



27 January 2011

Company Announcements Office
ASX Limited

ACTIVITIES REPORT DECEMBER 2010 QUARTER

Highlights

North America

- Premium Exploration Inc. continued to encounter and extend gold mineralization in 100% of drilling in the 10,000 meter Phase-3 drill program that was completed in the quarter at the Friday-Petsite Gold Project, Idaho, USA.

Australia

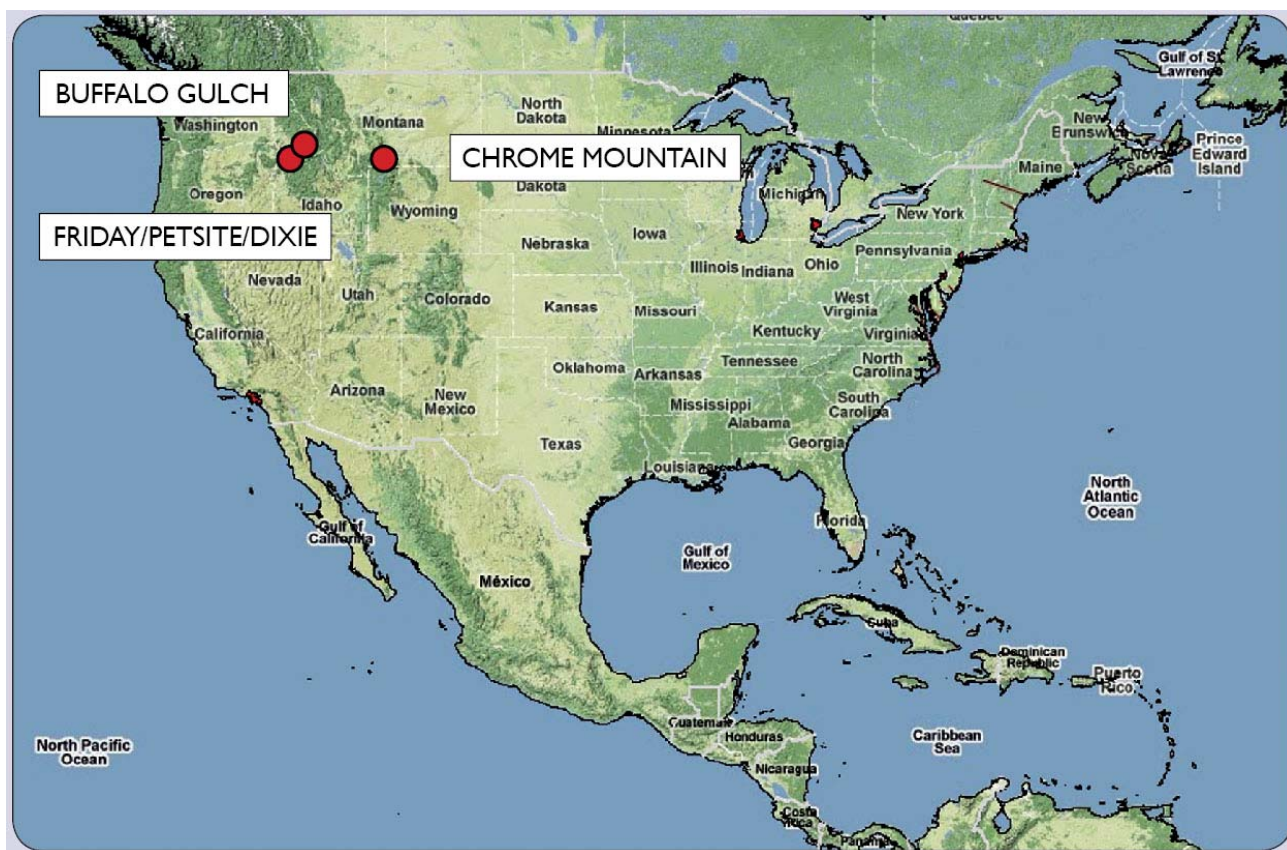
- The drilling programme planned for the December quarter within EL 6400 at Koonenberry did not proceed due to heavy rain preventing access to sites. Drilling is presently planned for early February 2011, weather permitting,
- Earlier detailed (1:500, 1:1000) field mapping and sampling of EL 6424, focused on the Wertago-Eclipse-Bradys-Copper Well-Bunker Hill area, and the Nutherungie Silverfield area, with emphasis on possible gold targets at Eclipse and Bradys. Recent report on current and historical geophysical data gleaned 10 new targets.
- Application (ELA 4092) made for 9 graticular units (approx 26 sq km) abutting the northwest part of EL 6400, and covering the western part of the Black Mountain Silverfield. Near Rawlins Tank, the ELA covers old diggings and geochemical anomalies that were not fully investigated by earlier explorers.



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 Idaho and Montana, USA. 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) and a platinum group metals exploration project in Montana.



Premium Exploration Inc.'s - Location of Projects in USA

PEM has continued to obtain exciting results during and since the end of the quarter in their 10,000 meter Phase-3 drilling program that was completed in December 2010 at the Friday-Petsite Gold Project in Idaho, USA. Public announcements of PEM on exploration and drilling results can be viewed on their website and are also posted on the website of the Company (under Investor Centre - Announcements page).

INTERESTS IN KOONENBERRY BELT
ELs 6400, 6424 and 6464 - NSW (100%)

The Company holds 100% interests in ELs covering a total area of 753 sq kms in the highly prospective and under-explored Koonenberry Belt.

ELs 6400 and 6464 contain the extensive Grasmere and Peveril Cu-Zn-Ag-Au deposits, which contain an indicated and inferred JORC compliant resource of 5.75 Mt (million tonnes) @ 1.03% Cu, 0.35% Zn, 2.3 g/t (gram/tonne) Ag and 0.05 g/t Au (Inferred: 2.73 Mt grading 0.9% copper, 0.4% zinc, 0.04 g/t 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).

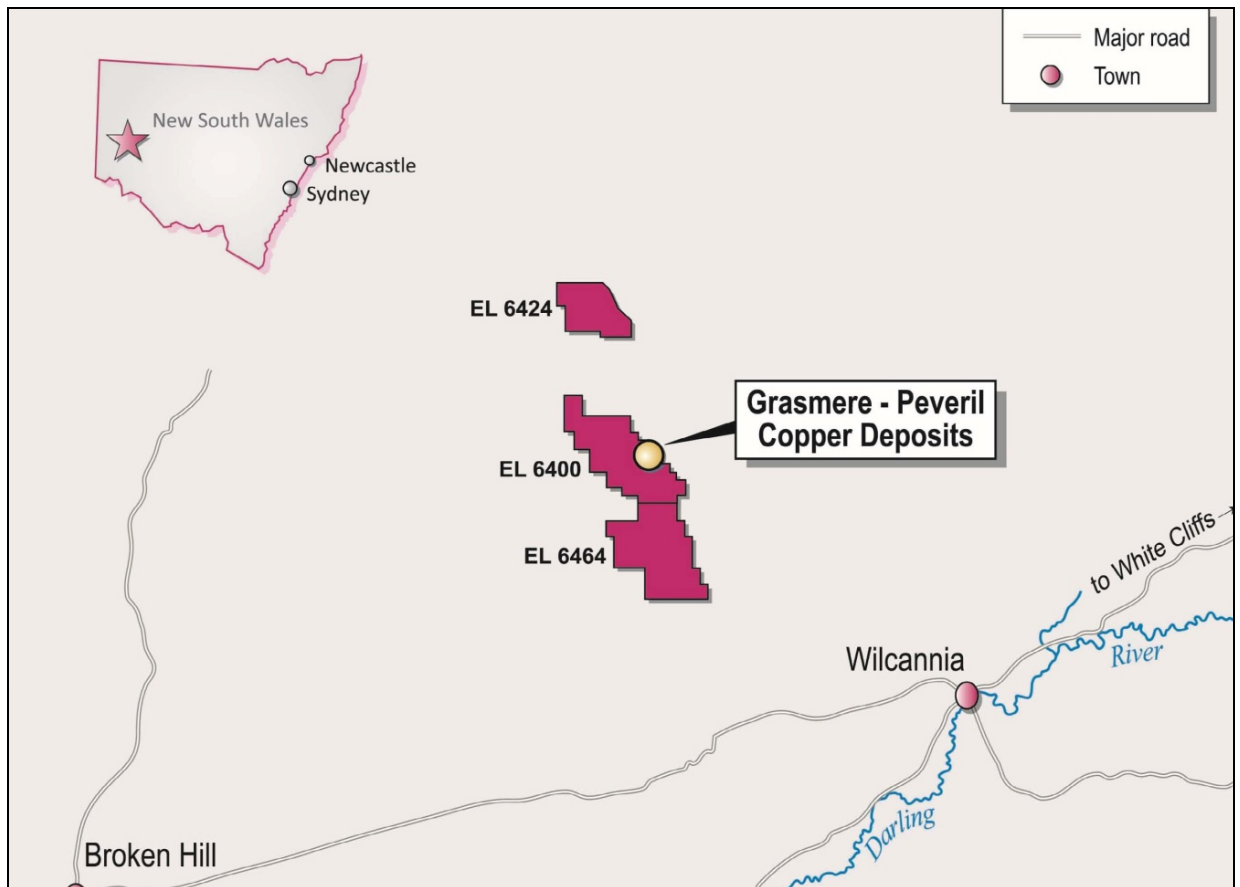
EL 6424 contains the historic Wertago Copper Field and Nutherungie Silver Field,

During the December quarter, despite continuing wet weather, 2 weeks of difficult and uncomfortable field work was undertaken to mark out and image 12 drill sites on EL 6400 and 6 on EL 6424, organise access and co-operation of landholders, and organise logistics for drilling. This work was also required for preparation of applications to the DPI for Surface Disturbance Notices (SDNs) and Reviews of Environmental Factors (REFs) in the case of EL 6424. These reports were also prepared and submitted during the quarter and have recently been approved without modification.

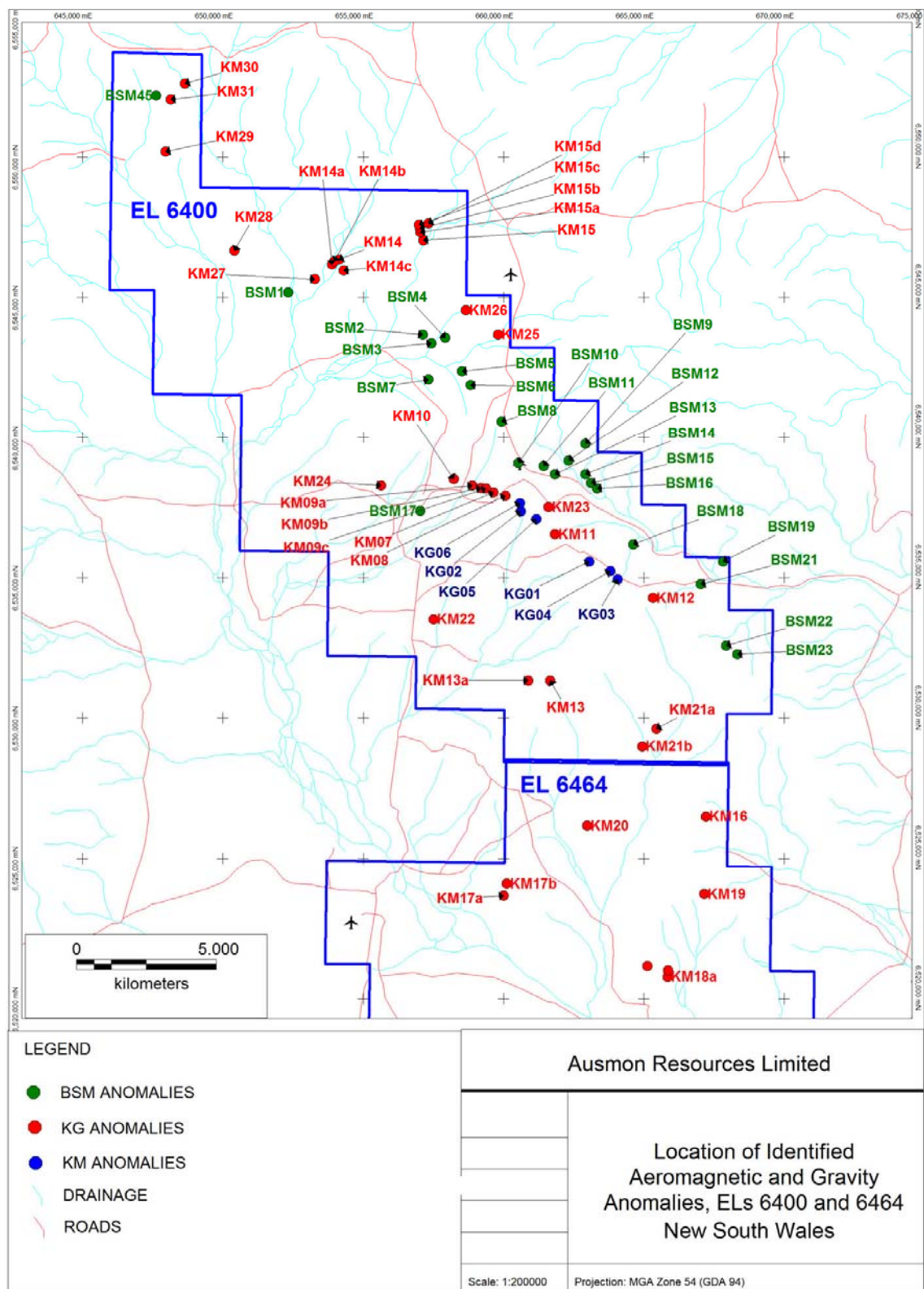
As noted September Quarter, 32 targets for follow up work were gleaned on ELs 6400 and 6464, including extensions to the Grasmere-Peveril mineralisation, parts of the Black Mountain Silverfield, and one interesting gold target. Wet weather delayed the checking out of these which is now scheduled to begin in February 2011. Of the above mentioned 12 drill sites, 9 (3 diamond and 6 RC percussion) were chosen for initial drilling. All are designed to locate extensions to the Grasmere-Peveril mineralisation. Drilling was proposed for December 2010, but delayed by rain, and is now planned for early February 2011. The Black Mountain Silverfield was also visited in the Quarter and several strikingly gossanous targets examined, however proposed holes were not marked out as detailed mapping and sampling are required as a preamble. That work will be done in February and March 2011.

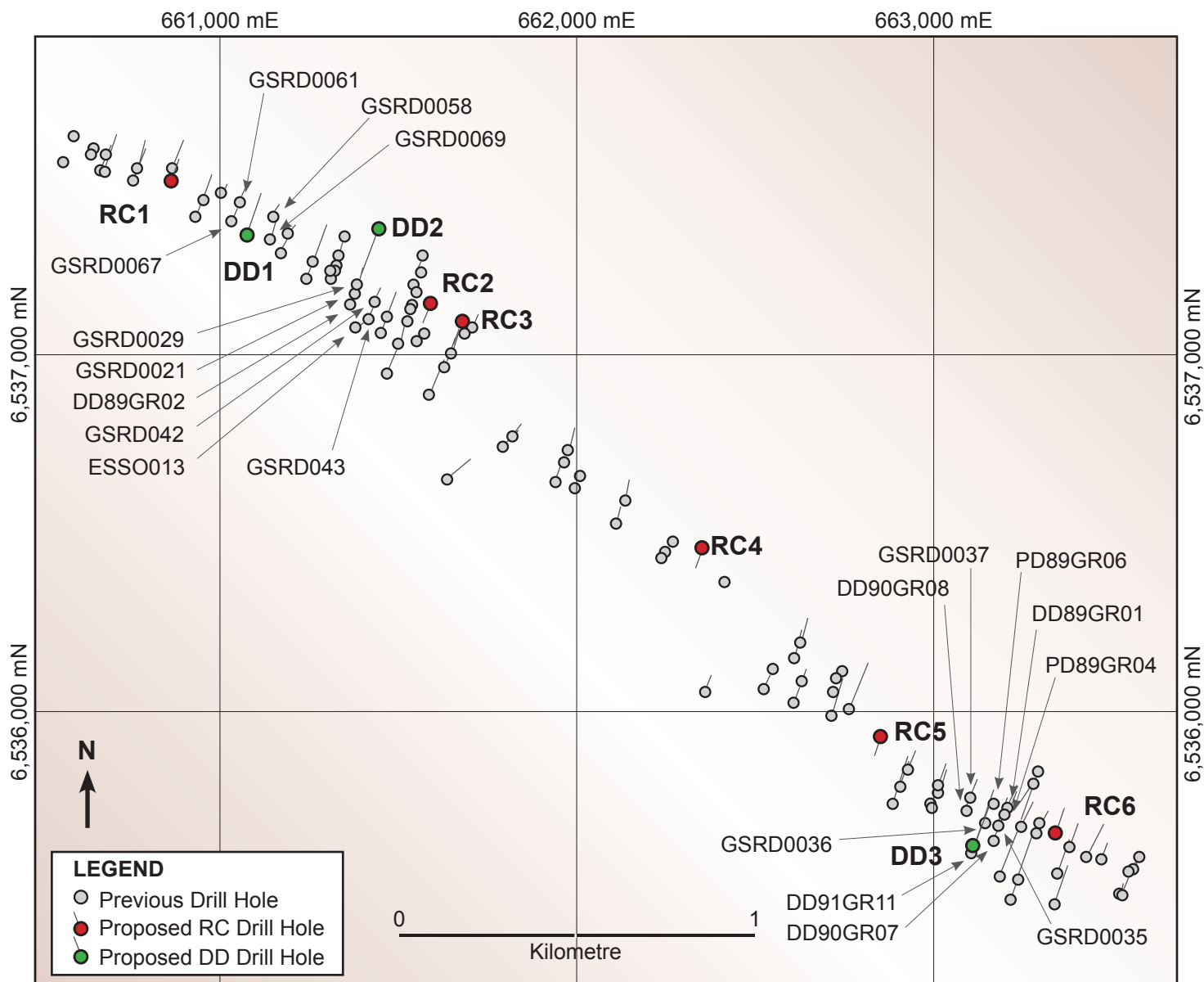
Detailed mapping and sampling of EL 6424 during the September Quarter resulted in 49 rock chip samples being collected from the Wertago-Eclipse-Bradys-Copper Well-Bunker Hill area, and from the Nutherungie Silver Field, and submitted for multi element analysis. Gold values were of prime interest, ranging from 5 to 345 ppb (parts per billion) with the highest values at Eclipse and Bradys. The 6 above mentioned holes were designed to test these targets. With permission to drill now received, four of these holes will be drilled after the 9 Grasmere-Peveril holes, in February or March, 2011. Meanwhile analysis of recent and historical geophysical data on EL 6424 has turned up 10 additional targets requiring follow up work, most likely leading to drilling in some cases. This work is planned for March, 2011.

Application (ELA 4092) was made for 9 graticular units (approx 26 sq km) abutting the northwest part of EL 6400, and covering the western part of the Black Mountain Silverfield. Near Rawlins Tank, the ELA covers old diggings and geochemical anomalies that were not fully investigated by earlier explorers.

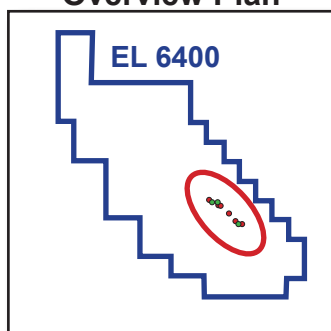


Koonenberry Belt – Licences Location





Overview Plan

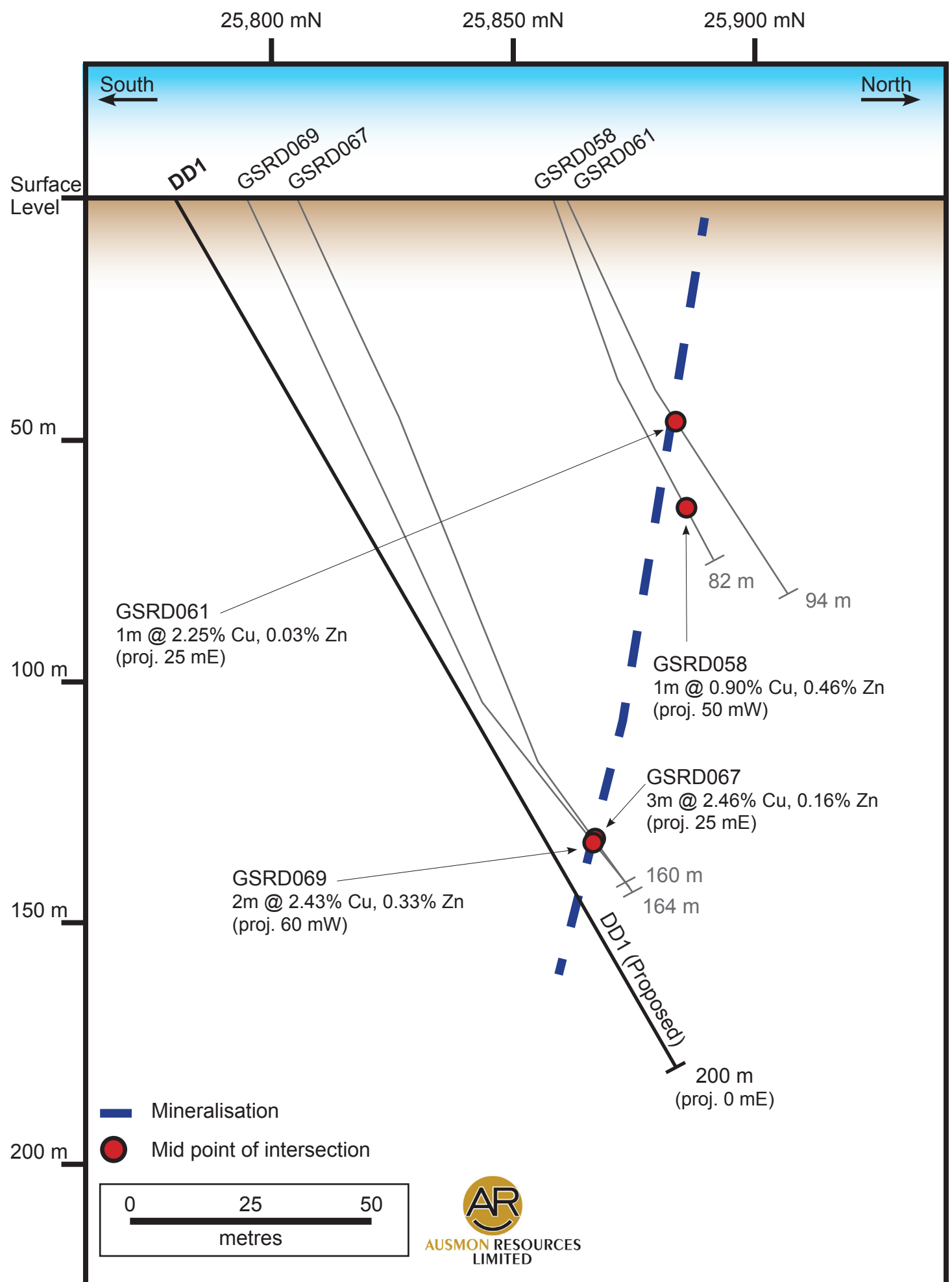


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**KOONENBERRY PROJECT
EL6400 GRASMERE NSW
Plan of Previous and
Proposed Drill Holes**

Projection: MGA Zone 54 (GDA 94)

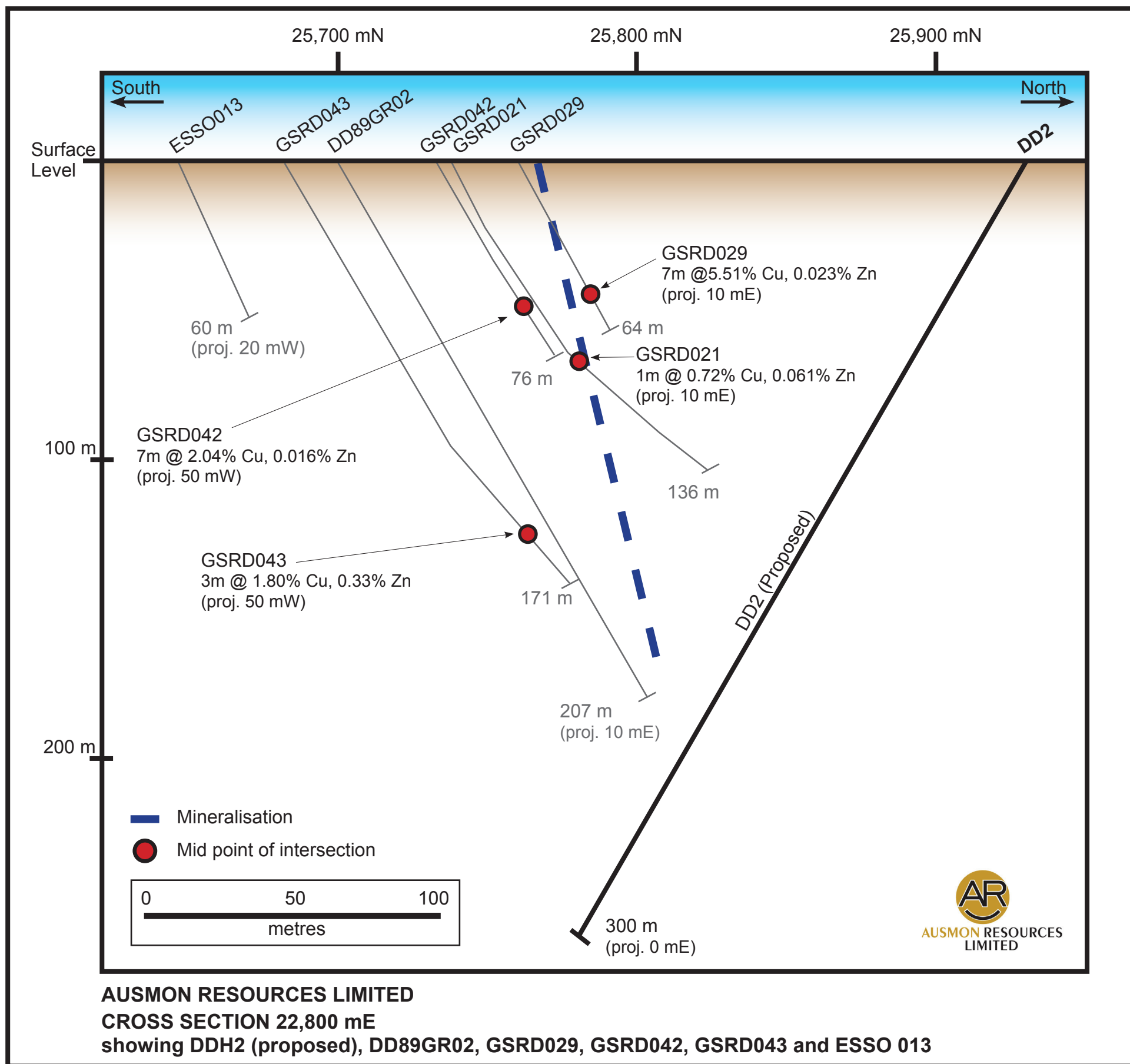
January 2011

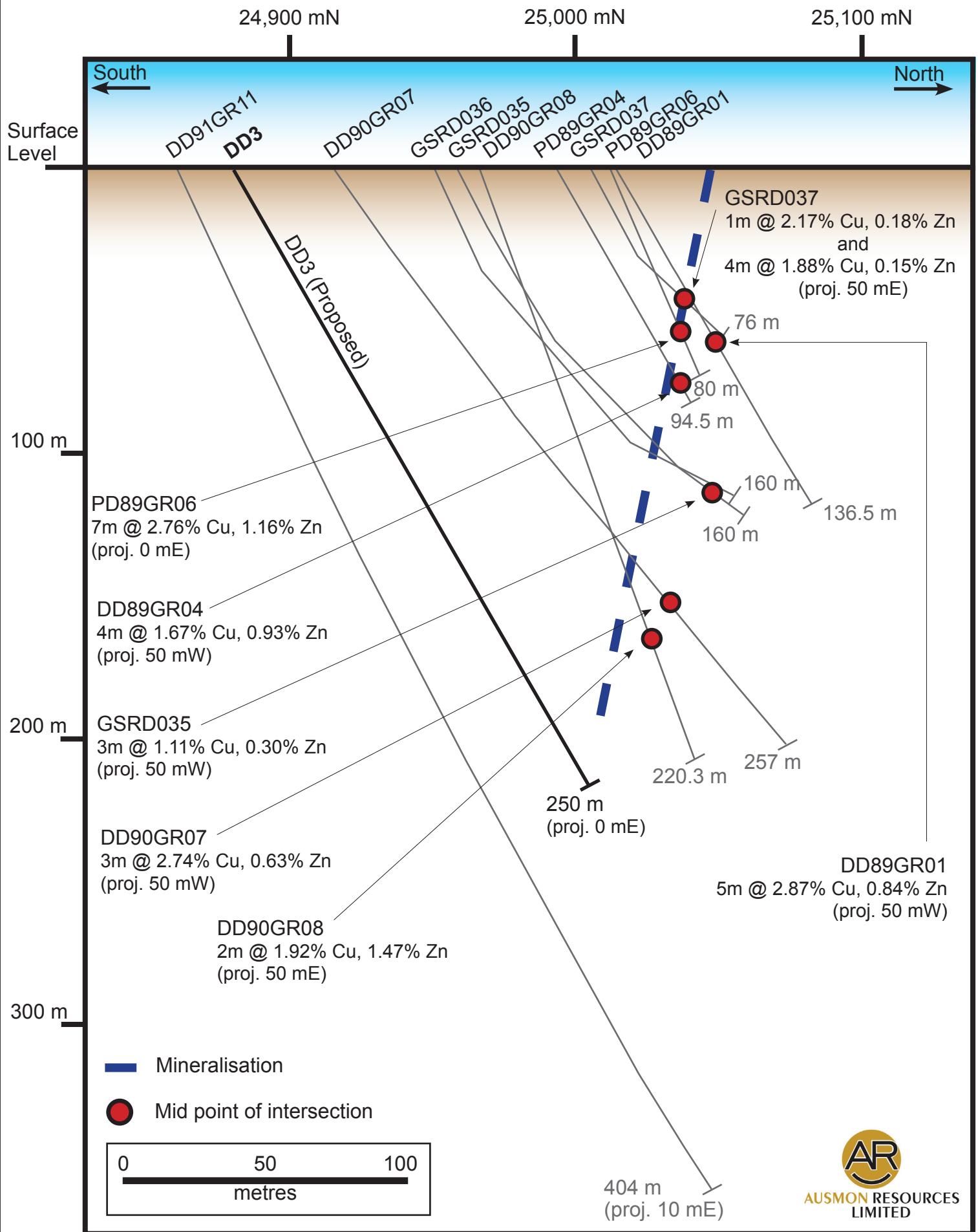


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CROSS SECTION 22,450 mE

showing DDH1 (proposed), GSRD061, GSRD067, GSRD058 and GSRD069





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CROSS SECTION 24,950 mE

showing DDH3 (proposed), PD89GR06, GSRD036, DD91GR11, GSRD037, DD90GR08, DD90GR07, GSRD035, PD89GR04 and DD89GR01

AUSMON - ROBUST JV**EL 6413, EL 6415, EL 6416 and EL 6417 - NSW (earning 85% to May 2011)****EL 7564 - NSW (85%)***Operator: Robust Resources Limited*

Pooraka ELs 6413 and 7564 are considered the most prospective, followed by Cumnock EL 6417 and Mt Barrow EL 6416. Tindarey EL 6415 has been disappointing from the last drill results and is to be relinquished.

Pooraka EL 7564 and EL 6413

EL 7564 of 30 graticular units was granted in June 2010. This EL and EL 6413 remain highly prospective for Au, and Pb-Zn-Ag deposits, with untested targets, and gold anomalies/ intersections, close to, and on strike from, Mt Boppy. The main target is the Mt Boppy/ Hardwicks/ Langbein /McGuinness gold trend. Exploration in progress consists of filtering of magnetic data, ground magnetics, and bedrock sampling of selected targets (planned for early 2011). Targets, if warranted, will then be RC percussion drilled.

Cumnock EL 6417

As previously reported, work on the Gumble segment (prospective for skarn and skarn-related deposits) highlighted 4 significant Cu and/or Au anomalies, including 2 good drill targets, each located about 1km from the Delaneys Dyke mineralisation.

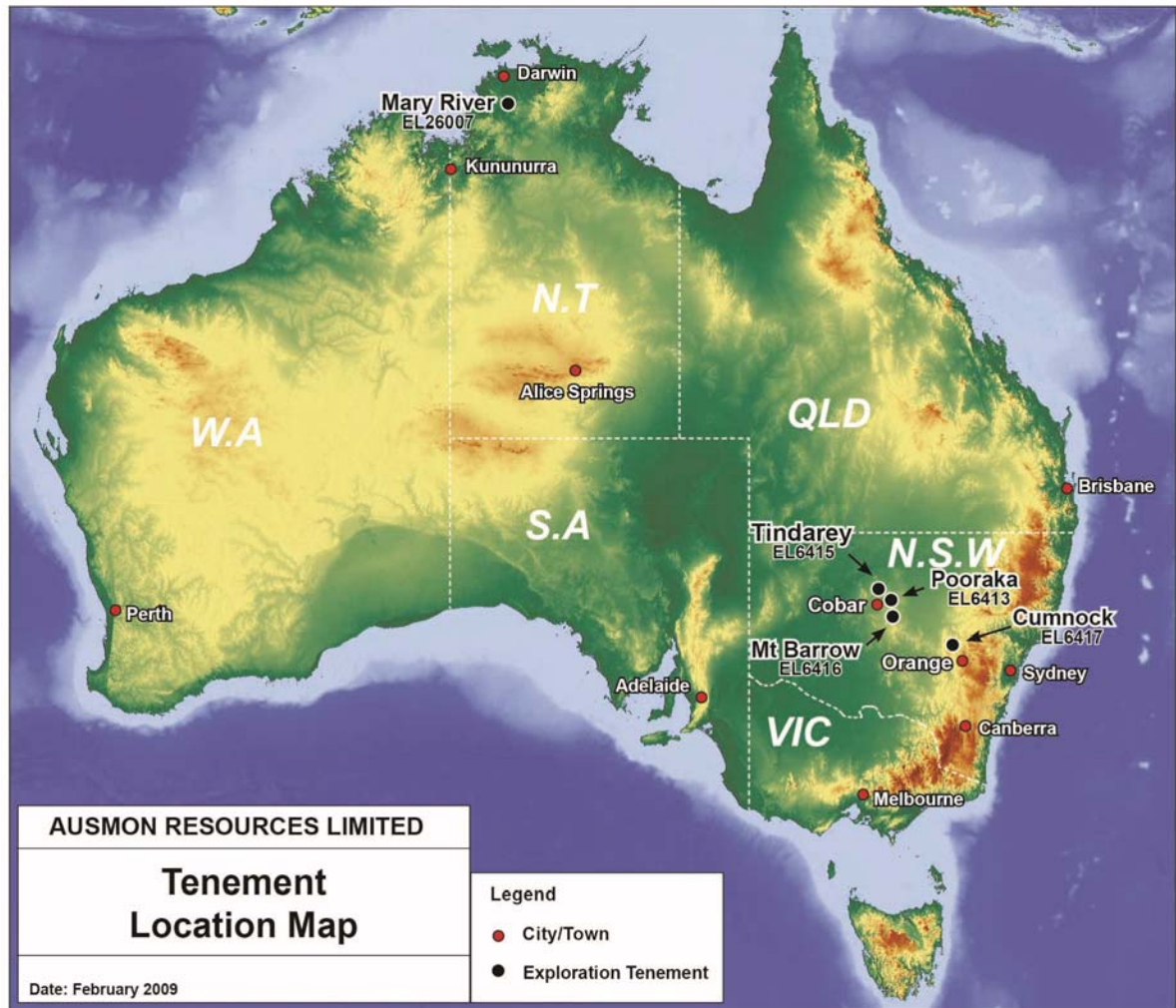
Also, work on the Mt Catombal segment highlighted 2 strong Cu-Au anomalies designated "Turner's Anomaly" and "Lawrence's Anomaly". Those areas are prospective for Cadia type epithermal copper-gold deposits associated with hydrothermal alteration. The Company plans to drill test these anomalies in first half of 2011.

Mt Barrow EL 6416

New targets have been checked out. Developing a concept to deep drill beneath Glengarry gossans to check for a hidden porphyry or epithermal Cu-Au resources. Meanwhile other targets are also being examined.

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

This EL is located east of Pine Creek, on the SW boundary of the Mt Evelyn 1:250,000 geological sheet. No field work has been carried out in this EL during the Quarter. The Company commenced the process of relinquishing this EL on the grounds of low prospectivity, limited size, and difficult access.



(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, 01/06/10.

Name of entity

AUSMON RESOURCES LIMITED

ABN

88 134 358 964

Quarter ended ("current quarter")

31 DECEMBER 2010

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'ooo	Year to date (6 months) \$A'ooo
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(146) (124)	(302) (252)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	15	34
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (provide details if material) - GST	40	79
	Net Operating Cash Flows	(215)	(441)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	-	(200)
1.9	Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
	Net investing cash flows	-	(200)
1.13	Total operating and investing cash flows (carried forward)	(215)	(641)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(215)	(641)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (capital raising costs)		
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(215)	(641)
1.20	Cash at beginning of quarter/year to date	1,512	1,938
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	1,297	1,297

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

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

Financing facilities available

Add notes as necessary for an understanding of the position.

Amount available \$A'000	Amount used \$A'000
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+ See chapter 19 for defined terms.

3.1	Loan facilities		
3.2	Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	350
4.2 Development	
4.3 Production	
4.4 Administration	125
Total	475

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	62	93
5.2 Deposits at call	1,235	1,419
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	1,297	1,512

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	65,870,004	40,350,004		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	3,350,000	3,350,000		
7.5	+Convertible debt securities <i>(description)</i>				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options <i>(description and conversion factor)</i>	One ordinary share per option		<i>Exercise price</i>	<i>Expiry date</i>
		33,750,000	21,475,000	\$0.80	30 June 2014
		2,900,000	-	\$0.50	30 June 2011
7.8	Issued during quarter				
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 give a true and fair view of the matters disclosed.



Sign here: Date: 27 January 2011
(Director/Company secretary)

Print name: John Wang

Notes

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

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