



30 April 2010

Company Announcements Office
ASX Limited

ACTIVITIES REPORT MARCH 2010 QUARTER

Highlights

North America

- Premium Exploration Inc. announced very significant results from the November/December 2009 drill program and commenced scoping study at Friday-Petsite Gold Project, Idaho, USA.

Australia

- Aeromagnetic/radiometric survey commenced at the three highly prospective exploration licences (ELs 6400, 6424 and 6464) in the Koonenberry Belt near Broken Hill.
- EL application (ELA 3818) at Pooraka, Cobar, NSW progressed to offer stage. Applied area covers very prospective area on strike from Mt Boppy.

INVESTMENT IN ADVANCED GOLD EXPLORATION PROJECT - IDAHO, USA *5,750,000 Shares and 5,750,000 Warrants of Premium Exploration Inc.*

The Company holds a strategic stake in Premium Exploration Inc. (PEM) which is listed on the TSX Venture Exchange of Canada (TSX-V:PEM). The Company assessed PEM to possess exciting advanced precious metal projects.

PEM is an explorer and developer of precious metals projects with good potential for near-term production and growth. Projects are located in the USA and Mexico, politically stable regions where PEM has a history of success. The management team is committed to unlocking mineral wealth for shareholders by discovering, developing, and permitting precious metals assets to production. PEM's portfolio includes one of the largest land packages in Idaho, USA, including an NI 43-101 gold inferred resource of 531,890 ounces (certified by Mr. Wilf Struck, P.Eng a Qualified Person as defined by NI43-101), a platinum group metals exploration project in Montana, and a historically producing silver project in Mexico.

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On 13 January 2010, PEM announced:

"assay results have been received from the first three holes of the Phase-Two drill program. These holes confirmed the continuity of the high-grade gold zone below the current bulk-tonnage 531,890 oz inferred gold resource currently hosted in 350 meters of strike length down to a depth of 150 meters.

Highlights Include:

- PFR2009-10: 2.66 g/t gold over 198.4 meters (650.9 feet) including**
3.81 g/t gold over 121.1 meters (397.2 feet) including
9.16 g/t gold over 25.3 meters (83.0 feet) including
30.60 g/t gold over 1.8 meters (6.0 feet)
- PFR2009-11: 2.94 g/t gold over 73.5 meters (241.1 feet) including**
10.57 g/t gold over 17.2 meters (56.4 feet) including
160.63 g/t gold over 0.9 meters (3.0 feet)
- PFR2009-12: 1.00 g/t gold over 83.4 meters (273.6 feet) including**
3.47 g/t gold over 2.2 meters (7.2 feet)





The drill program consisted of six HQ core holes totaling 1,969.9 meters (6,463 feet) and assay results have now been received for the first three drill holes from Phase-Two of the 2009 exploration program. Please see news release dated [August 6th, 2009](#) for the results from the first phase of drilling.

"The successful Phase-Two drilling was completed on schedule, on budget and confirmed continuity of mineralization as predicted by the geologic model. These holes are the deepest holes drilled to date on the property and intercepted the mineralized zone up to 300 meters down-dip from the bottom of historic drill hole PC010. These results compare well to historic hole PC010 which returned grades of 3.81 g/t over 85.4 meters (including 10.8 g/t over 22.90 meters and 17.66 g/t over 10.7 meters).

The initial results from this program support the current understanding of the geologic and structural controls to mineralization and will be used in the upcoming revision to the inferred 43-101 resource; which will result in an upgrade of a portion of the existing resources and likely increase the resource in total. The high-grade gold intercepts from Phase-Two will also likely have a positive impact on the average grade of the resources." stated Wilf Struck, P.Eng, CEO of Premium.

The Phase-Two drill holes were collared east of the Phase-One holes; drilled to the west; and were designed to intersect the zone of mineralization down-dip from the earlier drilling.

Interestingly, the post mineral dike encountered in previous shallower drilling was not intersected and, therefore, the mineralization in these deeper holes has not been split into two separate zones. A continuous zone of mineralization will have a positive impact on the revised resource calculation.

PFR2009-10 returned 2.66 g/t gold over 198.4 meters (650.9 feet), including 3.81 g/t gold over 121.1 meters (397.2 ft), including 9.16 g/t gold over 25.3 meters (83.0 feet), including 30.60 g/t gold over 1.8 meters (6.0 ft). The hole also contained a spectacular 0.4 meter (1.3 feet) intercept of 285.93 g/t gold at a down hole distance of 352.9 meters (1,158 feet).

The collar for this hole is located 130 meters east of PFR2009-01 which returned 5.02 g/t gold over 17.92 meters, including 13.78 g/t gold over 5.73 meters and 35.55 g/t gold over 1.58 meters. PFR2009-1 is located 25 meters to the north of the previously reported high-grade hole PC-08 which returned 7.33 g/t over 16.7 meters, including 52.05 g/t over 1.6 meters. Drill hole PFR2009-10 went to a depth of 372.0 meters (1,220 feet) and terminated in mineralization as it did not fully cross-cut the zone of gold mineralization.

PFR2009-11 returned 2.94 g/t gold over 73.5 meters (241.1 ft), including 10.57 g/t gold over 17.2 meters (56.4 ft), including 160.63 g/t gold over 0.9 meters (3.0 ft) and went to a total depth of 490.2 meters (1,608 feet). The collar for this hole is located 250 meters east of PC010 which returned grades of 3.81 g/t over 85.4 meters (including 10.8 g/t over 22.90 meters and 17.66 g/t over 10.7 meters).

PFR2009-12 returned 1.00 g/t gold over 83.4 meters (273.6 ft), including 3.47 g/t gold over 2.2 meters (7.2 ft). The collar for this hole is located 150 meters east of PFR2009-05 which contained 1.20 g/t gold over 76.05 meters, including 3.76 g/t gold over 10.52

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meters as well as 1.13 g/t gold over 42.67 meters, including 7.73 g/t gold over 4.57 meters. Drill hole PFR2009-12 went to a depth of 365.9 meters (1,200 feet) and terminated in mineralization as it did not fully cross-cut the zone of gold mineralisation. The bottom 2.93 meters (9.6 feet) of the hole averaged 2.74 g/t gold.

The Company is looking forward to reporting the other 3 holes in the program once the remaining assays have been received and compiled into the geologic database. Two drill holes are large step out holes to the South and are located 475 meters (1,558 feet) to the south of PFR2009-11. The holes are located on the geochem anomaly which trends to the South for 1,100 meters (3,608 feet) from the main zone of drilling. These shallow drill holes are located at a higher elevation, and as a result, are at a higher level in the mineralizing system and were designed to intersect the structure associated with the Orogrande Shear Zone. The drill holes successfully intersected altered quartz monzonite and muscovite schist associated with the Orogrande Shear Zone similar to the mineralized material encountered in the first three holes.

Hole ID	From m	To m	Length m	Length ft	Au g/t
PFR2009-10	173.4	371.8	198.4	650.9	2.7
	232.2	353.3	121.1	397.3	3.8
	238.7	264.0	25.3	83.0	9.2
	239.3	241.1	1.8	6.0	30.6
	352.9	353.3	0.4	1.3	285.9
PFR2009-11	266.1	339.6	73.5	241.1	2.9
	277.4	294.6	17.2	56.4	10.6
	290.5	291.4	0.9	3.0	160.6
PFR2009-12	281.6	365.0	83.4	273.6	1.0
	362.8	365.0	2.2	7.2	3.5

Note:

- The gold grade calculation is a weighted mean with no top cut, and no bottom cut. The grade calculation includes internal waste and low grade sections.
- True Widths are estimated to be between 65% and 75% of the drilled interval.





Quality Assurance

The Company has implemented a rigorous QA/QC program using best industry practices at the December 29th, 2009 the program includes chain of custody of samples, drill core sawn in half and shipped in sealed bags, blind duplicates, blank samples and certified standards are inserted in the sample stream. The samples are then boxed and couriered to Acme Analytical Laboratories of Vancouver, B.C. a lab certified for the provision of assays and geochemical analyses (ISO 9001:2008). In Phase-Two as with Phase-One, samples with gold values greater than 10 g/t were re-analyzed via the metallic screen procedure. Samples with visible gold were also analyzed initially using the metallic screen analysis, as were the samples immediately preceding and following the sample with visible gold. The 2009 exploration program was directed by Wilf Struck, P.Eng., CEO of Premium Exploration, Inc. and a Qualified Person as defined by NI 43-101. Mr. Struck prepared, and approves of the content of this release."

On 22 February 2010, PEM Announced:

" assay results have been received from the final three holes of the Phase-Two drill program at the Friday-Petsite gold project in central Idaho, USA. These holes confirmed the presence of the mineralized Orogrande Shear Zone ("OSZ"), 425 meters south of the current 531,890 oz inferred gold resource, increasing the project strike length over 120%.

Highlights include:

**PFR2009-8: 0.55 g/t gold over 124.86 meters (407.0 ft) including
0.84 g/t gold over 14.63 meters (48.0 ft)**

**PFR2009-9: 0.88 g/t gold over 6.4 meters (21.0 ft) and
2.39 g/t gold over 4.57 meters (15.0 ft) and
0.99 g/t gold over 11.58 meters (38.0 ft)**

**PFR2009-13: 1.25 g/t gold over 26.52 meters (87.0 ft) including
4.39 g/t gold over 5.49 meters (18.0 ft)**

"Drill holes PFR2009-08 and PFR2009-09 are particularly significant as they confirm gold mineralization in the OSZ, 425 meters south of the 43-101 compliant resource as indicated by the strong, contiguous, 1,150 meter gold in soil geochemical anomaly. This has doubled the strike length of the project and could significantly impact the size of the resource along strike with our upcoming work programs.

It is very rewarding to deliver increased shareholder value by achieving 100% of our objectives with every dollar spent on the exploration programs Premium has undertaken at this project. Our Phase-One program confirmed a new geologic model, while Phase-Two increased the strike length of the project over 120% and confirmed continuity of

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mineralization to a depth of 490 meters (1,608 feet), approximately 340 meters deeper than the bottom of the current resource.

Premium is excited about our upcoming and future drill programs as we have not encountered any geologic or structural conditions which would constrain or limit the size of the resource target.

In fact, the gold mineralization in the current resource is open to the south, open to the north, and open at depth. This, in addition to the historic drilling north of the resource, the confirmation of the strength of the OSZ, and the geologic model we have for the OSZ, has provided support to Premium's conclusion that the OSZ is a major regional structure that has the potential to host significant gold resources. Therefore, we have increased our property position to control the majority of the OSZ and consequently, the Company will maximize the value to our shareholders by the logical development of this asset." stated Wilf Struck, P.Eng, CEO of Premium.

The Phase-Two drill program consisted of six HQ core holes totaling 1969.9 meters (6,463 ft) and assay results have now been received for all of the drill holes from Phase-Two of the 2009 exploration program. Please see news release dated January 13th for the results of the first three drill holes.

These Phase-Two drill holes were collared south of the main zone of mineralization on the east side of the geochemical anomaly; drilled to the west; and were designed to intersect the structurally prepared rocks associated with OSZ.

Interestingly, drill holes **PFR2009-08** and **09** not only encountered altered host rocks, but returned significant gold values, despite their being shallow holes and their location higher in the mineralizing system where the gold mineralization is expected to be weaker.

PFR2009-08 returned 0.55 g/t gold over 124.86 meters (407.0 ft) including 0.84 g/t gold over 14.63 meters (48.0 ft) and terminated in anomalous gold mineralization.

PFR2009-09 returned 0.88 g/t gold over 6.4 meters (21.0 ft) and 2.39 g/t gold over 4.57 meters (15.0 ft) and 0.99 g/t gold over 11.58 meters (38.0 ft) and terminated in anomalous gold mineralization.

Both holes encountered the host rocks, altered quartz monzonite and muscovite schist, and were drilled from the same collar location which is located 590 meters south of PFR2009-10 which returned 2.66 g/t gold over 198.4 meters (650.9 ft), including 3.81 g/t gold over 121.1 meters (397.2 ft), including 9.16 g/t gold over 25.3 meters (83.0 ft), including 30.60 g/t gold over 1.8 meters (6.0 ft).

PFR2009-08 was drilled on an azimuth of 270 degrees at a dip of -45 to a depth of 218 meters (715 feet), while **PFR2009-09** was drilled on an azimuth of 270 degrees at a dip of -70 to a depth of 173.74 meters (570 feet).

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PFR2009-13 returned 1.25 g/t gold over 26.52 meters (87.0 ft) including 4.39 g/t gold over 5.49 meters (18.0 ft) and terminated in mineralization as it did not fully cross-cut the zone of gold mineralization.

PFR2009-13 was collared 290 meters south of PFR2009-10 directly south of Quartz Creek. Drill hole **PFR2009-13** went to a depth of 350.52 meters (1,150 feet).

Hole ID	From (m)	To (m)	Length (m)	Length (ft)	Au (g / t)
PFR2009_8	23.2	147.2	124.1	407.15	0.55
	59.7	93.3	33.5	109.91	0.68
	107.0	121.6	14.6	47.90	0.84
PFR2009_9	7.0	13.4	6.4	21.00	0.88
	45.4	50.0	4.6	15.09	2.39
	98.8	110.3	11.6	38.06	0.99
PFR2009_13	126.5	153	26.5	86.94	1.25
	126.5	132	5.5	18.04	4.39
	130.2	132	1.8	5.91	11.99

Note: The gold grade calculation is a weighted mean with no top cut, and no bottom cut. The grade calculation includes internal waste and low grade sections. True Widths are estimated to be between 65% and 75% of the drilled interval.

Increased Property Position

Based on the current and historic drilling to the north, which confirms the strength of the Shear zone, Premium Exploration increased the size of its property along the OSZ by staking an additional 54 claims, totaling approximately 1,000 acres, and covers an additional 4.3 km's of the OSZ. These claims are located directly to the north of the Friday-Petsite property along the projected strike of the OSZ and are contiguous to the company's existing claims. These claims are 100 % owned by PEM with no underlying property payments or work commitments.

Historic core holes PC-20 and 21 located 430 meters north of PFR2009-10, returned significant gold intercepts as follows:





Hole ID	From (m)	To (m)	Length (m)	Length (ft)	Au (g / t)
PC020	6.9	115.3	108.5	355.97	1.6
	41.8	95.1	53.3	174.87	2.5
	76.9	95.1	18.2	59.71	5.9
	90.0	95.1	5.1	16.73	16.8
	92.1	92.8	0.7	2.30	117.2
PC021	6.1	155.8	149.7	491.14	0.7
	76.2	155.8	79.6	261.15	1.0
	136.9	151.2	14.3	46.92	2.3
	136.9	142.1	5.2	17.06	3.4

Note: The gold grade calculation is a weighted mean with no top cut, and no bottom cut. The grade calculation includes internal waste and low grade sections. Addition information is required to estimate true widths.

Updated Resource Estimate

Resource recalculation is currently underway incorporating the recent drill results. A total of 22 holes consisting of the seven Phase-One core holes, six Phase-Two holes, four BFD core holes from 2004, and the five core holes drilled by Candem Resources (for a total of 22 holes) will be included in a new resource estimate. These holes were drilled subsequent to the NI 43-101 resource calculation and consequently were not available for that calculation.

Drilling on the Friday-Petsite Property 1986-2009				
Current 531,890 oz Inferred Resource Complied From Data Below				
Year	Company	Type	Number	Footage
1984-86	Centennial	RC	6	1,610
1985-86	Bema	RC	48	6,645+
1996	Cyprus/Idaho Consolidated	RC	16	6,175
1997	Cyprus/Idaho Consolidated	RC	90	35,475
		Core BQ	5	2,115
		Core HQ	6	2,035
1998	Kinross / Idaho Consolidated	Core HQ	12	7,184
Data To Be Added To The Upcoming Revised Resource Estimate (Below)				
2002	Candem / Idaho Consolidated	Core NQ	5	1,278
2004	Beartooth / Idaho Consolidated	Core HQ	4	1,696
2009	Premium Exploration - Phase-1	Core HQ	7	2,800
2009	Premium Exploration - Phase-2	Core HQ	6	6,463

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The Friday-Petsite claims are owned 100% by Premium Exploration and covers 5.8 km's of the OSZ. The 531,890 oz inferred gold resource is located within patented claims, as is 60% of the contiguous soil geochemical anomaly that extends to the south of the resource.

The Friday-Petsite is a large and extensive zone of lower-grade mineralization surrounding a higher-grade zone and hosts an NI 43-101 inferred gold resource estimate of 16,544 kilograms of gold (531,890 troy ounces) contained in 15.17 million tonnes averaging 1.1 g/t gold (0.032 oz/ton) at a cutoff of 0.514 gram per metric tonne (0.015 oz/ton), which is a potentially open-pittable heap-leachable disseminated gold resource.

The current bulk tonnage resource is hosted in 350 meters of strike length, calculated to a depth of approximately 150 meters (492 feet), while the current drilling confirms continuity of mineralization to a depth of 490.2 meters (1,608 feet) and remains open along strike and at depth."

On 23 March 2010 PEM Announced:

"the existing NI43-101 inferred resource has been updated to conform with the revised geological and structural model at the Friday-Petsite gold project located along the Orogrande Shear Zone in Central Idaho. With the encouraging data and understanding gained from the process, Premium has initiated a scoping (preliminary assessment) study in preparation for a future prefeasibility study. Snowden Mining Industry Consultants (Snowden) was retained and involved in revising the geological model for the resource estimate, utilizing their engineering and geological expertise, in order to model the deposit applying the best industry practices that will benefit Premium as the project progresses.

The revised estimate conforms well to the 2008 NI43-101 compliant inferred resource estimate (the NI43-101 Technical Report was filed on SEDAR under Premium's Company Profile on January 29, 2008); ounces have increased due to a slight increase in grade and a slight decrease in tonnage at a 0.5 g/t cut-off. Based on the drilling conducted last year and the revised model, the geologic potential for mineralization to the north, south and at depth has been confirmed indicating the deposit remains open in those directions and presents an exciting target for the next phase of drilling. Due to the rigorous requirements for resource definition the geologic potential is not reflected in the current estimate and additional drilling will be required to define additional mineral resources.

Upcoming exploration will target the Orogrande Shear Zone directly adjacent to the modeled inferred resource (on strike to north and south and down dip). The target may contain 15,000,000 to 25,000,000 tonnes of mineralized material grading from 0.7 to 1.2 gram/tonne. The target may contain from 337,000 to 964,000 ounces if intercepted by future exploration. The target tonnage and grade is conceptual in nature and there has been insufficient exploration to define a mineral resource and it is uncertain if further

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exploration will result in the target being delineated as a mineral resource (Please go to Premium website for a conceptual long-section through Premium's new 3D Block Model illustrating the targets for future exploration).

The target tonnage and grade has been estimated by projecting potential mineralization to the north and south along strike and to the depth of the deepest intercepts in core drilling. The boundary of the potential mineralization is 100 meters north of the northern most modeled block of mineralization (as shown in Premium's 3D block model below) and 100 meters south of the southern most block; the projections are in areas where drilling has intercepted mineralization but there is insufficient density of data to be included in the Premium's new model. The grade is estimated based on the average grade calculated during construction of three domains developed during the modeling utilizing a 0.5 g/t cutoff. Domain-One has an estimated average grade of 1.24 g/t Au, while Domain-Two averages 1.13 g/t Au and Domain-Three averages 0.74 g/t Au. Please go to Premium website for a conceptual long-section through Premium's new 3D Block Model illustrating each Domain.

Planning for additional drilling is currently underway. The drill contract has been awarded and once drills are available, Premium will commence drilling. Approximately 2/3rds of the drilling will be step-out drilling, targeting areas that demonstrate potential for defining additional mineralization along strike and at depth while 1/3rd will focus on in-fill drilling: improving the confidence in known zones of mineralization.

In addition to drilling, scoping has commenced to determine development parameters for a potential mine. This includes metallurgical test work on representative samples to provide a preliminary assessment of potential methods for efficient economic extraction of the gold and water baseline studies.

"It has been exciting to have modified the geological model that the inferred resource estimate was based upon, and apply tighter geological and structural constraints which culminated in a better defined and robust estimate. I give a lot of credit to Premium's experienced geological team which assimilated a tremendous volume of historic data, developed a new geologic concept which culminated in 100% success rate for gold intersections in last years drill holes. The recent detailed modeling work incorporating geostatistical tools validates the revised geologic model and clearly defines the best areas for additional drilling to test potential expansions to the recent estimate. Our excellent in-house geologic staff has enjoyed working with Snowden consultants which will simplify future modifications to estimates," stated Wilf Struck, P.Eng, CEO of Premium Exploration.

The in-house modeling of geology, structures and mineralization defined three domains used for the estimation and provided tight constraints for the estimation procedure. The internal estimate was completed with the objective of quantifying gold ounces within the target area as well as highlighting areas for the next phase of drilling. Based on the internal revision, the deposit is estimated to contain an inferred resource with

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approximately 17,000 kilograms (549,000 ounces) of gold in 15 million tonnes at an average grade of 1.13 g/t at a cutoff grade of 0.50 g/t.

The estimation was prepared by in-house geological personnel in collaboration with Mr. George Gilchrist, (Consultant with Snowden) who provided technical assistance to the Premium staff during the evaluation. Snowden is a highly regarded consulting firm providing a wide variety of mining and technical geologic services to a wide variety of global clients.

Premium engaged Snowden to conduct an independent assessment of the in-house estimate on the Friday-Petsite project to meet the requirements for an independent Technical Report when reporting mineral resources for a project. The assessment will require a property visit and validation of the data used for the in-house estimate. Contingent on site conditions, the independent review may be completed by Q3 of 2010. The resource estimate is based on historic and current data generated on the Friday-Petsite project by Premium Exploration and previous operators. The mineralization is oriented in a north-south direction and is associated with a major regional structure known as the Orogrande Shear Zone (OSZ). In the project area the OSZ is bounded by the Monday fault to the west and the Friday fault to the east and is in excess of 100 meters in width hosting multiple episodes of shearing and gold mineralization. Strong mineralization has been encountered to a depth of 475 meters below the surface, but the majority of the holes used in the estimation procedure went to a depth of 150 meters below the surface. Numerous drill holes terminated in mineralization and deeper holes will be drilled to further delineate the down dip extension of the gold mineralization.

Modeling Parameters

126 drill hole intercepts were used to develop the geologic model and define the 3 primary domains out of a total of 195 holes drilled on the project, which consisted of 150 reverse circulation holes and 45 core holes. Additional data used to develop the model included surface geologic maps, geochemical maps and topographic maps.

In preparation for the estimate, the drill hole collar data, geologic data, survey data and assay data were compiled and cross-checked to existing original data. A specialized mineral modeling program (GEMCOM) was used for evaluation and interpolation of the data and is instrumental in the development of the model. The solid model was developed by constructing a wire frame model on a section by section basis with ongoing review by the geologists. A grade shell model was then developed and intersected with the geologic model to define the domain shape. Preliminary geostatistical evaluation was used to define three separate domains with distinct geologic or mineralization characteristics. All samples within a domain were composite to be as close to a 1.5 meter length as possible without the creation or deletion of residual samples. Statistical analysis of the composite data in the different domains indicated the presence of extreme gold grades that could result in local grade bias. A top cut (grade capping) analysis of the composite data to determine appropriate top cuts for

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each domain was conducted. The top cut for Domain-One is 14.53 g/t, for Domain-Two is 13.97 g/t and for Domain-Three is 5.62 g/t. The top cut for Domain-Three is much lower due to the lack of a sufficient number of sample points.

For each domain, variograms were calculated using the top-cut composite data. Mineralization continuity was modeled in three dimensions, with the major and semi-major directions modeled orthogonal to each other within the plane of mineralization, whilst the minor direction was modeled orthogonal to the plane of mineralization. Mineralization continuity was observed to follow interpreted structural controls. Search parameters for the interpolation were based on the continuity observed in the experimental variograms. Grade interpolation into the block model was undertaken using ordinary kriging, with each domain being interpolated individually based on its own set of parameters. The estimate was validated against the input drill hole data and by re-running the estimate using an inverse distance squared estimation technique, which gave comparable answers.

Please go to Premium website for a Table of the Resource Estimate.

Mr. Wilf Struck, P.Eng., CEO of Premium Exploration, Inc. is a Qualified Person as defined by NI 43-101 and prepared, and approves of the content of this release."

INTERESTS IN KOONENBERRY BELT

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

Operator: Ausmon Resources Limited

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

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

The resource is open in both directions and down dip, and has strong affinities with Besshi type VMS deposits. Besshi type deposits occur in Canada, Japan and elsewhere. They are known to be concordant, continuing for large distances along strike and down dip, often in stacked lenses. Tonnages are large, ranging from 15 to 300 million tonnes,

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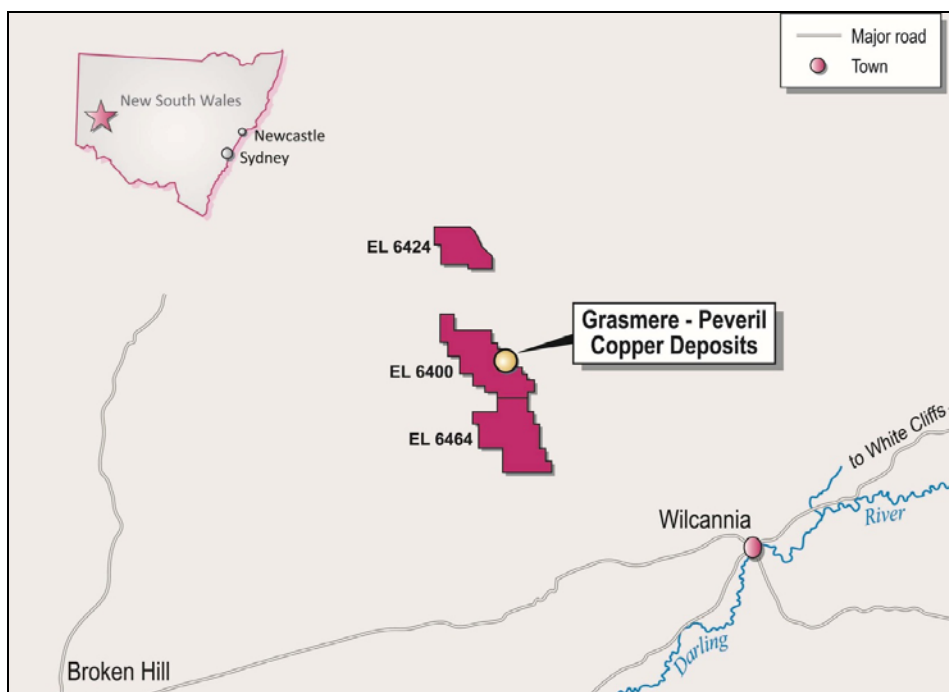




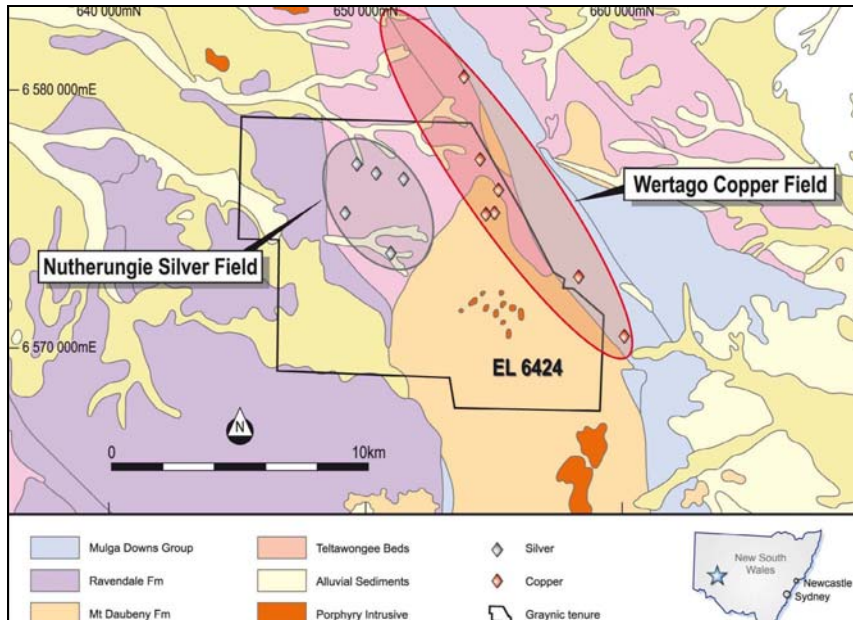
with geochemical and mineralogical signatures very similar to those seen at Peveril and Grasmere.

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

During the Quarter GWM continued a review of all historical data on the 3 ELs to identify any previously missed targets and anomalies that require follow-up. Preparations were made to undertake a close spaced (40m) airborne magnetic and radiometric survey over all three ELs. The survey was delayed by record level rain in the area and commenced at the end of the Quarter. Interpretation of the survey data will be carried out in the June Quarter aiming for a drilling program in the October Quarter.



Koonenberry Belt – Licences Location



AUSMON - ROBUST JV

EL 6413, EL 6415, EL 6416 and EL 6417 - NSW (earning 85%)

Operator: Robust Resources Limited

Work during the Quarter consisted of anomaly highlighting and data compilation for planning the 2010 field exploration program and preparation of reports to satisfy the current year licence obligations (Tenement Year ends on 16 May 2010 and Annual Reports are due on 16 June 2010 to the Department of Primary Industries)

New EL 3818, at Pooraka

This EL of 30 graticular units, covering the area between the northern and southern segments of Pooraka EL 6413, was granted on 8 February 2010, pending completion of documentation and provision of \$10,000 performance security. Pooraka EL 6413 and EL 3818 remain highly prospective for gold, and lead-zinc-silver deposits, with untested targets, and gold anomalies/ intersections, close to, and on strike from, Mt Boppy.

Cumnock EL 6417

Recent work on the Gumble segment (highly prospective for skarn and skarn-related deposits) highlighted four significant copper and/or gold anomalies, including two quite good drill targets. These are situated about 1km from Delaneys Dyke.

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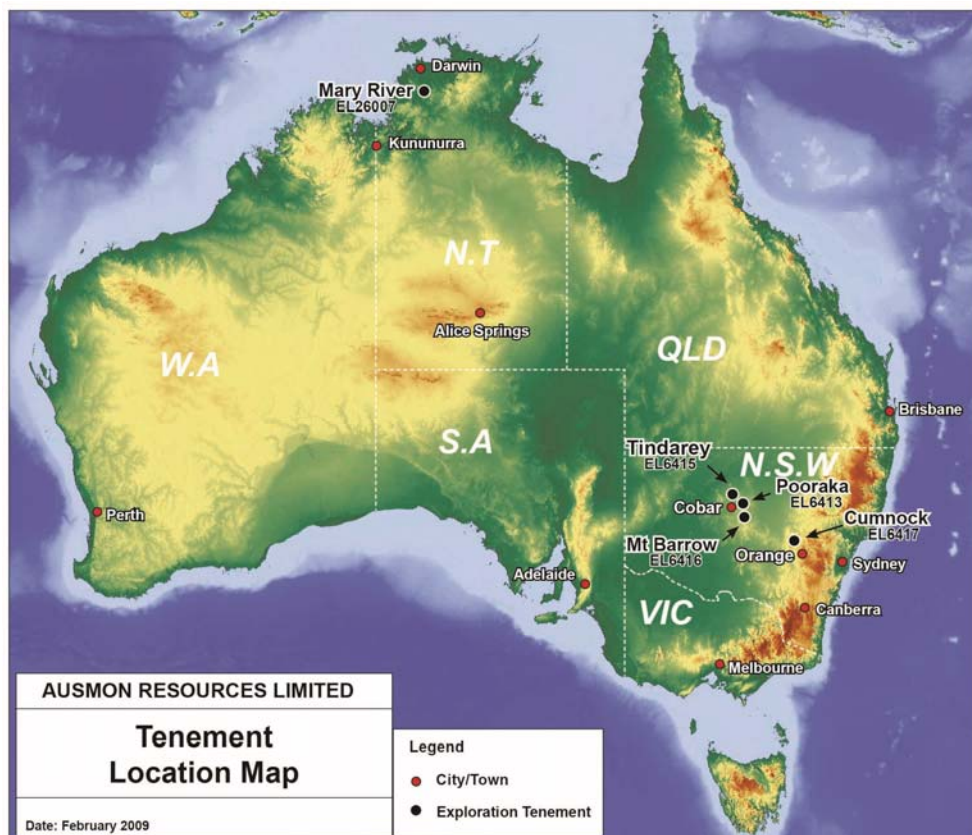
Also, recent work on the northern (Mt Catombal) segment highlighted two strong copper-gold anomalies designated “Turner’s Anomaly” and “Lawrence’s Anomaly”. The host Cuga Burga Volcanics are prospective for Cadia type epithermal copper-gold deposits associated with hydrothermal (epidote-silica-calcite-chlorite) alteration. These anomalies will require drilling in 2010. Emphasis in the next Quarter will be on data reduction and anomaly highlighting.

MARY RIVER EL 26007, NEAR PINE CREEK, NT (100%)

Operator: Ausmon Resources Limited

This EL is located east of Pine Creek, on the SW boundary of the Mt Evelyn 1:250,000 geological sheet. At renewal of the EL in October 2009, the Company has applied to retain 4 graticular sub blocks (about 12.5 sq Kms) making up the northern part of the EL which has potential for vein and stockwork mineralisation along granite/country rock contact zones, and alluvial gold in river and stream sediments.

No field work has been carried out in this EL during the Quarter.



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(The information in this report that relates to Exploration Results is based on information compiled by Dr Pieter Moeskops, the principal of Agaiva Holdings Pty Ltd and a member of The Australasian Institute of Mining and Metallurgy.

Dr Moeskops has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activities which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Moeskops consents to the inclusion in this report of matters based on his information in the form and context in which it appears.)

John Wang
Executive Director/Secretary



Appendix 5B

Mining exploration entity quarterly report

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

Name of entity

AUSMON RESOURCES LIMITED

ABN

88 134 358 964

Quarter ended ("current quarter")

31 MARCH 2010

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (6 months) \$A'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(99)	(287)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	24	71
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other - GST	(17)	(11)
Net operating cash flows		(270)	(634)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a)prospects (b)equity investments (c)other fixed assets	- (1)	(1,211) (31)
1.9	Proceeds from sale of: (a)prospects (b)equity investments (c)other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other		
Net investing cash flows		(1)	(1,242)
1.13	Total operating and investing cash flows (carried forward)	(271)	(1,876)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(271)	(1,876)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	279	1,479
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (capital raising costs)	(13)	(53)
	Net financing cash flows	266	1,426
	Net increase (decrease) in cash held	(5)	(450)
1.20	Cash at beginning of quarter/year to date	2,403	2,848
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	2,398	2,398

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

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	-
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	

Non-cash financing and investing activities

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

In February 2010, the Company issued 4,284,000 fully paid ordinary shares at \$0.25 per share with the subscription money offset against amounts due and payable to consultants for past and future services. 2,142,000 Options A on 1:2 basis were granted to the subscribers for no additional consideration.

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	

+ See chapter 19 for defined terms.

3.2 Credit standby arrangements		
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Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	450
4.2 Development	-
Total	450

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	71	241
5.2 Deposits at call	2,327	2,162
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	2,398	2,403

Changes in interests in mining tenements

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

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

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

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>	-	-	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	59,620,004	34,100,004		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	5,400,000	5,400,000		
7.5 +Convertible debt securities (Converting notes)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i> Listed Option Unlisted Option A	Conversion of one ordinary share per option 33,750,000 2,700,000	21,475,000	<i>Exercise price</i> \$0.80 \$0.50	<i>Expiry date</i> 30 June 2014 30 June 2011
7.8 Issued during quarter	2,700,000		\$0.50	30 June 2011
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act [or other standards acceptable to ASX \(see note 4\)](#).
- 2 This statement does ~~/does not*~~ [\(delete one\)](#) give a true and fair view of the matters disclosed.



Sign here: Date: 30 April 2010
(Company secretary)

Print name: John Wang

Notes

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

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+ See chapter 19 for defined terms.