about 120 m. All holes were inclined at 50 degrees and were 100 m long. The sampling interval was 1 m, yielding 1,000 of approximately 1 kg samples for chemical analysis. The coarse fractions were dry and wet sieved from duplicate samples and the resultant percussion chips were logged geologically and retained in chip boxes. Samples for analysis were delivered to ALS Laboratories, in Orange and analysed for Au (method Au-AA21), Ag, Cu, Pb, Zn, As, Sb and S (method ICP41). Detection thresholds, in parts per million, were 0.002 for Au, 0.2 for Ag, 1 for Cu, and 2 for other elements, excluding sulphur (0.01%).

Summary of Results

All targets consisted of bedrock gold/base metal anomalies; 6 on EL 6415 (Tindarey--Merrere Goldfield), 2 on EL 6416 (Mt Barrow-Glengarry Gossan Field) and 2 on EL 6413 (Pooraka-Langbein West).

Host rocks on all 3 ELs were noted to be strongly weathered and relatively soft, with fine powdery material making up 80% to 90% of most RC percussion returns. Iron oxides, most likely after weathered sulphides, expressed as sooty black powders, particularly in holes MB1 and MB2 in the Glengarry Gossan Field. Hard materials, such as vein quartz and sandstone, tended to concentrate preferentially in coarser fractions, meaning that proportions noted in percussion logs were not fully reflective of uncrushed host rocks. For example the highest Au value-1,650 ppb (at Tindarey) was noted in chips logged as “shale”.

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

Tindarey EL 6415

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

Mt Barrow EL 6416

Drilling of two bedrock gold anomalies in the Glengarry Gossan Field (Holes MB 1 and MB2) confirmed that high bedrock Au values did not improve substantially with depth, but reaffirmed the fertile nature of a large mineralising system, which still requires further investigation by geophysics and prospecting before it can be discounted. The gossan field is extensive, proximal to a volcanic centre, and weekend prospectors have allegedly found small gold nuggets in ironstone float about 1 km from the two drill holes.

Pooraka EL 6413

Drilling of the first bedrock gold anomaly (Hole P1, west of Langbein) indicated that it did not persist at depth. The second drill hole (P2, near Langbein) detected three 13 m to 15 m long zones containing significant lead and gold values (up to 1,615 ppm Pb, and 166 ppb Au) which are worthy of further investigation. This EL remains the most prospective, as it lies directly on strike from the nearby Mt Boppy Gold Mine, and close to the Gilmore Suture. The EL also contains 5 or 6 untested gold-silver-base metal anomalies, including one co-incident with a magnetic anomaly.

New EL Application at Pooraka- ELA 3818

On October 2009 the Ausmon-Robust JV Partners made application for 30 graticular units covering the open area between the northern and southern segments of Pooraka EL 6413. ELA 3818 was issued by the DPI on 9 November 2009, with the usual instructions to advertise the application to allow any objections to be dealt with. The agreement requiring execution for the grant of the licence has been received at the date of this report. Pooraka EL 6413 and ELA 3818 remain very prospective for Au, and Pb-Zn-Ag deposits, with untested targets close to, and on strike from, Mt Boppy.

Cumnock EL 6417

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). These required follow-up work (prospecting/rock-chip sampling), which was undertaken on 15 December 2009 resulting in delineation of 2 drill targets some distance from the Delaneys Dyke area, drilled by Robust in 2007. The Gumble segment is very prospective for skarn and related deposits.

The recent work, has considerably increased the prospectivity of Cumnock EL 6417 and has produced good targets for RC percussion drilling, proposed to be undertaken late in the current tenement year, or early in the next tenement year.

On the northern (Mt Catombal) segment of the EL, a programme of follow up soil sampling (351 samples) highlighted 2 strong Cu-Au anomalies designated “Turner’s Anomaly” and “Lawrence’s Anomaly”. The host Cuga Burga Volcanics are very prospective for Cadia type epithermal copper-gold deposits associated with hydrothermal (epidote-silica-calcite-chlorite) alteration. These anomalies will be examined with the intention of selecting drill targets in 2010.

MARY RIVER EL 26007, NEAR PINE CREEK, NT

Ausmon Resources Limited (Operator): 100%

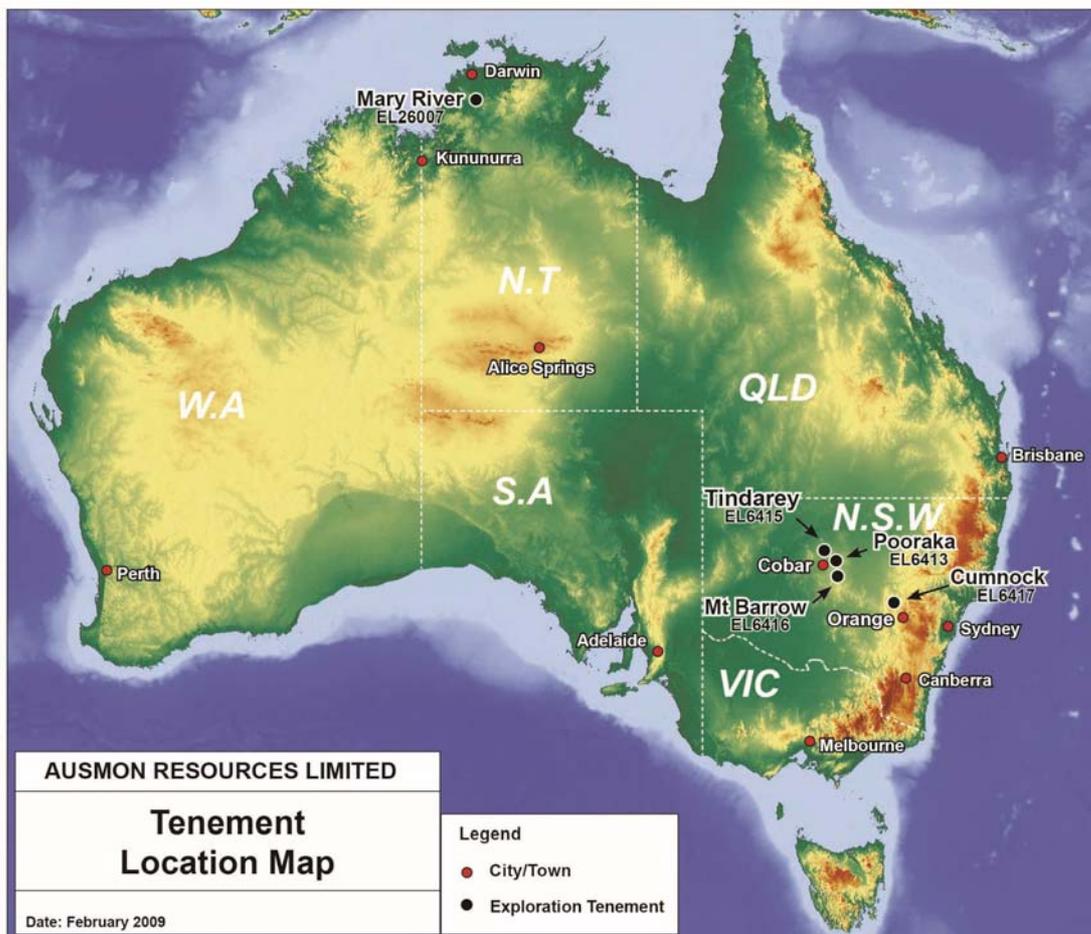
This EL of 7 graticular sub blocks (22.5 sq km) was granted on 28 November 2007 for a period of six years. It is located east of Pine Creek, on the SW boundary of the Mt Evelyn 1:250,000 geological sheet.

The tenement is located centrally in the Pine Creek Orogen, on the eastern flanks of the Cullen Batholith. This is a multiphase batholith, with components dated between 1840 and 1780 million years. The batholith’s post-orogenic components are associated with vein and stockwork mineralisation covering Sn, W, Au, Ag, Pb, Zn, Cd, Cu, Bi, U, and Mo. For example about 6 km west of the EL is the Cleos U prospect, and to the south and southeast are the Evelyn Pb-Ag-Zn and Moline Au prospects.

In September 2009 the Company undertook exploration (mapping and field sampling) over the EL. Mapping and sampling by the Company detected 5 main rock types. Granitic rocks predominate and include Pgca1 and 2 (Minglo Granite, and Blundells Monzanite). An elongate north trending patch of PgcZ (Blundells Dolerite) is evident near the central-western edge of the EL, and areas of Pfb (hornfels) and Pso (folded tuffs and cherts) occur in the northern part, near the Mary River flood zone.

62 grab samples were collected and analysed for 8 elements (Cu, Pb, Zn, Sn, W, Ag, Au and U). All were noted to be un-anomalous in all elements. Six samples collected in 2008 were also noted to be un-anomalous in Au.

The EL has been renewed to November 2010 with compulsory area reduction to 4 graticular blocks (about 12.5 sq km). Area retention focused on the 4 blocks making up the northern part of the EL which has potential for vein and stockwork mineralisation along granite/country rock contact zones, and alluvial gold in river and stream sediments. During the current EL year it is proposed to undertake additional mapping, prospecting and sampling in those area. The relinquished southern part of the EL consists almost entirely of monotonous, un-mineralised granitic rocks.



(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.)

Glossary

Au : Gold
 Ag : Silver
 As : Arsenic
 Bi : Bismuth
 Cd : Cadmium

Cu : Copper
 Mo : Molybdenum
 Pb : Lead
 S : Sulphur
 Sb : Antimony

U : Uranium
 W : Tungsten
 Zn : Zinc
 Sn : Tin

EL 6413, EL 6415 AND EL 6416

COBAR DRILLING--ANOMALOUS INTERSECTIONS

HOLE NO	INTERSECTION (m)	Au (ppb)	Other Anomalous Elements, and Lithologies Observed
T1	17 to 18	136	Light brown weathered shale with 5 to 10% quartz chips.
	31 to 32	39	Light brown weathered shale, with 10% iron oxides, and traces of quartz chips.
	32 to 33	150	Light brown weathered shale with 5 to 10% quartz, and minor iron oxides
	68 to 69	51	Zone from 68 to 71 m is anomalous in Ag (up to 0.6ppm), Pb (up to 458ppm), Zn (up to 201ppm),
	71 to 72	85	and As (up to 429ppm) Weathered shale chips.
	74 to 75	99	Weathered light brown and fresh light grey green shale chips
	94 to 95	98	Ag 0.3 ppm Light grey green shale chips
	T2	5 to 6	185
6 to 7		66	Ag 0.3 ppm Ferruginised and silicified shale with minor quartz chips
8 to 9		170	Ag 0.3 ppm Weathered sandstone chips
12 to 13		1650	Ag 0.2 ppm Weathered shale chips - See NOTE (a) below
13 to 14		273	Ag 0.2 ppm Weathered shale chips
14 to 15		243	Ag 0.2 ppm Weathered shale chips
17 to 18		164	Ag 0.3 ppm About 60% shale and 40% sandstone chips
19 to 20		46	Ag 0.8 ppm About 60% shale and 40% sandstone chips
33 to 34		173	Ag 0.4 ppm Equal amounts of sandstone and shale with 5 to 8% iron oxide chips
34 to 35		127	Equal amounts of sandstone and shale with 5 to 8% iron oxide chips
37 to 38		62	As 148 ppm About 80% quartz and 20% sandstone chips
T3		1 to 2	89
	2 to 3	47	Ferruginised and silicified shale, plus minor quartz chips.
	4 to 5	52	Ag 0.2 ppm Weathered shale chips
	12 to 13	69	About 40% sandstone and 60% shale chips
	16 to 17	292	Ag 0.7 ppm Weathered sandstone chips
	18 to 19	59	Ag 0.2 ppm Weathered sandstone chips
	87 to 88	66	Mainly grey quartz with minor chert and shale chips
	T4	4 to 5	43
5 to 6		45	Ag 0.4 ppm Weathered ferruginised sandstone with 2-3% quartz chips
6 to 7		49	Ag 0.4 ppm Weathered ferruginised sandstone with 20% quartz chips
10 to 11		39	Ag 0.6 ppm Weathered cherty sandstone with traces of shale chips
11 to 12		237	Ag 0.4 ppm From 62 to 64m Ag is 0.7 ppm Weathered sandstone with minor shale chips
16 to 17		46	Ferruginised sandstone chips
60 to 61		157	Ag 0.6 ppm Ferruginised sandstone with minor quartz and iron oxide chips
61 to 62		55	Ag 0.4 ppm From 62 to 64m Ag is 0.7 ppm 50/50 sandstone and shale with 10% quartz and 5% opaques
70 to 71		94	Ag 0.3 ppm 70% shale and 30% sandstone chips
73 to 74		156	Ag 0.3 ppm 70% shale and 30% sandstone chips
74 to 75		41	Ag 0.4 ppm Fresh grey green sandstone, 15% weathered chips

HOLE NO	INTERSECTION (m)	Au (ppb)	Other Anomalous Elements, and Lithologies Observed
	75 to 76	53	Ag 0.2 ppm Fresh grey green sandstone
	88 to 89	52	Ag 0.3 ppm Purple brown shaley sandstone chips
T5	6 to 7	77	Weathered brown sanstone with 2 to 3% iron oxides, trace quartz chips
	8 to 9	69	Ag 0.2 ppm Weathered brown sandstone with minor iron oxide and quartz chips
	11 to 12	69	Ag 0.3 ppm Weathered brown sandstone with minor quartz and iron oxide chips
	23-24	50	Ag 0.4 ppm Light grey shaley sandstone with 2 to 3% iron oxide chips.
T6	41-42	289	Ag 1.7, Cu 203, Pb 1235, Zn 243 (values in ppm) 80% ferruginised and 20% fresh sandstone. Minor Fe oxides
	42-43	43	Ag 0.3 ppm 80% ferruginised and 20% fresh sandstone with 2 to 3% iron oxide chips
	57 to 58	49	Grey cherty shale with 10% quartz and lesser iron oxide chips
MB1	10 to 19	20+/-	10m zone enriched in Au (8 to 51 ppb), Ag (0.4 to 1.5 ppm), Cu (50 to 875ppm), Zn (up to 746 ppm)
	31 to 44	20+/-	13 m zone enriched in Au (up to 59 ppb), Ag (up to 0.8 ppm), Pb (up to 465 ppm), Zn (up to 183 ppm) See NOTES below for Mt Barrow lithology information
MB2	20 to 21	29	Ag 1.1 - See NOTE (b) below for MB2 lithology information
	21 to 22	47	Ag 0.6 ppm
	22 to 23	55	Ag 0.3 ppm
	56 to 57	34	Ag 0.3 ppm
P1	0 to 100	5	Generally unanomalous - See NOTE (c) below for P1 & P2 lithology information
P2	13 to 38	5	15m wide Pb anomalous zone-Pb 200 to 1250ppm. Background 20 to 40 ppm.
	67 to 80	5	13m anomalous zone-Au up to 166 ppb, Cu up to 267 ppm, Pb up to 1615 ppm, Zn to 149 ppm
	82 to 95	5	13m Pb anomalous zone, but with lower values-up to 274 ppm.
NOTES		(a)	At Tindarey high Au values probably reflect narrow veins diluted due to the 1 metre sampling interval --eg in Hole T2, 12 to 13m 1.65 ppm Au could reflect, say, 8.25 ppm Au over 20cm.
		(b)	MB1 and MB2 chips consist of tuffs with minor shales, intruded by sulphide and quartz veins in anomalous zones. Sulphides are all weathered to iron oxides. Associated quartz veins are commonly brecciated .
		(c)	P1 contains abundant quartz veins with secondary iron oxides, but these were notably unanomalous P2 material of very similar appearance to P1 yielded 3 highly anomalous zones as shown above P1 and P2 host rocks are tuffs, with minor shale and sandstone

DIRECTORS' REPORT

The Directors of Ausmon Resources Limited submit the financial report of the consolidated group for the half-year ended 31 December 2009.

Directors

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

King M Fan
David W King
John Q Wang
Gang (Gary) Zheng

Operating Results

Profit for the half-year ended 31 December 2009 was \$493,632. As the comparative period was from 26 November 2008 (date of incorporation) to 31 December 2008, and there were no transactions during this period, no comparatives have been presented for the Statement of Comprehensive Income, the Statement of Changes in Equity or the Statement of Cash Flows.

Review of Operations

A review of operations for the half-year ended 31 December 2009 is set out on pages 3 to 11.

Auditor's Independence Declaration

The auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 13, and forms part of this report.

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



John Q Wang
Director

Dated this 25th day of February 2010

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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 2009, 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
Director - Audit & Assurance Services

Sydney, 25 February 2010

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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 2009, 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 Auditing Standard on Review Engagement ASRE 2410: Review of Interim and Other Financial Reports 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 2009 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 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 2009 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.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



C F Farley
Director - Audit & Assurance Services

Sydney, 25 February 2010

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 17 to 25 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 2009 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.



John Q Wang
Director

Dated this 25th day of February 2010

Consolidated Statement of Comprehensive Income

For The Half-Year Ended 31 December 2009

	Note	\$
Revenue from continuing operations		
Interest income		48,294
Other income		
Gain on financial assets at fair value through profit or loss		1,125,407
		1,173,701
Expenses		
Depreciation expense		(7,402)
Employee benefits expense		(27,794)
Other expenses	2	(307,251)
Profit before income tax expense		831,254
Income tax expense		(337,622)
Profit for the period		493,632
Other comprehensive income		
Available-for-sale financial assets		1,613,786
Income tax relating to components of other comprehensive income		(484,136)
Other comprehensive income for the period, net of tax		1,129,650
Total comprehensive income for the period		1,623,282
Profit attributable to:		
- members of the Parent Entity		493,632
Total comprehensive income attributable to:		
- members of the Parent Entity		1,623,282
Earnings per share		
Basic and diluted earnings per share		0.86 cents

The accompanying notes form part of this financial report.

Consolidated Statement of Financial Position

As At 31 December 2009

	Note	31 December 2009 \$	30 June 2009 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		2,402,992	2,848,644
Trade and other receivables		58,150	51,229
TOTAL CURRENT ASSETS		2,461,142	2,899,873
NON-CURRENT ASSETS			
Financial assets	4	4,113,243	-
Plant and equipment		41,513	19,325
Exploration and evaluation expenditure		1,191,156	244,629
TOTAL NON-CURRENT ASSETS		5,345,912	263,954
TOTAL ASSETS		7,807,054	3,163,827
CURRENT LIABILITIES			
Trade and other payables		336,212	52,816
TOTAL CURRENT LIABILITIES		336,212	52,816
NON-CURRENT LIABILITIES			
Deferred tax liabilities		821,758	-
TOTAL NON-CURRENT LIABILITIES		821,758	-
TOTAL LIABILITIES		1,157,970	52,816
NET ASSETS		6,649,084	3,111,011
EQUITY			
Issued capital	5	5,114,735	3,241,884
Reserves		1,171,590	-
Retained profits		362,759	(130,873)
TOTAL EQUITY		6,649,084	3,111,011

The accompanying notes form part of this financial report .

Consolidated Statement of Changes In Equity

For The Half-Year Ended 31 December 2009

		Reserves			
	Issued capital \$	Option reserve	Asset revaluation reserve	Retained profits \$	Total \$
Balance at 1 July 2009	3,241,884	-	-	(130,873)	3,111,011
Total comprehensive income for the period	-	-	1,129,650	493,632	1,623,282
Transactions with owners in their capacity as owners:					
Shares issued net of issue costs during the period	1,872,851	-	-	-	1,872,851
Shares issued under Employee Incentive Plan during the period	-	41,940	-	-	41,940
Balance at 31 December 2009	5,114,735	41,940	1,129,650	362,759	6,649,084

The accompanying notes form part of this financial report.

Consolidated Statement of Cash Flows
For the Half-Year Ended 31 December 2009

	\$
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments to suppliers and employees	(220,268)
Interest received	46,566
Net cash used in operating activities	<u>(173,702)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Payments for plant and equipment	(30,732)
Payments for exploration and evaluation expenditure	(190,016)
Payments for investment in listed company	(1,211,553)
Net cash used in investing activities	<u>(1,432,301)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from issue of shares	1,200,000
Share issue expenses	(39,649)
Net cash provided by financing activities	<u>1,160,351</u>
Net decrease in cash held	(445,652)
Cash and cash equivalents at the beginning of period	<u>2,848,644</u>
Cash and cash equivalents at the end of period	<u><u>2,402,992</u></u>

The accompanying notes form part of this financial report.

Notes to Financial Statements For the Half-Year Ended 31 December 2009 (continued)

Note 1 - Basis of Preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2009 have been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Ausmon Resources Limited and its controlled entity (the Group). As such it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2009, together with any public announcements made during the half-year.

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 except for the following new accounting policies and for adoption of the following new and revised Accounting Standards.

Principles of consolidation

The consolidated financial information has been prepared by combining the financial statements of all the entities that comprise the Consolidated Group, being Ausmon Resources Limited and its controlled entity Great Western Mineral Limited. A controlled entity is any entity over which Ausmon Resources Limited has the capacity to control its financial and operating policies so that the entity operates to achieve the objectives of Ausmon Resources Limited. All inter-company balances and transactions between entities in the Consolidated Group, including any unrealised profits or losses, have been eliminated on consolidation.

Where a controlled entity has entered or left the Consolidated Group during the period, its operating results have been included/excluded from the date control was obtained or until the date control ceased.

Financial Instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

Financial instruments are subsequently measured at either of fair value or amortised cost using the effective interest rate method. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Notes to Financial Statements For the Half-Year Ended 31 December 2009 (continued)

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

(i) Financial assets at fair value through profit or loss

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

(ii) Loans and receivables

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

(iii) Available-for-sale financial assets

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

(iv) Financial liabilities

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

Accounting Standards not Previously Applied

The Group has adopted the following new and revised Australian Accounting Standards issued by the AASB which are mandatory to apply to the current interim period. Disclosures required by these Standards that are deemed material have been included in this financial report on the basis that they represent a significant change in information from that previously made available.

Presentation of Financial Statements

AASB 101 prescribes the contents and structure of the financial statements. Changes reflected in this financial report include:

- the replacement of Income Statement with Statement of Comprehensive Income. Items of income and expense not recognised in profit or loss are now disclosed as components of 'other comprehensive income'. In this regard, such items are no longer reflected as equity movements in the Statement of Changes in Equity;
- the adoption of the single statement approach to the presentation of the Statement of Comprehensive Income
- other financial statements are renamed in accordance with the Standard; and
- presentation of a third Statement of Financial Position as at the beginning of a comparative financial year where relevant amounts have been affected by a retrospective change in accounting policy or material reclassification of items.

Notes to Financial Statements For the Half-Year Ended 31 December 2009 (continued)

A third Statement of Financial Position is not included in this interim financial report as the Company was only incorporated on 26 November 2008.

Operating Segments

From 1 January 2009, operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the Group’s chief operating decision maker which, for the Group, is the Board of Directors. In this regard, such information may be provided using different measures to those used in preparing the Statement of Comprehensive Income and Statement of Financial Position. Reconciliations of such management information to the statutory information contained in the interim financial report have been included, where applicable.

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

	\$
Audit fees	13,500
Investment acquisition costs	109,985
Listing expenses	19,282
Operating leases	28,685
Registry and ASX fees	8,223
Share-based payments	41,940
Other	85,636
	<u>307,251</u>

Note 3 – Operating segments

The Consolidated 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 in Australia. All segments assets, segment liabilities and segment results relate to the one business segment and therefore no segment analysis has been prepared. Given the timing of the recent transactions the position has not changed from the prior period.

Note 4 – Financial assets

	\$
NON-CURRENT	
Financial assets at fair value through profit or loss ¹	1,672,148
Available-for-sale financial assets ²	<u>2,441,095</u>
	<u>4,113,243</u>

¹ 5,750,000 share warrants held in Premium Exploration Inc., a TSX-V listed company Changes in fair value are included in the income statement.

² 5,750,000 ordinary shares held in Premium Exploration Inc., a TSX-V listed company.

Notes to Financial Statements For the Half-Year Ended 31 December 2009 (continued)

Note 5 – Equity securities issued

	Number	\$
(a) Ordinary shares		
Balance at beginning of half-year	45,500,004	3,241,884
Shares issued under Employee Incentive Plan during half-year	220,000	-
Issue of shares during half-year	8,500,000	1,912,500
Share issue expenses	-	(39,649)
Balance at end of half-year	<u>54,220,004</u>	<u>5,114,735</u>

With respect to the shares issued under the Ausmon Resources Limited Employee Incentive Plan, the Company provided interest free loan of 5 years to the eligible persons with limited recourse only to the shares. The shares and loans have been treated as grant of options in which options are exercised on the dates when the loans are repaid.

(b) Options over unissued shares

Options exercisable at \$0.80 each on or before 30 June 2014:	Number
Listed	
Balance at beginning of half-year	14,375,000
Released from escrow during half-year	1,100,000
Issued during half-year	<u>6,000,000</u>
Balance at end of half-year	<u>21,475,000</u>
Unlisted	
Balance at beginning of half-year	13,375,000
Listed during half-year	<u>(1,100,000)</u>
Balance at end of half-year	<u>12,275,000</u>
Total at end of half-year	<u>33,750,000</u>

Note 6 – Acquisition of Controlled Entity

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

	Acquiree's carrying amount	Fair value
	\$	\$
Receivables	2,397	2,397
Exploration and evaluation expenditure	17,144	753,514
Payables	<u>(43,411)</u>	<u>(43,411)</u>
Net (liabilities) assets acquired	<u>(23,870)</u>	<u>712,500</u>

Notes to Financial Statements For the Half-Year Ended 31 December 2009 (continued)

	31 December 2009	30 June 2009
	\$	\$

Note 7 - Commitments

Exploration Expenditure Commitments

The Consolidated Group has been granted one exploration licence in the Northern Territory and has entered into farm-in agreements to acquire a 51% and 85% interest in each of three and four exploration licences respectively in New South Wales. The expenditure commitment to maintain and/or earn the interests in the exploration licences have not been provided for in the financial statements and are due:

Within twelve months	713,500	268,300
Twelve months or longer and not longer than 5 years	1,340,000	270,000
More than 5 years	-	-
	2,053,500	538,300

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

	31 December 2009	30 June 2009
	\$	\$

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	22,925	41,600
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Note 8 - Contingent Liabilities

At balance date, the Consolidated Group and its joint venture operations have no contingent liabilities.

Note 9 – Events after Balance Date

There has not arisen in the interval since 31 December 2009 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 Consolidated Group, the results of those operations or the state of affairs of the Consolidated Group in future financial years.