AUSMON RESOURCES LIMITED
ABN 88 134 358 964

ANNUAL REPORT 2015

CONTENTS

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Directors
Boris Patkin - Chairman
John Q Wang – Managing Director
Liubao Qian
Gang (Gary) Zheng

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383 Kent Street
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CHAIRMAN'S LETTER

Dear Shareholder,

It is my pleasure to present the 2015 Annual Report of the Company.

Your company has been very active with exploration work in the field:

- On our main Koonenberry Project, covered by EL 6400, we drilled 9 RC-percussion holes totalling 700 metres seeking possible West North West extensions to the Grasmere-Peveril "line of lode" of copper-zinc mineralisation. The results were not conclusive and we may need to drill a further 10 to 20 closely spaced holes of 80 to 100 metres length to locate possible extensions, which may increase the already identified resource.
- On Pooraka ELs 6413 and 7564, a ground based TDEM (time domain electromagnetic) survey was undertaken over two target areas, revealing an extensive and strong conductor in the northern one, and a smaller, but strong, anomaly in the southern area. Drill testing is planned for the future.

The Company had planned to drill 2 deep exploration holes within Exploration Licence 6424 following the granting, in September 2014, of up to $38,750 towards direct drilling costs under the NSW Government's Cooperative Drilling (2014) program. However, due to delays in obtaining governmental approval for the field activities, and the renewal timing of the licence we have deferred that drilling to the 2016 financial year.

To fund the exploration activities, and the current very low operations costs, we succeeded in raising additional capital of $455,000 during the year. Consequently, we have been able to preserve the cash of approximately $700,000 we had at the beginning of the financial year.

Once more the Board has agreed that no Director's remuneration is payable for the financial year 2015 either in cash or shares as the share price and financial status of the Company has not improved.

The Company will continue to look for new opportunities, including those beyond the minerals industry, that have the potential to create value for shareholders.

I would like to thank the shareholders for their support during the year, especially those who supported the share placements to fund the working capital and exploration activities.

Boris Patkin
Chairman
24th August 2015

REVIEW OF OPERATIONS

SUMMARY

Exploration

- **Koonenberry EL 6424:**
  - Detailed geological examination of historic diggings in the Nuntherungie silver field revealed the widespread presence of quartz-feldspar porphyry dykes, adding support the idea of a hidden porphyry system at depth under the field.
  - In September 2014, the Company was successful in securing funding of up to $38,750 (50% of direct drilling costs) through the NSW Government's Cooperative Drilling (2014) program.
  - Drilling of two gravity lows planned for early November 2014 had to be deferred to May 2015 because drilling permission from Government was received too late - on 4th December 2014 - by which time the hot weather presented health risks for field personnel.
  - Planned deep drilling of two gravity lows targets has now been deferred to the 2016 financial year pending confirmation of the EL renewal submitted in May 2015.
  - The Annual Report for 2014/15 and Application to Renew the Exploration Licence ("EL") for a further 2 years from May 25th, 2015 was submitted and accepted by the Department of Primary Industries ("Department"). Confirmation of renewal of the EL is awaited.

- **Koonenberry ELs 6400 and 6464:**
  - RC percussion drilling of suspected WNW extensions to Grasmere-Peveril "line of lode"-9 RC-percussion holes, for 700 metres, was completed in April 2015.
  - Annual Reports for both ELs were submitted to and accepted by the Department.
  - Application to renew EL 6400 with 50% area reduction for 2 more years until March 31st 2017 was submitted and renewal has been confirmed.

- **Pooraka ELs 6413 and 7564:**
  - Ground based TDEM (time domain electromagnetic) survey was completed in May 2015 revealing an extensive and strong conductor in the northern area, and a smaller one in the southern target area. These targets will require drill testing in future.
  - Annual Reports for both ELs were submitted and accepted by the Department. Renewal of EL 6413 with no area reduction was sought for another 2 years and renewal until May 16th 2017 has been confirmed.

- **Cumnock EL 6417:**
  - Relinquished in June 2015 following assessment of risks and rewards for commitment of limited investment funds. Annual and Final reports were submitted and accepted by the Department.

Corporate and Financial

- On 16 July 2014, the Board was reorganized to align with the recommendations of the ASX Corporate Governance Principles and Recommendations. Mr Boris Patkin was appointed as an independent Non-Executive Chairman. Mr John Wang ceased to be Acting Chairman a responsibility he had assumed since November 2013 when the Company commenced its search for an independent Chairman and was appointed Managing Director with added responsibilities for finance and Company Secretary duties.
- On 4 February 2015, the Company raised $245,000 by private placement of 35,000,000 fully paid ordinary shares at $0.007 per share to fund exploration and working capital.
- On 15 June 2015, the Company raised $210,000 by private placement of 21,000,000 fully paid ordinary shares at $0.01 per share to fund exploration and working capital.

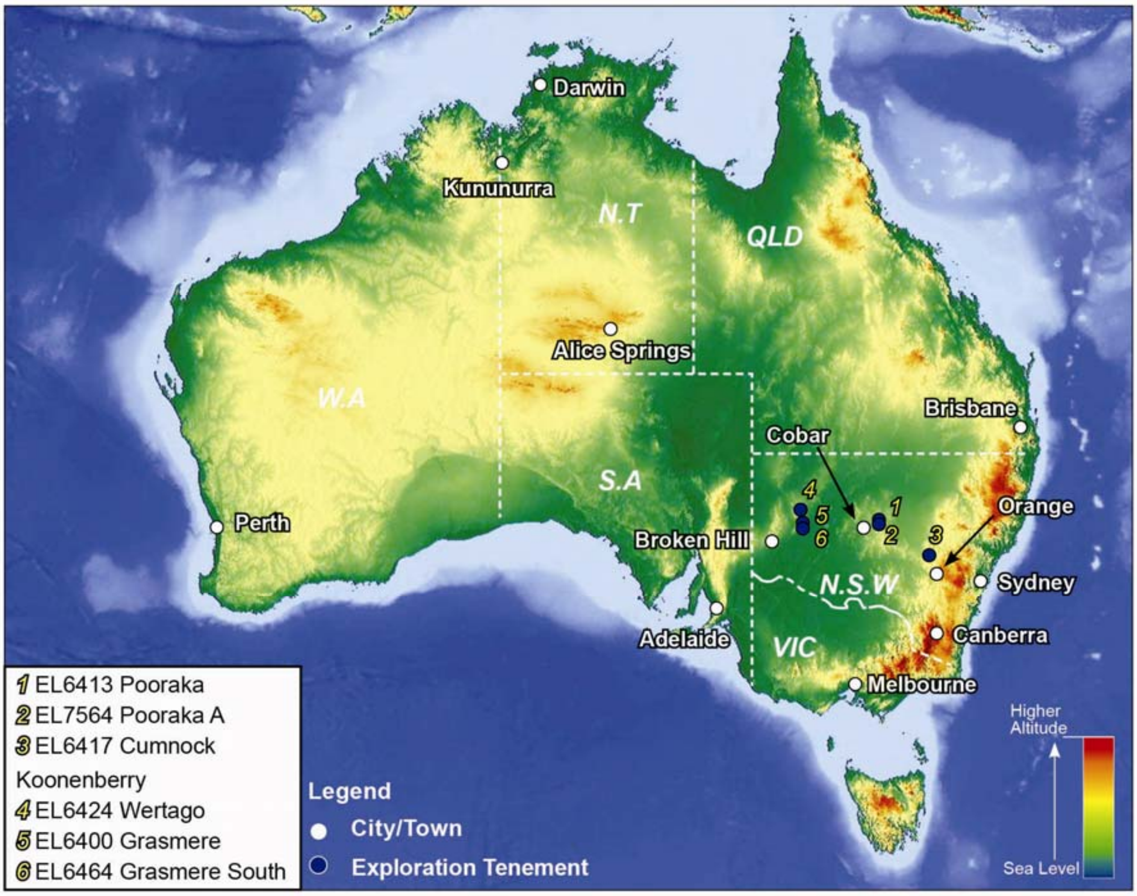

Figure 1 – List of Licences and Locations in New South Wales, Australia
EL 6417 relinquished in June 2015

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 299 sq kms in the highly prospective and under-explored Koonenberry Belt of Western NSW, near Broken Hill.

EL 6400: This EL is of principal interest as it contains the Grasmere-Peveril Cu-Zn-(Ag) deposits, which contain a significant indicated and inferred JORC Code 2004 compliant resource of 5.75 mt @ 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, .04 g/t Au and 2.05 gt Ag; Indicated: 3.02 mt grading 1.15% copper, 0.3% Zn, 0.06 g/t Au and 2.53 g/t Ag). Information relating to the mineral resource was prepared and first reported in accordance with the JORC Code 2004 in 2006. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was reported in 2006.

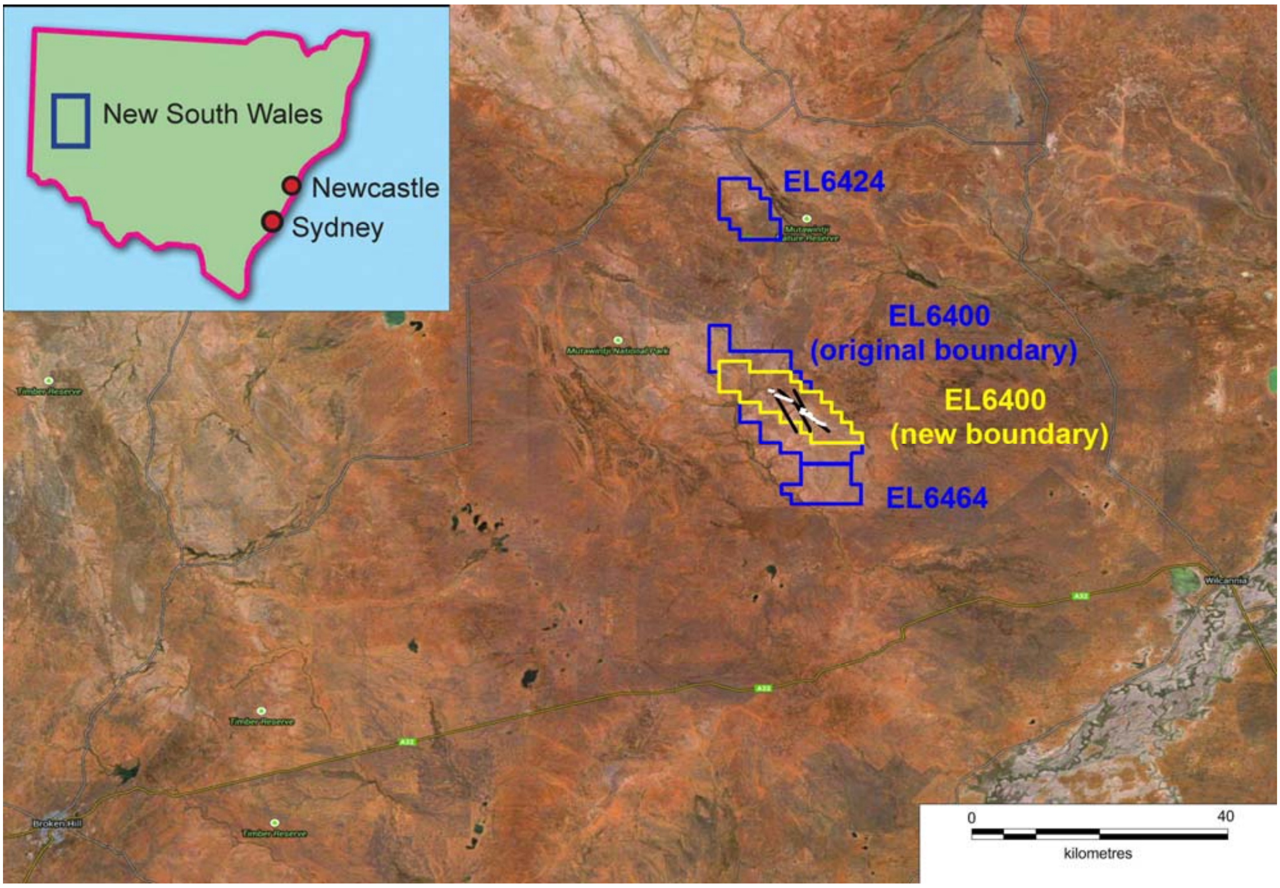

Figure 2 - Locations of Koonenberry Exploration Licences.
Line of mineralization shown in white lines
Faults shown in black lines

RC Drilling seeking Extensions to the Grasmere—Peveril Line of Lode.

Table 1. Holes drilled during April 2015—9 holes totalling 700m.

Drill hole	easting	northing	inclination	to magnetic	to true	elevation	ground condition	drilling	EOH
W1	658075	6540149	60	20	30	223	minor bluebush	drilled 17/04/2015	70
W2	658107	6540206	60	200	210	223	no vegetation	drilled 17/04/2015	80
W3	658048	6540234	60	210	220	223	no vegetation	drilled 19/04/2015	80
W4	658010	6540266	60	198	208	223	no vegetation	not drilled	
W5	657919	6540302	60	165	175	223	minor bluebush	not drilled	
W6	657864	6540301	60	179	189	223	no vegetation	drilled 19/04/2015	80
W7	658966	6539384	52	40	50	213	no vegetation	drilled 20/04/2015	80
W8	658987	6539395	52	220	230	213	minor bluebush	drilled 20/04/2015	80
W9	660577	6538173	55	54	64	217	no vegetation	drilled 21/04/2015	80
W10	661581	6537486	55	12	22	212	no vegetation	drilled 21/04/2015	70
W11	660562	6537637	60	50	60	209	minor bluebush	drilled 22/04/2015	80

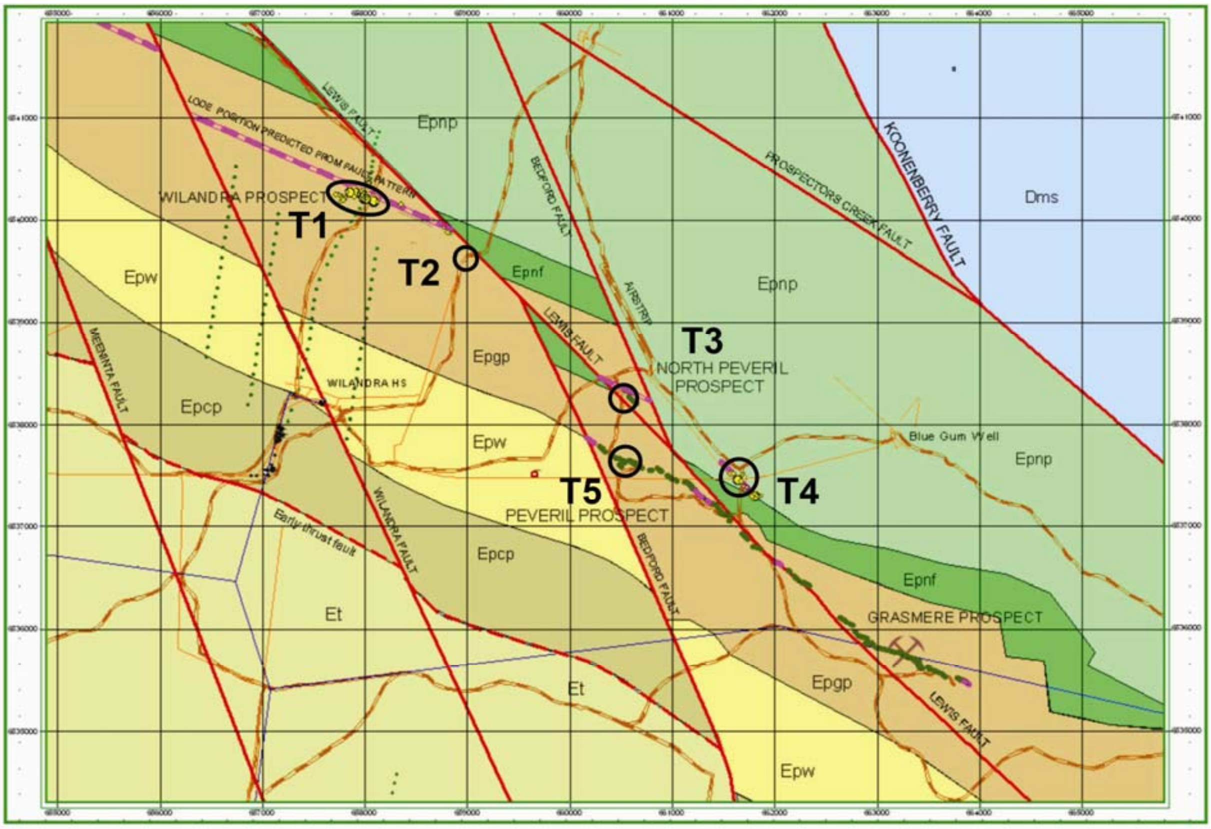

Figure 3 - EL 6400: Stylised geological map of bedrock features adjacent to the Grasmere-Peveril lode. The geological units are based on those mapped and recorded on the Grasmere 1:100 000 Geological Sheet, First Edition (Buckley 2001), projected and adjusted to match features displayed on the latest aeromagnetic images that cover the map area. The exposed segments of the lodes are indicated in dark green with unexposed and projected segments in purple. The location of the Company's prospect areas, Grasmere, Peveril, North Peveril and Wilandra are shown. The location of the main Grasmere Mine shaft in the Grasmere Prospect, the site of early mining activities, is also plotted. Two lines of sink holes (small, medium and large as mapped by the author Dr Kingsley Mills in June 2015) are plotted as yellow filled circles and were thought to mark the position of unexposed sulphide lodes. Faults mapped and proposed by the author are drawn in red. Access roads and station tracks are shown in brown, power lines in dark blue and some mapped fences in orange. The panels of holes drilled by BP Minerals-Seltrust around 1985 seeking the source of anomalous copper and zinc in deeply weathered soils to the north of Wilandra homestead are also indicated. The grid is the standard GDA 94 UTM kilometre grid for Zone 54. Target Areas T1 to T5 are indicated.

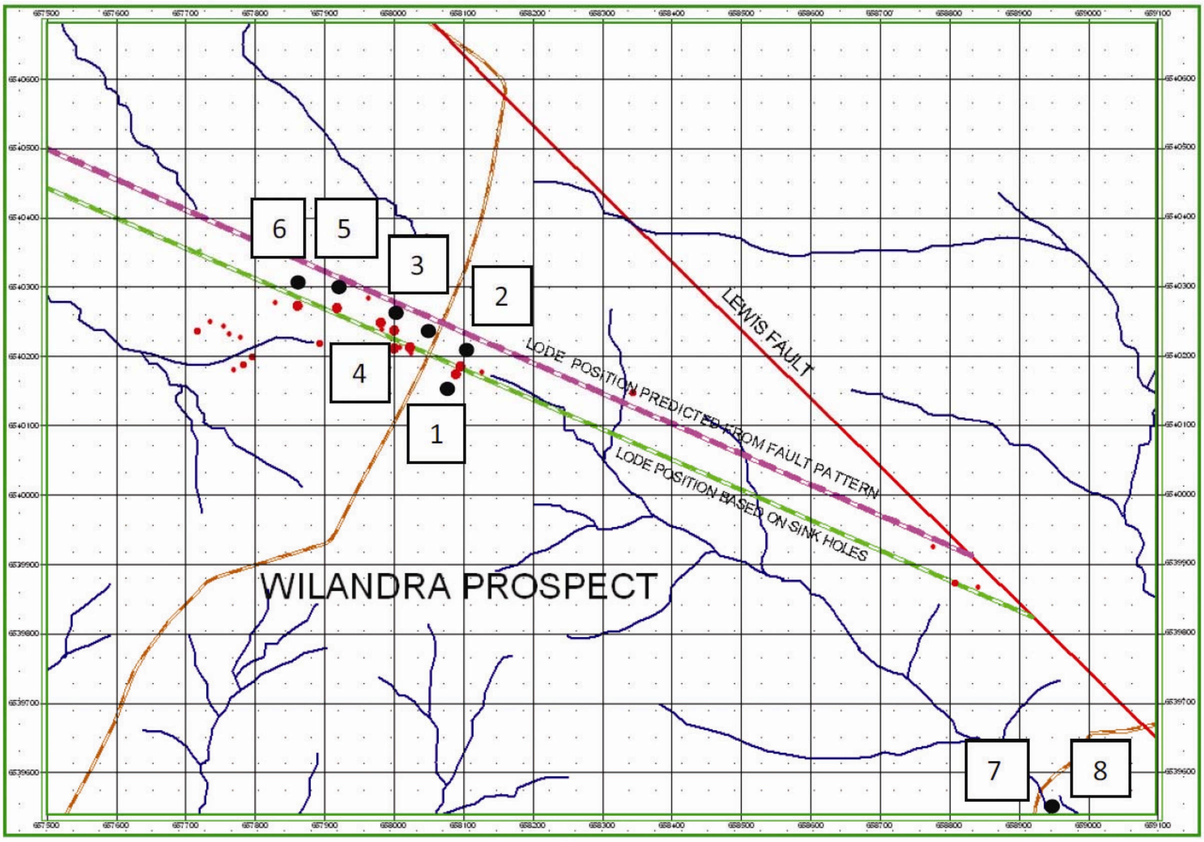

Figure 4 – EL 6400: Wilandra Prospect showing locations of planned drill holes W1 to W8 (filled black circles labelled 1-8) on standard easting/northing metre grid for Zone 54, with grid line spacing 100 m. Also shown are the line of lode positions as predicted from the mapped fault pattern (purple) and from the mapped positions of sink holes (green) that were assumed to be related to gypsum solution and precipitation, graded as small, medium and large (red circles). The projected position of the Lewis Fault is shown in red along with the actual positions of the access tracks (pale brown) and the main creek channels (dark blue). Note holes W4 and W5 were not drilled.

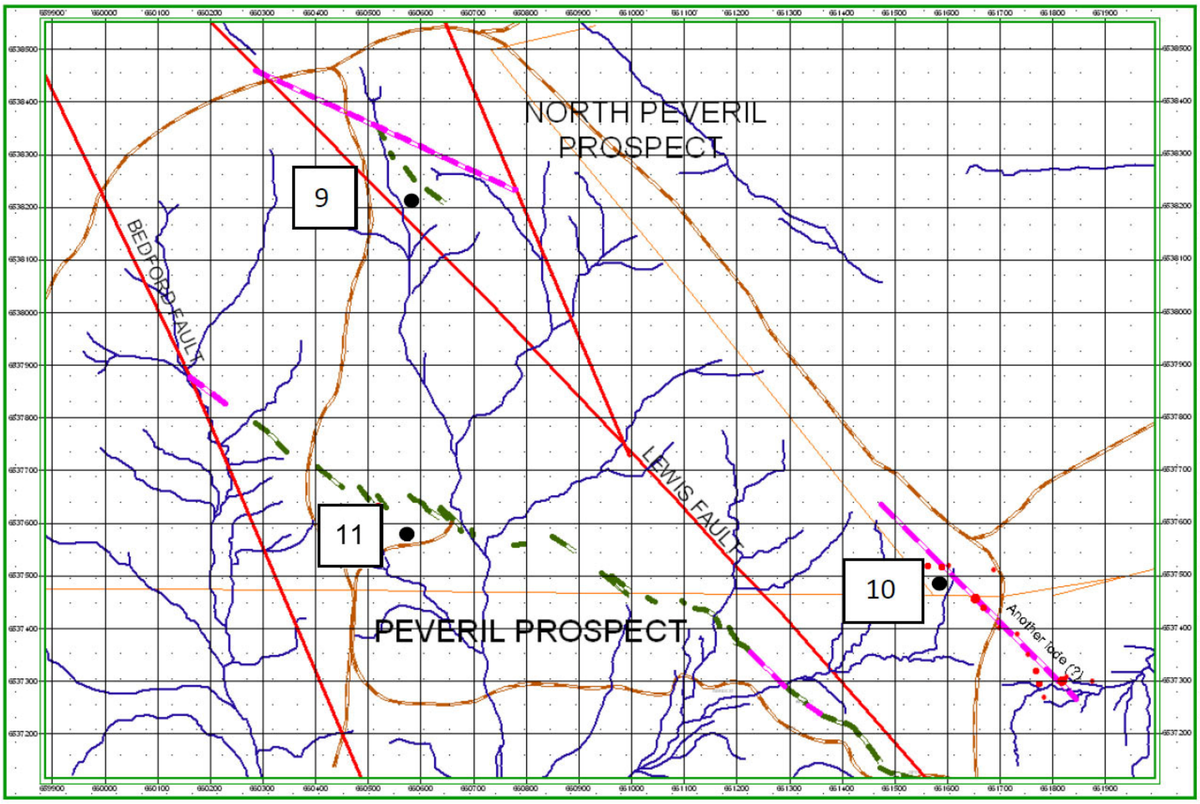

Figure 5 - EL 6400: Locations of drill holes W9 at the North Peveril Prospect, W10 to the east of the Peveril Prospect where a possible second line of lode (purple) is indicated by alignment of sink holes (red filled circles graded as small, medium and large), and W11 in the Peveril Prospect. Exposures of the Grasmere Lode, displaced by numerous small faults, are shown in green in the Peveril and North Peveril Prospects and possible unexposed extensions in purple. Mapped positions of the Lewis Fault and the Bedford Fault shown in red. Also shown are access tracks (pale brown), fences (thin orange lines) and creek channels (dark blue). Standard easting/northing metre grid of Zone 54, with grid line spacing 100 m.

Drilling was undertaken from mid to late April 2015. Nine holes were completed for a total of 700 m in 5 target areas designated T1 to T5 (see Figures 3 to 5 and Table 1) as follows:

T1--Wilandra (Holes W1, W2, W3, W6),

T2-- Wilandra East (Holes W7, W8),

T3-- North Peveril (Hole W9),

T4-- East Peveril (Hole W10), and T5-West Peveril (Hole W11).

Two T1 holes (W4 and W5) originally proposed for the program were not drilled, and hole W11 at T5 (West Peveril) was an extra hole decided upon during the program. Proposed holes W7 to W10 were inclined less steeply than the planned 60 degrees to intersect more stratigraphy and hit proposed targets at shallower depths.

All 9 completed holes encountered intensely leached and deeply weathered clay-rich rocks. Sulphide lode minerals, mainly pyrite and chalcopyrite, would not be expected to survive in such a weathering environment. There was scant evidence for weathered sulphides (e.g. silicified ironstone chips and/or blackened clays) in all holes except W11. Rock chips from all holes were noted to be either volcanic (dacite-andesite) or pelitic (clay rich sediments) in origin. By contrast the Grasmere-Peveril deposits are enveloped by both rock types; mainly volcanics on the North East side, and mainly sediments on the South West side.

About 5 samples were collected from each of the 9 holes to check for metal concentrations (Cu, Pb, Zn, Mn, Ag) and major elements that may help identify pre-weathered rock type (Si, Mg, Ca, Al, Fe, Ti). Samples were dispatched to ALS in Orange in late May 2015, and results were received in late June 2015. Samples of weathered lode material from W11 were considered to be of most interest, however given the intensity of weathering and lack of evidence of primary sulphide mineralization, results were not expected to reveal a great deal. As expected samples of leached and weathered lode material in hole W11 were strongly anomalous in lode indicator elements; Cu (500 to 1000 ppm, up to 1,685 ppm vs background 50 to 100 ppm), Zn (up to 550 - 600 ppm, vs background 50 -150 ppm) and also secondary iron oxides (8 to 20% Fe vs background around 6% Fe). Elements that generally follow secondary Fe oxides (mainly Mn) were enriched slightly, and Sulphur (an indicator of sulphides) was virtually absent—only 0.01 - 0.05 ppm. Major element concentrations were also consistent with the deeply leached and weathered nature of the rocks where primary minerals like feldspar and amphibole are largely or fully replaced by secondary clays and iron oxides.

Study of the data suggested that future work to locate possible WNW extensions to the line of lode would involve drilling about 10 to 20, 80 to 100 m long, close spaced RAB or RC percussion holes, along say two SW running lines near target area T1 at Wilandra.

The EL Annual Reports for both ELs 6400 and 6464 were submitted to and accepted by the Department. Application to renew EL 6400 with 50% area reduction for 2 more years until March 31st 2017 was submitted and the renewal has been confirmed.

EL 6424: This EL covers the Wertago copper diggings and Nutherungie silver field, where a detailed (250 station) gravity survey was undertaken and interpreted in April-May 2014 (see Figures 6 and 7).

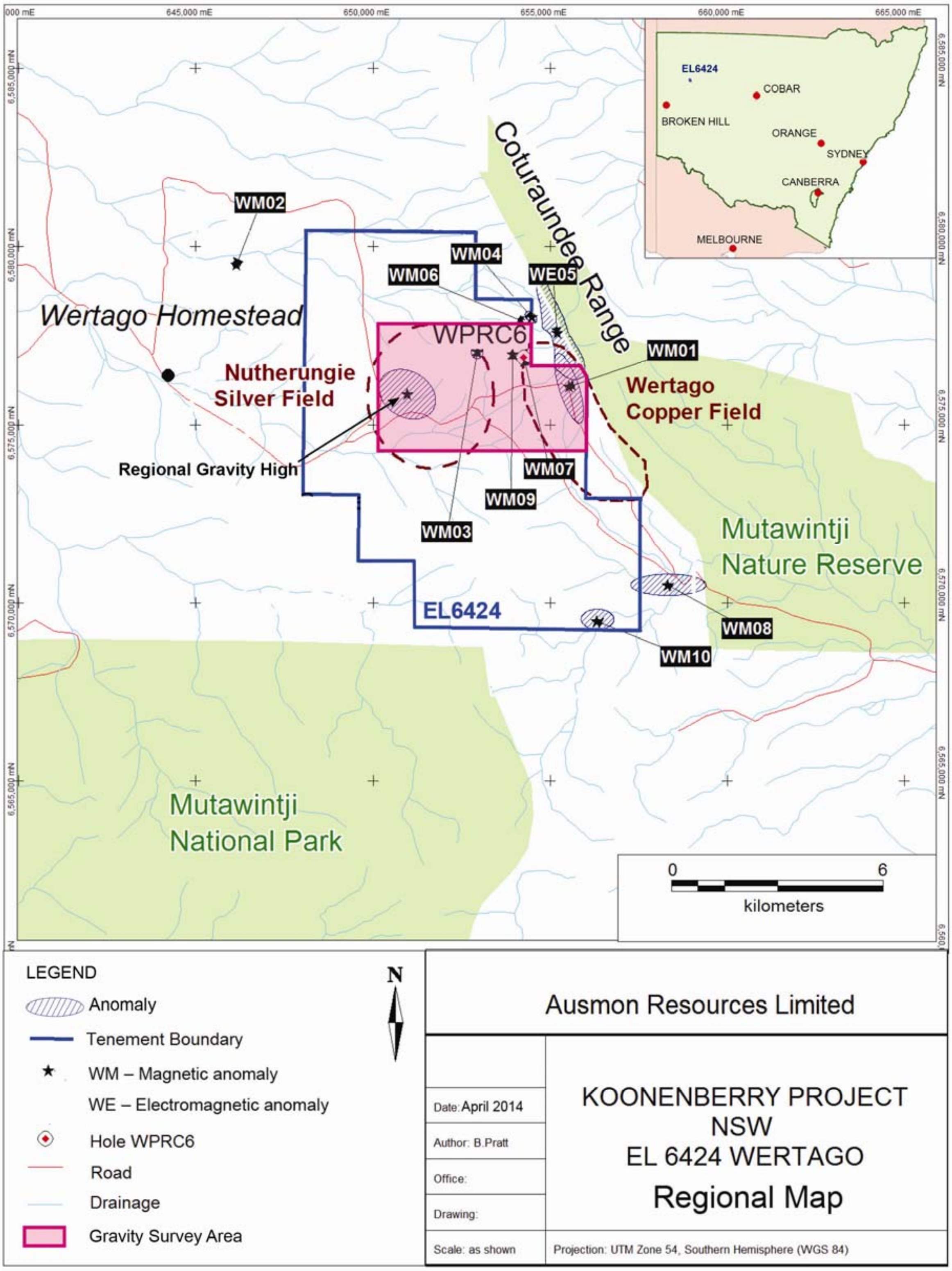

Figure 6 - Gravity Survey Area on EL 6424

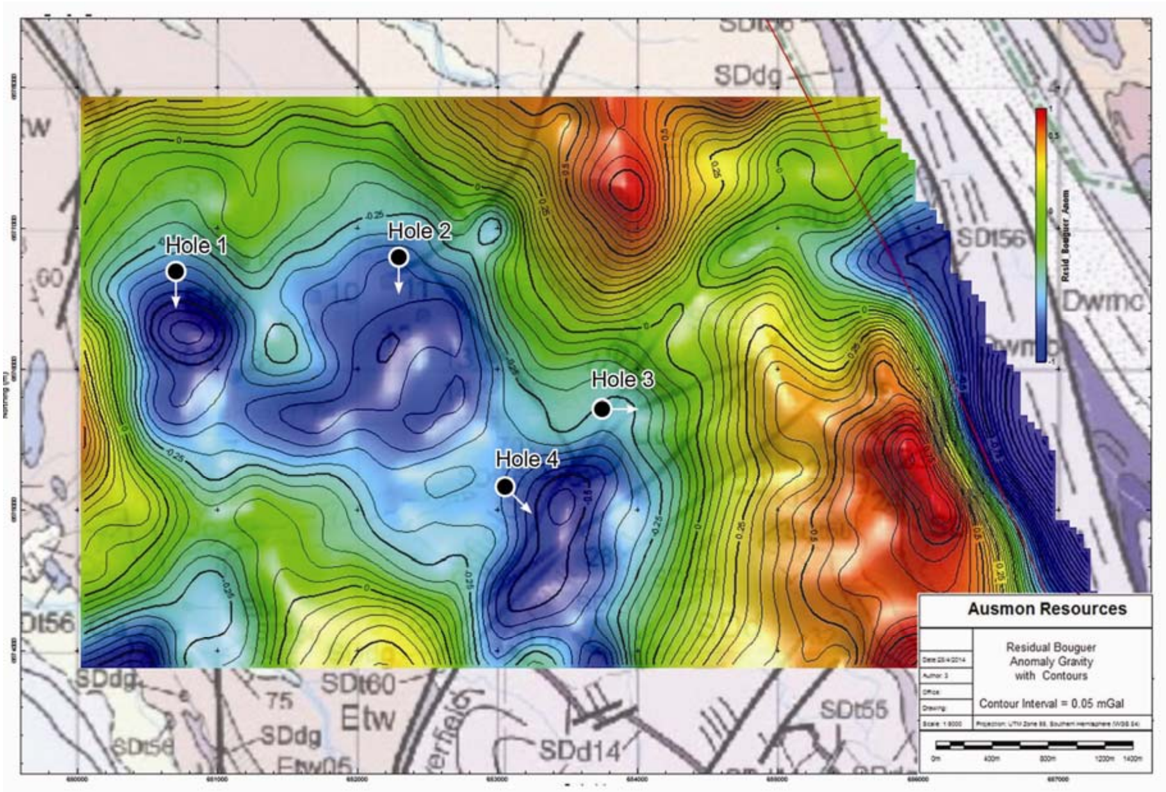

Figure 7 - Proposed Drill Holes in EL 6424.

Anomalous gravity low target areas are identified in purple

The silver field is strongly suspected to represent the epithermal cap above a concealed porphyry (Cu-Ag-Au) intrusive system, which should reveal as a gravity low. Regional data revealed a broad gravity high over the silver field, but the detailed survey revealed several gravity lows, with interpreted intrusion tops (crowns) lying at relatively shallow depths (i.e. 250 - 270 m, and 320 m) in the central-western part of the EL. The original plan was to test those with 2 steep drill holes of 400 m and 450 m length, but after considerable discussion a third gravity low, in the Silverfield fault zone was also deemed a worthy target, and the plan now is to test that target plus the larger of the two above mentioned targets, with 2 steeply inclined, RC pre collared diamond holes of about 450 m length. These are shown as Hole 4 and Hole 2 in Figure 7. The silver field vein deposits are also of interest, since historic miners deserted diggings for the White Cliffs Opal Field in the 1890s veins have never been tested at depth. These include one shallow digging, proximal to Wertago which was abandoned in silver-rich galena (PbS) veins. That digging represents a stand-alone RC drilling target (Hole 3 in Figure 7) because in the (analogous) Silverton silver field, near Broken Hill, similar mineralization does persist to depth.

Holes 2 and 4 were scheduled for drilling in November 2014, however drilling permission from the Department was not received until 4th December 2014, by which stage the climate had become too hot to safely undertake field work. Drilling was then scheduled from mid May 2015. During waiting time in early December, historic diggings (6 main shafts, costeans, pits, trenches) were re-examined in detail and a widespread presence of quartz-feldspar porphyry dykes was noted. These pre date the Pb-Ag silver field veins, adding credence to the idea of hidden mineralized porphyry intrusions at depth.

The EL Annual Report for 2014/15 and Application to Renew the EL for a further 2 years from May 25th, 2015 was submitted and accepted by the Department of Primary Industries ("Department"). As confirmation of renewal of the EL is awaited, the proposed drilling is on hold pending that EL renewal.

The Company had applied for the Department to fund half of direct drilling costs, under the Department's New Frontiers Co-operative Drilling (2014) Program, and that application was successful with a funding of $38,750 confirmed in 18 September 2014.

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

Joined ELs 6413 and 7564, located at Pooraka, 50 km east of Cobar, contain several gold and base metal target areas gleaned from earlier exploration. Due to the extent and thickness of magnetic palaeo channels aeromagnetic data were noted to be of limited use. In 2014, it was decided to undertake a ground based electromagnetic ("EM") survey to seek hidden conductors in target areas. Target areas were chosen using bedrock geochemical data and historic air-core/RC drilling data. Those data highlighted two sub-areas: T1- Langbein - Langbein West and T2/T3 - Mc Guiness - McGuiness North-see Figure 8.

During April and May 2015, a ground based geophysical survey was undertaken over the two target areas using the TDEM technique. This employs a surface transmitting loop of insulated cable – 200 m X 200 m in size. In the central part of each loop is placed a multi-turn receiver loop connected to a digital recording receiver. This cycles an initiated primary pulse into the transmitter, then records discreet secondary responses. The central loop station is read, then the whole array (both transmitter and receiver loops) is moved 100 m along the recording line so the next recording can be made. In this way multiple readings (at different time windows) of the received signals are recorded each 100 m along a line. After traversing a suspected target with a number of readings (say 15, equating to 1,500 m of line length) the line is then offset by 100 m or 200 m and the process is repeated. Lines are run at 90 degrees to strike.

TDEM data were processed to define anomalies caused by conductors. Using CSIRO/AMIRA computer programs targets data were further analysed to ascertain geometry-depth, orientation, thickness - and electrical properties.
The results of the TDEM survey were very encouraging. At T1- Langbein - Langbein West target area , a broad conductive zone was detected. This was mapped geophysically, and estimates of conductivity and depth deduced. Data suggested the conductive zone is largely formational, rather than related to dispersed mineralization. Three lines running directly north of a geochemically anomalous RC hole, drilled by the Company in 2009, were not initially completed in April 2015 due to onset of rain, but completed in July 2015, revealing a small discreet conductor (open to the east) proximal to where the Company's 2009 RC percussion drilling encountered low grade mineralization in bedrock.

The T2/T3 - Mc Guiness - Mc Guiness North - target area, near the Gilmore Suture, revealed a large, strong, discreet, north running 1,200 m X 800 m anomaly most probably caused by hidden sulphide concentrations. This feature was only recently modelled and outlined by the Company's geophysical consultant, (See Figures 9 and 10).

The Company's geophysical consultant's observation: *"Inversion modelling undertaken assisted in defining a 3D voxel representation of the conductive anomalous zone. From the model created, the anomaly appears at a central locus of about 434,800E / 6,520,700N and with two 'limbs' which extend to the SE and SSW by 400 m and 600 m respectively. The lack of resolution in the model makes it difficult to define a plunge or dip associated with the feature but having two limbs implies a possible fold with conductive, central folded axes. The top of the feature appears variable but at the locus is about 140 m below surface.*

Analysis of the shape of the profile response plus a small migration of EM anomaly peak with time, implies a steep dip to the east and south, but this is a quantitative inference only.

The depths for the anomalous zone are not excessively deep (with estimates between 140 m – 160 m) and over a strike extent that would allow relatively simple drill testing and targeting. For any attempt at drilling, an inclined hole, probably from the east towards the west would be recommended. The central, locus area of the implied structure would be a high priority target, but, depending on results obtained, targeting to the south along the two limbs may also be warranted as follow-up."

Conductors revealed in the above described TDEM survey will need to be tested at depth using RC percussion drilling.

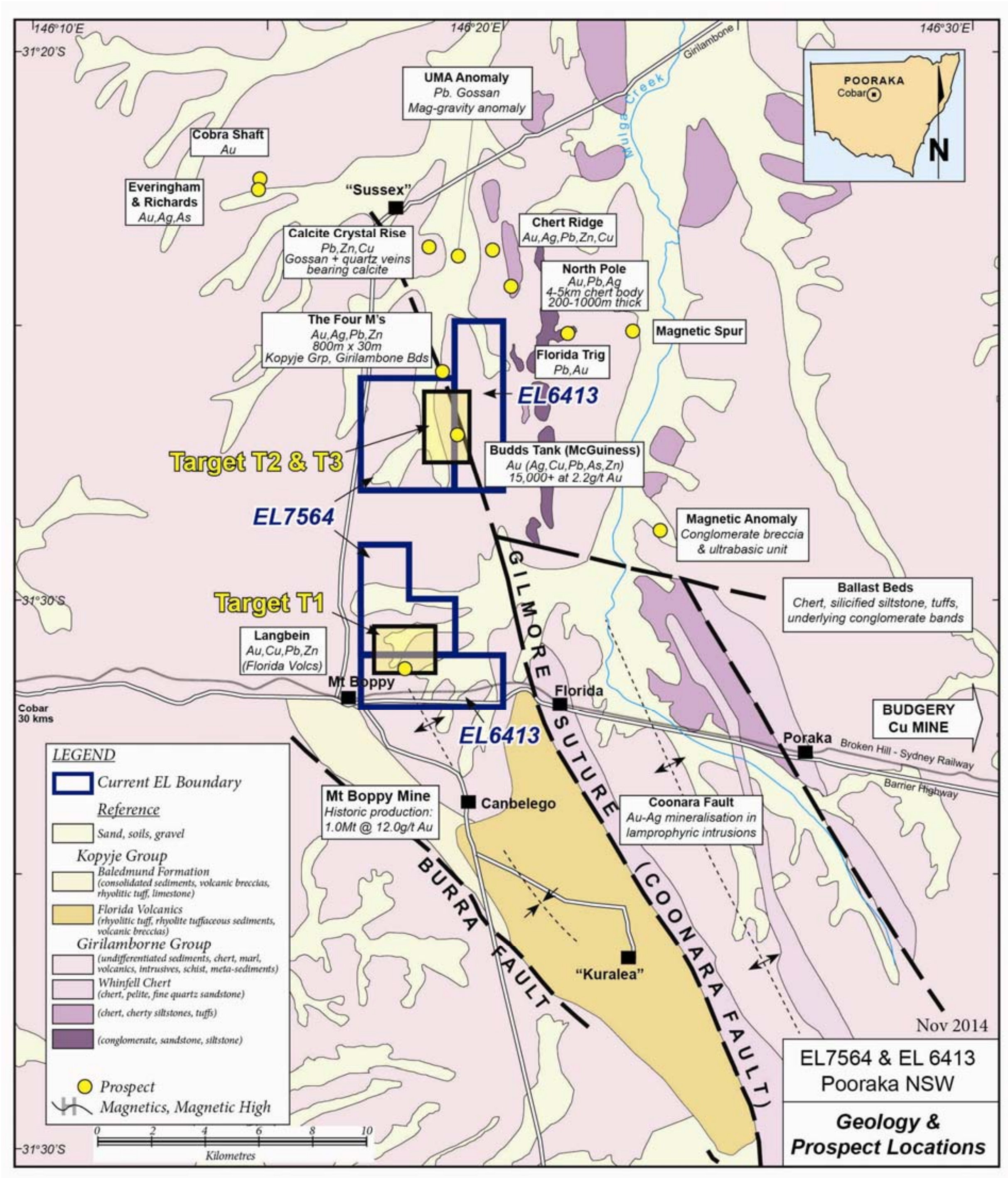

Figure 8 – Geology and Prospect Locations of Pooraka Project

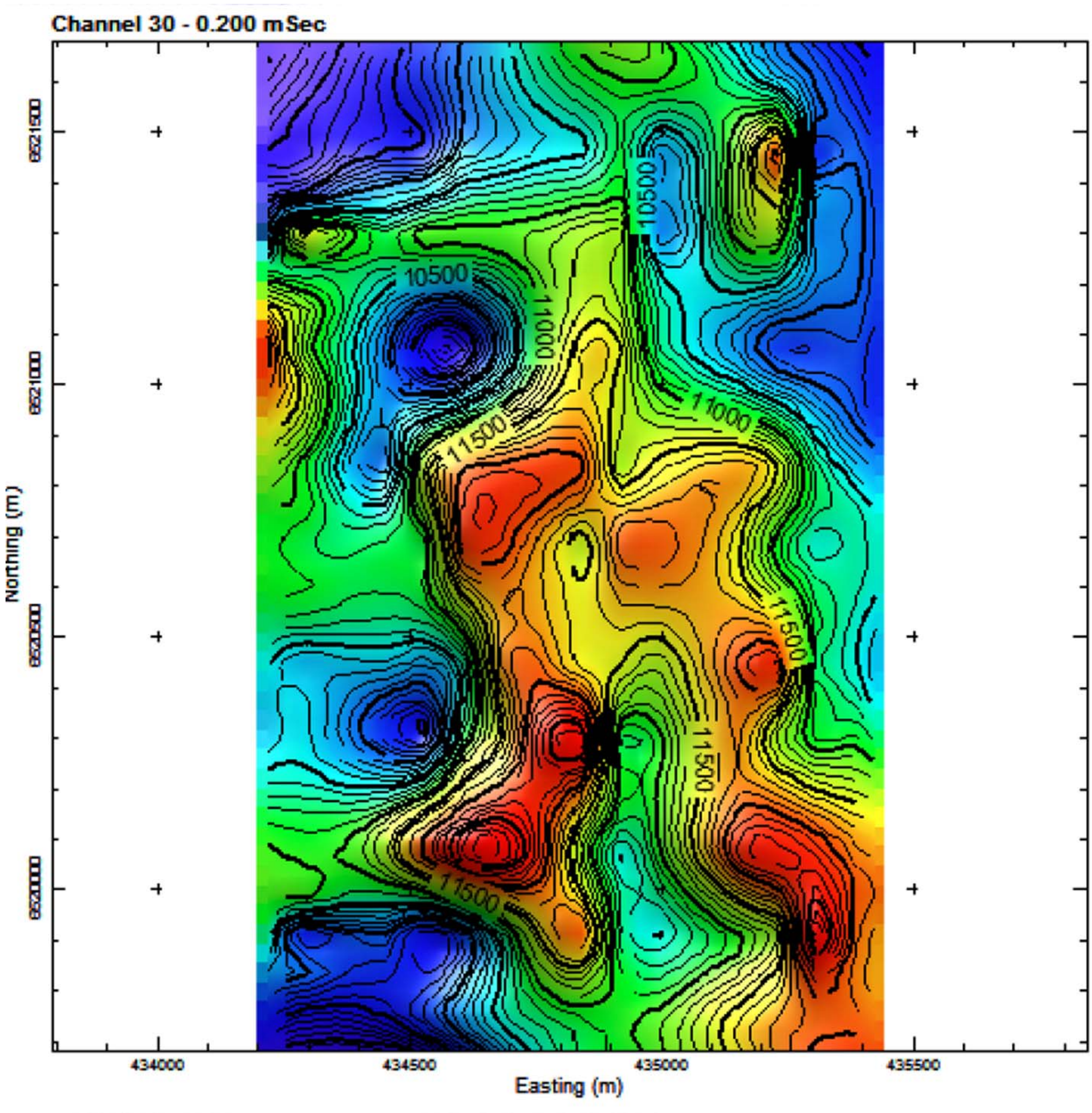

Figure 9 - N Data channels 30 as image and contour map. Contour interval is variable. North is vertical.

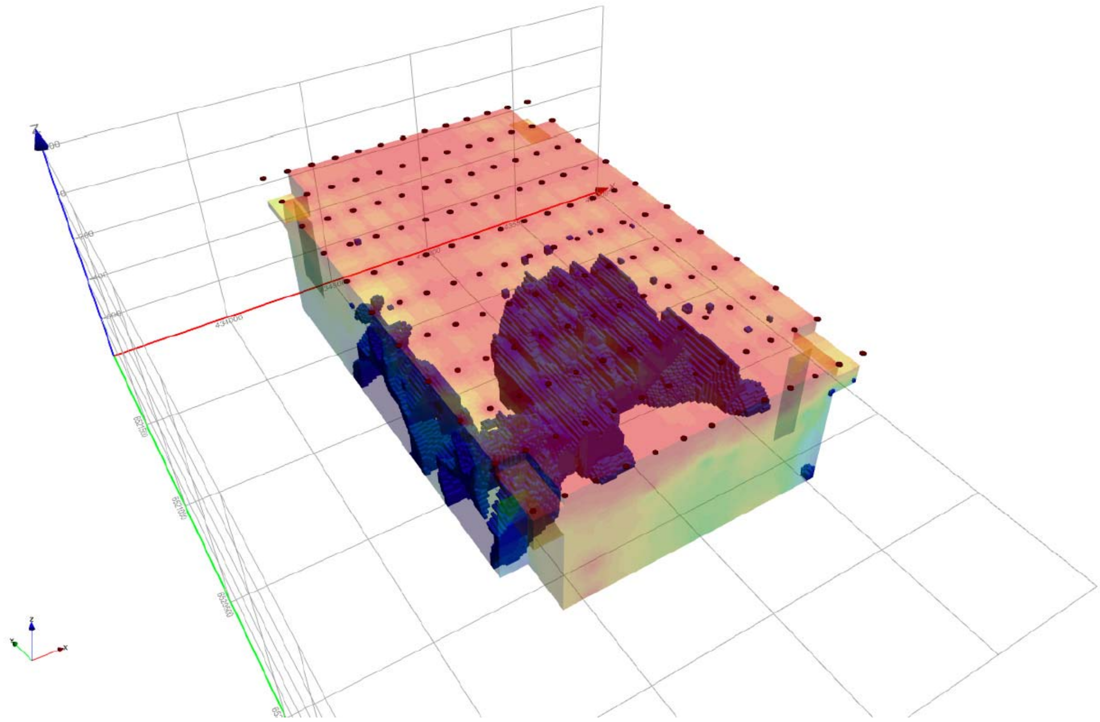

Figure 10 - View to the NE with the subsurface anomalous conductivity feature. Top of conductor is about 200 m beneath the surface as shown

ACTIVITIES NEAR ORANGE- Gold, Silver and Base Metal Exploration

EL 6417-Cumnock - NSW (100%)

Drilling in prior periods had 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 (presumably caused by mineralizing fluids from the Gumble Granite reacting with limestones and associated country rocks) which is locally evident over 500+ m of strike. 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 11). Most targets occur within the prospective Kabadah formation. The remaining 11 targets have been prioritized using geological, geophysical (aeromagnetic-eg skarn deposits commonly contain magnetite) and geochemical data. Some 6 or 8 of these have been visited, marked and imaged during January 2015 as a precursor to RAB (rotary air blast) and RC percussion drilling prior to expiry of the EL on 16 May 2015.

However, after further analysis and following assessment of the risks and rewards for commitment of limited investment funds having regards to the other Company's projects, namely Pooraka and

Koonenberry, the Company decided to relinquish EL 6417 in June 2015. The Annual and Final Reports were submitted in June 2015, and accepted by the Department.

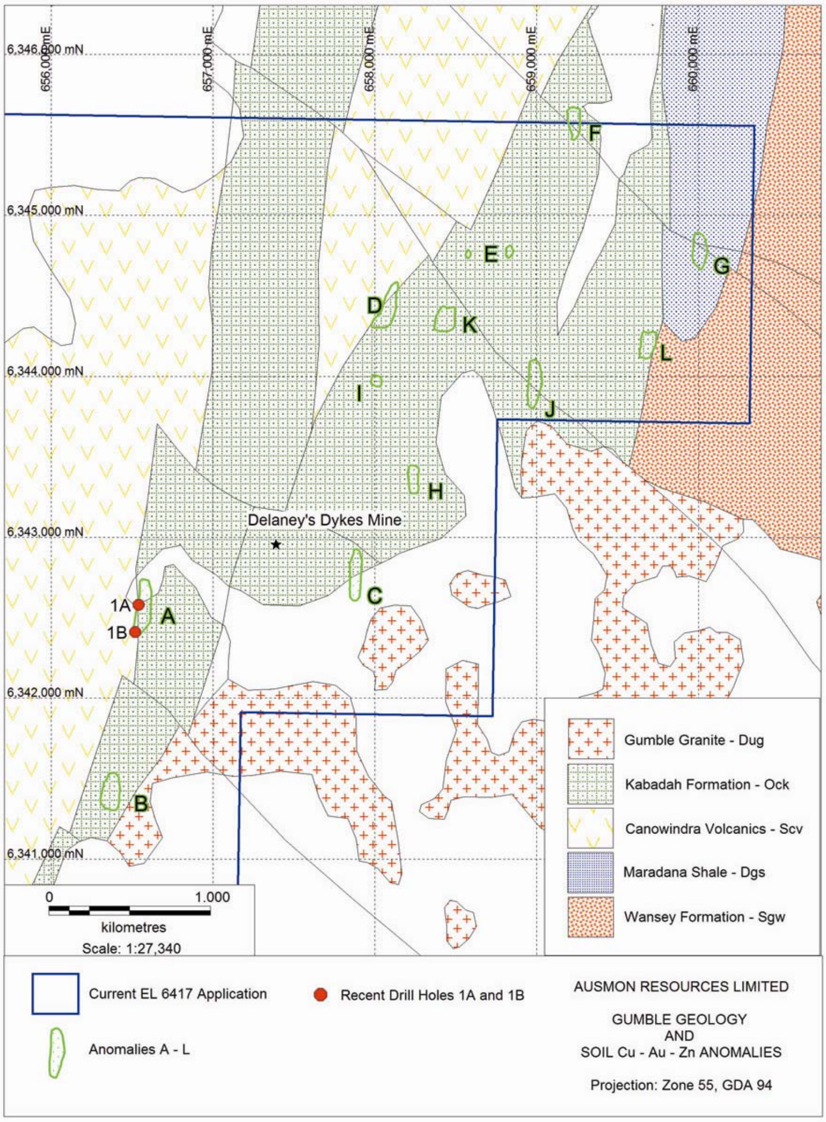

Figure 11 – EL 6417 - Gumble Geology and Soil Cu-Au-Zn Anomalies

(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 and 2012 Editions 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.)

CORPORATE AND FINANCIAL

Corporate

On 16 July 2014, the Board was reorganized to follow the recommendations of the ASX Corporate Governance Principles and Recommendations. Mr Boris Patkin was appointed as an independent Non-Executive Chairman and Mr John Wang was appointed Managing Director. Mr John Wang ceased to be Acting Chairman, a responsibility he had assumed since November 2013 when the Company commenced its search for an independent Chairman. As Managing Director he continues to be responsible for finance and Company secretarial matters to maintain low operations costs.

Funding

On 4 February 2015, the Company raised $245,000 by private placement of 35,000,000 fully paid ordinary shares at $0.007 per share to fund exploration and working capital.

On 15 June 2015, the Company raised $210,000 by private placement of 21,000,000 fully paid ordinary shares at $0.01 per share to fund exploration and working capital.

To undertake exploration activities while the Group has no revenue producing assets, the Group requires regular injections of funds and the level of activities is dictated by the funds that are available. Currently the Group is able to fund the exploration expenditure that satisfies the minimum licence commitments activities and to meet its financial commitments as and when they fall due.

To continue the exploration activities the Company will be pursuing sources of finance that include:

- Undertaking further capital raisings. Selling part of the Company's interests in its exploration licences and entering into joint ventures for the potential development of the projects.
- Obtaining debt finance.

Performance

During the year the Group incurred net losses of $620,552 (2014 - $351,064) which included the write off of exploration and evaluation expenditure of $310,446 (2014 – Nil) and share-based payments of $118,080 (2014 – Nil) relating to fully paid ordinary shares issued under the Company's Employee Incentive Plan.

Financial Position

Total equity decreased to $3,429,887 from $3,477,359. Share issues during the year raised $455,000.

Cash at 30 June 2015 was $703,416 (30 June 2014: $707,785) whereas current assets was $732,590 (30 June 2014: $742,665) made up substantially of cash.

Current liabilities was $20,005 (30 June 2014: $49,861) reduced as creditors have been paid off from cash during the period.

Cash Flows

Operating activities resulted in net outflow of $226,459 (2014: outflow $291,856) as the Group is still in the exploration phase with no revenue. This outflow was funded from existing cash on hand and new capital raised.

STRATEGY AND PROSPECTS FOR FUTURE

The Group proposes to continue its mineral exploration program in Australia and search for new projects. However, no indication as to likely results in the future can be given due to the uncertainties usually associated with exploration activities and new projects. Future financial performance will be driven by success in following:

- exploration for copper at Koonenberry;
- gold exploration near Cobar; and
- new projects.

To carry out those above activities the Company will require funding which may be by farmout of interests or equity capital. The method of funding will be determined at the appropriate time as part of the Group's capital management in maintaining a capital structure that minimises the cost of capital and benefits all shareholders.

GOING CONCERN

At balance date the Group has current assets of $732,590 including total cash of $703,416, current liabilities of $20,005 and has incurred a net loss of $620,552 in the year. In addition, the Group has an unfulfilled expenditure requirement under its exploration licences of $255,000 for the next 12 months.

Although the Group is still planning to undertake exploration activities on its various tenements, it has currently only budgeted for those amounts that satisfy the committed exploration expenditure and that the financial position of the Group allows. Consistent with the nature of the Group's activities, the continuing viability of the Group and its ability to continue as a going concern, its ongoing investment of funds into exploration project and ability to meet its commitments as and when they fall due is dependent upon one or a combination of the following alternatives:

- Undertaking further capital raisings.

- Selling part of the Company's interests in its exploration licences and entering into joint ventures for the potential development of the projects.
- Obtaining debt finance.

At the date of signing of this report, the directors are confident of the Group's ability to continue as a going concern.

LICENCE SCHEDULE

as at the date of this report

Licence	Location	Project Name	Interest	Expiry Date
EL 7564	New South Wales	Pooraka 2	100%	17 June 2016
EL 6413	New South Wales	Pooraka	100%	16 May 2017
EL 6400	New South Wales	Koonenberry - Grasmere	100%	31 March 2017
EL 6424	New South Wales	Koonenberry - Wertago	100%	25 May 2015 under renewal
EL 6464	New South Wales	Koonenberry – Grasmere South	100%	18 September 2016

DIRECTORS' REPORT

The Directors present their report on Ausmon Resources Limited ("Company") and its controlled entity ("Group") for the financial year ended 30 June 2015.

DIRECTORS

The names of Directors in office at any time during or since the end of the year are:

Boris Patkin
Non-Executive Chairman from 16 July 2014

Mr Patkin holds a Bachelor of Science (Industrial Chemistry) with a number of industry qualifications. He worked for the Shell Group from 1973 – 1980 and subsequently operated his own businesses for many years in various industries, including textile, footwear, freight forwarding, property and independent living communities. He is presently an authorised representative at Morgan's stockbroking division dealing in generic securities, margin lending and managed investments.

Special responsibilities: Chairman.
Current directorship of other listed public companies: None.
Former directorship of listed public companies in the last three years: None.

John Qiang Wang
Managing Director from 16 July 2014 and Acting Chairman from 29 November 2013 to 16 July 2014

Mr Wang is also the Chief Financial Officer of the Company. He holds a Bachelor of Computer Science from Shanghai University and a Master of Business Administration from the University of Technology, Sydney. He is a Justice of the Peace with more than 18 years' experience in the accounting profession in Australia. He is a Fellow Member of the Taxation Institute of Australia, a member of National Institute of Accountants and an affiliate member of the Financial Planner Association of Australia. He is also the Company Secretary of the Company.

Special responsibilities: Managing Director and Finance.
Current directorship of other listed public companies: None.
Former directorship of listed public companies in the last three years: None.

Liubao Qian
Director – Non-Executive

Mr Qian is the General Manager of Shanghai Fudan Intelligent Monitoring Complete Equipment Co. Ltd, and also the Deputy Chief of Staff at the Research Centre of Optical Fibre in the Faculty of Material of Shanghai Fudan University. Mr Qian holds a Bachelor of Engineering from the University of Military Logistics of People's Liberation Army Air Force (PLAAF) and a Diploma in Economics from the University of Politics of PLAAF.

Special responsibilities: Exploration and mining projects oversight.
Current directorship of other listed public companies: None.
Former directorship of listed public companies in the last three years: None.

DIRECTORS' REPORT (continued)

Gang (Gary) Zheng
Director – Non-Executive

Mr Zheng has over 18 years' experience in business in China, primarily in Shanghai and Beijing, and also in Australia. He has developed a good network of business and investors relationships in China and Australia.

Special responsibilities: New projects search.
Current directorship of other listed public companies: None.
Former directorship of listed public companies in the last three years: None.

COMPANY SECRETARY

Mr John Qiang Wang is the Company Secretary of the Company as at the end of the financial year and at the date of this report.

PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year consisted of carrying out exploration in minerals tenements with a focus on gold, silver, copper and other base metals and also seeking new projects.

OPERATING RESULTS

The loss of the Group after income tax for the year was $620,552 (2014: $351,064).

FINANCIAL POSITION

The net assets of the Group at 30 June 2015 were $3,429,887 (2014: $3,477,359). Total assets decreased by $77,328 to $3,449,892 and total liabilities decreased by $29,856 to $20,005 with cash on hand of $703,416 (2014: $707,785) and no borrowings.

DIVIDENDS

No dividends have been paid or declared by the Company since the beginning of the year.

STATE OF AFFAIRS

The following significant changes in the state of affairs of the Company occurred during the financial year:

Issued capital increased by $455,000 to $10,928,388 as a result of the following:

(a) On 4 February 2015, issued 35,000,000 fully paid ordinary shares under private placement for $245,000 for funding exploration and working capital; and

(b) On 15 June 2015, issued 21,000,000 fully paid ordinary shares under private placement for $210,000 for funding exploration and working capital.

DIRECTORS' REPORT (continued)

REVIEW OF OPERATIONS AND LIKELY DEVELOPMENTS

A Review of Operations for the financial year, together with future prospects, is set out on pages 3 to 21.

During the subsequent financial year the likely developments of the Group will involve continuation of exploration in its tenements to define mineral resources and seeking other projects in Australia and overseas. Except as described elsewhere in this Annual Report, the likely results of the exploration activities are unknown at the date of this report.

Successful results from exploration within the exploration licences held by the Company would increase the value of the licences and attract joint venture partners to participate in their further exploration, appraisal and development.

ENVIRONMENTAL ISSUES

The Group's operations are subject to significant environmental and other regulations under the laws of the Commonwealth and State. The Group has a policy of engaging appropriately experienced contractors and consultants to advise on and ensure compliance with environmental regulations in respect of its exploration activities. There have been no reports of breaches of environmental regulations in the financial year and at the date of this report.

AFTER BALANCE DATE EVENTS

In the opinion of the Directors, no items, transactions or events of a material or unusual nature have arisen in the interval between the end of the financial year and the date of this report which have 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 subsequent financial years.

REMUNERATION REPORT (AUDITED)

Details of the nature and amount of remuneration for each key management personnel of Ausmon Resources Limited are set out below.

Remuneration Policy and Practices

The Group's policy for determining the nature and amount of remuneration of Board members and senior executives is as follows:

(i) Directors

The Board's policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities with annual reviews based on market practices.

The maximum aggregate annual remuneration of Non-Executive Directors is subject to approval by the shareholders in general meeting. The Company had determined the maximum aggregate amount at $500,000 per year.

No Directors remuneration is payable for the year ended 30 June 2015 as the Board has not resolved for fees to be paid having regards to the Company's cash availability and performance.

(ii) Key Management Personnel

The remuneration structure for senior executives, including Executive Directors, is based on a number of factors, including qualifications, particular experience and general past performance of the individual

DIRECTORS' REPORT (continued)

concerned, overall performance of the Group and general human resources market pricing. There is no predetermined equity compensation element within the remuneration structure nor predetermined performance condition to be satisfied. Remuneration including equity compensation is reviewed on an annual basis with advice from external remuneration advisers as may be required. There are no contracts for service between the Company and Executive Directors and other key management personnel currently in place.

The Board determines payments to Non-Executive and Executive Directors and other key management personnel. The Board has not resolved to pay fees to Directors with respect to the year ended 30 June 2015.

Company performance, shareholder wealth and Director and executive remuneration

The remuneration policy at this early stage of the Group has been tailored for goal congruence between shareholders, Directors and executives.

Use of remuneration consultants

No remuneration consultants were used during the year.

Voting and comments made at the Company's 2014 annual general meeting

The Company received 100% of "yes" votes on its remuneration report for 2014 financial year. The Company did not receive any specific feedback at the annual general meeting on its remuneration report.

Employee Incentive Plan

The Company has established an Ausmon Resources Limited Employee Incentive Plan under which the Directors may offer options and ordinary shares in the Company to "eligible persons". The Directors may also offer non-recourse interest free loans for terms of up to 5 years under the plan for subscription of shares and under such loans the Company holds a lien over the issued shares. The options are issued free at grant. The shares may not be subscribed for less than the market value of the shares at the time an offer is made under the plan. The maximum total number of options and shares that may be offered or issued under the plan may not exceed 10% of the issued shares of the Company.

"Eligible Person" means a full time or part time employee, officer, consultant or contractor of the Company or any controlled entity of the Company.

The shares issued under the plan rank pari passu with other issued ordinary shares and are not listed while there are loans outstanding on the subscription of the shares. Executives participate in the Ausmon Resources Limited Employee Incentive Plan at the invitation of the Board after a review of performance. Directors may participate in the Plan subject to approval of shareholders.

18 million shares were granted under the plan to Eligible Persons on 15 June 2015 and no options were granted under the plan during the financial year.

DIRECTORS' REPORT (continued)

Key management personnel remuneration

The key management personnel of the Group are the Directors B Patkin, J Q Wang, L Qian, G Zheng during the year.

	2015	2014
	$	$
B Patkin	-	-
L Qian	-	42,000
J Q Wang	-	42,000
G Zheng	-	42,000
	-	126,000

No remuneration was paid or is payable to Directors for the year ended 30 June 2015.

Shares held by Key Management Personnel

The number of ordinary shares in the Company during the 2015 reporting period held by each of the Group's Key Management Personnel, including their related parties, is set out below:

	Balance at start of year	Granted as remuneration	Other changes	Balance at end of year
Year ended 30 June 2015				
B Patkin[1] (appointed 16 July 2014)	-	-	4,000,000	4,000,000
J Q Wang[2]	7,035,002	-	-	7,035,002
G Zheng[3]	18,225,000	-	(18,225,000)	-
G Zheng[4]	4,207,501	-	6,075,000	10,282,501
L Qian[5]	20,000,000	-	-	20,000,000
	49,467,503	-	(8,150,000)	41,317,503

[1] Shares are held by Snowy Plains Pty Ltd of which Director B Patkin is the sole director and owns all of the shares.

[2] 2,360,000 shares are registered in the name of Australian MBA Accountants Pty Ltd <Australian MBA Super Fund> and 2,800,000 shares are registered in the name of John Wang & Co Pty Ltd Atf JMWang Family Trust of which J Q Wang is a beneficiary.

[3] Shares are held by Aumeng Investments Limited of which Director G Zheng had a substantial financial interest until 18 October 2014.

[4] 50,000 shares are registered in the name of H&G Camden Pty Ltd. 6,325,000 shares are registered in the name of C K Camden Pty Ltd. 1,600,000 shares are registered in the name of C K Camden Pty Ltd <Zheng Family Trust A/C>. 1,400,000 shares are registered in the name of Hong Chen who is the spouse of G Zheng. G Zheng is a director and has financial interests in H&G Camden Pty Ltd and C K Camden Pty Ltd.

DIRECTORS' REPORT (continued)

[5] On 26 September 2013, an agreement was entered between the Company and Mr Liubao Qian for his subscription of 10 million fully paid shares at $0.03 per share and his appointment to the Board. Under the terms of the agreement, on or before 30 September 2015, Mr Qian has to invest a further $1,200,000 in the Company's shares at a price that is not less than $0.03 per share and at the volume weighted average price over 5 days when the shares traded on the Australian Securities Exchange. That investment is subject to shareholders' approval and to Mr Qian's total shareholding not exceeding 20% of the issued capital of the Company and the money invested shall be applied only to exploration projects. Qian shall resign from the Board and all executive positions should he fail to satisfy the investment of $1,200,000.

Other transactions with Key Management Personnel

	2015	**2014**
	$	**$**
Paid to Australian MBA Accountants an entity controlled by Director J Q Wang		
- Services for tax return	2,000	2,500
- Office Rentals	10.400	3,600
- Professional services	2,000	12,000
	14,400	18,100

End of audited remuneration report.

SHARE OPTIONS

Nil.

MEETINGS OF DIRECTORS

During the year, because of the small size of the Board, no separate sub-committees of the Board has operated and all matters were dealt with in the Directors' meetings. Board business during the year were all effected by execution of circulated resolution by Directors and no meetings of Directors were held.

INDEMNIFYING OFFICERS OR AUDITORS

The Group has not during or since the end of the year indemnified an officer or an auditor of the Group or of any related body corporate, against a liability incurred by such an officer or auditor. The Group has not paid or agreed to pay a premium to insure a current or former officer or the auditor against legal liabilities.

PROCEEDINGS

During the financial year and in the interval between the end of the financial year and the date of this report, the Group has made no application of leave under section 237 of the Corporations Act 2001.

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings in the year.

NON-AUDIT SERVICES

No non-audit services were provided by the auditor during the year ended 30 June 2015.

DIRECTORS' REPORT (continued)

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with section 307C of the Corporations Act 2001 the auditor's independence declaration for the year ended 30 June 2015 has been received and can be found on page 30 of the Annual Report and forms part of this report.

Signed in accordance with a resolution of the Board of Directors.

John Wang
Director
Dated this 24th day of August 2015

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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 audit of Ausmon Resources Limited for the year ended 30 June 2015, 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 audit; and

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

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

P J Woodley
Partner - Audit & Assurance

Sydney, 24 August 2015

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

CORPORATE GOVERNANCE STATEMENT

This table on Corporate Governance Statement sets out the extent to which the group has followed the recommendations of the ASX Corporate Governance Principles and Recommendations – 3rd edition. The Corporate Governance Statement is posted on the group's website for reference on disclosures (www.ausmonresources.com.au).

	Principles and Recommendations	Compliance	Comment
1.	**Lay solid foundations for management and oversight**		
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	Complies	The group's Corporate Governance Statement includes a Board Charter, which states the specific responsibilities of the Board and management. The Board delegates responsibility for the day to day operations and administration of the group to the executive directors.
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	Complies	The Board has carried out checks on each director's character, experience, education and qualifications. No adverse information has been revealed from the checks on any director. The Board will carry out appropriate checks on each director before he or she is put forward for election.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Does not comply	There is a written agreement with Mr Liubao Qian on performance target when he was first appointed but no written agreement with each of the other directors including the Managing Director. The Board will implement written agreement with each Director and senior executive to formalise the mutual understanding of the terms of their appointment.
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Complies	The appointment or removal of the company secretary is made with Board approval and the role and accountability of the company secretary is also approved by the Board.

	Principles and Recommendations	Compliance	Comment
1.5	A listed entity should:	Complies	The Company has a Diversity Policy that sets measurable objectives and their achievements at the end of each financial year will be reported in the annual report.
	(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;		
	(b) disclose that policy or a summary of it; and		The Diversity Policy is disclosed on the Company's website www.ausmonresources.com.au.
	(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:		It sets out the measurable objectives for achieving gender diversity set by the Board.
	(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or		The operations of the Group during the financial year did not require an increase in Board members and number of personnel. Consequently no progress has been made towards achieving the objectives set out in the Diversity Policy.
	(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.		The Company is not a "relevant employer" under the Workplace Gender Equality Act.

	Principles and Recommendations	Compliance	Comment
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Complies	The Board undertakes bi-annual self-assessment of its collective performance and the performance of the Chairman. The Chairman undertakes a bi-annual assessment of the performance of individual directors. A performance evaluation has been undertaken during the year and no action has been proposed from the process.
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.		The Board undertakes bi-annual assessment of its senior executives. A performance evaluation has been undertaken for the Managing Director/Company Secretary who is the only senior executive during the year and no action has been proposed from the process.
2.	**Structure the Board to Add Value**		
2.1	The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number	Does not comply	See disclosure under 2.1(b) below.

	Principles and Recommendations	Compliance	Comment
	of times the committee met throughout the period and the individual attendances of the members at those meetings; or		
	(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	Complies	The Board does not have a nomination committee. The Board consists of 4 persons: two independent Directors (Mr Boris Patkin the Chairman and Mr Gary Zheng) and two non-independent Directors (Mr John Wang and Mr Liubao Qian). The Chairman in consultation with all the Directors assesses the composition of the Board for balance in skills, knowledge, experience, independence and diversity to recommend any additions and/or succession plans to the Board and as the Company develops.
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	Complies	The Board has a balanced mix of skills matrix. The Chairman, Mr Boris Patkin is a broker experienced in funds raising, business management and corporate governance. Mr John Wang is a financial executive with corporate governance skills. Mr Gary Zheng and Mr Liubao Qian are experienced in business management. New directors may be appointed to fill any gaps in the skills matrix as the Company develops.
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest,	Complies	The Board consist of four Directors: - Chairman Mr Boris Patkin is an independent Director appointed in July 2014. - Mr John Wang is a founder director appointed in November 2008 and currently the Managing Director and Company Secretary, therefore not independent. - Mr Gary Zheng is a founder director appointed in November 2008 and an independent director since October

	Principles and Recommendations	Compliance	Comment
	position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.		2014 when he ceased to be a substantial shareholder with no executive duties. - Mr Liubao Qian was appointed in September 2013 and is presently a substantial shareholder and therefore considered not independent.
2.4	A majority of the board of a listed entity should be independent directors.	Does not comply	The Board consist of two independent non-executive Directors Mr Boris Patkin, and Mr Gary Zheng, two non-independent Directors, Mr John Wang who is the Managing Director and Compamny Secretary and Mr Liubao Qian a substantial shareholder. The Company believes that the present size of its operations and current stage of its development do not justify the increased cost of a larger number of Directors and that non-compliance to Recommendation 2.4 will not adversely affect the Company. However, the Company will consider increasing the size of the Board with independent Directors as the business develops further.
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Complies	The Chairman Mr Boris Patkin is a non-executive and independent.
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Complies	The Board has plans for directors to attend conferences and courses to acquire skills and knowledge in finance and the industry that the Group operates that may be required for them to perform their duties effectively.
3.	**Act ethically and responsibly**		
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and	Complies	The group's Corporate Governance Statement includes a Code of Conduct on Ethical Standards, which provides a guide to ethical conduct of Directors, senior

	Principles and Recommendations	Compliance	Comment
	(b) disclose that code or a summary of it.		executives and employees. The group's Corporate Governance Statement also includes a Code of Conduct on Securities Trading. A Securities Trading Policy has been lodged with the Australian Securities Exchange and publicly released on 23 December 2010.
4.	**Safeguard integrity in corporate reporting**		
4.1	The board of a listed entity should:		
	(a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or	Does not comply	The Board consists of 2 non-independent Directors (Managing Director Mr John Wang and Mr Liubao Qian) and 2 independent and Non-Executive Directors (Chairman Mr Boris Patkin and Mr Gary Zheng).The current stage of establishment and size of the group does not justify the cost of increasing the number of directors. Therefore an audit committee with a composition that satisfies Recommendation 4.1 is not established.
	(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its		All matters relating to the audit functions and to safeguard the integrity of the group's.

	Principles and Recommendations	Compliance	Comment
	corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	Complies	corporate reporting are handled by the Board.
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Complies	The Board requires the Managing Director who is a professional accountant to provide such a declaration at the relevant time.
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Complies	The auditor is invited to attend all AGMs to be available to provide responses on questions relevant to the audit.
5.	**Make timely and balanced disclosure**		
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	Complies	The group's Corporate Governance Statement states the policies to ensure compliance with ASX Listing Rule disclosure requirements. The Board has delegated the function of continuous disclosure as required under the ASX Listing Rules to the Managing Director to assess the type of information that needs to be disclosed and to ensure that group's announcements are made in a timely manner, are factual, do not omit material information and are in compliance with the ASX Listing Rules. Information which is considered to be price sensitive is approved by the Board before its release.

	Principles and Recommendations	Compliance	Comment
6.	**Respect the rights of security holders**		
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Complies	The Company's website www.ausmonresources.com.au provides information on the Company and its governance.
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Complies	The Company's website www.ausmonresources.com.au provides a facility for investors to register their email address for receipt of announcements made by the Company and also for investors to send emails to the Company.
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Complies	All shareholders are notified in writing of general meetings and encouraged to attend and participate in person or by proxy or representative.
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Complies	The Company's website www.ausmonresources.com.au provides a facility for investors to register their email address for receipt of announcements made by the Company and also for investors to send emails to the Company. The Company's share registry Boardroom Pty Limited has facilities on their website www.boardroomlimited.com.au for investors to receive and send communications electronically.
7.	**Recognise and manage risk**		
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose:		The Board consists of 2 non-independent Directors (Managing Director Mr John Wang and Mr Liubao Qian) and 2 independent and Non-Executive Directors (Chairman Mr Boris Patkin and Mr Gary Zheng). The Company believes that the present size of its operations and current stage of its development do not justify the increased cost of a larger number of Directors and that not establishing a risk committee will not adversely affect the Company. However, the Company will consider increasing the size of

	Principles and Recommendations	Compliance	Comment
			the Board with independent Directors as the business develops further.
	(3) the charter of the committee;		
	(4) the members of the committee; and		
	(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or		
	(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	Complies	The group's Corporate Governance Statement includes a business risk oversight and management policy. The Board monitors and receives advice as required on areas of operational and financial risk, and considers appropriate risk management strategies. Specific areas of risk that are identified are regularly considered by Board discussions. Included in these areas are performance of activities, human resources, health, safety and the environment, continuous disclosure obligations, asset protection and financial exposures.
7.2	The board or a committee of the board should:	Complies	
	(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and		The Board reviews annually its risk management framework for its soundness.
	(b) disclose, in relation to each reporting period, whether such a review has taken place.		The Board has reviewed its risk management during the year and no action has been proposed from the process.

	Principles and Recommendations	Compliance	Comment
7.3	A listed entity should disclose:		
	(a) if it has an internal audit function, how the function is structured and what role it performs; or	Does not comply	The current stage of establishment and size of the group does not justify the cost of increasing the number of staff to implement an internal audit function.
	(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	Complies	The evaluation and continuous improvement in the effectiveness of its risk management and internal control processes are considered by the Board at its regular meetings.
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Complies	The business of minerals exploration of the company exposes it to environmental and social sustainability risks. Independent technical advisers are engaged to assist in the operations and advise on management and containment of those risks.
8.	**Remunerate fairly and responsibly**		
8.1	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those	Does not comply	The Board consists of 2 non-independent Directors (Managing Director Mr John Wang and Mr Liubao Qian) and 2 independent and Non-Executive Directors (Chairman Mr Boris Patkin and Mr Gary Zheng). The current stage of establishment and size of the group does not justify the cost of increasing the number of directors. Therefore a remuneration committee with a composition that satisfies Recommendation 8.1 is not established.

	Principles and Recommendations	Compliance	Comment
	meetings; or		
	(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	Complies	The Board reviews the level and composition of remuneration packages applicable to all Directors and senior executives on an annual basis by reference to market practice for the industry in which the Company operates and the Company's financial condition. Where necessary, the Board will obtain independent advice.
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Complies	The group's Corporate Governance Statement describes the policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives. The Company's Constitution provides that the remuneration of Non-Executive Directors will be not more than such fixed sum per annum as may from time to time be determined by a general meeting. The Board reviews the remuneration packages and policies applicable to all Directors and senior executives on an annual basis. Where necessary, the Board will obtain independent advice.
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	Complies	The Company does not permit the use of derivatives or otherwise by participants in the Employee Incentive Plan.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 30 June 2015

	Note	Consolidated Group	
		2015	**2014**
		$	$
Revenue			
Interest revenue		14,161	10,434
Other Income			
Premium on shares issued		-	67,200
Expenses			
Depreciation expense		(152)	(4,574)
Employee benefits expense		(31,100)	(42,611)
Projects impaired		(310,446)	-
Plant and equipment impaired		-	(1,467)
Share-based payments		(118,080)	-
Other expenses	2	(174,936)	(380,046)
Loss before income tax expense		(620,552)	(351,064)
Income tax expense	3	-	-
Loss for the year		(620,552)	(351,064)
Other comprehensive income		-	-
Other comprehensive income (loss) for the year, net of tax		-	-
Total comprehensive loss for the year		(620,552)	(351,064)
Loss attributable to:			
- members of the Parent Entity		(620,552)	(351,064)
Total comprehensive income (loss) attributable to:			
- members of the Parent Entity		(620,552)	(351,064)
Earnings per share			
Basic and diluted loss per share	17	0.3 cents	0.4 cents

These financial statements should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	Note	Consolidated Group	
		2015	**2014**
		$	**$**
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	703,416	707,785
Trade and other receivables	5	19,174	24,880
Financial assets	6	10,000	10,000
TOTAL CURRENT ASSETS		732,590	742,665
NON-CURRENT ASSETS			
Financial assets	6	74,114	70,000
Plant and equipment	7	-	152
Exploration and evaluation expenditure	8	2,643,188	2,714,403
TOTAL NON-CURRENT ASSETS		2,717,302	2,784,555
TOTAL ASSETS		3,449,892	3,527,220
CURRENT LIABILITIES			
Trade and other payables	9	20,005	49,861
TOTAL CURRENT LIABILITIES		20,005	49,861
TOTAL LIABILITIES		20,005	49,861
NET ASSETS		3,429,887	3,477,359
EQUITY			
Issued capital	10	10,928,388	10,473,388
Reserves	11	118,080	47,540
Accumulated losses		(7,616,581)	(7,043,569)
TOTAL EQUITY		3,429,887	3,477,359

These financial statements should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2015

	Issued capital $	Option reserve $	Accumulated losses $	Total $
CONSOLIDATED GROUP				
Balance at 30 June 2013	9,517,076	47,540	(6,692,505)	2,872,111
Total comprehensive income (loss) for the year	-	-	(351,064)	(351,064)
Transactions with owners in their capacity as owners:				
Shares issued for Director remuneration	58,800	-	-	58,800
Issue of share capital	897,512	-	-	897,512
Balance at 30 June 2014	10,473,388	47,540	(7,043,569)	3,477,359
Total comprehensive income (loss) for the year	-	-	(620,552)	(620,552)
Transactions with owners in their capacity as owners:				
Issue of share capital	455,000	-	-	455,000
Transfers on expiry of options	-	(47,540)	47,540	-
Employee incentive plan	-	118,080	-	118,080
Balance at 30 June 2015	10,928,388	118,080	(7,616,581)	3,429,887

These financial statements should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2015

	Note	Consolidated Group	
		2015	**2014**
		$	**$**
CASH FLOW FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(230,185)	(302,290)
Interest received		12,547	10,434
Net cash used in operating activities	15(b)	(217,638)	(291,856)
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for exploration and evaluation expenditure		(239,231)	(127,842)
Payments for security deposits		(2,500)	-
Net cash provided by investing activities		(241,731)	(127,842)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		455,000	897,512
Net cash inflow from financing activities		455,000	897,512
Net (decrease)/increase in cash and cash equivalents		(4,369)	477,814
Cash and cash equivalents at beginning of year		707,785	229,971
Cash and cash equivalents at end of year	15(a)	703,416	707,785

These financial statements should be read in conjunction with the accompanying notes.

Notes to the Financial Statements for the Year Ended 30 June 2015

Note 1 – Statement of significant accounting policies

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards (including Australian Accounting Interpretations) other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial statements cover Ausmon Resources Limited ("Parent Entity") and its controlled entity as a consolidated entity ("Group"). Ausmon Resources Limited is a listed public company limited by shares, incorporated and domiciled in Australia.

Statement of compliance

Compliance with Australian Accounting Standards ensures that the financial statements and notes of Ausmon Resources Limited comply with International Financial Reporting Standards (IFRS).

The financial report for the year ended 30 June 2015 was approved and authorised for issue by the board of Directors on 24th August 2015.

Basis of preparation

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the revaluation of selected non-current assets and financial instruments for which the fair value basis of accounting has been applied.

Going concern

At balance date the Group has current assets of $722,590 including total cash of $703,416, current liabilities of $20,005 and has incurred a net loss of $620,552 in the year. In addition, the Group has an unfulfilled expenditure requirement under its exploration licences of $255,000 for the next 12 months.

Notwithstanding the net loss for the year, the Directors have reviewed the cash flow forecast for the next twelve months including consideration of the unfulfilled expenditure requirement and other committed expenses. The Directors believe the Group has sufficient funds to settle its debts as and when they become due and payable.

On that basis the Directors have prepared the financial report on a going concern basis. At this time, the Directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial report at 30 June 2015. Accordingly, no adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

Adoption of new and revised accounting standards

The following standards and interpretations relevant to the operations of the Group and effective from 1 July 2014 have been adopted. The adoption of these standards did not have any impact on the current period, any prior period nor is their adoption likely to affect future periods.

Notes to the Financial Statements for the Year Ended 30 June 2015 (continued)

- AASB 2013-3 Amendments to AASB 136 – recoverable amounts disclosures for non-financial assets
- AASB 2014-1 Amendments to Australian Accounting Standards.

New accounting standards and interpretations issued but not yet effective

The following applicable accounting standards and interpretations have been issued or amended but are not yet effective. These standards have not been adopted by the Group for the year ended 30 June 2015 and no change to the Group's accounting policy is required.

Standard/Interpretation	Impact on Group's financial report	Application date of standard	Application date for the Group
AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and amortisation The amendments to AASB 116 prohibit the use of a revenue-based depreciation method for property, plant and equipment and provides guidance in the application of the diminishing balance method for property, plant and equipment.	When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the transactions and balances recognised in the financial statements	1 Jan 2016	1 Jul 2016
AASB 15 – Revenue from Contracts with Customers AASB 15 replaces AASB 118 Revenue, establishes a new revenue recognition model, changes the basis for deciding whether revenue is to be recognised over time or at a point in time, provides new and more detailed guidance on specific topics and expands and improves disclosures about revenue.	When the Standard is first adopted in the year ending 30 June 2018, there will be no material impact on the transactions and balances recognised in the financial statements	1 Jan 2017	1 Jul 2017

Notes to the Financial Statements for the Year Ended 30 June 2015 (continued)

AASB 9- Financial Instruments AASB 9 includes requirements for the classification and measurement of financial assets. It was further amended by AASB 2010-7 to reflect amendments to the accounting for financial liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139.	The Group has not yet determined the impact on the Group's financial statement	1 Jan 2018	1 Jul 2018

(a) Principles of consolidation

A controlled entity is any entity that Ausmon Resources Limited has the power to control the financial and operating policies of the entity so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

A list of controlled entities is contained in Note 19 to the financial statements. All controlled entities have a June financial year end.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the Group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

All inter-company balances and transactions between entities in the Group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Minority interests, being that portion of the profit or loss and net assets of subsidiaries attributable to equity interests held by persons outside the Group, are shown separately within the equity section of the consolidated statement of financial position and in the consolidated statement of comprehensive income.

Business combinations occur where control over another business is obtained and results in the consolidation of its assets and liabilities. All business combinations, including those involving entities under common control, are accounted for by applying the purchase method. The purchase method requires an acquirer of the business to be identified and for the cost of the acquisition and fair values of identifiable assets, liabilities and contingent liabilities to be determined as at acquisition date, being the date that control is obtained. Cost is determined as the aggregate of fair values of assets given, equity issued and liabilities assumed in exchange for control together with costs directly attributable to the business combination. Any deferred consideration payable is discounted to present value using the entity's incremental borrowing rate.

Goodwill is recognised initially as the excess of cost over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If the fair value of the acquirer's interest is greater than cost, the surplus is immediately recognised in profit or loss after the fair value of the acquired assets and liabilities have been reassessed.

Notes to the Financial Statements for the Year Ended 30 June 2015 (continued)

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets liabilities and contingent liabilities recognised.

(b) Income tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income). Current and deferred income tax expense (income) is charged or credited directly to other comprehensive income instead of the profit or loss when the tax relates to items that are credited or charged directly to other comprehensive income.

Current tax

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

Deferred tax

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on

Notes to the Financial Statements for the Year Ended 30 June 2015 (continued)

either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(c) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

(d) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(e) Receivables

Receivables represent the principal amounts due at balance date plus accrued interest and less, where applicable, any unearned income and allowance for doubtful accounts.

(f) Plant and equipment

Plant and equipment are measured on the cost basis. On disposal of an item of plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognised as a gain or loss. All items of plant and equipment are depreciated using the straight line method over their expected useful lives to the Group. The expected useful lives are as follows:

Class	Useful life
Furniture and other office equipment	5 years

(g) Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest, and carried forward in the statement of financial position where:

(i) rights to tenure of the area of interest are current; and

(ii) one of the following conditions is met :

> (i) such costs are expected to be recouped through successful development and exploitation of the area of interest or by its sale; or
>
> (ii) exploration and/or evaluation activities in the area of interest have not at balance date yet reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the areas are continuing.

Indirect costs relating to exploration and evaluation in areas of interest are capitalised in the period they are incurred. A regular review is undertaken of each area of interest to determine the

Notes to the Financial Statements for the Year Ended 30 June 2015 (continued)

appropriateness of continuing to carry forward costs in relation to that area of interest. Accumulated expenditure on areas which have been abandoned, or are considered to be of no value, is written off in the year in which such a decision is made.

(h) Critical accounting estimates and judgments

The Directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and internally. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key estimate – Share-based payments

The fair value of shares issued under the Employee Incentive Plan is measured based on the Black-Scholes option pricing model. The contractual life of the options is used as an input into the model. The expected volatility is based on historic volatility of the Company's share prices. Further information regarding assumptions is included in Note 12.

(i) Impairment

At each reporting date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are dependent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at each reporting date and whenever there is an indication that the asset may be impaired. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Plant and equipment are assessed for impairment on a cash generating unit ("CGU") basis. A cash generating unit is the smallest grouping of assets that generates independent cash flows and generally represents an individual tenement. Impairment losses recognised in respect of cash generating units are allocated to reduce the carrying amount of the assets in the unit on a pro-rata basis. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that would have been determined had no impairment loss been recognised for the asset

Notes to the Financial Statements for the Year Ended 30 June 2015 (continued)

(cash-generating unit) in prior year. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value. Impairment of goodwill is not reversed.

(j) Restoration, rehabilitation and environmental protection expenditure

Where applicable, a provision for material restoration obligations is recognised for exploration licences. The amount recognised includes costs of reclamation and site rehabilitation after taking into account restoration works which are carried out during exploration. The provision for restoration costs are determined from an estimate of future costs and are capitalised as exploration expenditure.

If the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Management has reassessed and no provision for restoration is required as any disturbance during the field exploration work has been recognised as part of exploration and evaluation expenditure.

(k) Foreign currency transactions and balances

Functional and presentation currency

The Group's financial statements are presented in Australian dollars which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions during the year are translated into functional currency using the rates of exchange prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined. Exchange differences arising on the translation of monetary items are recognised in the income statement.

(l) Accounts payable

Accounts payable represent the principal amounts outstanding at balance date plus, where applicable, any accrued interest.

(m) Equity-settled compensation

The Company operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black–Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the

Notes to the Financial Statements for the Year Ended 30 June 2015 (continued)

equity instruments granted shall be based on the number of equity instruments that eventually vest.

(n) Financial assets

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- loans and receivables
- financial assets at fair value through profit or loss (FVTPL)
- held-to-maturity (HTM) investments
- available-for-sale (AFS) financial assets.

The category determines subsequent measurement and whether any resulting income and expense is recognised in profit or loss or in other comprehensive income.

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

Notes to the Financial Statements for the Year Ended 30 June 2015 (continued)

Classification and subsequent measurement of financial liabilities

The Group's financial liabilities include borrowings, trade and other payables. Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

(o) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expenses. Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(p) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(q) Earnings per share

Basic loss per share is determined by dividing the operating loss after income tax attributable to members of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share by taking into account any reduction in earnings per share that will probably arise from the exercise of options outstanding during the financial year.

When the Group has an operating loss after income tax and the conversion of ordinary share capital in respect of potential ordinary shares does not lead to a diluted earnings per share that shows an inferior view of the earnings performance of the Group, than is shown by basic loss per share, the diluted loss per share is reported as the same as basic earnings per share.

(r) Segment reporting

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 Profit or Loss and Other Comprehensive Income and Statement of Financial Position. Reconciliations of such management information to the statutory information contained in the financial statements have been included, where applicable.

Notes to the Financial Statements for the Year Ended 30 June 2015 (continued)

(s) Parent Entity financial information

The financial information for the Parent Entity, Ausmon Resources Limited, disclosed in Note 20 has been prepared on the same basis as the consolidated financial statements.

(t) Comparative information

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Note 2 – Other expenses

	2015 $	2014 $
Audit fees	34,000	37,235
Consulting and contract fees	64,930	99,820
Directors' remuneration	-	126,000
Listing expenses	19,491	18,442
Operating leases	12,527	29,972
Registry and ASX fees	14,632	17,369
Professional fees	12,350	14,610
Foreign exchange costs	-	526
Travel	7,725	15,584
Other	9,280	20,488
	174,936	380,046

Note 3 - Income tax

The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax expenses as follows:		
Prima facie tax benefit on the loss from ordinary activities calculated at 30%	(186,166)	(105,319)
Tax effect of:		
Non-temporary differences	35,574	150
Equity capital raising costs debited to equity	(1,200)	(14,066)
Temporary differences and tax losses not recognized	151,792	119,235
Income tax expense	-	-

Tax losses

Unused tax losses for which no tax loss has been recognised as a deferred tax asset adjusted for non-temporary differences at 30%	3,086,894	2,945,013

Notes to the Financial Statements for the Year Ended 30 June 2015 (continued)

The taxation benefits will only be obtained if:

(i) the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for the loss to be realised;

(ii) the Group continues to comply with the conditions for deductibility imposed by law; and

(iii) no changes in tax legislation adversely affect the Group in realising the benefits from the deductions for the loss.

Note 4 – Cash and cash equivalents

	2015	2014
	$	$
Cash at bank and in hand	703,416	707,785

Note 5 – Trade and other receivables

Current

Other receivables	19,174	24,880

(a) Allowance for impairment loss

The Group does not have trade receivables. Other receivables are non-interest bearing and are generally on 30 day terms. A provision for impairment loss is recognised when there is objective evidence that an individual receivable is impaired. No impairment has been recognised by the Group in the current period. No receivables are past due.

(b) Fair value and credit risk

Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value. The maximum exposure to credit risk is the fair value of receivables. Collateral is not held as security, nor is it the Group's policy to transfer (on-sell) receivables to special purpose entities.

(c) Foreign exchange and interest rate risk

Detail regarding foreign exchange and interest rate risk exposure is disclosed in Note 18.

Note 6 – Financial assets

Current

Security deposits	10,000	10,000

Non-current

Security deposits	74,114	70,000

Note 7 – Plant and equipment

Office equipment and furniture – at cost	29,121	29,121
Accumulated depreciation	(29,121)	(28,969)
Total plant and equipment	-	152

Notes to the Financial Statements for the Year Ended 30 June 2015 (continued)

Movements during the year

Movements in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year:

	Office equipment and furniture
	$
Balance at 30 June 2013	6,193
Depreciation	(4,574)
Impairment	(1,467)
Balance at 30 June 2014	152
Depreciation	(152)
Balance at 30 June 2015	-

Note 8 – Exploration and evaluation expenditure

	2015	2014
	$	$
Exploration areas of interest at cost	2,643,188	2,714,403

Movements during the year
Exploration areas :

Balance at beginning of year	2,714,403	2,591,380
Additions at cost	239,231	123,023
Impairment	(310,446)	-
Balance at end of year	2,643,188	2,714,403

Ultimate recoupment of the carrying value of the exploration areas is dependent on successful development and commercial exploitation, or alternatively sale of the respective areas of interest. The areas of interest are exploration licences held or being earned by the Group are detailed in the Licence Schedule on page 22.

Note 9 – Trade and other payables

Trade and other payables	20,005	48,861

Notes to the Financial Statements for the Year Ended 30 June 2015 (continued)

Note 10 – Issued capital

239,486,486 (2014: 165,486,486) fully paid ordinary shares	10,928,388	10,473,388

	2015		2014	
	Number	**$**	**Number**	**$**
(a) Fully Paid Ordinary shares				
Balance at beginning of year	165,486,486	10,473,388	74,499,125	9,517,076
Shares issued during the year:				
- 26 September 2013 at 3 cents each	-	-	10,000,000	300,000
- 4 December 2013 for 2013 Directors' fees at 1.4 cents each	-	-	4,200,000	58,800
- 28 February 2014 placement at 1 cent each	-	-	20,000,000	200,000
- 20 June 2014 rights issue at 0.7 cent each	-	-	56,787,361	397,512
- 4 February 2015 at 0.7 cent each	35,000,000	245,000	-	-
- 15 June 2015 at 1 cent each	21,000,000	210,000	-	-
- 15 June 2015 Employee Incentive Plan	18,000,000	-	-	-
Balance at end of year	239,486,486	10,928,388	165,486,486	10,473,388

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. Every ordinary shareholder present at a meeting of the Company in person or by proxy, is entitled to one vote, and upon a poll each ordinary share is entitled to one vote.

Ordinary shares have no par value.

(b) Capital management

When managing capital, management's objective is to ensure the Group continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the Group.

Management adjusts the capital structure to the extent possible to take advantage of favourable costs of capital or high returns on assets. As the market is constantly changing, management may change the amount of dividends to be paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group is not subject to any externally imposed capital requirements.

Notes to the Financial Statements for the Year Ended 30 June 2015 (continued)

Note 11 – Reserves

Option reserve

The option reserve records items recognised as expenses on shares granted under the Employee Incentive Plan.

Note 12 – Share-based payments

Employee incentive plan

The Company has established an Ausmon Resources Limited Employee Incentive Plan under which the Directors may offer options and ordinary shares in the Company to "eligible persons". The Directors may also offer non-recourse interest free loans for terms of up to 5 years under the plan for subscription of shares and under such loans the Company holds a lien over the issued shares.

"Eligible Person" means a full time or part time employee, officer, consultant or contractor of the Company or any controlled entity of the Company.

During the year, 18,000,000 shares were issued at $0.01 per share to eligible persons under the plan with non-recourse loans totaling $180,000.

The model inputs for assessing the fair value of shares granted under the EIP, applying the Black-Scholes Option Pricing Model, during the year are as follows:

Shares issued under EIP	Issue and grant date	Share price at grant date	Life assumption	Risk free rate	Expected price volatility of the Company's share price	Value of each share	Value of share-based payments
18,000,000	15/06/15	0.9 cents	5 years	2.32%	98%	0.656 cents	$118,080

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future movements.

The loan amount on granted shares under the Employee Incentive Plan at the end of the year was $180,000 (2014 - $55,000) as follows:

No. of Options	Grant Date	Expiry Date	Exercise Price ($)
18,000,000	15 June 2015	14 June 2020	0.01

During the year, loans totalling $55,000 on 220,000 shares granted under the Employee Incentive Plan in prior years were not repaid by the Eligible Persons by the due dates as follows:

No. of Options	Grant Date	Expiry Date	Exercise Price ($)
100,000	21 August 2009	21 August 2014	0.25
120,000	26 October 2009	26 October 2014	0.25

Under the plan the Company is entitled to dispose of the 220,000 shares and retain the proceeds with no recourse for repayment of the loans by the Eligible Persons.

Notes to the Financial Statements for the Year Ended 30 June 2015 (continued)

Movements on shares granted under the Employee Incentive Plan:

	2015 Number	2014 Number
Balance at beginning of year	220,000	220,000
Issued on 15 June 2015	18,000,000	-
Expired	(220,000)	-
Balance at end of year	18,000,000	220,000

Note 13 – Related party transactions

The Group's related parties include its key management.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

During the year the following related party transactions occurred in addition to the transactions disclosed elsewhere in these financial statements:

(a) Key management personnel (KMP)

KMP remuneration includes the following expenses:

	2015 $	2014 $
Short-term benefits – non monetary	-	126,000
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
	-	126,000

No remuneration was paid to KMP during the year.

(b) Wholly-owned group

The Company provides its controlled entity with support services and funds for expenditure interest free and with no fixed repayment date.

(c) Other transactions with Key Management Personnel

Paid to Australian MBA Accountants an entity controlled by Director J Q Wang		
- Services for tax return	2,000	2,500
- Office Rentals	10.400	3,600
- Professional services	2,000	12,000
	14,400	18,100

Notes to the Financial Statements for the Year Ended 30 June 2015 (continued)

	2015	2014
	$	$
Note 14 – Remuneration of auditors		
Remuneration of the auditors for:		
- auditing or reviewing the financial reports	34,000	37,325

Note 15 – Notes to the Cash Flow Statement

(a) Reconciliation of cash

	2015	2014
Cash at bank and on hand	703,416	707,785

(b) Reconciliation of loss from ordinary activities after income tax to net cash used in operating activities

	2015	2014
Loss after income tax	(620,552)	(351,064)
Add non-cash items in operating costs:		
Depreciation	152	4,574
Exploration and evaluation expenditure written off	310,446	-
Share-based payments	118,080	-
Interest income	(1,614)	-
Plant and equipment written off	-	1,467
Foreign exchange differences	-	526
Premium on shares issued	-	(67,200)
Directors' fees paid by way of share issues(c)	-	126,000
Changes in assets and liabilities relating to operations:		
(Decrease)/Increase in creditors and accruals	(29,856)	12,092
Decrease/(Increase) in receivables	5,706	(7,378)
Decrease in employee entitlements	-	(10,873)
Net cash used in operating activities	(217,638)	(291,856)

(c) Non-cash investing and financing activities

On 15 June 2015, the Company issued 18,000,000 fully paid ordinary shares under the Employee Incentive Plan and has granted non-recourse interest free loans totalling $180,000 for terms of 5 years for subscription of the shares and under such loans the Company holds a lien over the issued shares.

Notes to the Financial Statements for the Year Ended 30 June 2015 (continued)

Note 16 – Segment information

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 segment 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 year.

Note 17 – Earnings per share

	2015 $	2014 $
Operating loss after income tax used in the calculation of basic and diluted loss per share	(620,552)	(351,064)
	Number	Number
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic and diluted loss per share	179,593,335	99,256,776

Note 18 – Financial risk management

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and from subsidiaries and derivatives.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2015 $	2014 $
Financial Assets			
Cash and cash equivalents	4	703,416	707,785
Trade and other receivables	5	19,174	24,880
Other financial assets	6	84,114	80,000
Total Financial Assets		806,704	812,665
Financial Liabilities			
Financial liabilities at amortised cost			
— Trade and other payables	9	20,005	49,861
Total Financial Liabilities		20,005	49,861

(a) Financial risk management policies

The Board of Directors is responsible for, amongst other issues, monitoring and managing financial risk exposures of the Group. It also reviews the effectiveness of internal controls relating to commodity price risk, counterparty credit risk, currency risk, financing risk and interest rate risk.

Notes to the Financial Statements for the Year Ended 30 June 2015 (continued)

Management, in conjunction with the Board, reviews and agrees policies for managing each of these risks.

The overall risk management strategy seeks to assist the Group in meeting its financial targets, while minimising potential adverse effects on financial performance. This also includes the review of the use of hedging derivative instruments, credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, foreign currency risk and commodity and equity price risk.

(i) Interest rate risk

The Group has cash at bank and its income and operating cash flows are exposed to changes in market interest rates.

At balance date the Group had the following financial assets exposed to variable interest rate risk:

	Consolidated Group	
	2015	**2014**
	$	**$**
Financial assets		
Cash and cash equivalents	703,416	707,785
Security deposits	81,614	80,000
	785,030	787,785

(ii) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at balance date, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed in Note 5.

The Group does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Group.

(iii) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The Group does not have a material exposure to liquidity risk.

Notes to the Financial Statements for the Year Ended 30 June 2015 (continued)

(iv) Price risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

As the Group does not derive revenue from sale of products, the effect on profit and equity as a result of changes in the price risk is not considered material. The fair value of the mining projects will be impacted by commodity price changes (predominantly gold, silver and copper) and could impact future revenues once operational. However, management monitors current and projected commodity prices.

(b) Net fair values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying values of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Group. Most of these instruments which are carried at amortised cost (i.e. term receivables, held-to-maturity assets, loan liabilities) are to be held until maturity and therefore the net fair value figures calculated bear little relevance to the Group.

For assets and other liabilities, the net fair value approximates their carrying values. The Group has no financial assets where the carrying amount exceeds net fair values at balance date.

(c) Financial instruments

Interest rate risk

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and liabilities, is as follows:

Notes to the Financial Statements for the Year Ended 30 June 2015 (continued)

		Fixed interest rate maturing		Non-interest bearing		
	Variable interest rate	Within 1 year	1 to 5 years	Within 1 year	1 to 5 years	**Total**
2015	$	$	$	$	$	$
Financial assets						
Cash and cash equivalents	703,409	-	-	7	-	703,416
Trade and other receivables	-	-	-	19,174	-	19,174
Security deposits	81,614	-	-	-	2,500	84,114
	785,023	-	-	19,181	2,500	806,704
Financial liabilities						
Trade and other payables	-	-	-	20,005	-	20,005
2014						
Financial assets						
Cash and cash equivalents	707,778	-	-	7	-	707,785
Trade and other receivables	-	-	-	24,880	-	24,880
Security deposits	80,000	-	-	-	-	80,000
	787,778	-	-	24,887	-	812,665
Financial liabilities						
Trade and other payables	-	-	-	49,861	-	49,861

(d) Sensitivity analysis

The Group has performed sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current period results which could result from a change in these risks.

	2015	2014
	$	**$**
Interest rate sensitivity analysis		
Decrease/ (increase) in loss		
- increase in interest rate by 2%,	15,750	3,762
- decrease in interest rate by 2%	(15,750)	(3,762)

Note 19 – Controlled entity

Great Western Minerals Pty Ltd (formerly Great Western Minerals Limited) is incorporated in Australia and is wholly-owned by the Parent Entity.

Notes to the Financial Statements for the Year Ended 30 June 2015 (continued)

Note 20 – Parent Entity information

(a) The Parent Entity has not entered into any financial guarantees which is outstanding and has no contingent liabilities or commitments for the acquisition of property, plant and equipment as at 30 June 2015 and 30 June 2014.

(b) Summary financial information

The individual financial statements for the Parent Entity show the following aggregate amounts:

	2015	2014
	$	$
Assets		
Current assets	732,587	742,662
Non-current assets	2,693,432	2,760,686
Total assets	3,426,019	3,503,348
Liabilities		
Current liabilities	20,005	49,861
Total liabilities	20,005	49,861
Equity		
Issued capital	10,928,388	10,473,388
Reserves	118,080	47,540
Accumulated losses	(7,640,454)	(7,067,441)
	3,406,014	3,453,487
Financial performance		
Loss for the year	(620,552)	(458,764)
Other comprehensive income	-	-
Total comprehensive income	(620,552)	(458,764)

At 30 June 2014, the parent entity had made a provision for non-recovery of $107,700 on impairment of its investment against the carrying value of exploration and evaluation expenditure in Great Western Minerals Pty Ltd.

Note 21 – Commitments

Exploration expenditure commitments

The expenditure commitments to maintain rights to tenure and earn interests under joint venture arrangements in exploration licences as at 30 June 2015 have not been provided for in the financial statements and are due:

Notes to the Financial Statements for the Year Ended 30 June 2015 (continued)

	2015	2014
	$	$
Within twelve months	255,000	427,122
Twelve months or longer and not longer than five years	210,000	200,000
	465,000	627,122

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

Management has reassessed and no provision for restoration is required as any disturbance during the field exploration work has been recognised as part of exploration and evaluation expenditure.

Note 22 – Contingent liabilities

The Group has no contingent liabilities at 30 June 2015 or 30 June 2014.

Note 23 – Events after balance sheet date

In the opinion of the Directors, no items, transactions or events of a material or unusual nature have arisen in the interval between the end of the financial year and the date of this report which have 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 subsequent financial years.

The financial report was authorised for issue on 24th August 2015 by the Board of Directors

Directors' Declaration
For the Financial Year ended 30 June 2015

The Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 42 to 67, are in accordance with the Corporations Act 2001 and:

   (a) comply with Accounting Standards;

   (b) give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the Consolidated Group; and

   (c) complies with International Financial Reporting Standards as disclosed in Note 1.

2. the Chief Executive Officer who is also the Chief Financial Officer has declared that:

   (a) the financial records of the Company for the financial period have been properly maintained in accordance with section 286 of the Corporations Act 2001;

   (b) the financial statements and notes for the financial year comply with the Accounting Standards; and

   (c) the financial statements and notes for the financial year give a true and fair view.

3. 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 Wang
Director

Dated this 24th day of August 2015

Grant Thornton

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

Report on the financial report

We have audited the accompanying financial report of Ausmon Resources Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence
In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion
In our opinion:

a the financial report of Ausmon Resources Limited is in accordance with the Corporations Act 2001, including:

  i giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

  ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and

b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Report on the remuneration report
We have audited the remuneration report included in pages 25 to 28 of the directors' report for the year ended 30 June 2015. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of Ausmon Resources Limited for the year ended 30 June 2015, complies with section 300A of the Corporations Act 2001.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

P J Woodley
Partner - Audit & Assurance

Sydney, 24 August 2015

ADDITIONAL INFORMATION

Additional information included in accordance with Listing Rules of the ASX Limited.

1. SHAREHOLDINGS

(a) Distribution of Shareholders as at 13 August 2015

Size of Holding	Holders	Ordinary Shares Held	%
1-1,000	5	1,212	0.001
1,001-5,000	11	40,255	0.017
5,001- 10,000	93	910,123	0.380
10,001-100,000	96	4,114,117	1.718
100,001 – and over	103	234,420,779	97.884
	308	**239,486,486**	**100.000**

182 shareholders held less than a marketable parcel.

(b) Top Twenty Shareholders as at 13 August 2015

Shareholder	Number of Ordinary Shares	% Held of Issued Ordinary Capital
BAIRONG FENG	21,000,000	8.769
LIUBAO QIAN	20,000,000	8.351
WUJIANG INVESTMENT PTY LTD	15,432,720	6.444
YAU MAN FAMILY PTY LTD <YAU MAN FAMILY A/C>	14,238,989	5.946
KING MING FAN	14,025,001	5.856
AUSTRALASIA ACCESS PTY LTD	14,000,000	5.846
LAMDIAN PTY LTD <SAMYUE SUPERFUND A/C>	11,500,000	4.802
MR YONGJIAN WANG	8,000,000	3.340
OCTAN ENERGY PTY LTD	7,320,000	3.057
C K CAMDEN PTY LTD	6,325,000	2.641
MS SHUYAN REN	4,434,560	1.852
MR WONG YUET MOYE SAM YUE	4,262,000	1.780
MS LI MIN ZENG & MR GUO YI ZENG <THE ZENG S/F A/C>	4,027,771	1.682
LANDPATH PTY LTD	4,000,000	1.670
SUZHOU JIUTAI GROUP COMPANY	4,000,000	1.670
SNOWY PLAINS PTY LTD	4,000,000	1.670
YAN MAN FAMILY PTY LTD	4,000,000	1.670
MRS MAN SUN NG	3,812,000	1.592
MS JOANNA CHUNG KAI TO	3,350,000	1.399
MS XIAO PING PU & MS XIAO YI WANG & MR JIAN WANG <IVY FAMILY S/F A/C>	3,066,362	1.280
Twenty largest shareholders	170,794,403	71.317
Others	68,692,083	28.683
	239,486,486	**100.000**

ADDITIONAL INFORMATION (continued)

2. VOTING RIGHTS

(a) At meetings of members each member entitled to vote may vote in person or by proxy or attorney or, in the case of a member which is a body corporate, by representative duly authorized.

(b) On a show of hands every member entitled to vote and be present in person or by proxy or attorney or representative duly authorised shall have one (1) vote.

(c) On a poll every member entitled to vote and be present in person or by proxy or attorney or representative duly authorised shall have one (1) vote for each fully paid share of which he is a holder.

3. AUDIT COMMITTEE

As at the date of this report the Company does not have an Audit Committee.

4. SUBSTANTIAL SHAREHOLDERS

The securities held by substantial shareholders are as follows:

Name	**Number of Shares**
Bairong Feng	21,000,000
Liubao Qian	20,000,000
Yau Man Family Pty Ltd (Yau Man Family A/C)	14,238,989
Wujiang Investment Pty Ltd	15,670,000