

AUSMON RESOURCES LIMITED
ABN 88 134 358 964

Half-Year Financial Report
31 December 2015

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CORPORATE DIRECTORY

Directors

Boris Patkin - Chairman
John Q Wang – Managing Director
Gang (Gary) Zheng
Liubao Qian (resigned on 30 September 2015)

Company Secretary

John Q Wang

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ASX Code: AOA

Solicitors

Piper Alderman
Level 23, Governor Macquarie Tower
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Sydney NSW 2000

Auditors

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

REVIEW OF OPERATIONS

EXPLORATION

Summary

- **Koonenberry ELs 6400, 6424 and 6464**
 - Renewal of EL 6424 for a further 2 years from May 25th, 2015 was confirmed by the Department of Primary Industries (“Department”)
 - Deep drilling of gravity targets within EL 6424 planned for late 2016.
 - No work undertaken on ELs 6400 and 6464 during the period.

- **Pooraka ELs 6413 and 7564 and ELA 5203:**
 - A ground based TDEM (time domain electromagnetic) survey that was completed in May 2015 revealed an extensive and strong conductor in the northern target area. Further TDEM work and analysis outlined a second, smaller, conductor in the southern target area, near mineralization that was located in 2009 by RC percussion drilling.
 - Application was made for ELA 5203 (8 units) over the gap area between the EL 6413 and EL 7564, to cover possible northern extensions to the large conductor identified in the northern target area.
 - Proposed drilling of the 2 main TDEM targets within joined ELs 6413 and 7564 planned for late 2016.

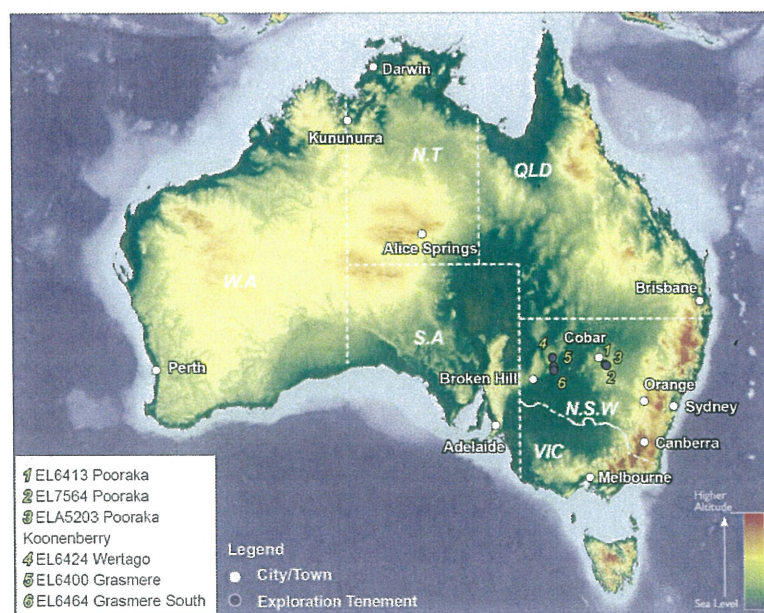


Figure 1 – List of Licences and their Locations in New South Wales, Australia

ACTIVITIES IN THE KOONENBERRY BELT
Copper-Zinc-(Silver) and Gold Exploration
ELs 6400, 6424 and 6464 - NSW (100% interest)

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.

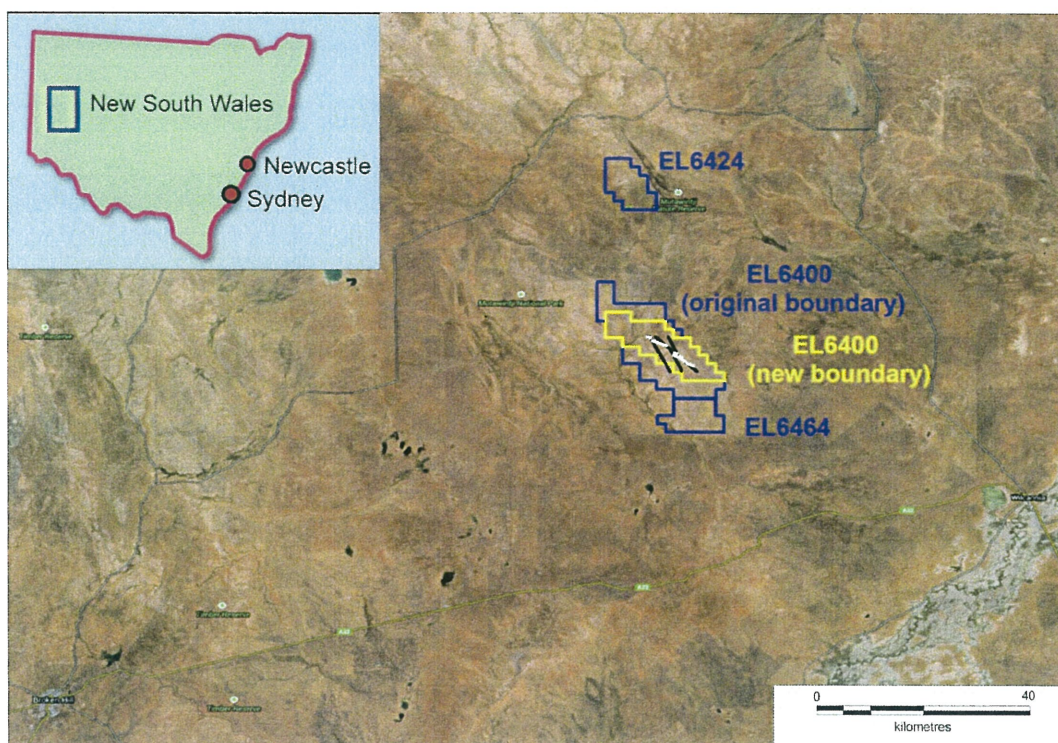


Figure 2 - Locations of Koonenberry Exploration Licences
Note: Line of mineralization – white; Faults- black

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 5.75mt @ 1.03% Cu, 0.35% Zn, 2.3g/t Ag and 0.05g/t Au (Inferred: 2.73 mt grading 0.9% Cu, 0.4% Zn, .04 g/t Au and 2.05 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.

Following the completion of 9 RC percussion holes in June 2015 quarter (seeking WNW extensions to the Grasmere-Peveril line of lode), the 9 drill holes and access sites were rehabilitated and no further work has been undertaken during the period

Examination of drilling data suggested that future work to locate possible WNW extensions to the Grasmere-Peveril line of lode would involve drilling about 10 to 20 holes of 80m to 100m length, close spaced RAB or RC percussion holes, along two SW running lines near Wilandra station. There is no immediate plan for that work as the current focus is on EL 6424.

EL 6424: This EL covers the Wertago copper diggings and Nutherungie silver field, where a detailed gravity survey in 2014 outlined several gravity lows (possible porphyry intrusions) considered by the Company to be worthy of deep drilling (see Figure 3).

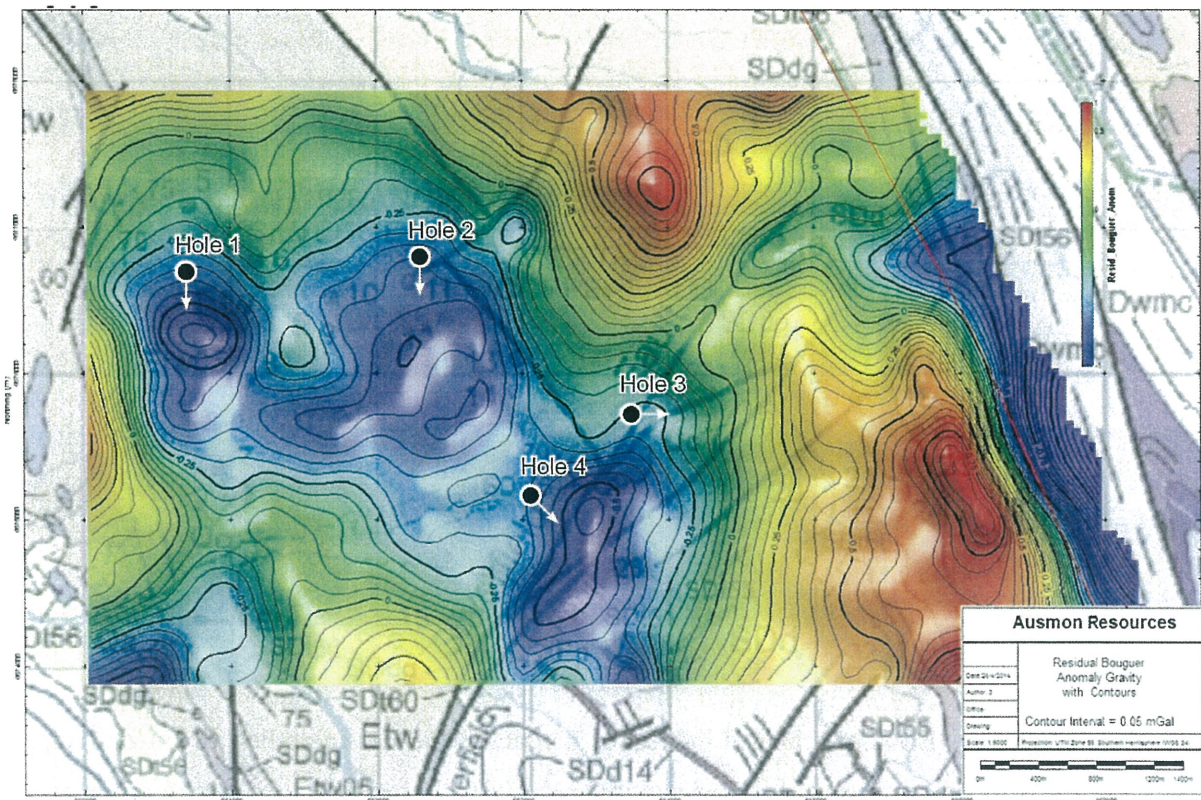


Figure 3 - Proposed Drill Holes in EL 6424
Note: Anomalous (gravity low) target areas shown in purple

The silver field is suspected to be the epithermal zone above a concealed porphyry (Cu-Ag-Au) intrusive system, which would express as gravity lows. Regional gravity 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 (ie 250m -270m, and 320m) in the central-western part of the EL. The original plan was to test those with 2 steep drill holes (Holes 1 & 2) of 400m and 450m length, but after consideration a third gravity low, in the Silverfield fault zone, was

also deemed a worthy target, and the plan now is to test that target (Hole 4) plus the larger of the two above mentioned targets (Hole 2) with 2 steeply inclined, RC pre-collared diamond holes, each of about 450m length. The silver field deposits are also of interest, since they were abandoned at shallow depths shortly after discovery. For example one shallow digging, proximal to Wertago was abandoned in silver-rich galena (PbS) veins. That digging represents a possible stand-alone RC-drilling target (Hole 3 in Figure 3) because at the analogous Silverton silver field, near Broken Hill, similar mineralization does persist to depth. All proposed drilling is planned for late 2016.

EL 6464. No work has been undertaken on this EL during the period as the current focus is on EL 6424.

ACTIVITIES NEAR COBAR

Gold, Silver and Base Metal Exploration

ELs 6413 and 7564 and ELA 5203 – NSW (100% interest)

Joined ELs 6413 and 7564 (Figure 4) 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, so in 2014, it was decided to undertake a ground based EM survey to seek hidden conductors. 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 Guinness - McGuinness North (see Figure 4). During April and May 2015, a ground based 200m X 200m geophysical survey was undertaken over the two target areas using the time domain electromagnetic (TDEM) technique.

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 were very encouraging. At T1, Langbein - Langbein West target area - a broad formational conductive zone was detected, however a small discreet conductor (open to the east) was detected proximal to where the Company's 2009 RC-percussion drilling encountered low grade mineralization in bedrock. This is a significant drill target lying directly on strike from the nearby historic Mt Boppy gold mine at Canbelego.

In the T2/T3, Mc Guinness - Mc Guinness North - target areas, which take in the Gilmore Suture, a large, strong, discreet, north running 1200m x 800m conductor has been gleaned. This is most probably due to hidden sulphide concentrations. The conductor was modelled and outlined by the Company's geophysical consultant (See Figure 5).

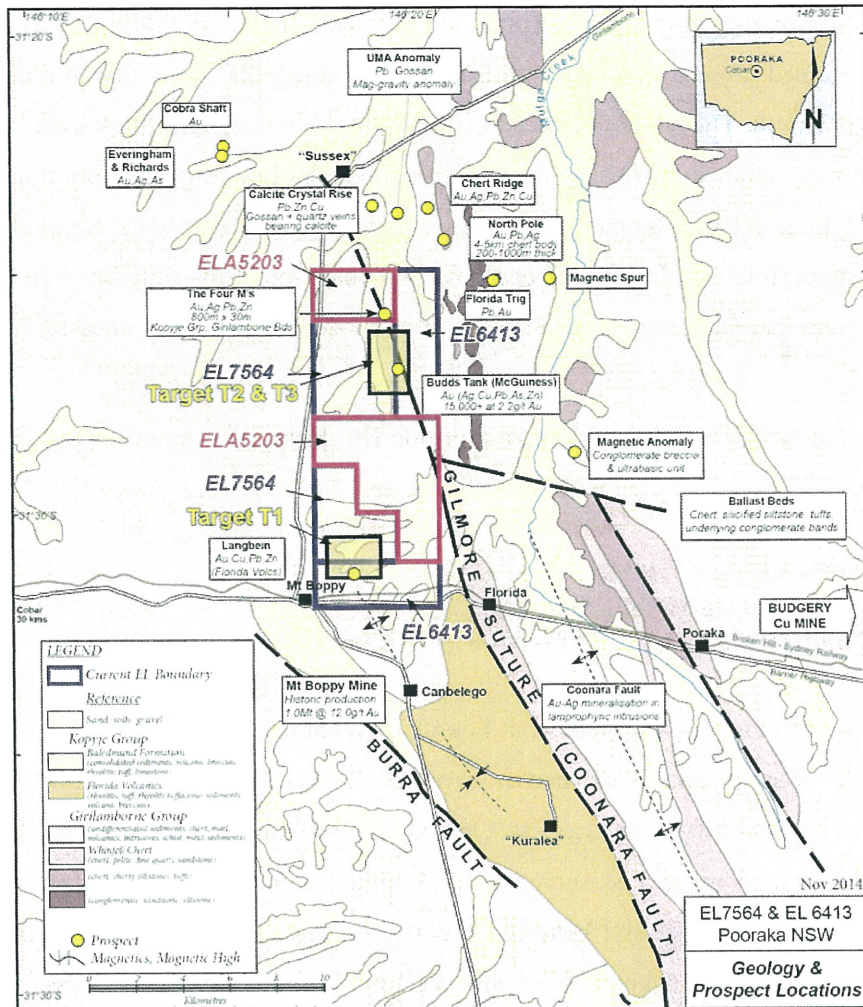


Figure 4 – Geology and Prospect Locations-- Pooraka Project

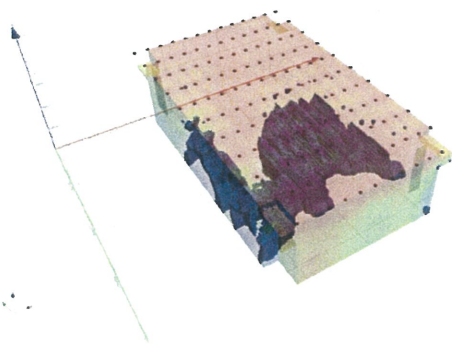


Figure 5 – View looking NE of a subsurface anomalous conductivity feature in Target Area 2/3
 Note: Top of conductor is about 200 m beneath the present day surface as shown in diagram

The two above described TDEM conductors will need to be tested at depth using RC percussion drilling, which is planned for late 2016.

LICENCES STATUS

Pursuant to ASX Listing Rule 5.4.3 the Company reports as follows in relation to minerals tenements held at the end of the 31 December 2015 half year and acquired or disposed of during that period and their locations.

Tenement	Project Name	Location	Beneficial Interest	Expiry
EL 6400	Koonenberry	NSW	100%	31 March 2017
EL 6424	Koonenberry	NSW	100%	25 May 2017
EL 6464	Koonenberry	NSW	100%	18 September 2016
EL 6413	Pooraka	NSW	100%	16 May 2017
EL 7564	Pooraka	NSW	100%	17 June 2016
ELA 5203	Pooraka	NSW	100%	Application awaiting grant

There were no tenements acquired or disposed of or change in beneficial interests under farm-in or farm-out agreements during the period.

(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

Mr Liubao Qian resigned from the Board at close of business on 30 September 2015 in accordance with the terms of the agreement dated 26 September 2013 between him and the Company.

Funding

To undertake exploration activities while the Group has no revenue producing assets, the Group requires regular injection 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 Group will be pursuing sources of finance that include:

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

Performance

During the half year the Group incurred net losses of \$75,643 which included \$12,257 write off of exploration and evaluation expenditure.

Financial Position

Cash at 31 December 2015 was \$586,476 (30 June 2015: \$703,416) with total current assets being \$627,676 (30 June 2015: \$732,590) made up substantially of cash.

Current liabilities was \$14,175 (30 June 2015: \$20,005) reduced as creditors have been paid off from cash during the period.

Net assets decreased from \$3,429,887 at 30 June 2015 to \$3,354,244 at 31 December 2015 mainly as a result of the write off of \$12,257 of exploration and evaluation expenditure, and operating expenses during the half-year.

Cash Flows

Operating activities resulted in net outflow of \$59,991 (2014: outflow \$112,062) as the Group is still in the exploration phase with no revenue. This outflow was funded from existing cash on hand.

STRATEGY AND PROSPECTS FOR FUTURE

The Group proposes to continue its mineral exploration program in Australia and search for new projects including those in non-resources sector. 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 Group will require funding which may be by farmout of interests or equity capital raising. 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 \$627,676 including total cash of \$586,476, current liabilities of \$14,175 and has incurred a net loss of \$75,643 which included the write off of \$12,257 of exploration and evaluation expenditure. In addition, the Group has an expenditure requirement under its exploration licences of \$302,000 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 Group'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.

DIRECTORS' REPORT

The Directors of Ausmon Resources Limited submit the financial report of the consolidated group for the half-year ended 31 December 2015.

Directors

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

Boris Patkin - Non-Executive Chairman
John Q Wang - Managing Director
Liubao Qian – Non-Executive (resigned on 30 September 2015)
Gang (Gary) Zheng - Non-Executive

Operating Results

Total comprehensive loss for the half-year ended 31 December 2015 was \$75,643 (2014: loss \$402,992).

Review of Operations

A review of operations for the half-year ended 31 December 2015 is set out on pages 3 to 10.

Auditor's Independence Declaration

The auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 12, and forms part of this report.

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



John Q Wang
Director

Dated this 12th day of February 2016

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Auditor's Independence Declaration To The Directors of Ausmon Resources Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Ausmon Resources Limited for the half-year ended 31 December 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 review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



P J Woodley
Partner - Audit & Assurance

Sydney, 12 February 2016

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

We have reviewed the accompanying half-year financial report of Ausmon Resources Limited ("Company"), which comprises the statement of financial position as at 31 December 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of Ausmon Resources Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Ausmon Resources Limited financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Ausmon Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Conclusion

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

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 2 in the financial report which indicated that the consolidated entity's ability to continue as a going concern and meet its commitments as and when they fall due is dependent upon the Company being successful in either one or a combination of a number of 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, or obtaining debt finance. These conditions, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



P J Woodley
Partner - Audit & Assurance

Sydney, 12 February 2016

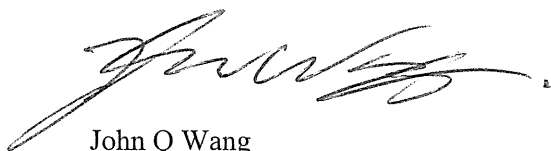
DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 16 to 22 are in accordance with the Corporations Act 2001, including:
 - a) complying with Accounting Standards AASB 134: Interim Financial Reporting; and
 - b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date.

2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



John Q Wang
Director

Dated this 12th day of February 2016

**Consolidated Statement of Profit or Loss
and Other Comprehensive Income
For The Half-Year Ended 31 December 2015**

	Note	31 December 2015 \$	31 December 2014 \$
Revenue			
Interest income		4,445	7,348
		<hr/> 4,445	<hr/> 7,348
Expenses			
Depreciation expense		-	(152)
Employee benefits expense		(15,830)	(15,395)
Exploration and evaluation expenditure written off		(12,257)	(310,446)
Other expenses	3	(52,001)	(84,347)
Loss before income tax expense		<hr/> (75,643)	<hr/> (402,992)
Income tax expense		-	-
Loss for the period		<hr/> (75,643)	<hr/> (402,992)
Other comprehensive income		<hr/> -	<hr/> -
Other comprehensive income for the period, net of tax		<hr/> -	<hr/> -
Total comprehensive loss for the period attributable to members of the Parent Entity		<hr/> (75,643)	<hr/> (402,992)
Earnings per share			
Basic and diluted loss per share		<hr/> 0.03cents	<hr/> 0.24 cents

The accompanying notes form part of this financial report.

Consolidated Statement of Financial Position

As At 31 December 2015

	31 December 2015	30 June 2015
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	586,476	703,416
Trade and other receivables	33,744	19,174
Other	7,456	-
Financial assets	-	10,000
TOTAL CURRENT ASSETS	627,676	732,590
NON-CURRENT ASSETS		
Financial assets	64,114	74,114
Exploration and evaluation expenditure	2,676,629	2,643,188
TOTAL NON-CURRENT ASSETS	2,740,743	2,717,302
TOTAL ASSETS	3,368,419	3,449,892
CURRENT LIABILITIES		
Trade and other payables	14,175	20,005
TOTAL CURRENT LIABILITIES	14,175	20,005
TOTAL LIABILITIES	14,175	20,005
NET ASSETS	3,354,244	3,429,887
EQUITY		
Issued capital	10,928,388	10,928,388
Reserves	118,080	118,080
Accumulated losses	(7,692,224)	(7,616,581)
TOTAL EQUITY	3,354,244	3,429,887

The accompanying notes form part of this financial report.

Consolidated Statement of Changes In Equity
For The Half-Year Ended 31 December 2015

	Issued capital \$	Option reserve \$	Accumulated losses \$	Total \$
Balance at 1 July 2014	10,473,388	47,540	(7,043,569)	3,477,359
Total comprehensive loss for the period	-	-	(402,992)	(402,992)
Transactions with owners in their capacity as owners				
Issue of share capital	-	-	-	-
Balance at 31 December 2014	10,473,388	47,540	(7,446,561)	3,074,367
Balance at 1 July 2015	10,928,388	118,080	(7,616,581)	3,429,887
Total comprehensive loss for the period	-	-	(75,643)	(75,643)
Balance at 31 December 2015	10,928,388	118,080	(7,692,224)	3,354,244

The accompanying notes form part of this financial report.

Consolidated Statement of Cash Flows
For the Half-Year Ended 31 December 2015

	31 December 2015	31 December 2014
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(64,499)	(119,410)
Interest received	4,508	7,348
Net cash outflow from operating activities	(59,991)	(112,062)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration and evaluation expenditure	(46,949)	(52,089)
Payments for security deposits	(10,000)	-
Proceeds from refund of security deposits	-	10,000
Net cash (outflow)/inflow from investing activities	(56,949)	(42,089)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash inflow from financing activities	-	-
Net (decrease) in cash held	(116,940)	(154,151)
Cash and cash equivalents at the beginning of period	703,416	707,785
Cash and cash equivalents at the end of period	586,476	553,634

The accompanying notes form part of this financial report.

Notes to Financial Statements For the Half-Year Ended 31 December 2015 (continued)

Note 1 – Nature of Operations

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

Note 2 - Basis of Preparation

The condensed interim consolidated financial statements for the six months ended 31 December 2015 are presented in Australian dollar (\$), which is the functional currency of the parent company. These general purpose interim financial statements have been prepared in accordance with the requirements of the *Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting*. They do not include all of the information required in annual financial statements in accordance with Australian Accounting Standards, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2015 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements under the Australian Securities Exchange Listing Rules and the Corporations Act 2001.

The interim financial statements have been approved and authorised for issue by the Board of Directors on 12 February 2016.

Reporting Basis and Conventions

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

Significant accounting policies

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the Group's last annual financial statements for the year ended 30 June 2015. The accounting policies have been adopted consistently throughout the Group for purposes of preparation of these interim financial statements

Going concern

At balance date the Group has current assets of \$627,676 including total cash of \$586,476, current liabilities of \$14,175 and has incurred a net loss of \$75,643 which included the write off of \$12,257 of exploration and evaluation expenditure. In addition, the Group has an expenditure requirement under its exploration licences of \$302,000 for the next 12 months.

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

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.

Notes to Financial Statements For the Half-Year Ended 31 December 2015 (continued)

- Selling part of the Group’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. Whilst there is material uncertainty, the Directors are of the opinion that the Company is a going concern and thus no adjustments have been made to amounts stated in the financial report.

Estimates

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group’s last annual financial statements for the year ended 30 June 2015.

Note 3 – Other expenses from ordinary activities

	31 December 2015	31 December 2014
	\$	\$
Audit fees	10,000	13,000
Consulting and professional fees	15,893	27,580
Listing expenses	10,070	17,121
Office accommodation	5,200	5,200
Registry fees	6,758	9,341
Travel and accommodation	-	3,526
Other	4,080	8,579
	<hr/> 52,001	<hr/> 84,347

Note 4 – Earnings per share

Both the basic and diluted earnings per share have been calculated using the profit attributable to shareholders of the Parent Company as the numerator i.e. no adjustments to profits were necessary for the six month period to 31 December 2015 and 2014.

The weighted average number of shares for the purposes of the calculation of diluted earnings per share can be reconciled to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	6 months to 31-Dec-2015	6 months to 31-Dec-2014
Weighted average number of shares used in basic earnings per share	239,486,486	165,486,486
Effects of dilution	-	-
Weighted average number of shares used in diluted earnings per share	239,486,486	165,486,486

Notes to Financial Statements For the Half-Year Ended 31 December 2015 (continued)**Note 5 – Operating segments**

The Group has identified its operating segments based on internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources. The Group operates in one business segment being mineral exploration. All segments assets, segment liabilities and segment results relate to the one business segment and therefore no segment analysis has been prepared. This position has not changed from the prior period.

Note 6 - Commitments**Exploration Expenditure Commitments**

The expenditure commitments to maintain and renew rights to tenure in exploration licences as at 31 December 2015 have not been provided for in the financial statements and are due:

	31 December 2015	30 June 2015
	\$	\$
Within twelve months	302,000	255,000
Twelve months or longer and not longer than 5 years	155,000	210,000
	<u>457,000</u>	<u>465,000</u>

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

Management has reassessed the obligations 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 7 - Contingent Liabilities

At balance date, the Group has no contingent liabilities.

Note 8 – Events after Balance 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.