

**AUSMON RESOURCES LIMITED
AND CONTROLLED ENTITY**

ABN 88 134 358 964

**Half-Year Financial Report
31 December 2014**

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CORPORATE DIRECTORY

Directors

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

Home Stock Exchange

ASX Limited
20 Bridge St
Sydney NSW 2000

ASX Code: AOA

Company Secretary

John Q Wang

Registered Office

World Tower
Suite 1312
87-89 Liverpool Street
Sydney NSW 2000
Telephone: 61 2 9264 6988
Facsimile: 61 2 9283 7166
Email: office@ausmonresources.com.au

Website

www.ausmonresources.com.au

Share Registry

Boardroom Pty Limited
Level 7
207 Kent Street
Sydney NSW 2000
Telephone: 61 2 9290 9600
Facsimile: 61 2 9279 0664

Solicitors

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

Auditors

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

REVIEW OF OPERATIONS

Highlights

Exploration

- **Koonenberry EL 6424:**

Located near White Cliffs (covers the Wertago copper and Nuntherungie silver fields). Following the Company's April-May 2014 gravity survey and interpretation, drill targets were further honed. Drilling of two gravity lows to test for sulphide concentrations, analogous to those found in and about known porphyry Cu-Au systems, was planned for November 2014. But the drilling had to be deferred to May 2015 because drilling permission from Government was received too late on 4th December 2014 when the hot summer season presents high health risk for personnel. The Company was successful in securing funding of \$38,750 (50% of direct drilling costs) through the NSW Government's Cooperative Drilling (2014) program.

Detailed geological examination of historic diggings revealed a widespread presence of quartz-feldspar porphyry dykes.

- **Koonenberry ELs 6400 and 6464:**

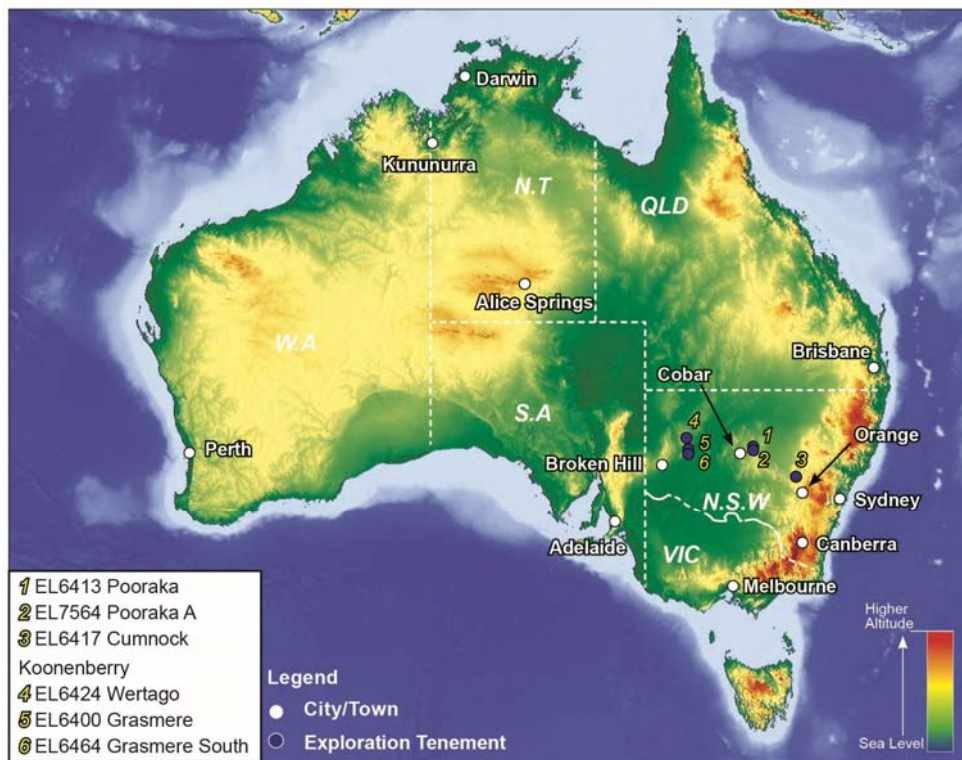
Extensive RC percussion drilling of suspected WNW extensions to the Grasmere-Peveril "line of lode" is planned for February/March 2015.

- **Cumnock EL 6417:**

The Annual Report to the Department of Industry ("Department") submitted in June 2014, was accepted. The EL contains prime targets for skarn-type Cu-Zn-Sn-Ag-Au mineralisation. A site visit in January 2015 marked and imaged some targets as a precursor to a decision on drilling prior to May 2015. The Directors are currently considering their options under the exploration licence.

- **Pooraka joined ELs 6413 & 7564:**

The Annual Reports for both ELs, submitted to the Department in June 2014, were accepted. The application to renew EL 7564 for a further 2 years, to June 2016, was also approved with 50% area reduction. These 2 joined ELs are proximal to, and on strike from, the nearby Mt Boppy gold-copper deposits, and contain several drill ready targets. Ground based TDEM (time domain electromagnetic) survey is planned for February/ March 2015 to detect deep conductors in the 2 main sub-areas of interest. That survey is designed to further hone targets in areas of interest, as a precursor to drill testing any conductors.



**Figure 1 – List of Licences and Locations in New South Wales, Australia
 – Company holds 100% interest in all licences**

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

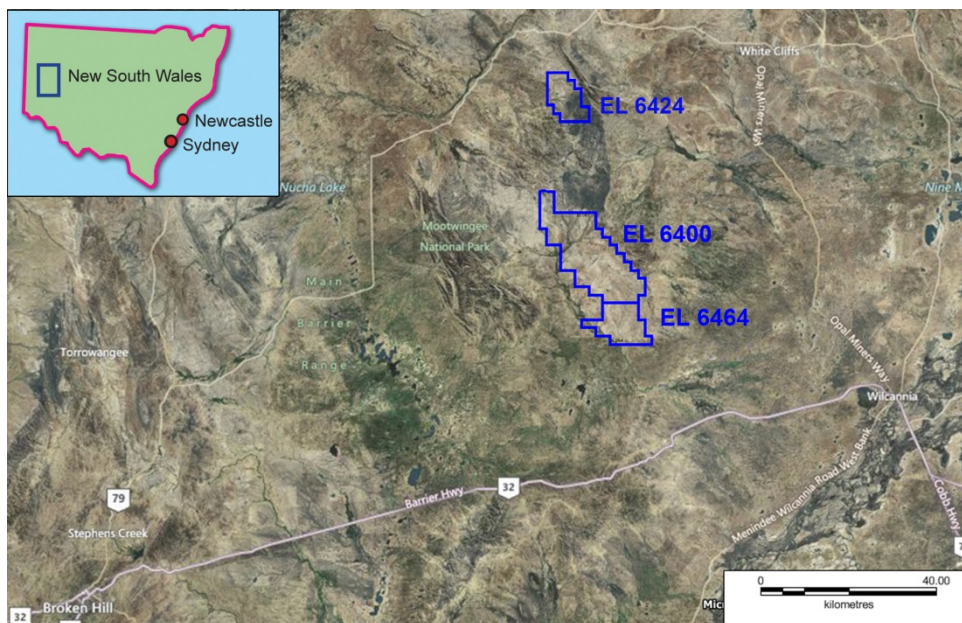


Figure 2 - Location map of Koonenberry Exploration Licences

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). The 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.

In late 2011, a detailed (1:1000 scale) fault delineation and lithological mapping has led to discovery of a probable new, south-east displaced, fault bounded slice of the “line of lode”, roughly one km north of the Company’s June 2011 drilling area. Lithological, fault line, and aeromagnetic evidence also pointed to further extensions to the west-north-west. Mapping and prospecting continued to locate new features, including narrow, late stage, cross-cutting veins presenting at surface as silicified ironstones. Portable XRF (Niton) field testing of these detected the presence of Cu and Zn, as seen in the Grasmere-Peveril line of lode. In July 2013, and November 2014 trips were made to check a suspected WNW extension which express at surface as lines of gypsum bearing sink holes associated with high Cu soil anomalies. Since then targets have been honed and application made to test these targets at depth in 3 locations (see Figure 3) using RC-percussion drilling. Drilling is planned for February or March 2015, with initial activity focused on the central target near Wilandra Station (see Figure 4).

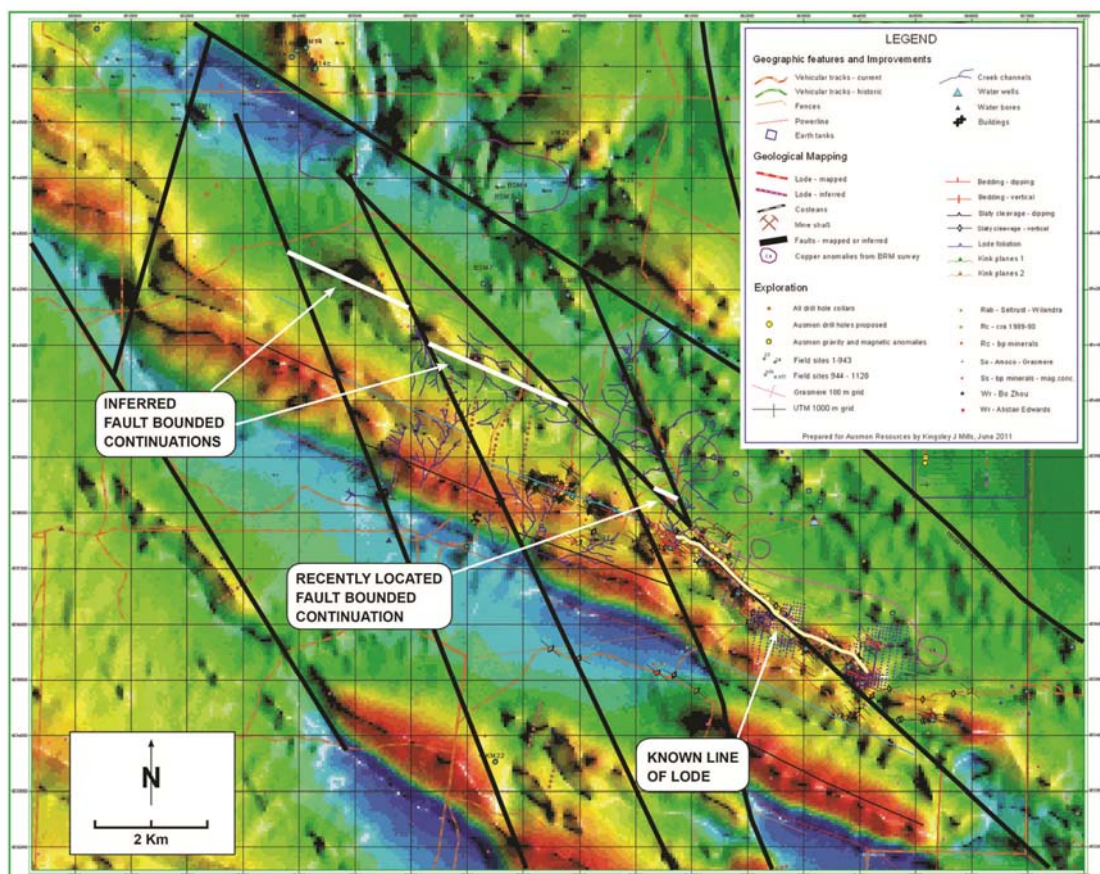


Figure 3 - EL 6400 – Probable WNW Extensions to Grasmere Peverill Line of Lode

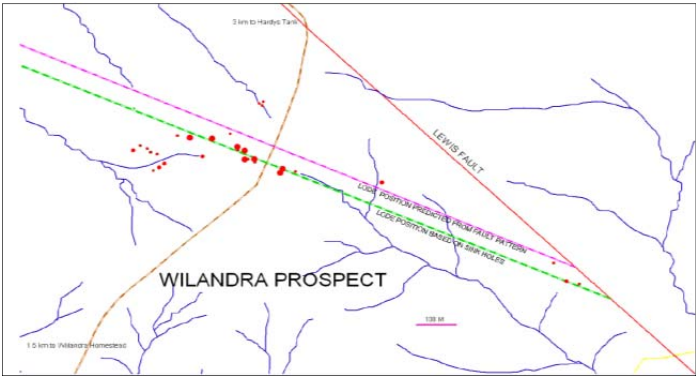


Figure 4 - EL 6400—Detail of Initial Target Area near Wilandra Station

EL 6424: This EL covers the Wertago copper diggings and Netherungie silver field, where a detailed (250 station) gravity survey was undertaken in April 2014 and interpreted in detail in May 2014 (see Figure 5).

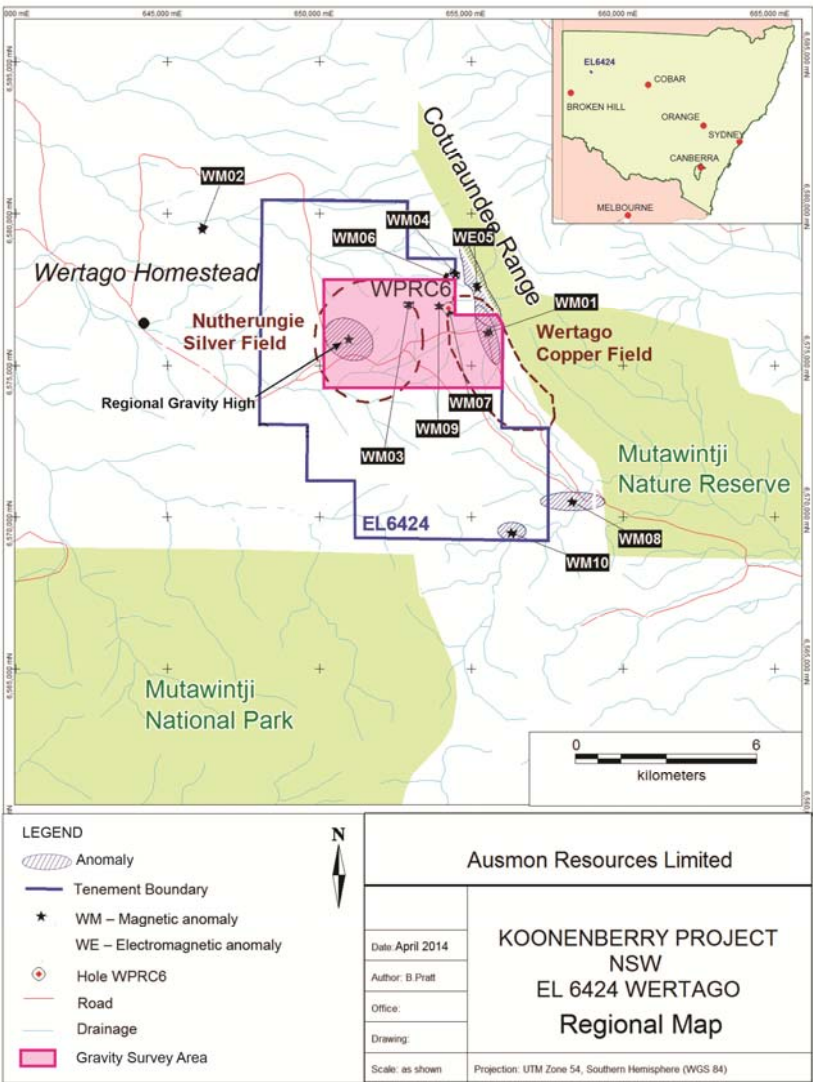


Figure 5 - Gravity Survey Area on EL 6424

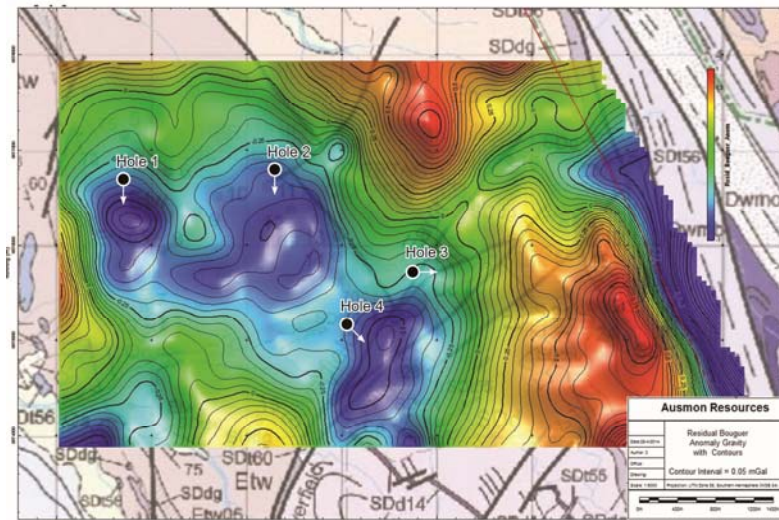


Figure 6 - Proposed Drill Holes in EL 6424

The silver field is strongly suspected to represent the epithermal cap above a concealed porphyry (Cu-Ag-Au) system, which should express as a gravity low. Regional data revealed a broad gravity high over the silver field, but the detailed survey revealed several gravity lows, at relatively shallow depths (ie 250-270 metres, and 320 metres) in the central-western part of the EL. The original plan was to test those with 2 steep drill holes of 400 metres and 450 metres length, but after considerable discussion a third gravity low, residing in the Silverfield fault zone was also deemed to be 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 400 metres – 450 metres length. These are shown as Hole 2 and Hole 4 in Figure 6. In September 2014, the Department agreed to fund half of direct drilling costs, under the Department's New Frontiers Co-operative Drilling (2014) Program. Drilling was planned for November 2014, had to be deferred to May 2015 because drilling permission from Government was received too late on 4th December 2014 when the hot summer season presents high health risk for personnel.

Detailed geological examination of historic diggings has also revealed a widespread presence of quartz-feldspar porphyry dykes.

ACTIVITIES NEAR ORANGE- Gold, Silver and Base Metal Exploration

EL 6417-Cumnock- NSW (100%)

Drilling in prior periods 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+ metres 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 7). 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 of these targets have been visited, marked and imaged during January 2015 for assessment and as a precursor to a decision on drilling prior to May 2015. The Directors are currently considering their options under the exploration licence.

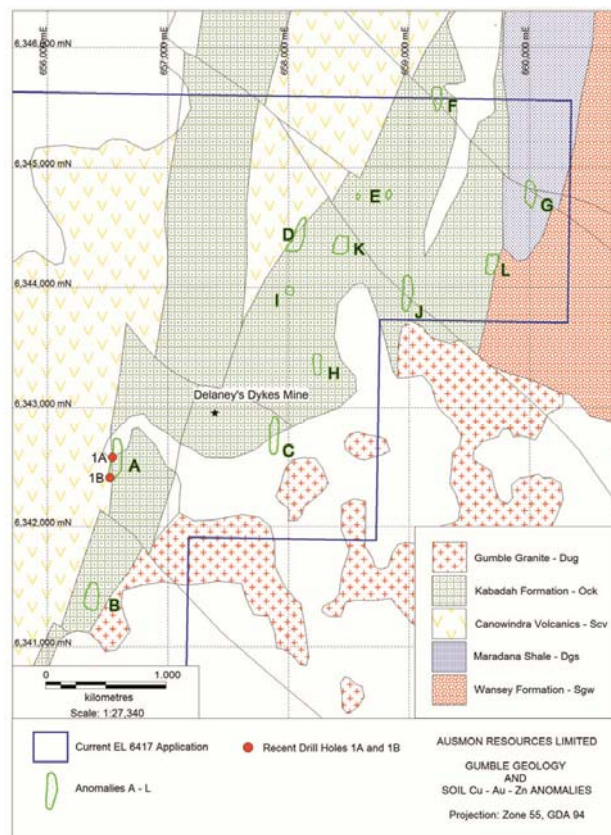


Figure 7 – EL 6417 - Gumble Geology and Soil Cu-Au-Zn Anomalies

ACTIVITIES NEAR COBAR - Gold, Silver and Base Metal Exploration

ELs 6413 and 7564 – NSW (100%)

Joined ELs 6413 & 7564, located at Pooraka, 50 km east of Cobar, contain several gold and base metal target areas gleaned from the Company's earlier exploration work. However, much of these two highly prospective ELs is hidden beneath deep soils and magnetic palaeo channels. The Company plans to undertake a ground based electromagnetic survey (TDEM survey) to test for hidden conductors in two known areas of interest in February /March 2015.

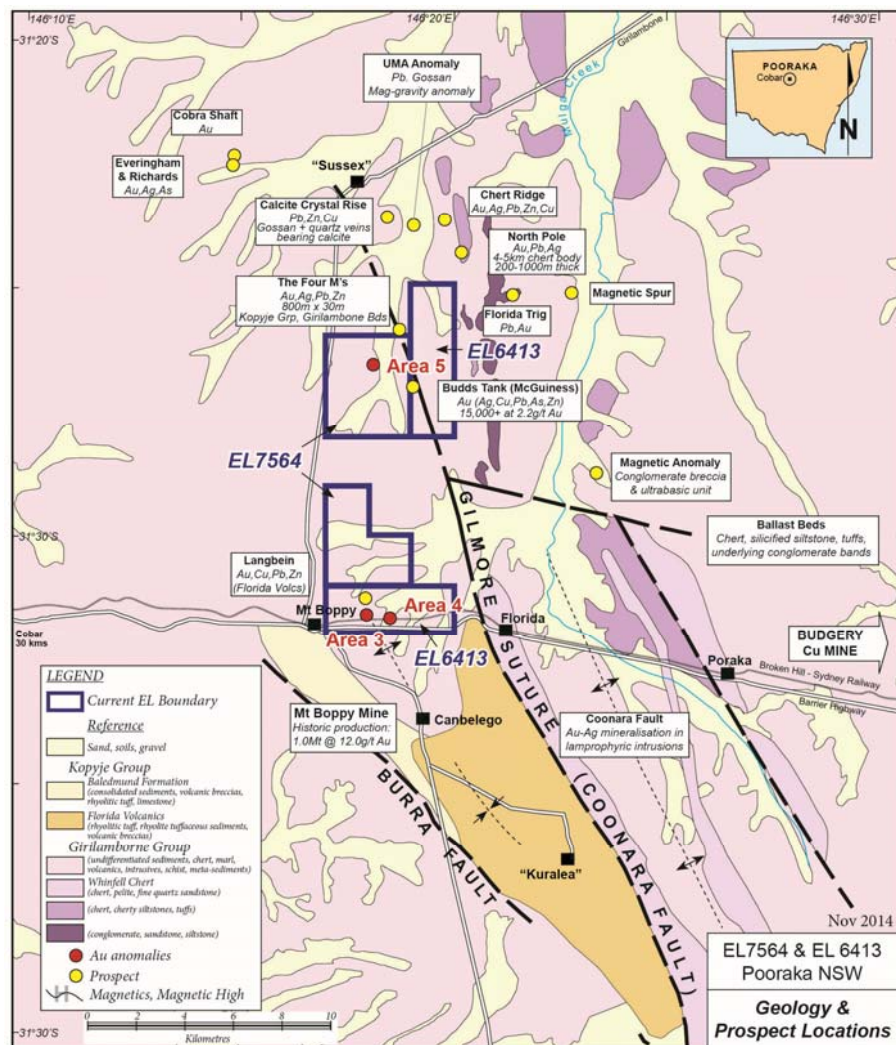


Figure 8 – Geology and Prospect Locations of Pooraka Project

LICENCES STATUS

Tenement	Project Name	Location	Beneficial Interest	Renewed to
EL 6400	Koonenberry	NSW	100%	31 March 2015
EL 6424	Koonenberry	NSW	100%	25 May 2015
EL 6464	Koonenberry	NSW	100%	18 September 2016
EL 6417	Cumnock	NSW	100%	16 May 2015
EL 6413	Pooraka	NSW	100%	16 May 2015
EL 7564	Pooraka	NSW	100%	17 June 2016

(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 reorganised 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. He continues to be responsible for finance and company secretarial matters to limit 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 and to supplement the cash available at 31 December 2014 of \$553,634.

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 \$402,992 which included \$310,446 write off of exploration and evaluation expenditure.

Financial Position

Cash at 31 December 2014 was \$553,634 (30 June 2014: \$707,785) whereas current assets was \$568,846 (30 June 2014: \$742,665) made up substantially of cash.

Current liabilities were \$21,955 (30 June 2014: \$49,861) reduced as creditors have been paid off using cash during the period.

Net assets decreased from \$3,477,359 at 30 June 2014 to \$3,074,367 at 31 December 2014 mainly as a result of the write off of \$310,446 of exploration and evaluation expenditure during the half-year.

Cash Flows

Operating activities resulted in net outflow of \$112,062 (2013: outflow \$183,768) 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. 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. 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 31 December 2014, the Group had committed expenditure under its exploration licences of \$443,463 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 additional capital raisings to the \$245,000 raised on 4 February 2015.
- 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.

The Directors are however confident of the Group's ability to obtain additional funding.

As a result of these matters, there is material uncertainty related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The review opinion for the half year ended 31 December 2014 therefore includes an emphasis of matter in this regard. For further details please refer to Note 1 of the half year financial report.

DIRECTORS' REPORT

The Directors of Ausmon Resources Limited submit the financial report of the consolidated group for the half-year ended 31 December 2014.

Directors

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

Boris Patkin - Non-Executive Chairman from 17 July 2014

John Q Wang - Managing Director from 17 July 2014

Liubao Qian – Non-Executive

Gang (Gary) Zheng - Non-Executive

Operating Results

Total comprehensive loss for the half-year ended 31 December 2014 was \$402,992 (2013: loss \$294,878).

Review of Operations

A review of operations for the half-year ended 31 December 2014 is set out on pages 3 to 11.

Auditor's Independence Declaration

The auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 14, and forms part of this report.

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



John Q Wang
Director

Dated this 25th day of February 2015

Level 17, 383 Kent Street
Sydney NSW 2000

Correspondence to:
Locked Bag Q800
QVB Post Office
Sydney NSW 1230

T +61 2 8297 2400
F +61 2 9299 4445
E info.nsw@au.gt.com
W www.grantthornton.com.au

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 2014, 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 LIMITED
Chartered Accountants



P J Woodley
Partner – Audit & Assurance

Sydney, 25 February 2015

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Level 17, 383 Kent Street
Sydney NSW 2000

Correspondence to:
Locked Bag Q800
QVB Post Office
Sydney NSW 1230

T +61 2 8297 2400
F +61 2 9299 4445
E info.nsw@au.gt.com
W www.grantthornton.com.au

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

We have reviewed the accompanying half-year financial report of Ausmon Resources Limited ("Company"), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2014, 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 consolidated 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 consolidated entity's financial position as at 31 December 2014 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 2014 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 1 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 1, 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, 25 February 2015

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 17 to 23 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 2014 and of its performance for the half-year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



John Q Wang
Director

Dated this 25th day of February 2015

**Consolidated Statement of Profit or Loss
and Other Comprehensive Income
For The Half-Year Ended 31 December 2014**

	Note	31 December 2014 \$	31 December 2013 \$
Revenue			
Interest income		7,348	4,124
		<u>7,348</u>	<u>4,124</u>
Expenses			
Depreciation expense		(152)	(1,685)
Directors' fees		-	(126,000)
Employee benefits expense		(15,395)	(31,146)
Plant and equipment written off		-	(1,467)
Exploration and evaluation expenditure written off		(310,446)	-
Other expenses	2	<u>(84,347)</u>	<u>(138,704)</u>
Loss before income tax expense		(402,992)	(294,878)
Income tax expense		-	-
Loss for the period		<u>(402,992)</u>	<u>(294,878)</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Other comprehensive income for the period, net of tax		<u>-</u>	<u>-</u>
Total comprehensive loss for the period		<u>(402,992)</u>	<u>(294,878)</u>
Loss attributable to:			
- members of the Parent Entity		<u>(402,992)</u>	<u>(294,878)</u>
Total comprehensive loss attributable to:			
- members of the Parent Entity		<u>(402,992)</u>	<u>(294,878)</u>
Earnings per share			
Basic and diluted loss per share		<u>0.24 cents</u>	<u>0.37 cents</u>

The accompanying notes form part of this financial report.

Consolidated Statement of Financial Position

As At 31 December 2014

	31 December 2014 \$	30 June 2014 \$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	553,634	707,785
Trade and other receivables	5,212	24,880
Financial assets	10,000	10,000
TOTAL CURRENT ASSETS	<u>568,846</u>	<u>742,665</u>
NON-CURRENT ASSETS		
Financial assets	70,000	70,000
Plant and equipment	-	152
Exploration and evaluation expenditure	2,457,476	2,714,403
TOTAL NON-CURRENT ASSETS	<u>2,527,476</u>	<u>2,784,555</u>
TOTAL ASSETS	<u>3,096,322</u>	<u>3,527,220</u>
CURRENT LIABILITIES		
Trade and other payables	21,955	49,861
TOTAL CURRENT LIABILITIES	<u>21,955</u>	<u>49,861</u>
TOTAL LIABILITIES	<u>21,955</u>	<u>49,861</u>
NET ASSETS	<u>3,074,367</u>	<u>3,477,359</u>
EQUITY		
Issued capital	10,473,388	10,473,388
Reserves	47,540	47,540
Accumulated losses	(7,446,561)	(7,043,569)
TOTAL EQUITY	<u>3,074,367</u>	<u>3,477,359</u>

The accompanying notes form part of this financial report.

Consolidated Statement of Changes In Equity
For The Half-Year Ended 31 December 2014

	Issued capital \$	Option reserve \$	Accumulated losses \$	Total \$
Balance at 1 July 2013	9,517,076	47,540	(6,692,505)	2,872,111
Total comprehensive loss for the period	-	-	(294,878)	(294,878)
Transactions with owners in their capacity as owners				
Issue of share capital	426,000	-	-	426,000
Balance at 31 December 2013	9,943,076	47,540	(6,987,383)	3,003,233
 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)
Balance at 31 December 2014	10,473,388	47,540	(7,446,561)	3,074,367

The accompanying notes form part of this financial report.

Consolidated Statement of Cash Flows

For the Half-Year Ended 31 December 2014

	31 December 2014 \$	31 December 2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(119,410)	(187,892)
Interest received	7,348	4,124
Net cash outflow from operating activities	<u>(112,062)</u>	<u>(183,768)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration and evaluation expenditure	(52,089)	(40,917)
Proceeds from refund of security deposits	10,000	-
Net cash outflow from investing activities	<u>(42,089)</u>	<u>(40,917)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	300,000
Net cash inflow from financing activities	<u>-</u>	<u>300,000</u>
Net (decrease)/increase in cash held	(154,151)	75,315
Cash and cash equivalents at the beginning of period	707,785	229,971
Cash and cash equivalents at the end of period	<u>553,634</u>	<u>305,286</u>

The accompanying notes form part of this financial report.

Notes to Financial Statements For the Half-Year Ended 31 December 2014

Note 1 - Basis of Preparation

These general purpose financial statements for the six months ended 31 December 2014 are presented in Australian dollar (\$), which is the functional currency of the parent company. The 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*. Compliance with Australian Accounting Standards ensures that the financial statements and notes comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Ausmon Resources Limited and its controlled entity (the Group). As such it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2014, together with any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising 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 25th February 2015.

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 accounting policies adopted in the Group's last annual financial statements for the year ended 30 June 2014. The accounting policies have been adopted consistently throughout the Group for purposes of preparation of these interim financial statements

Going concern

There is a material uncertainty whether the Group will continue as a going concern and realise the value of its assets in the normal course of business and at the amounts stated in the financial report. The continuing viability of the Group and its ability to continue as a going concern and meet its commitments as and when they fall due is dependent upon one or a combination of the following alternatives:

- Undertaking additional capital raisings to the \$245,000 raised on 4 February 2015.
- 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 balance date the Group has current assets of \$568,846 including total cash of \$553,634, current liabilities of \$21,955 and has incurred a net loss of \$402,992 which included the write off of \$310,446 of exploration and evaluation expenditure. In addition, the Group has an expenditure requirement under its exploration licences of \$443,463 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

Notes to Financial Statements For the Half-Year Ended 31 December 2014 (continued)

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 interim 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 interim financial report at 31 December 2014. Accordingly, no adjustments have been made to the interim 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.

Note 2 – Other expenses from ordinary activities

	31 December 2014 \$	31 December 2013 \$
Audit fees	13,000	17,314
Consulting and professional fees	27,580	45,770
Listing expenses	17,121	16,166
Office accomodation	5,200	19,877
Registry and ASX fees	9,341	6,882
Travel and accommodation	3,526	15,584
Other	8,579	17,111
	84,347	138,704

Note 3 – 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 2014 and 2013.

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-2014	6 months to 31-Dec-2013
Weighted average number of shares used in basic earnings per share	165,486,486	80,332,821
Effects of dilution	-	-
Weighted average number of shares used in diluted earnings per share	165,486,486	80,332,821

Options over unissued shares on issue at 31 December 2013 were non-dilutive for the period to 31 December 2013.

Notes to Financial Statements For the Half-Year Ended 31 December 2014 (continued)**Note 4 – 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 5 - Commitments**Exploration Expenditure Commitments**

The expenditure commitments to maintain and renew rights to tenure in exploration licences as at 31 December 2014 have not been provided for in the financial statements and are due:

	31 December 2014	30 June 2014
	\$	\$
Within twelve months	443,563	427,122
Twelve months or longer and not longer than 5 years	100,000	200,000
	543,563	627,122

The Group has obligations to restore land disturbed during exploration under the terms and conditions of the 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 6 - Contingent Liabilities

At balance date, the Group has no contingent liabilities.

Note 7 – 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 other than the following:

- 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.