AUSMON RESOURCES LIMITED

ABN 88 134 358 964

ANNUAL REPORT 2022

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CORPORATE DIRECTORY

Directors
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John Q Wang - Managing Director
Eric W Y M Sam Yue - Executive Director

Company Secretary
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CHAIRMAN'S LETTER

Dear Shareholder,

I am pleased to present the 2022 Annual Report of the Group.

During the year, we faced some operational challenges in addition to the sanctions imposed due to the Covid-19 pandemic. Frequent rain events arising from La Nina have caused deferral of some of our planned field work. There was a shortage of field crew in NSW again causing delays in field work however, we succeeded in securing contractors from interstate. Despite those headwinds we have made significant achievements in our business development plan.

We have reinforced our portfolio of tenements from licence applications we made during the last financial year with a tilt in favour of exploration for critical and energy minerals, e.g. cobalt, rare earth and lithium.

In August 2021, we have been granted 3 new licences near Broken Hill NSW and one near Tumut NSW to explore for base metals, including copper, zinc, nickel and cobalt, and gold within regions currently known for cobalt exploration and development by other explorationists.

Early in the financial year, we ventured interstate and applied for 4 tenements in South Australia with the aim to explore for rare earth elements (REE) in ionic clay in a region where other explorers are reportedly successful with discoveries with one resulting in JORC compliant resource estimates. The 4 tenements were granted in July 2022 and in September 2022 we have already commenced an initial field based assessment in preparation for sampling and drilling in the 2023 financial year. REE are regarded as critical minerals for the future and used in manufacture of magnets for electric vehicles and wind turbines and in electronic devices.

We have also applied for 2 tenements in Laverton WA in locations where our Chief Technical Officer has identified the existence of pegmatites which have not been tested for presence of LCT (lithium, caesium and tantalum). We await the grant of those tenements.

The equity investment that we hold in Odin Metals Limited (ASX:ODM) acquired in exchange for the disposal of EL 6400 Koonenberry presents potential for good returns without having to provide risk capital in light that the operator has recently raised funds and has planned an extensive exploration program in the area.

We have continued our policy of low corporate overheads and engaging contractors in exploration activities. For the 2023 exploration work program we intend to raise new equity capital at the appropriate time, mindful of undue dilution to our shareholders, in preference to using the revolving finance facility that we keep in place for urgent disbursements.

I thank all our shareholders for their continued support, Chief Technical Officer Mark Derriman for his advice and search for the several new tenements acquired at low costs and controlling the exploration budgets for low cash burn, the staff and executives for their efforts and commitments assisting in our pursuit to create value for all shareholders.

Boris Patkin
Chairman
29 September 2022

REVIEW OF OPERATIONS

SUMMARY

CORPORATE

- On 1 September 2021, the Company was successful in its application for an allocation by the Commissioner of Taxation of exploration credits of $500,000 that may be distributed to eligible investors when the Company raises new equity capital from that date and conducts eligible exploration activities in the income year ended 30 June 2022. Following lodgement and assessment of the Company's FY2022 tax return, the Company will distribute exploration credits as applicable.
- In October 2021, the Company distributed its full allocation of exploration credits of $150,000 to eligible shareholders for the income year ended 30 June 2021.
- In July 2022, the Company has been allocated an additional $600,000 of exploration credits for distribution with respect to new equity capital raised after 1 July 2022 and eligible exploration activities in the income year ending 30 June 2023. After lodgement and assessment of the Company's FY2023 tax return, the Company will distribute exploration credits as applicable.
- In December 2021, the Company raised $503,415 before costs from the issue of 91,530,000 fully paid ordinary shares at $0.0055 per share and in February 2022 raised $210,000 before costs from the issue of 35 million fully paid ordinary shares at $0.0075 per share by private placements.
- At the Annual General Meeting held on 15 November 2021, shareholders approved the issue of:
    - 5 million fully paid ordinary shares at $0.0075 per share together with the grant of a 5 year, interest free andsecured with limited recourse, loan of $37,500 to acquire the shares under the Ausmon Employee Incentive Plan to each of the Directors, Boris Patkin, John Wang and Eric Sam Yue. The shares were issued and allotted on 16 November 2021; and
    - up to 200 million fully paid ordinary shares within 3 months in accordance with ASX Listing Rule 7.1. A total of 126.53 million shares have been issued by private placement raising $713,415 before costs. The balance of 73.47 million shares has not been issued by the time of expiry of the approval on 14 February 2022.

REVIEW OF OPERATIONS (continued)

EXPLORATION

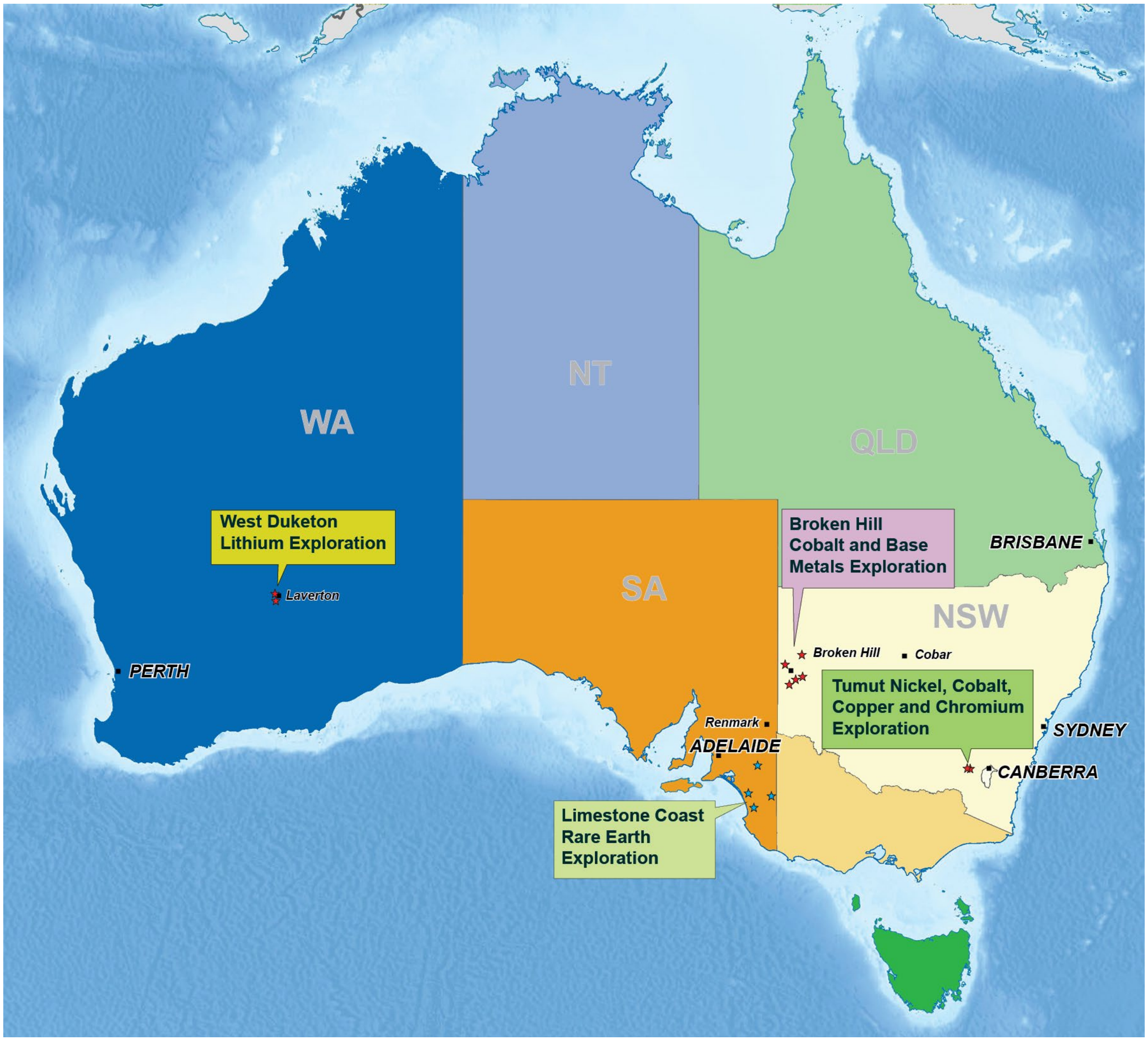

Figure 1: Location of Ausmon Exploration Projects in Australia

HIGHLIGHTS

NSW: BROKEN HILL

Cobalt and Base Metal (lead and zinc) Exploration - (100% Interests)

- **Enmore (EL 9220), Eureka (EL 9224) and Mt Darling (EL 9230)**
  - In July 2021, Enmore (EL 9220), Eureka (EL 9224) and Mt Darling (EL 9230) were granted for 5 years each providing a significant expansion in the Company's total area of interests for base metals near Broken Hill.

REVIEW OF OPERATIONS (continued)

- A lithostructural study of merged geophysical data of the areas delineated 13 target areas for field exploration.
- After having contacted landowners for a planned initial field work in the June quarter the commencement had to be deferred at their request because rain events have rendered the terrain inaccessible.

• Stirling Vale (EL 8747) and Kanbarra (EL 8745)

- A detailed review of Stirling Vale (EL 8747) identified a broad NE SW area comprising pegmatites with muscovite and biotite for field evaluation for LCT (lithium, caesium and tantalum) affinities.
- Planned for evaluation in 2022 the historic rock sampling results with elevated lead and zinc to the NW of the tenement.
- Field sampling conducted in March 2022 at Kanbarra (EL 8747) and in the NE area of Stirling Vale (EL 8745) where presence of extensive pegmatite is of interest for potential LCT (lithium, caesium and tantalum) mineralisation.
- A total of 219 soils (KAS090 to KAS220) and 1 rock sample (KAR017) were collected from Kanbarra (EL 8745) and 97 soils (SVR192 to SVR289) and 13 rock samples (SVR037 to SVR049) were collected from Stirling Vale (EL8747).
- Significant results at Stirling Vale (EL 8747) were (see ASX Announcement of 24 May 2022):
  - ❖ Copper (Cu) 1.75%, zinc (Zn) 9,990ppm and lead (Pb) 210ppm from a malachite-stained metasediment within a small prospecting pit.

NSW: TUMUT

Cobalt and Base Metal (copper, chromite and nickel) Exploration (100% Interests)

• Brungle Creek (EL 8954) and McAlpine (EL 9252)

- In August 2021, McAlpine (EL 9252) adjacent to Brungle Creek (EL 8954) near Tumut/Gundagai was granted for 6 years providing a significant in increase in the Company's cover of the area.
- Following studies for exploration targets, a Phase 2 field based work was planned to consist of grid based soil and selective rock sampling over 10 satellite alteration targets, 4 areas of elevated gold in historic rock chips, 2 areas of elevated copper in rock chips.
- The Phase 2 field work was completed in February 2022 for targets that were then accessible. A total of 238 soil and 18 rock samples were collected from 9 target areas. 18 rock and 88 soil samples were sent to ALS laboratory for gold and multi-element analyses. All 238 soil samples were scanned with the Olympus Vanta pXRF instrument.
- The results from McAlpine (EL9252) were encouraging as follows (see ASX announcement 31 March 2022):
  - ❖ High copper rock assay of 4.43% from the Cu Rock 2 prospect

REVIEW OF OPERATIONS (continued)

- ❖ High chromium soil results to >1% from the Cu Rock 1 and 2 prospects with 10 samples in the range 1.5% to 1.82%.

NSW: KOONENBERRY

Copper Exploration - (100% Interest)

- **Koonenberry (EL 6400)**
  - The transaction entered into in April 2021 to dispose of EL 6400 to ASX listed Odin Metals Limited (ASX:ODM) for $97,360 cash and 15 million shares in ODM was completed in August 2021

SA: LIMESTONE COAST

Rare Earth Elements (REE) Exploration – (100% Interest)

- **Parrakie (EL 6795), Mt Rough (EL 6796), Kingston (EL6797) and Wolseley (EL 6807)**
  - In August and September 2021, the Company applied for new exploration licences in South Australia, namely Parrakie/Wolseley 2021/00082, Mt Rough 2021/00136 and Kingston 2021/00137 with the primary aim to explore for Rare Earth Elements within the ionic clay of the Loxton Sands at shallow depths in the Murray and Otway basins.
  - Parrakie (EL 6795), Mt Rough (EL 6796), Kingston (EL6797) and Wolseley (EL 6807) were granted in July 2022 for a period of six (6) years each to July 2028 from applications lodged in 2021. In September 2022, the Company conducted initial field scouting and met with several local councils who were supportive of the intended auger orientation sampling of Tertiary strand lines for the clay fraction along road traverses, if appropriate, followed by Aircore drill traverses at shallow depths.

WA: WEST DUKETON-LAVERTON

Lithium Exploration – (100% Interest)

- **Barneys (ELA 38/3718) and Neckersgat (ELA 38/3719)**
  - The Company's wholly owned subsidiary AUSBCM Pty Ltd lodged applications that were accepted in early March 2022 by WA Department of Mines Industry Regulations and Safety ("DMIRS") for two new exploration licences in Western Australia, namely Barneys (ELA 38/3718) and Neckersgat (ELA 38/3719), to explore for LCT (lithium, caesium and tantalum) within pegmatites identified over a total area of 275.8 km^2 north-west of Laverton. Grant of the licences is awaited.

REVIEW OF OPERATIONS (continued)

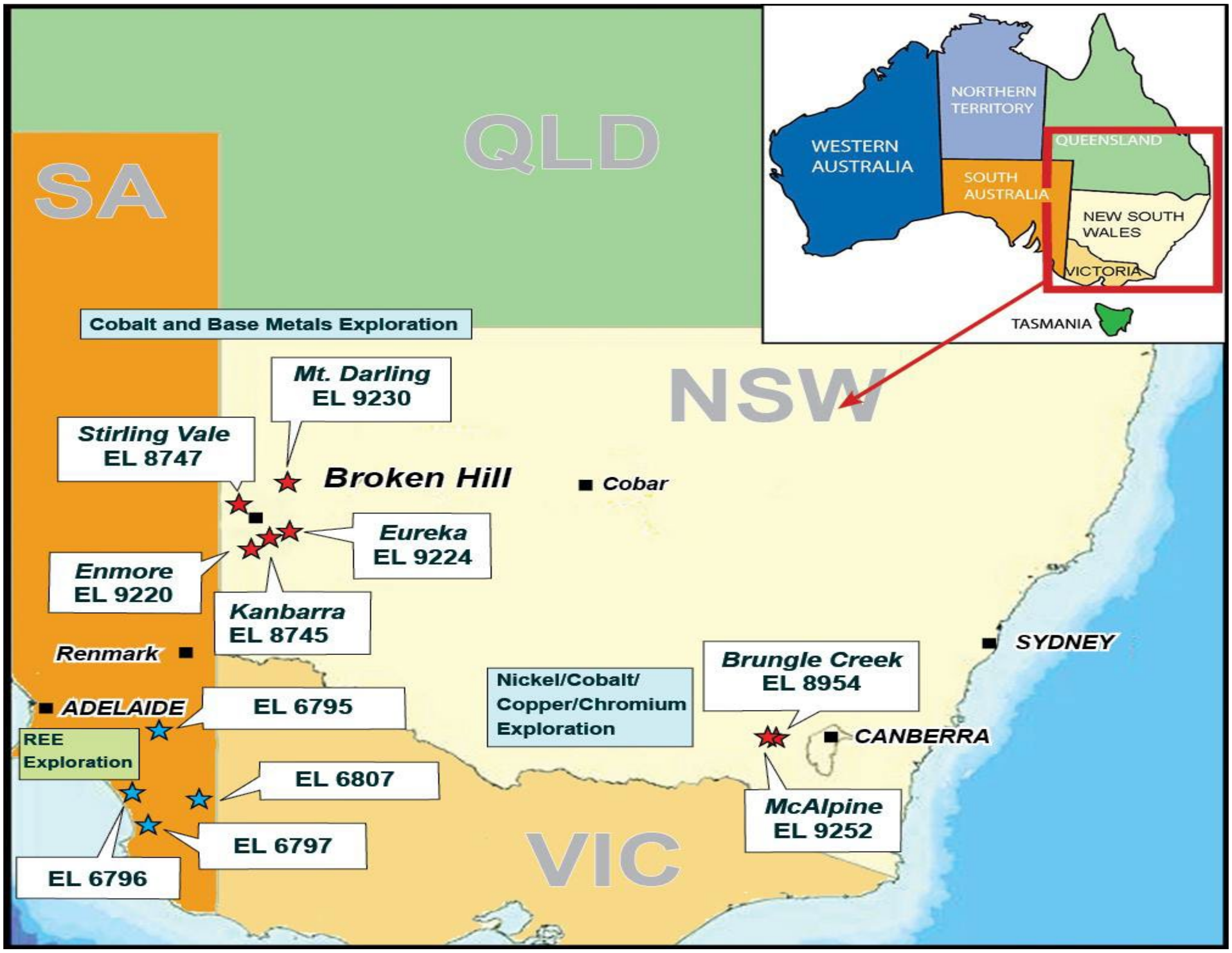

Figure 2: Location of Granted Licences in NSW and SA

NSW EXPLORATION LICENCES

Broken Hill: Cobalt and Base Metal (lead and zinc) Exploration – (100% Interest)

ELs 8745, 8747, 9220, 9224 and 9230

The five licences cover an area of approximately 685 km^2 near Broken Hill (**Figure 3**) in the region of the cobalt development areas of Cobalt Blue (ASX:COB).

REVIEW OF OPERATIONS (continued)

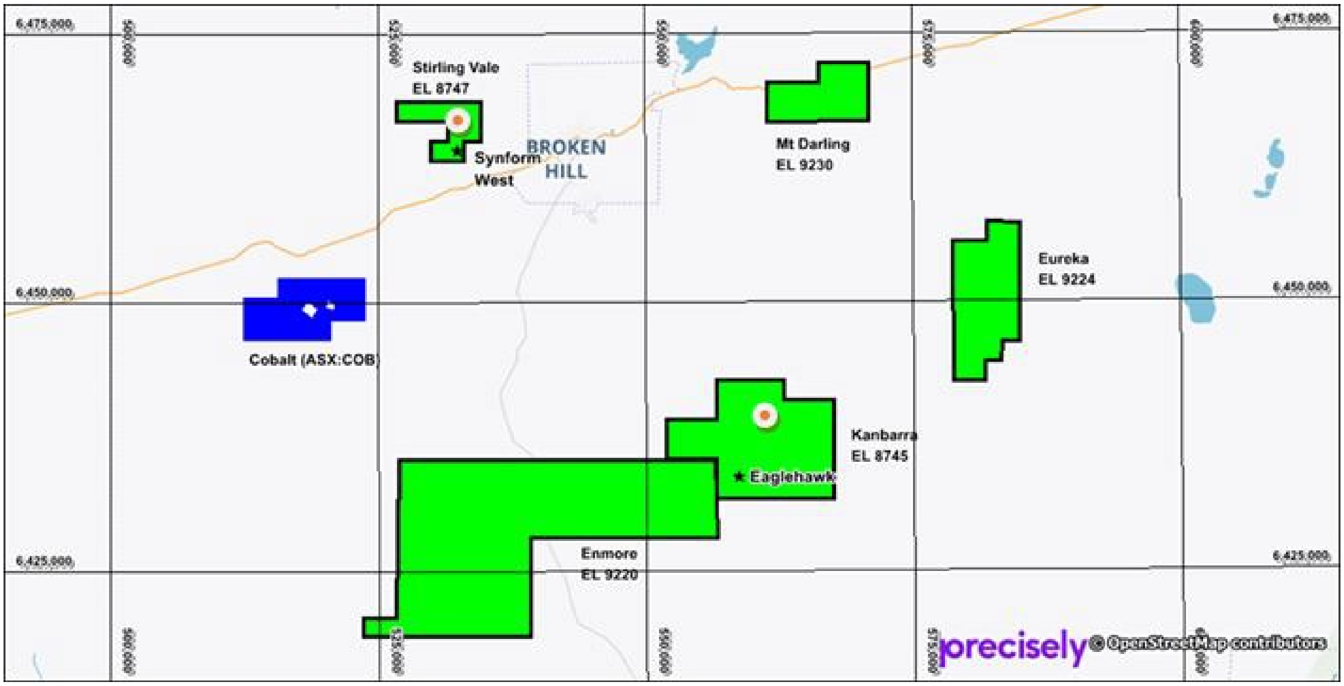

Figure 3: Location of Broken Hill tenements showing the prospects sampled during the March Quarter (White Circles) and results received in the June Quarter

Enmore (EL 9220), Eureka (EL 9224) and Mt Darling (EL 9230)

In July 2021, the NSW Government granted the Company's wholly owned subsidiary New Base Metals Pty Ltd the 3 new exploration licences for 5 years (**Figure 3**) for cobalt and base metals exploration.

The plan of the Company is to explore for Broken Hill-type Pb-Zn-Ag, Iron Oxide Cu-Au ("IOCG") and cobalt mineralisation within Palaeoproterozoic Willyama Supergroup rocks as found by Cobalt Blue within their tenements.

Following the grant, the Company has engaged Perth based Southern Geoscience Consultants ("SGC") to compile and process all publicly available magnetics, radiometrics and gravity for the area SE of Broken Hill (**Figure 3**).

The completed lithostructural study has defined 13 targets shown in Figures **8 to 10**. The targets are broadly associated with fault intersections, circular features (possible buried intrusion) and tightly folded stratigraphy. In addition, some areas with a low magnetic response (cool colours in the magnetic image) may represent areas of magnetic destructive alteration. As an example of the lack of outcrop, **Figure 9** of the Mt Darling area shows all surface outcrop as coloured polygons over the magnetic image

The Company has contacted most landholders of the target areas for access to undertake field exploration during the June Quarter but they have requested deferral of commencement because the terrain has been soaked during several rain events during the quarter. The plan is now to carry out field based work in the September or December quarter, subject to weather and availability of personnel. An IP survey is being considered to identify any area for drill testing.

REVIEW OF OPERATIONS (continued)

Geology of the areas

The Willyama Super Group comprises poorly outcropping (**Figures 4 and 7**), medium to high grade regionally metamorphosed and strongly deformed sedimentary, volcanic and intrusive rocks.

The Palaeoproterozoic sequence has been intruded by extensive volumes of Mesoproterozoic granitoids and scattered mafic dykes. Recent river alluvium and Quaternary sediments (shades of yellow in **Figures 4 and 7**) occur extensively across all three tenements resulting in limited historic surficial geochemical exploration and subsequent drilling.

The area that comprises Mt Darling, Eureka and Enmore has limited outcrop and is generally covered by transported unconsolidated sediments however as **Figures 4 and 6** show the magnetics highlight a complex structurally region that has had limited exploration and drill testing.

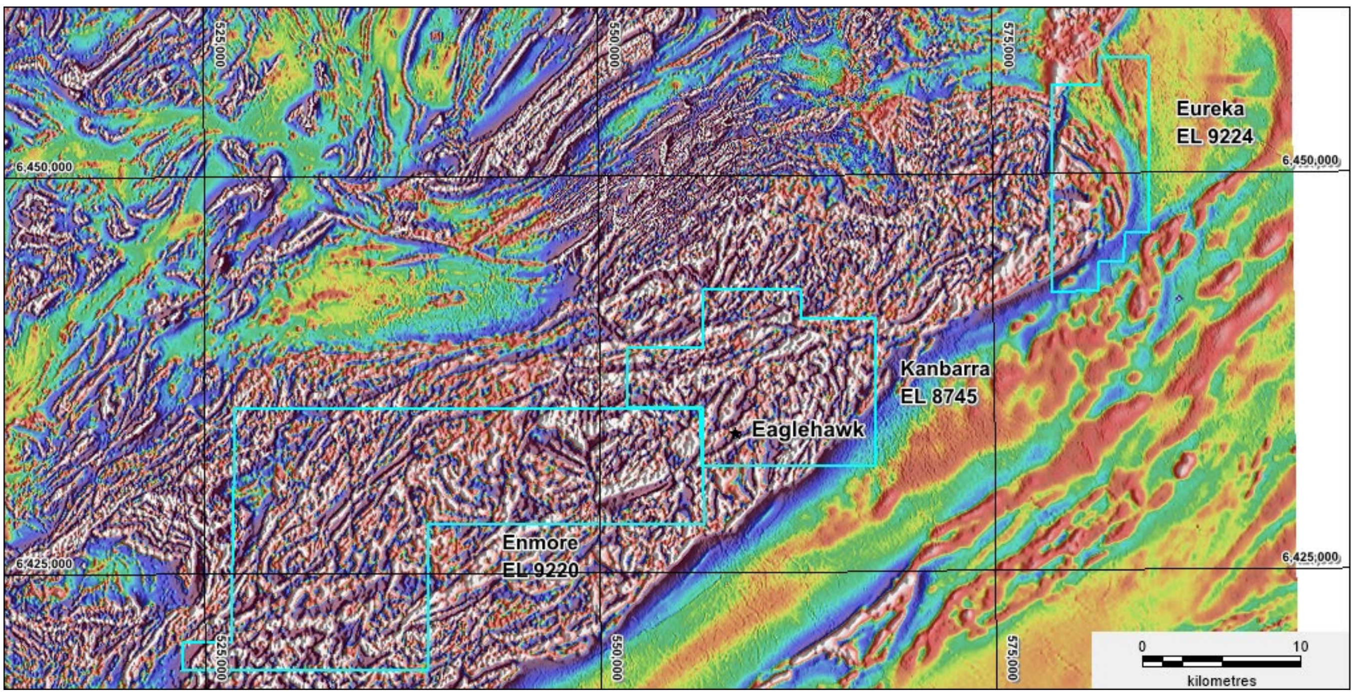

Figure 4: Enmore and Eureka on 1VD RTP Magnetics (Processed by SGC) [1]

REVIEW OF OPERATIONS (continued)

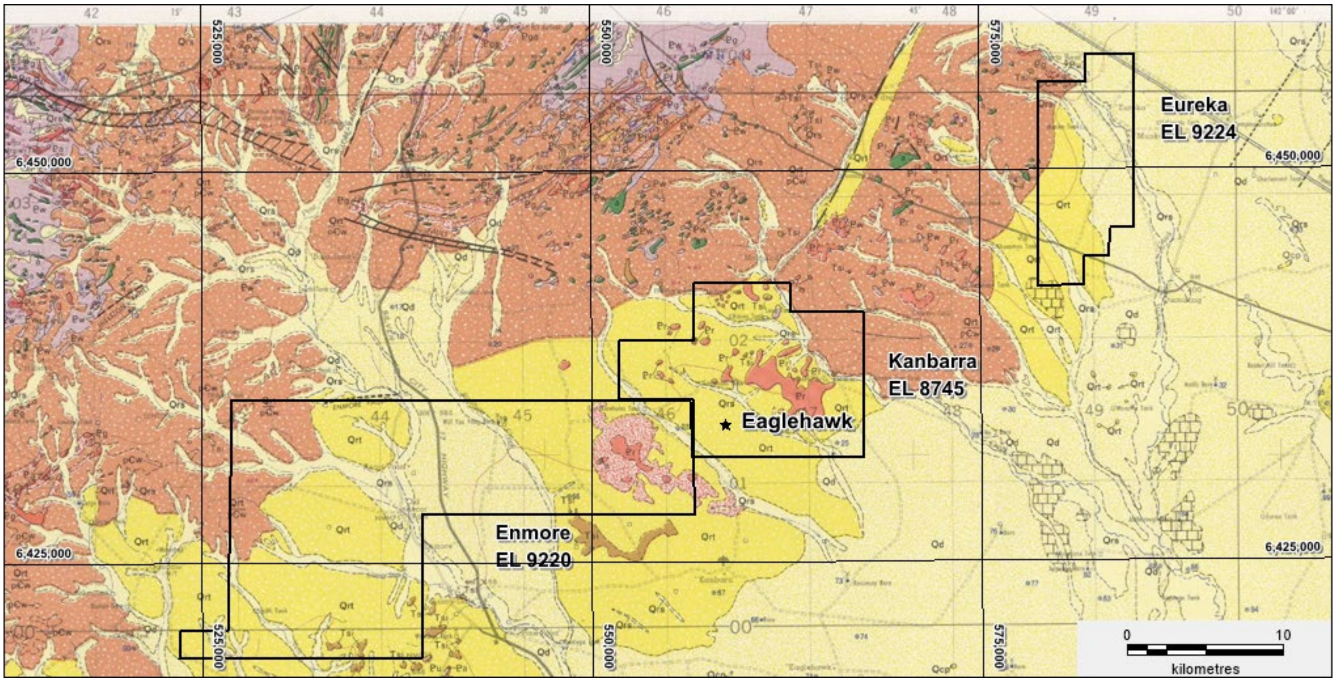

Figure 5: Enmore and Eureka on outcrop geology (Menindee 1:250,000 map sheet) – areas with transported sedimentary cover appear as shades of yellow

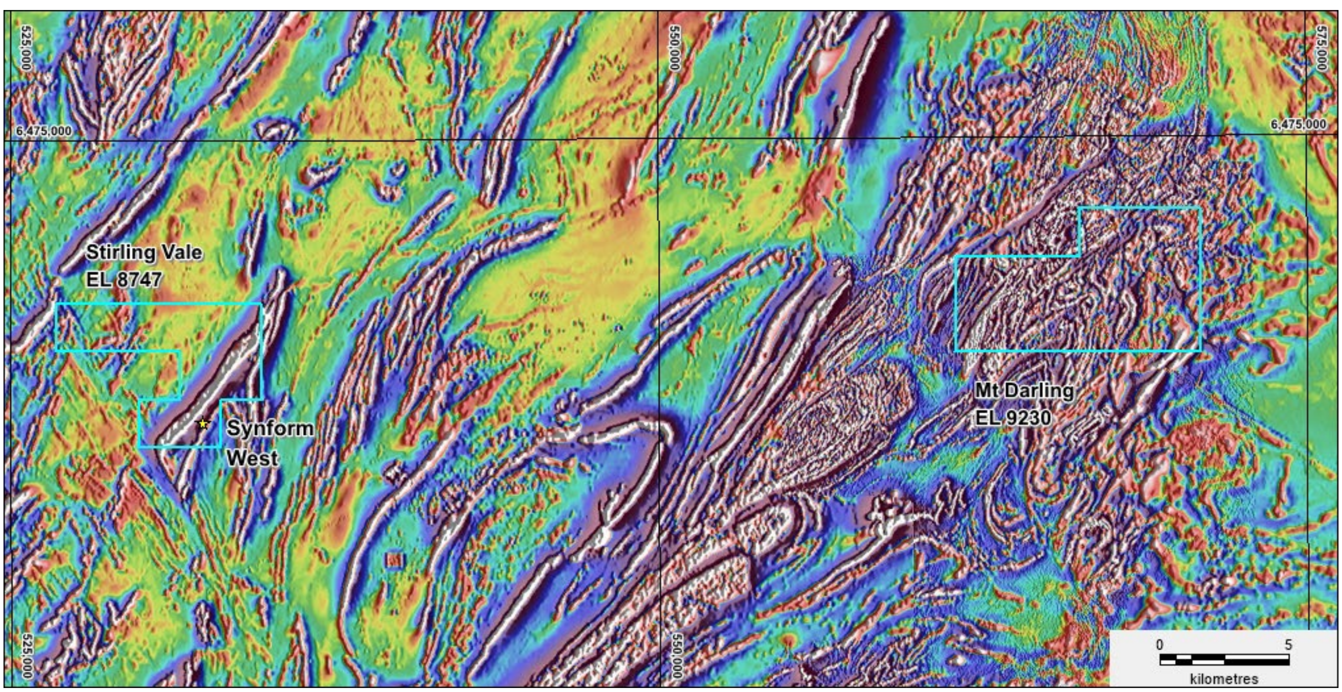

Figure 6: Mt Darling on 1VD RTP Magnetics (Processed by SGC) [1]

REVIEW OF OPERATIONS (continued)

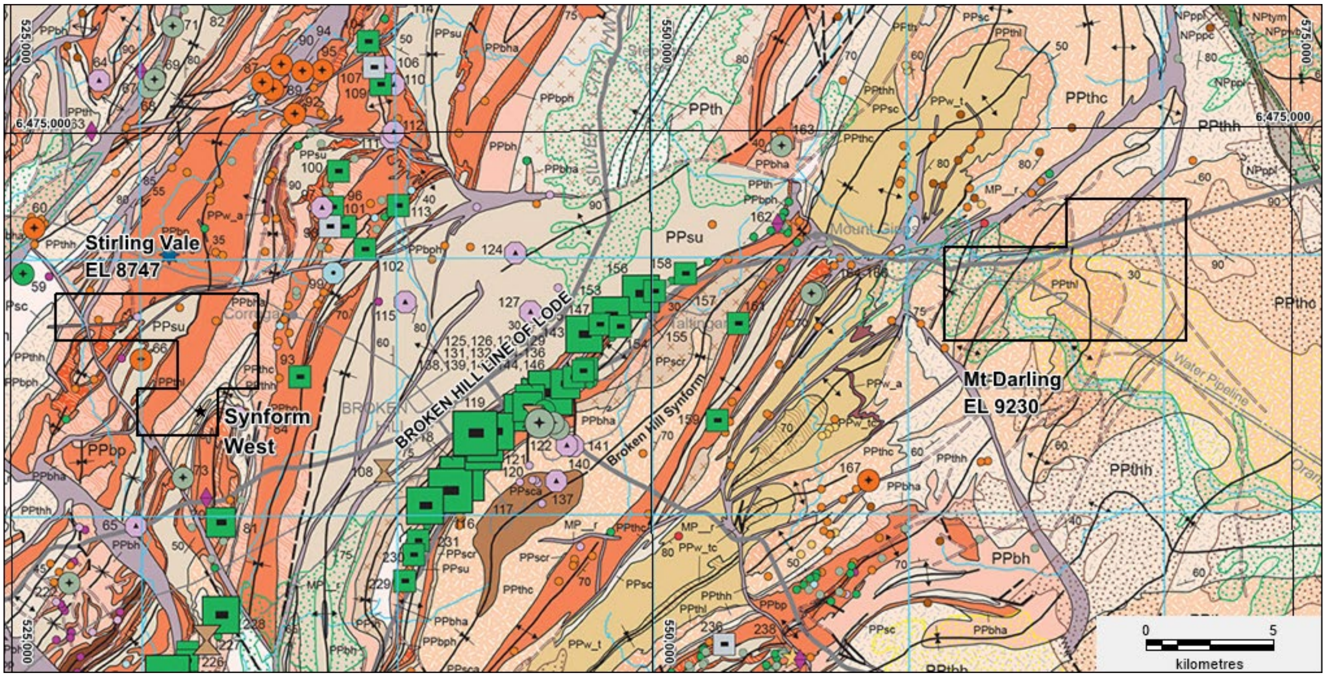

Figure 7: Mt Darling on metallogenic outcrop geology (Broken Hill 1:250,000 map sheet)

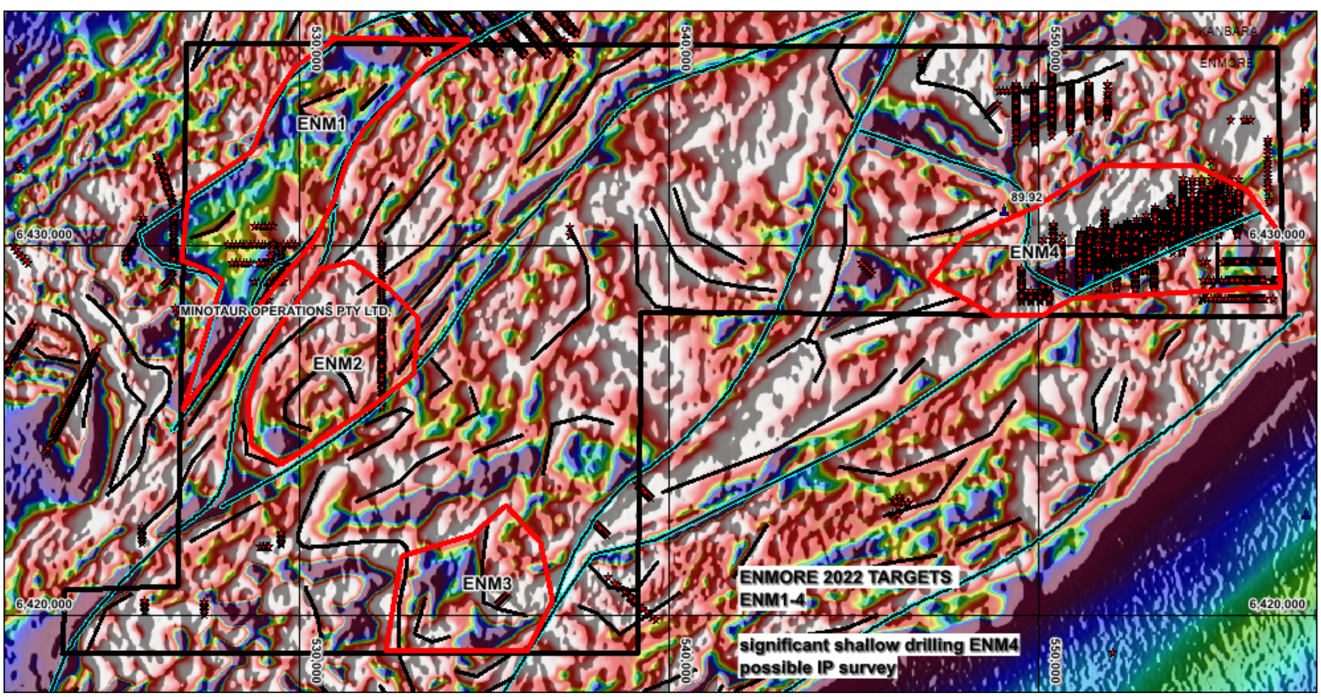

Figure 8: Enmore lithostructural interpretation on magnetics showing targets ENM 1 to 4 (Processed by SGC) [1]

REVIEW OF OPERATIONS (continued)

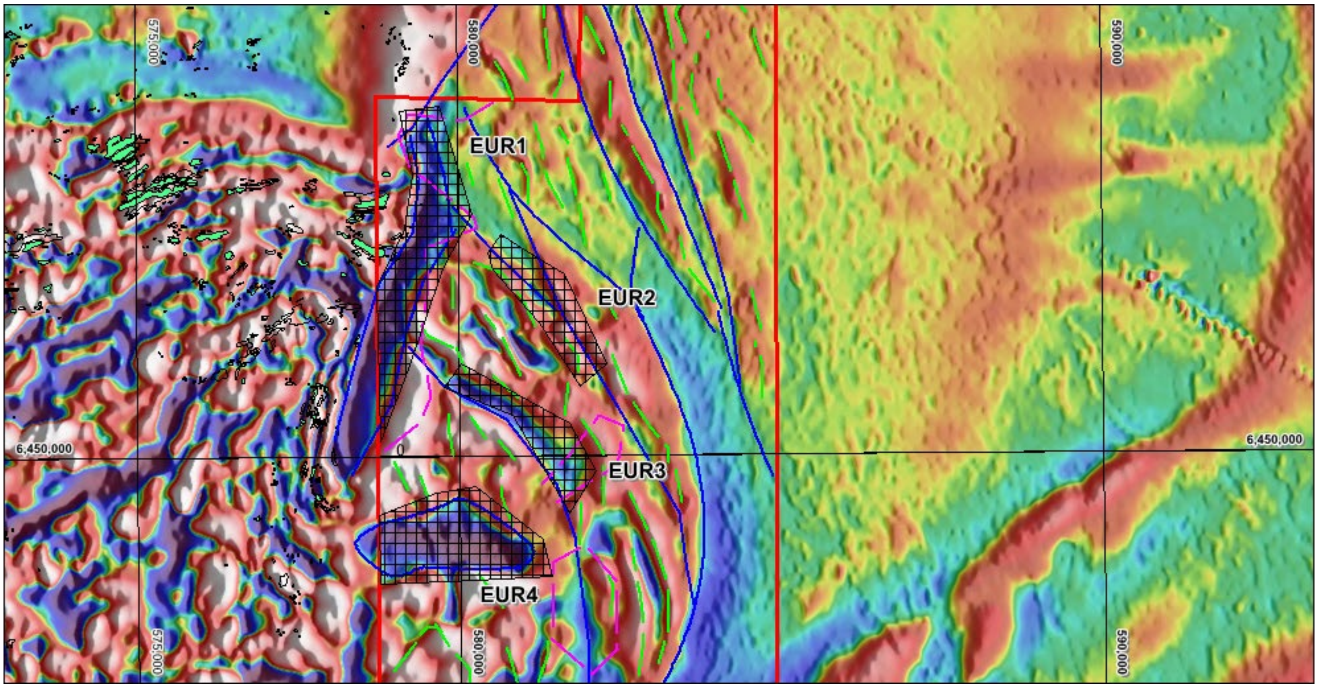

Figure 9: Eureka lithostructural interpretation on magnetics showing targets EUR 1 to 4(Processed by SGC) [1]

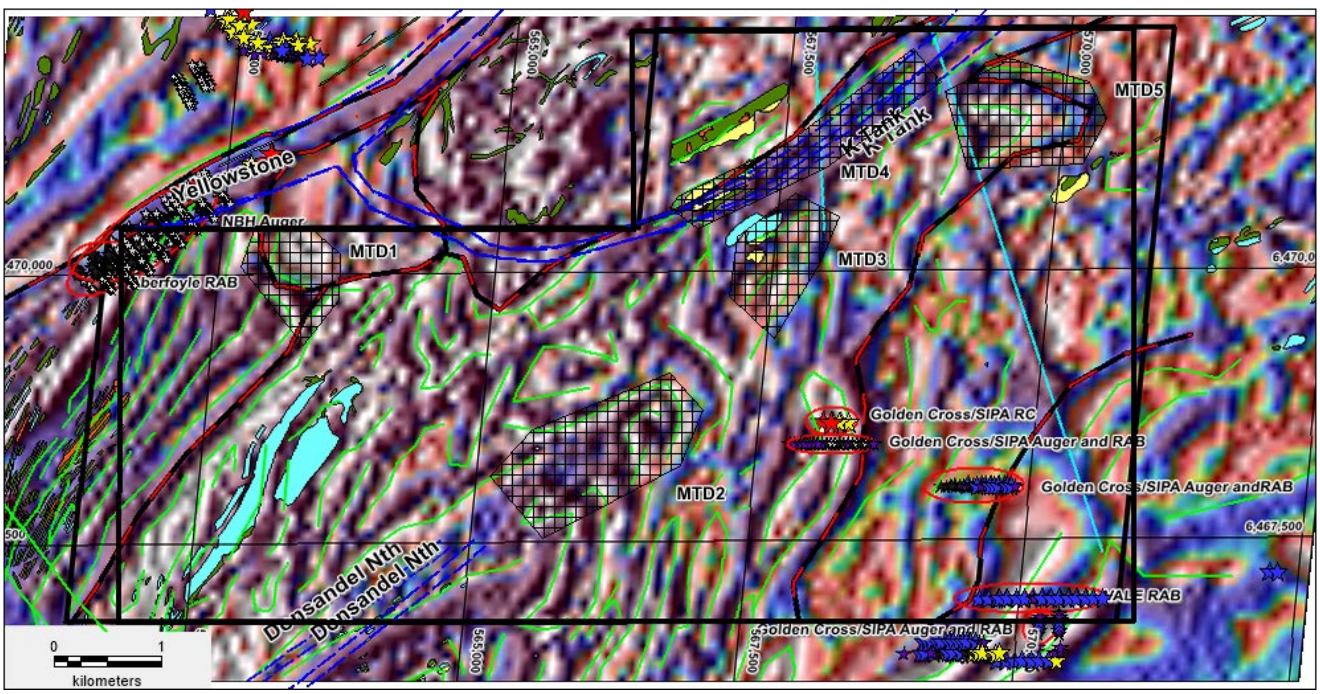

Figure 10: Eureka lithostructural interpretation on magnetics showing targets EUR 1 to 5 and historic drilling (Processed by SGC) [1]

REVIEW OF OPERATIONS (continued)

Stirling Vale (EL 8747)
A detailed review of all datasets and historic exploration has been carried out. Two target areas (**Figure 11**) in the NE of the tenement have been identified for further evaluation by field sampling. Both areas comprise outcropping biotite muscovite pegmatite in a tan colour intermixed with more mafic lithologies in green. There has been no previous exploration for battery minerals LCT (lithium, caesium and tantalum) pegmatites in the area. The initial exploration will focus on this style of mineralisation and some areas of pegmatite that have elevated base metals from historic rock sampling.

In March 2022, the Company conducted the soil sampling and rock-chip/lag/grab sampling over the NE portion (**Figure 12**). The program covered a grid (shown as stars in **Figure 12)** that contained historic rock samples with elevated base metals and observed a small historic working. Nine (9) traverses were carried out over the remainder of the program area to assess the potential of the outcropping pegmatites to host LCT (lithium, caesium and tantalum) mineralisation.

Soil samples were collected at a depth of 200 mm and -1mm fraction. Rock outcrops and float with mineralisation potential were sampled. A small prospecting pit was observed, and a sample collected of the mullock pile. The sampling (SVR047) resulted in analyses of 1.75% Cu, 9,990ppm Zn and 210ppm Pb (ASX Announcement of 24 May 2022). The result has been reviewed in relation to further sampling in the vicinity of the prospecting pit. Two (2) rock samples (SVR048 and SVR049) returned the highest cobalt analyses at 203 ppm and 121 ppm, respectively. The samples were associated with a linear siliceous zone adjacent to a NE-SW magnetic ridge (**Figure 12**). The associated soil traverse SV3 returned elevated zinc to 250ppm. Other than surface oxidation the outcrops explored are predominantly unaltered coarse-grained quartz feldspar leuco-pegmatite outcrops with grainsize tending to be retrospective of the outcrop size, larger outcrop courser grain size. There are finer grained quartz-feldspar-biotite pegmatites locally outcropping within the alluvial system that may warrant further investigation. There appears little if any alteration along contacts of the pegmatite and amphibolite units or within the individual units themselves, quartz veining is rare throughout.

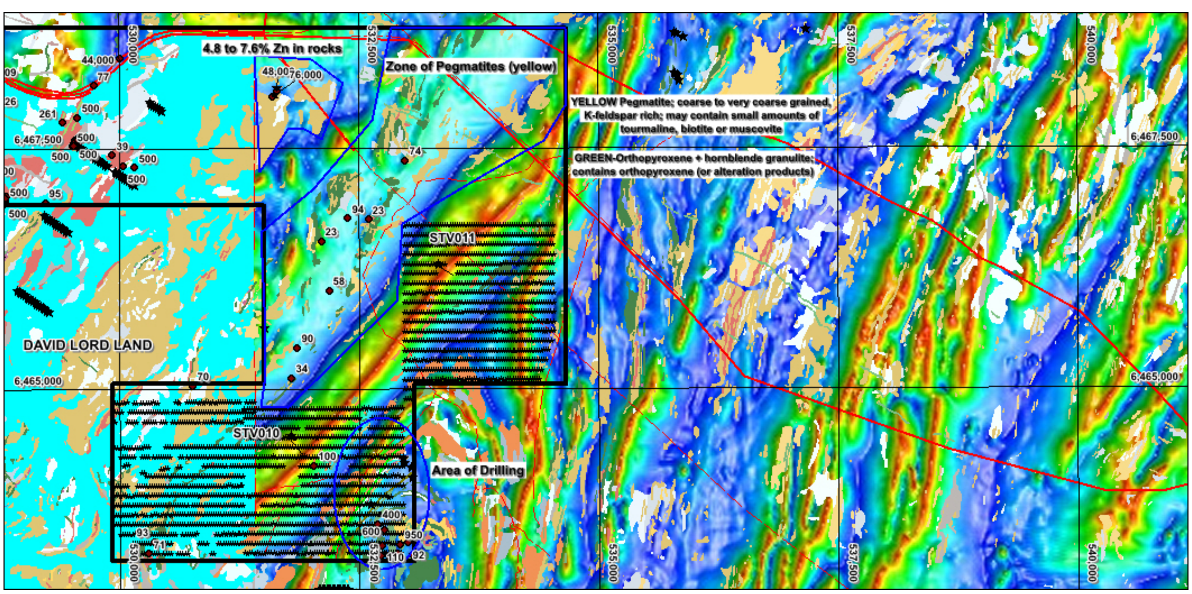

Figure 11: Stirling Vale magnetic image showing two areas of pegmatite outcrop to the north of the Synform West drilling[1]

REVIEW OF OPERATIONS (continued)

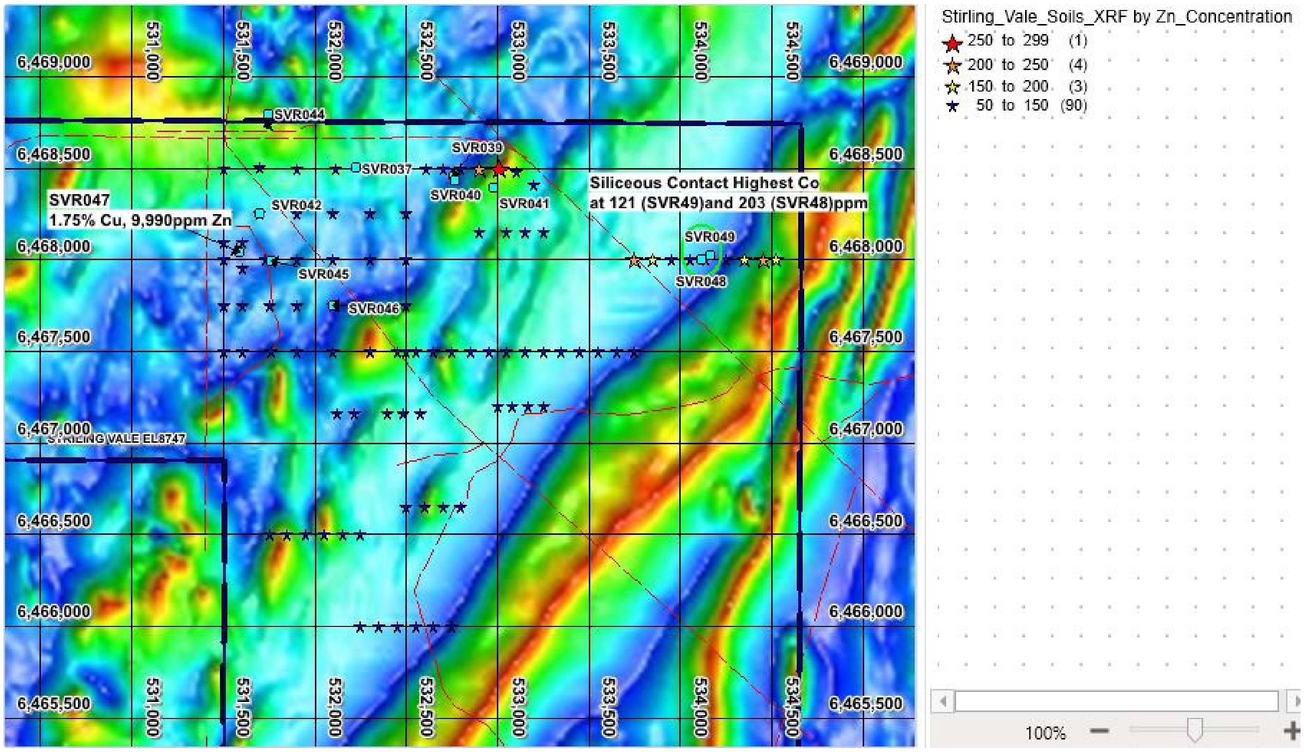

Figure 12: Stirling Vale NE Prospect - magnetic image with soil samples as stars and rock samples as blue dots

Kanbarra (EL 8745)

A lithostructural interpretation of available geophysical data sets and historic exploration data has been performed. 4 areas (**Figure 13**) have been delineated for field exploration.

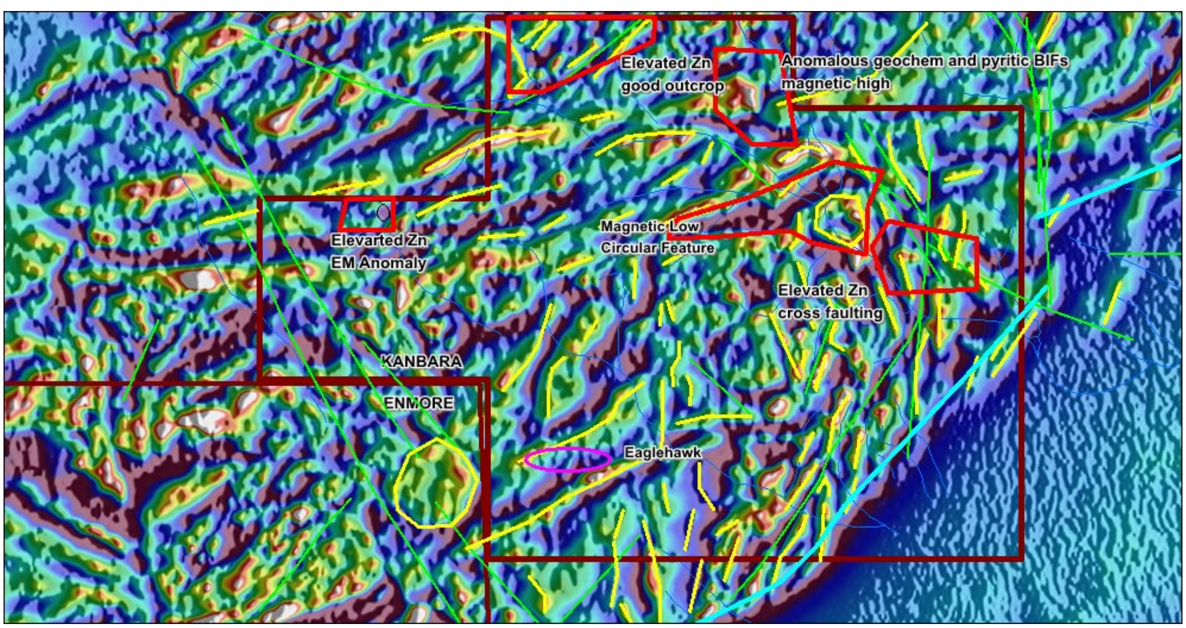

Figure 13: Kanbarra lithostructural interpretation showing 4 target areas in red for 2022 exploration

REVIEW OF OPERATIONS (continued)

During a field based exploration in March 2022, a total of 219 soils (KAS090 to KAS220) and 1 rock sample (KAR017) have been collected. Heavy rain towards the end of the program prevented completing sampling within Areas 2/3 and starting within Area 1 (**Figure 14**). The collected samples were sent to ALS laboratory in Orange for analysis for multi-elements, including lithium and associated elements. There were no significant base metal results from the limited soil sampling of grids Kan 2/3 and 4.

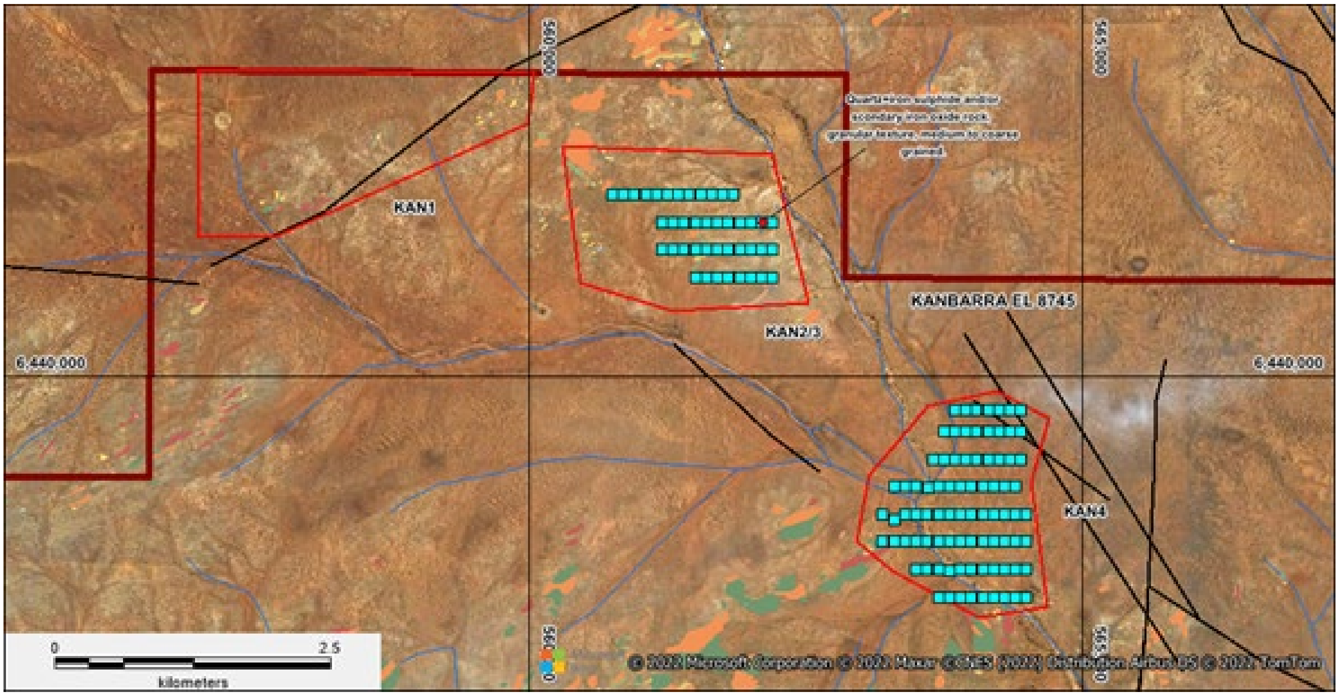

Figure 14: Kanbarra NE Prospect aerial photograph - soil samples (blue squares) and a single rock sample(red star)

The sampling will resume during a future site exploration activity. A ground geophysical survey such as IP is being considered prior to drill testing.

REVIEW OF OPERATIONS (continued)

Tumut: Cobalt and Base Metal (copper, chromite and nickel) Exploration - (100% Interest)

Brungle Creek (EL 8954) and McAlpine (EL 9252)

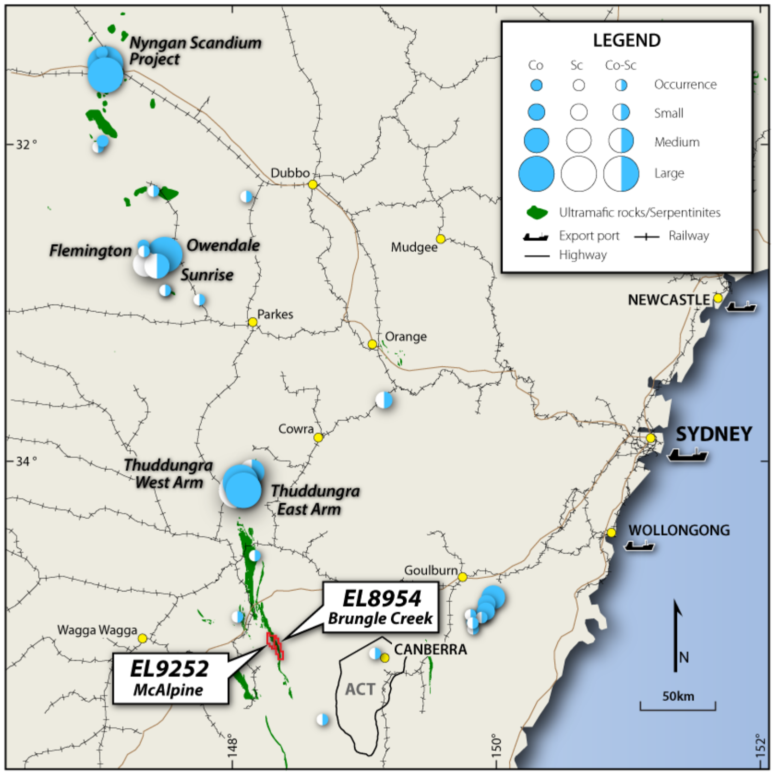

Figure 15: Location of Cobalt Projects near the McAlpine and Brungle Creek Prospects NSW

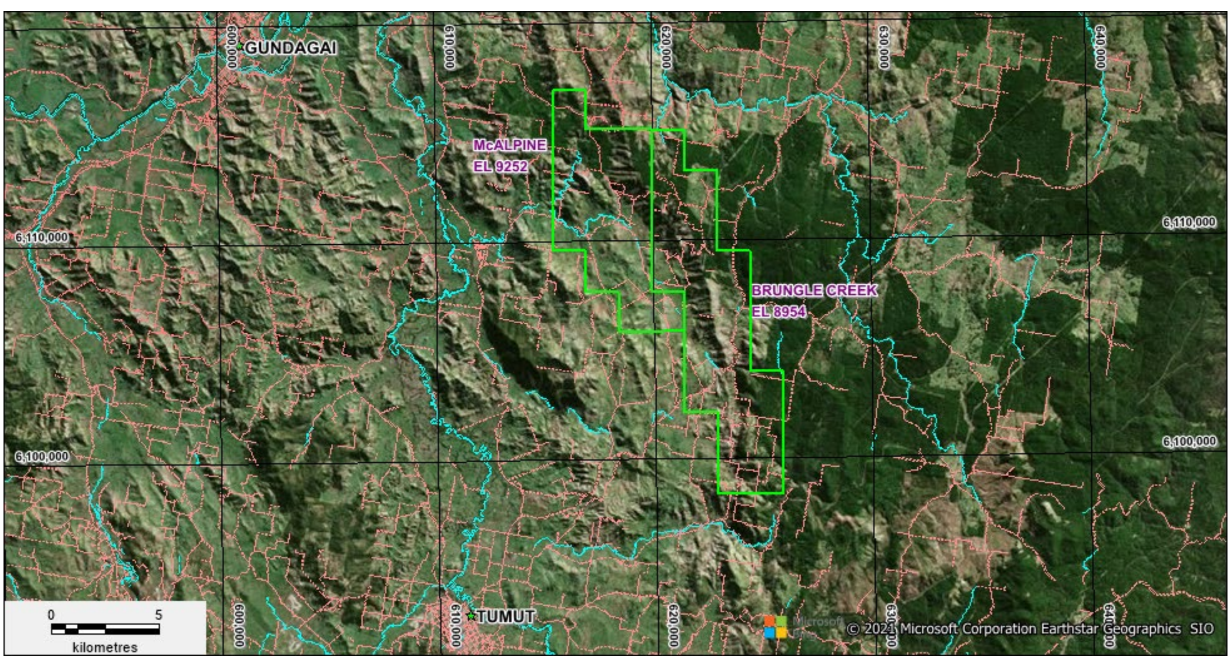

Figure 16: McAlpine EL 9252 and Brungle Creek EL 8954 location map – BING Aerial Photograph

REVIEW OF OPERATIONS (continued)

EL 9252 and EL 8954 cover a total area of approximately 106 square kilometres within an exploration region with potential for cobalt, copper, chromite, gold and nickel 15 km north east of Tumut, 15 km south east of Gundagai and adjacent to the serpentine ridge of the Honeysuckle Range (**Figures 15 and 16**). EL 9252 covers the McAlpine Copper and Chromite historical workings, is adjacent and to the west of Brungle Creek EL 8954.

During the first half of the year, the Company engaged Perth based Remote Consultant to process a series of satellite images covering the Brungle Creek and McAlpine tenements for clay, iron and silica alteration signatures as shown in **Figures 17 and 18**. After studies of the results, exploration targets have been identified as shown in **Figure 17** and comprise satellite alteration targets in red, elevated historic gold in rocks in yellow and elevated historic copper in rocks in blue.

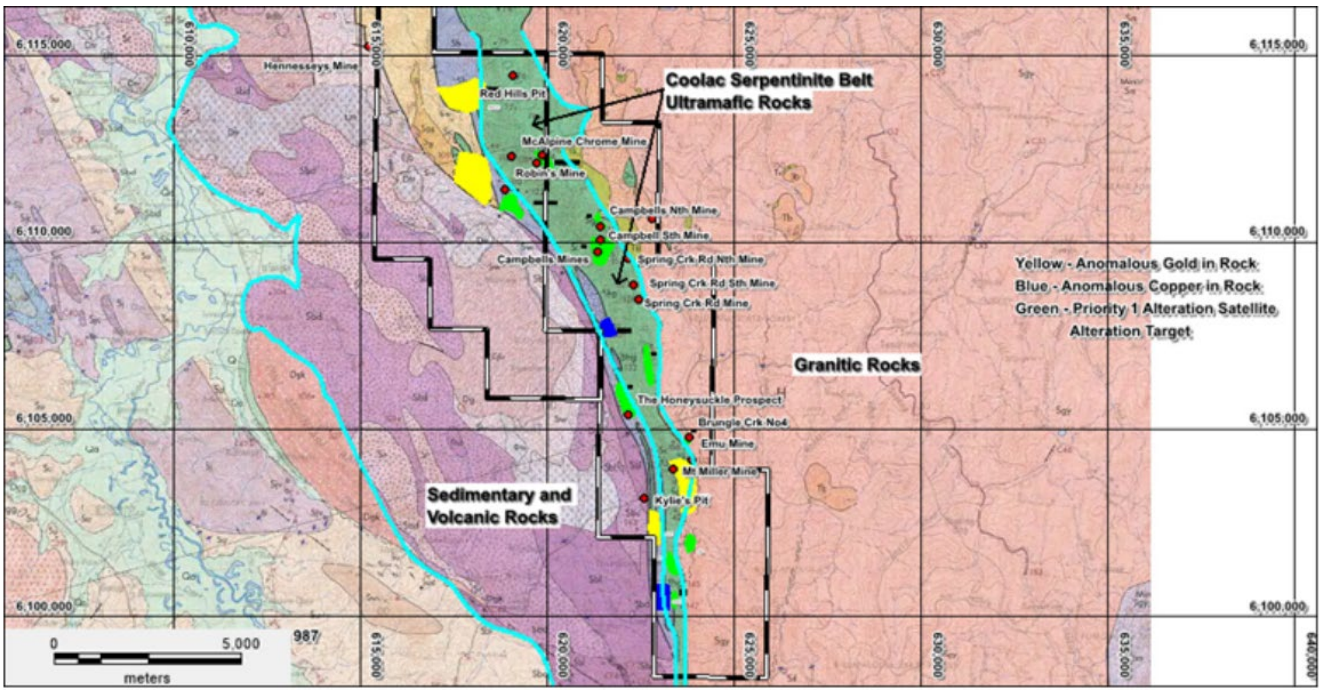

Figure 17: NSW Geological Survey 1:250,000 Outcrop Geology Map showing:

High Priority Satellite Targets, historical anomalous gold and copper rock results and broad geological setting west to east granite/ultramafic/sediments and volcanics

REVIEW OF OPERATIONS (continued)

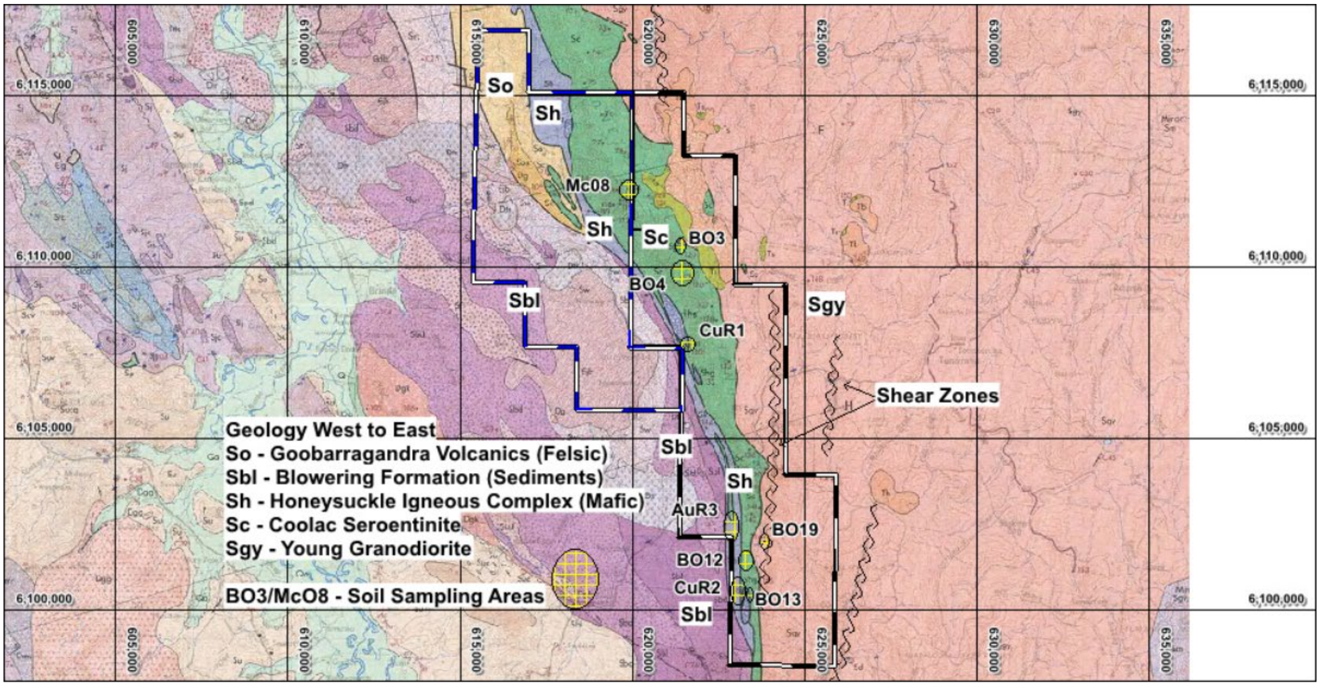

Figure 18: 1:100,000 Tumut Geology Map showing the 9 soil sampling areas on geology

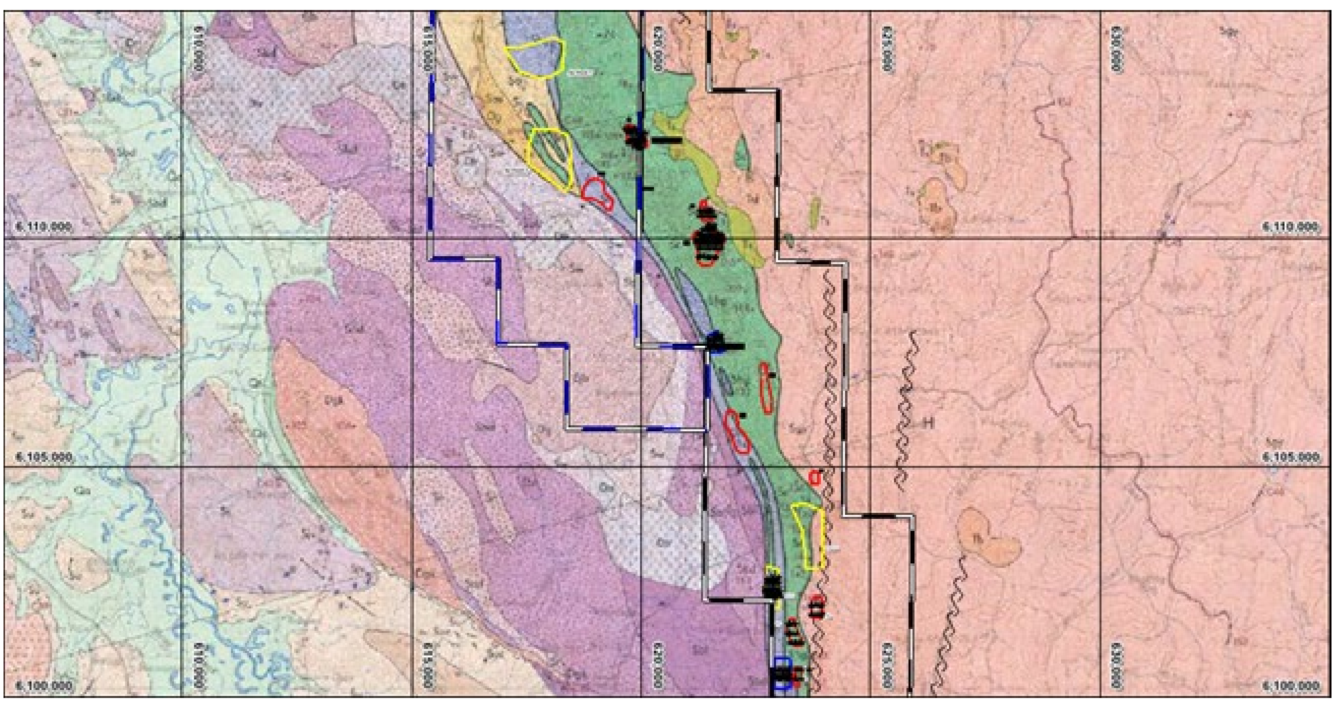

Figure 19: 1:100,000 Tumut Geology Map showing the historical prospects on geology and soil grids in black. Note the unsampled areas in red and yellow

REVIEW OF OPERATIONS (continued)

Perth based consultancy Earthscan combined high spectral resolution satellite imagery satellites ASTER and Landsat 8 with high spatial resolution imagery satellite Pleiades to highlight areas of alteration shown in **Figure 20**. The alteration targets were ranked low, medium and high. A Phase 2 exploration program was planned to evaluate the high priority alteration targets in priority. The alteration minerals of interest are:

- alunite/pyrophyllite
- kaolinite group minerals
- illite group minerals
- iron oxides
- silica
- epidote/chlorite/actinolite and carbonate

Alteration is the process whereby primary rock minerals are "altered" to produce a different mineral and the alteration effect can form a broad halo around a mineral deposit. Hydrothermal fluids move to the surface from intrusive rocks at depth and the fluids "alter" the original minerals to form alteration minerals thus providing a broader exploration footprint. These "alteration footprints" can be mapped using processed satellite imagery from ASTER and Landsat satellites to name just two. The satellite images are processed to enhance alteration minerals to the ones mentioned above.

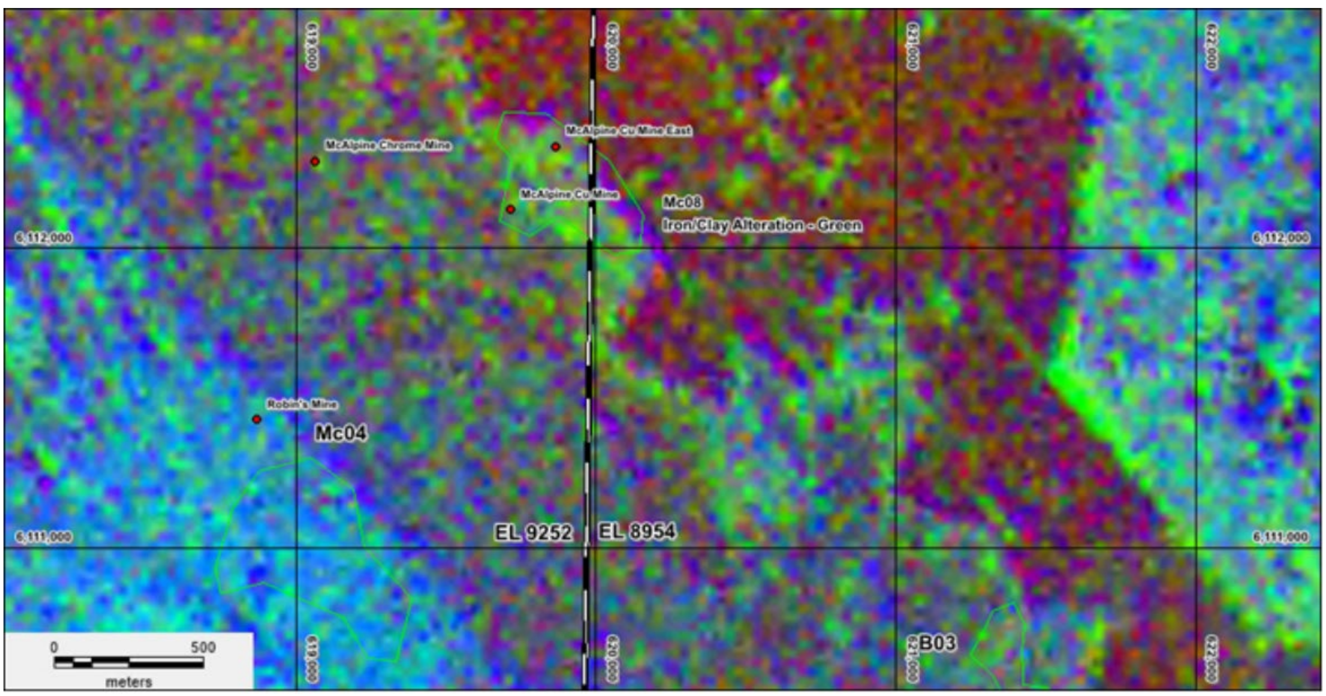

Figure 20: Alteration Target Mc08 centred on the McAlpine Copper Mine – strong green colour[2]

[1] *See ASX Announcements of 8 March 2022 and 9 March 2022*
[2] *See ASX Announcements of 2 February 2022 and 4 February 2022*

Following the Phase 1 field exploration at Brungle Creek in early 2021 and the satellite images study during the first half year period, the Company conducted a Phase 2 field based exploration in February 2022 within both the Brungle Creek and McAlpine tenements. Concurrently, landholders were contacted in preparation for future field programs.

REVIEW OF OPERATIONS (continued)

The Company completed soil sampling traverses across 9 of 12 identified targets (**Figures 18 and 19**) located on the western flank of the Honeysuckle Range primarily within the Coolac Serpentinite Belt with some areas not sampled because of the landholder unavailability and logging in process in the Redhill State Forest. The field team collected on average 25 samples/day followed by the scanning of each sample with the Company's Olympus Delta pXRF and calibration to set of standards.

The soil sampling traverses were completed across targets identified from the recently completed Satellite Alteration Study (**Figure 20**) and areas with elevated historic gold and copper rock chip results from previous explorers as reported in the NSW Government GIS Website - Minview.

Exploration within the polygons comprised grid-based soil sampling with sampling along 200 m and 100 m E-W sampling lines and samples collected every 50 m.

The areas sampled were primarily located within the Coolac Serpentinite Belt (Sc) (**Figure 19).** A few samples were located in the adjacent Honeysuckle Igneous Complex comprising primarily basalt (CuR2 and AuR3). One sample area (BO19) was located within the Young Granodiorite and associated with a N-S shear zone (Tumut 1:100,000 geology map).

A total of 238 soil and 18 rock samples were collected and scanned with the Company's Olympus Vanta pXRF instrument. 18 rock and 88 soil samples were selected for gold and multi-element analyses at ALS laboratory in Orange.

The results from McAlpine EL9252 were encouraging as follows (ASX announcement 31 March 2022):

- **High copper rock assay of 4.43% from the Cu Rock 2 prospect**
- **High chromium soil results to >1% from the Cu Rock 1 and 2 Prospects**

The high copper assay of 44,300ppm (4.43%) is located within the B13 prospect (**Figure 22**) (identified satellite alteration target) and within mafic rocks. The surface malachite mineralisation was within a small quartz vein of very limited extent.

Of the samples sent to ALS, Cu Rock 1 and Cu Rock 2 prospects (**Figures 21 and 22**) had elevated geochemistry for chromium to >1%, the analysis used had an upper detection limit of 10,000ppm and this was considered adequate for soil sampling analyses. The results of the pXRF and soil sampling were not significant for copper, cobalt and nickel at levels slightly above background.

Of particular interest is the high chromium soil results in excess of 10,000 ppm (1%). The anomalous chromium geochemistry was located primarily within serpentinised ultramafic rocks near the contact with mafic intrusive rocks.

Results from the soil sampling highlighted 2 areas, Cu Rock 1 and Cu Rock 2, of elevated chromium to 1.82% chromium which will be followed up in the next field trip.

REVIEW OF OPERATIONS (continued)

Figure 21: Cu Rock 1 Prospect chromium in coloured stars and copper as numbered analyses

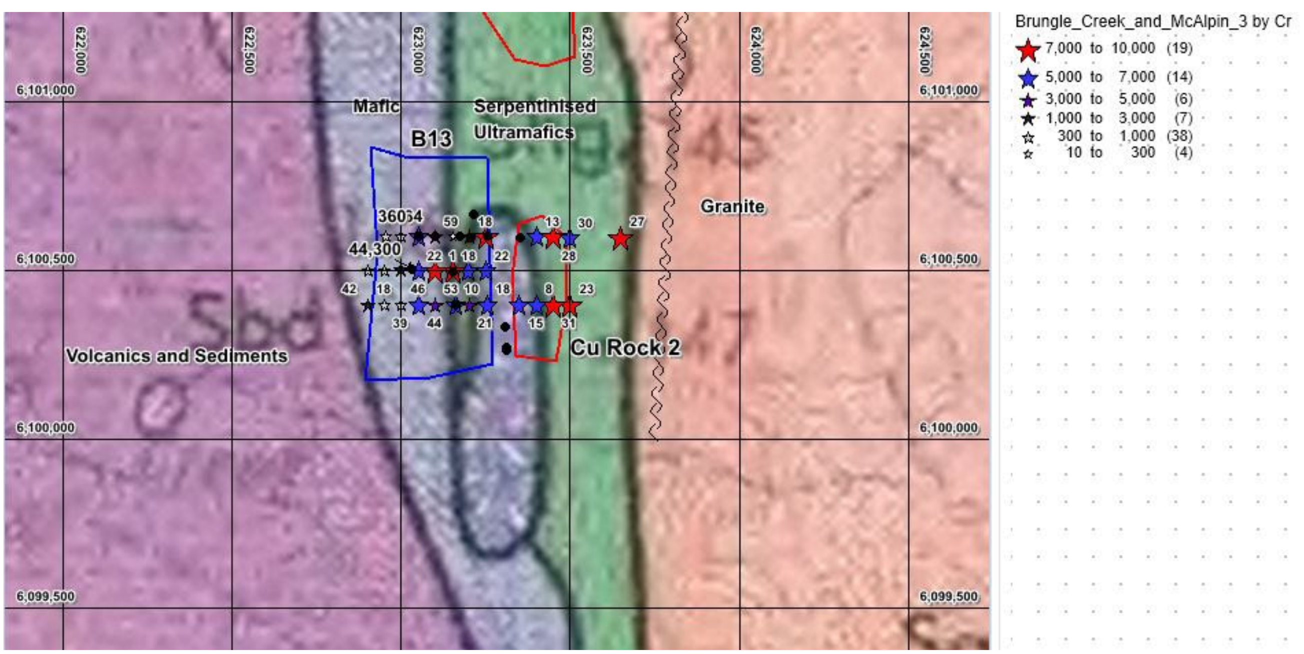

Figure 22: Cu Rock 2 Prospect chromium in coloured stars and copper as numbered analyses

REVIEW OF OPERATIONS (continued)

During the last quarter of the year, the Company engaged Internode Seismic to reprocess and interpret a mid-1980's, BMR (Geoscience Australia Now) seismic line. The seismic line traverse runs E-W and crosses the 2 tenements as shown in **Figure 23**. The seismic receiving stations are shown as purple dots and the Coolac Serpentinite Belt, the focus of exploration in the Brungle Creek and McAlpine tenements, occurs as a dark coloured ridge in the centre of the 3D photograph.

Processing of seismic data has come a long way since the mid-1980s with the original seismic data shown **Figure 24** with the interpretation of the same time period shown adjacent to the seismic data. Internode Seismic believes modern processing of 40 year old seismic data and the associated interpretation will lead to a greatly increased interpretation of 3D structures that will enhance our exploration efforts. The reprocessing has been completed and the interpretation report has been received after the year end to be studied to guide the next program.

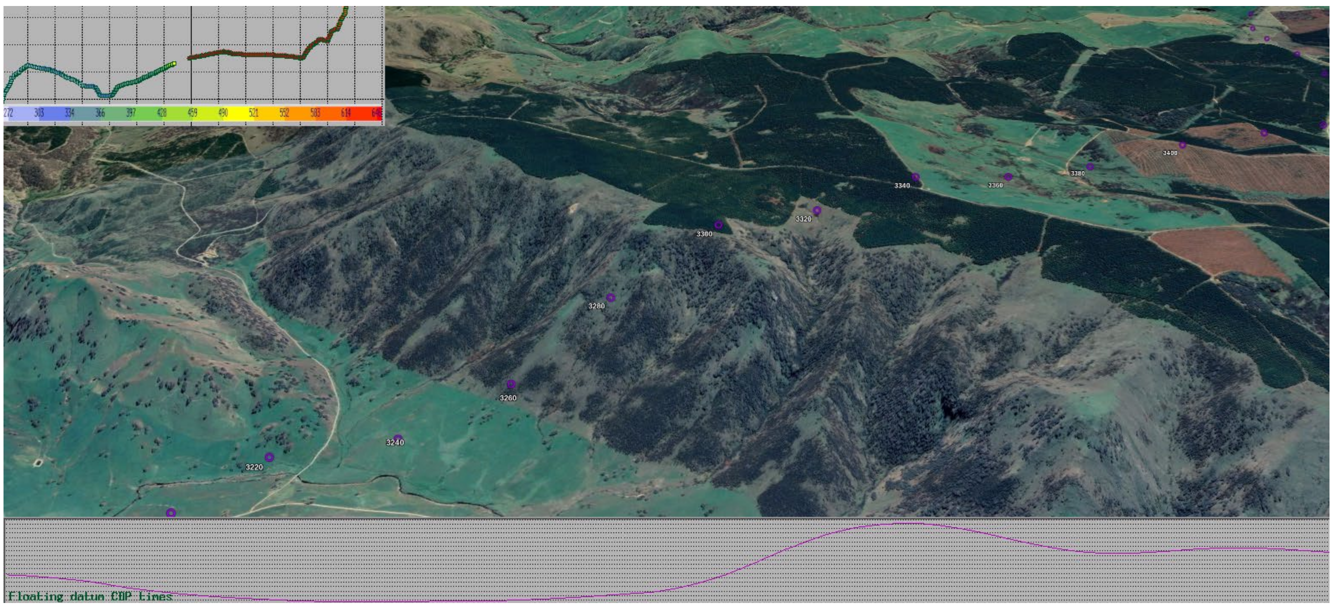

Figure 23: 3D aerial photography showing the dark Coolac Serpentinite Ridge and seismic receiving stations as purple dots

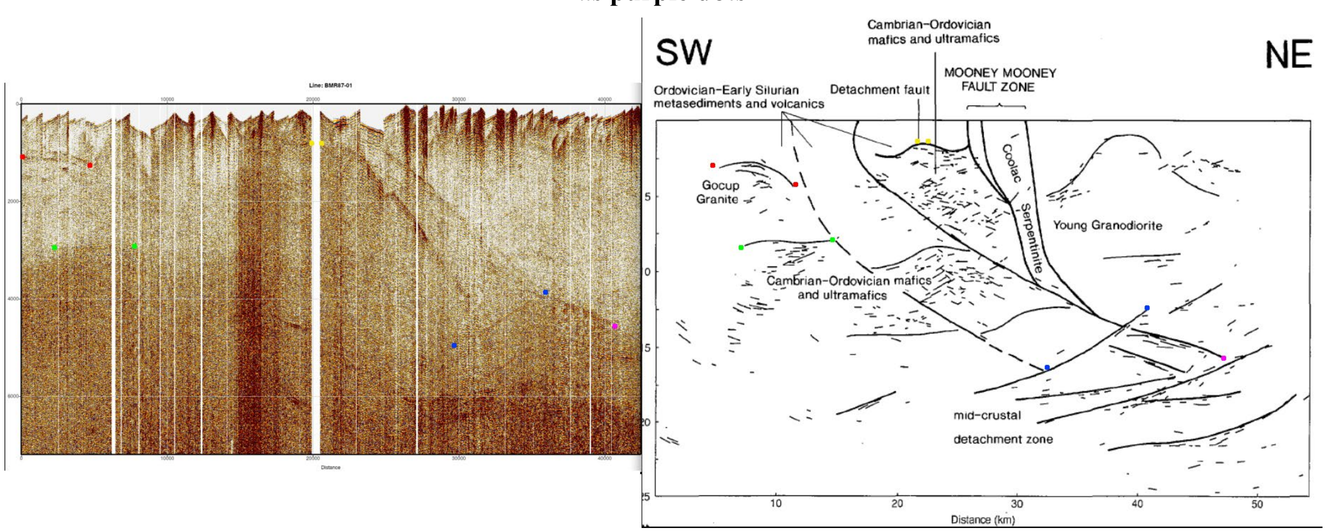

Figure 24: 1980's seismic processed data with associated structural interpretation to the right

REVIEW OF OPERATIONS (continued)

Geology of the areas

The geology of the Brungle Creek and McAlpine tenements broadly encompasses the central ultramafic unit known as the Coolac Serpentinite Belt (**Figure 14**) which is host to all the historic copper and chromite workings. The most significant is the McAlpine Copper Mine that has a shaft at surface (mostly in place but decayed) that was used to bring copper ore to the surface. To the west of the Coolac Serpentinite Belt is a broad sequence of granitic rocks with N-S trending shear zones. One of the shear zones has an alteration target developed on it (**Figure 14** – at the base of Brungle Creek tenement). To the west of the Coolac Serpentinite Belt are a sequence of volcanic and sedimentary rocks and at the northern end of the McAlpine tenement are two areas (yellow) where historic anomalous gold in rock samples have been reported and have been the targets for the Phase 2 soil sampling.

Prospects

The Coolac Serpentinite Belt is bound against Silurian Granodiorite rock of the Forbes Anticlinorial Zone to the east and Siluro Devonian volcanics and sediments to the west with largely faulted contacts.

Numerous copper and chromite prospects occur along the length of the serpentinite belt with the only recorded production from the McAlpine Copper Mine located within EL 9252.

Historic Mineral Occurrences

Several prospects have scattered shallow pits and shafts:

- Geary's Prospect – Rock assays to 20.4% Cu and 166 ppm Ag.
- Poplars Prospect – Quartz tourmaline veins in dacite, average assays of 34.23% As, 53.23 ppm Ag and 0.21 ppm Au.
- Emu Prospect – Pod like chromite lenses with assays between 31.1% and 52.5% Cr.
- Kileys – Shaft to 15 m with surface mullock assays 12.3% Cu.
- McAlpines – 38 t production for 4.06 t Cu.

Historic Information on Exploration in the Southern Coolac Serpentinite Belt for Copper/Chromite/Gold/Nickel

- The Coolac Serpentinite Belt hosts known undeveloped cobalt resources at Thadunggra north of Brungle Creek.
- The southern portion of the Coolac Serpentinite Belt had very little modern exploration and no drilling.
- The area is known for small historical chromite and copper mining operations.
- The area also has elevated cobalt and nickel from historical surficial geochemical exploration.
- Historical Au assay of 3.763 ppm in volcanics/sediments adjacent and to the east of the Coolac Serpentinite Belt.
- Historical Au prospect in N-S shear zone within Silurian Granodiorite to east of Coolac Serpentinite Belt.

Reference: The descriptions on the above 3 paragraphs are public information available from the NSW Department of Planning and Environment – Resources and Geoscience Minview Portal.

SA EXPLORATION LICENCES

Murray and Otway Basins: Rare Earth Element (REE) Exploration– (100% Interest)
Parrakie (EL 6795), Mt Rough (EL 6796), Kingston (EL 6797) and Wolseley (EL 6807)

In August/September 2021, the Company lodged three applications with the Government of South Australia, Department of Energy and Mining ("DEM") for exploration licences, namely Parrakie and Wolseley (ELA 2021/00082), Mt Rough (ELA 2021/00136) and Kingston (ELA 2021/00137) for rare earth elements (REE) and other minerals exploration (**Figure 25**). In July 2022, the DEM granted 4 exploration licences: Parrakie (EL 6795), Mt Rough (EL 6796), Kingston (EL 6797) and Wolseley (EL 6807).

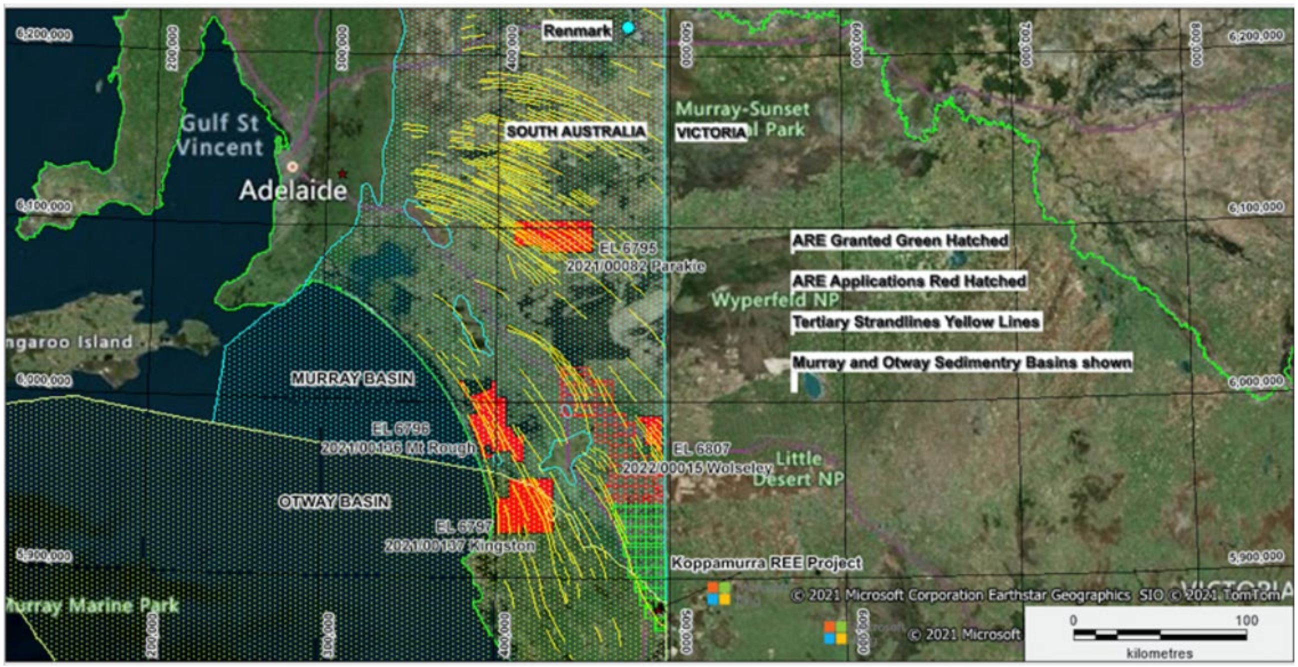

Figure 25: REE Exploration Granted Tenements within Murray and Otway Basins in SA

The licences are for 6 years to July 2028 and cover a total area of 2,775 square kilometers. They are located on the Limestone Coast southeast of Adelaide in South Australia (**Figure 25**) within the Loxton Sands or equivalent of the Murray and Otway Basins.

The aim of the Company is to explore for REE contained within the fine clay fraction of Tertiary (65 to 2.5 Million Years Ago) Strandlines ("ionic clay style of deposit) reportedly existing in the region. Australian Rare Earth (ASX:AR3) has a large area in the region and recently announced following a drilling program an increased JORC inferred mineral resource of 81.4 MT @ 785 ppm TREO (Total Rare Earth Oxides) at their Koppamurra project prospective for ionic clay REE deposit (see AR3's ASX announcement of 4 July 2022). Several other entities are also exploring for REE in the region.

With the lowering of the overall levels, the Loxton Sands or equivalents of the Murray and Otway Basins were formed on the beach on the shore of the emergent land (Strandlines). Locally, heavy minerals were concentrated by wave action, including rutile zircon and ilmenite (Mineral Sands). In addition, Light and Heavy Rare Earth Elements have formed an ionic bond with the fine clay fraction (Ionic Clays) of the Loxton Sands at shallow depths.

REVIEW OF OPERATIONS (continued)

In early September 2022, the Company commenced initial field work visiting selected sites to identify the surface Murray and Otway Basin stratigraphy for potential bulk sampling and also to identify roadside verge locations for later deeper (up to 50m) Aircore drilling. Meetings have been held with local councils who were supportive of the proposed exploration program and to request for permission to carry out road verge aircore/auger drilling. Meetings will also be held in future with local communities and stakeholders

The Company's PXRF instrument has been used on surface samples for identify potential for other metals that may lead to further evaluation of the deeper bedrock potential for gold and base metal mineralisation sites having regards to lithostructural interpretation of available geophysical data sets.

The Company is currently carrying out a thorough review of all historic exploration (**Figure** 26) across the tenements to guide the next stages of field work.

REE have been designated critical minerals by Australia, EU, USGS and IEA and are used in rare earth permanent magnets for electric vehicles (EV), wind turbines and many electronic devices.

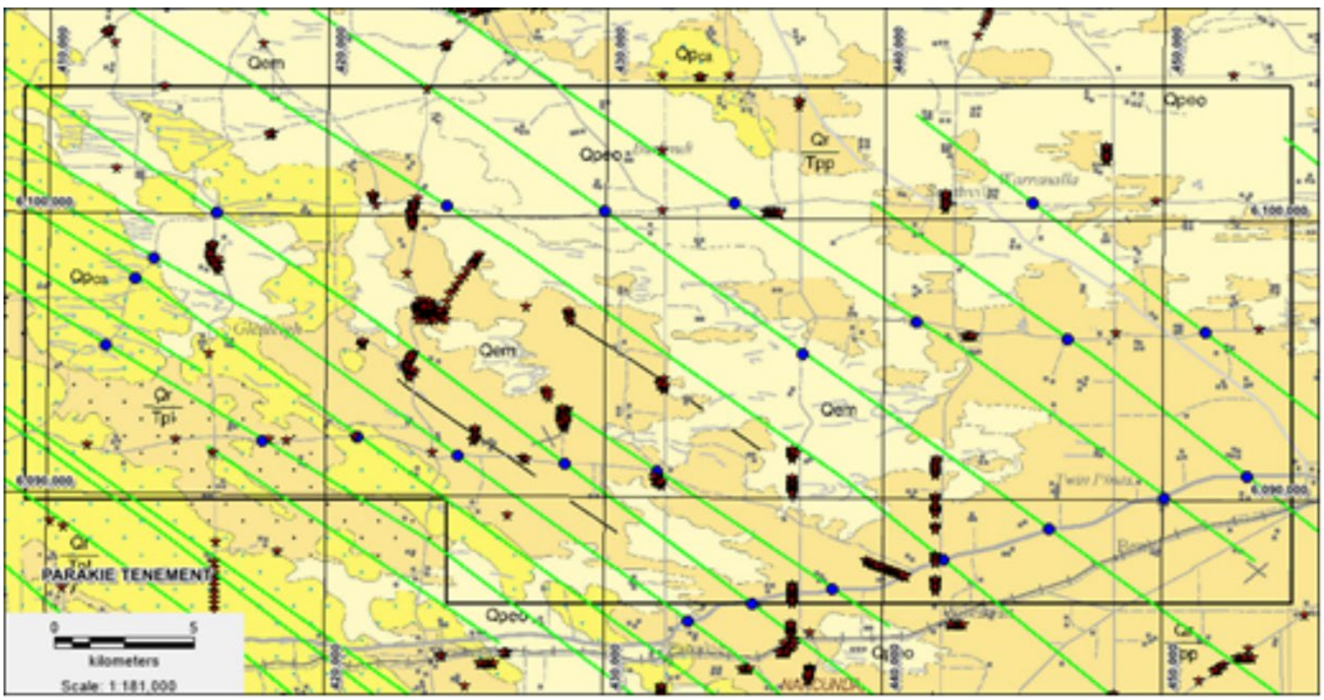

Figure 26: Parakie tenement showing the Loxton Sands in light brown, historic drilling as red stars and Tertiary Strandlines in green

REVIEW OF OPERATIONS (continued)

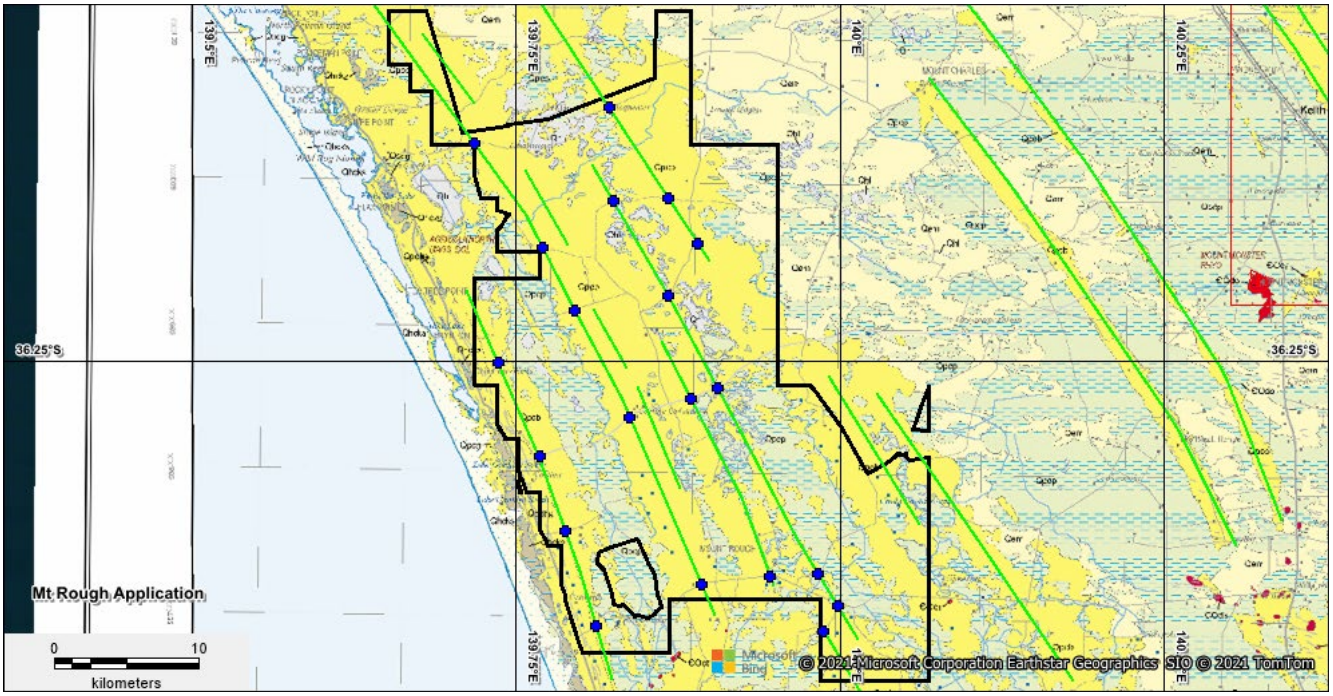

Figure 27: Mt Rough tenement showing Tertiary strand lines in yellow and proposed roadside orientation sites on outcrop geology

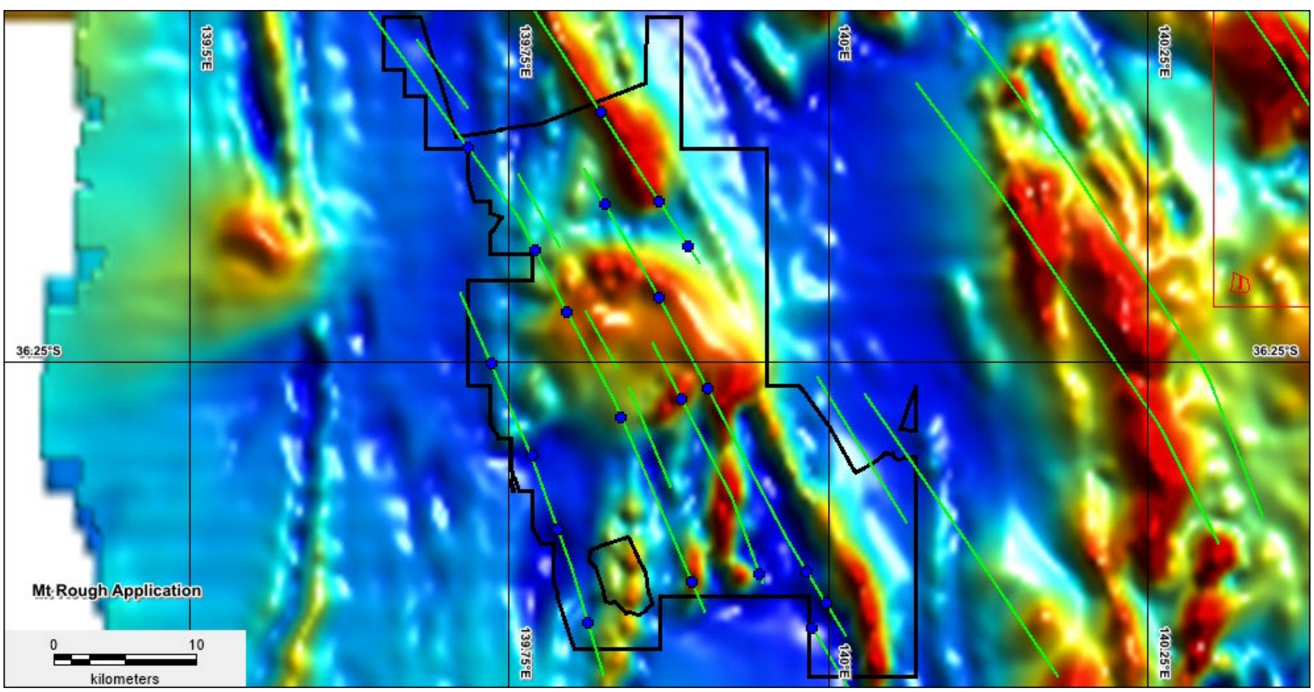

Figure 28: Mt Rough tenement showing Tertiary strand lines in yellow and proposed roadside orientation sites on magnetics

REVIEW OF OPERATIONS (continued)

WA EXPLORATION LICENCE APPLICATIONS

West Duketon - Laverton: Lithium Exploration – (100% Interest)
Barneys (ELA 38/3718) and Neckersgat (ELA 38/3719)

The Company's wholly owned subsidiary AUSBCM Pty Ltd lodged applications for two new exploration licences in Western Australia at the end of January 2022, accepted by the DMIRS in early March 2022. The Company identified the application areas, Barneys (ELA 38/3718) and Neckersgat (ELA 38/3719), covering a total area of 275.8 km^2 north-west of Laverton to contain pegmatites that may have potential for lithium exploration. The DMIRS is assessing the applications and the timing for the grant is not known.

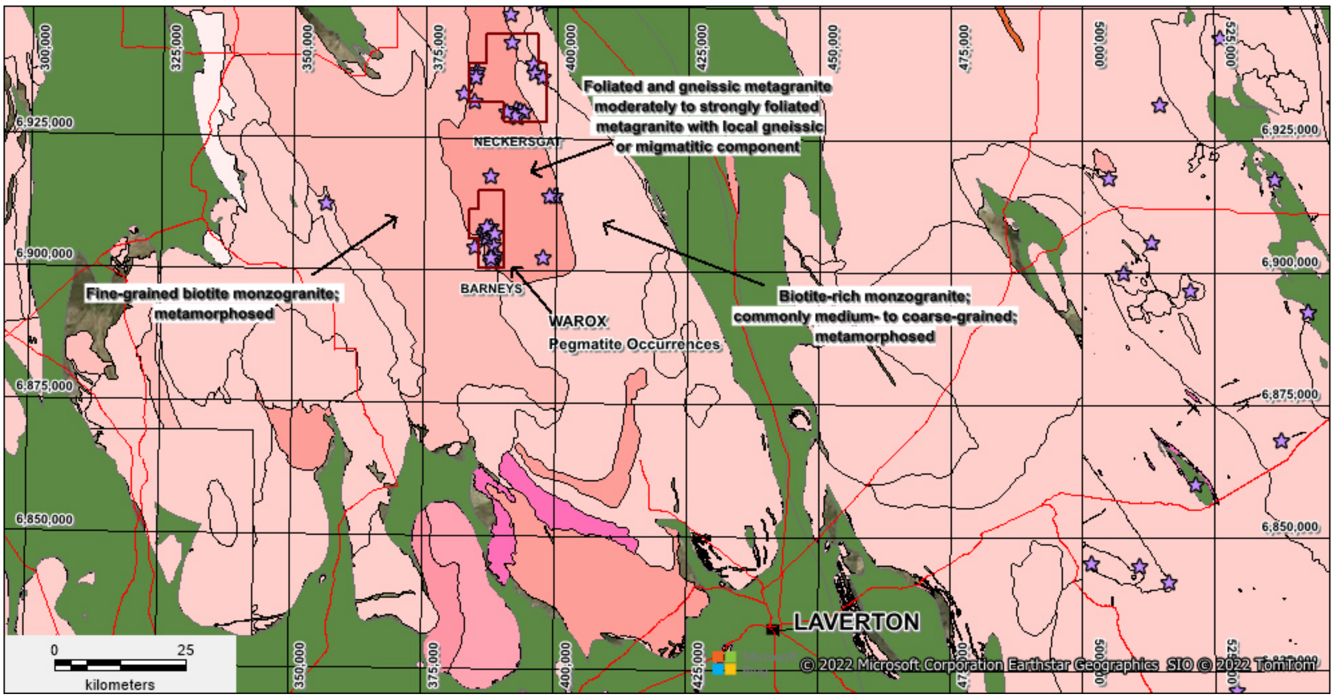

Figure 29: Laverton WA: Barneys (ELA 38/3718), Neckersgat (ELA 38/3719), nearby Pastoral Properties

Potential of the areas

In continuing the focus on battery and critical minerals exploration, the Company has been actively searching for lithium exploration opportunities in Western Australia and has carried out extensive reviews of published geological, geochemical and geophysical data sets both within the Government's GeoVIEW and the Company's in-house MapInfo GIS systems. A large database has been assembled comprising whole rock geochemistry which includes lithium assays and detailed interpreted geology across the state (**Figure 30**).

A concentration of pegmatite occurrences was noted (DNRME WAROX Database) to the NW of Laverton (**Figure 30**). The Company believes that given the limited understanding of the nature of these pegmatites a more focussed exploration is warranted to determine whether these pegmatites belong to the LCT (lithium, caesium and tantalum) variety that is associated with lithium mineralisation currently being mined at several mine sites within Western Australia.

REVIEW OF OPERATIONS (continued)

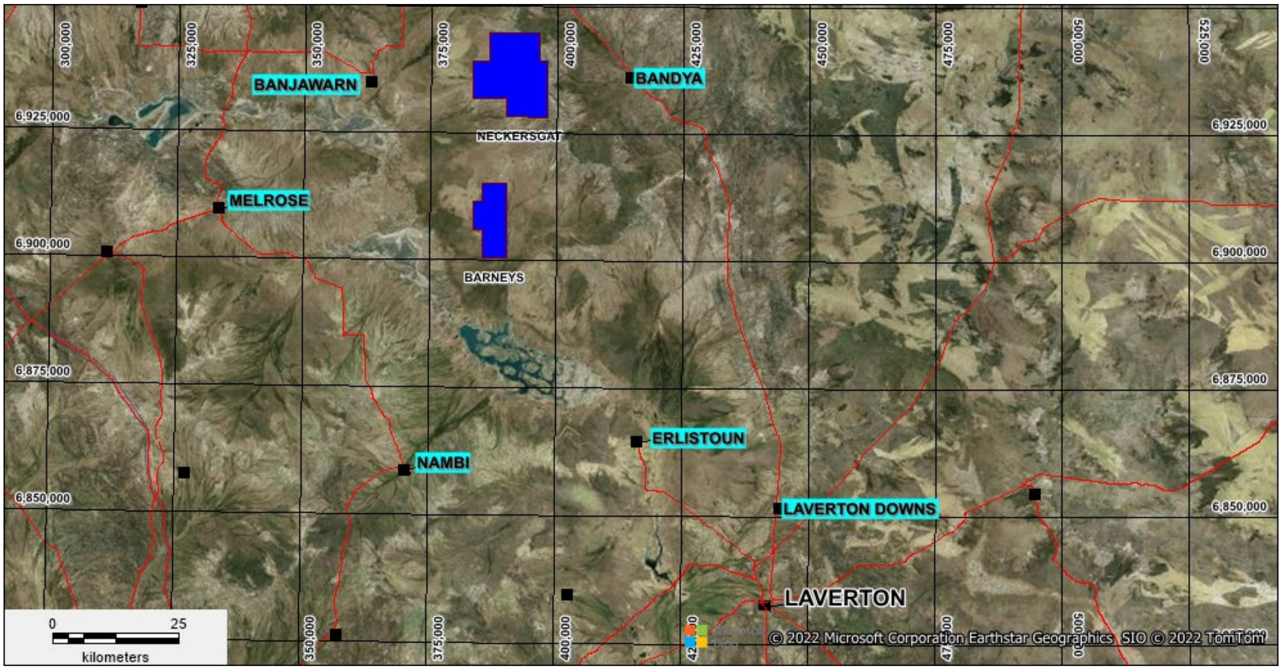

Figure 30: Laverton WA: DNRME Geological Interpretation and WAROX Pegmatite Occurrences

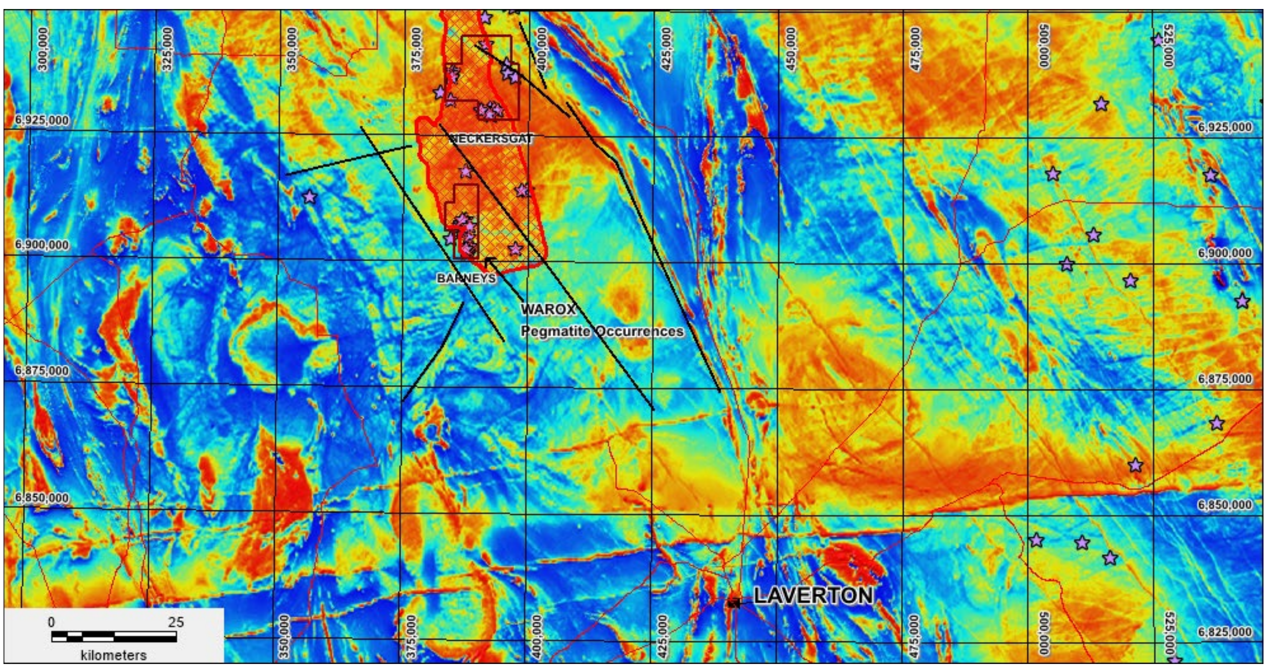

Figure 31: Laverton WA: DNRME State 20m Aeromagnetic Merge Image showing interpreted NW structures

REVIEW OF OPERATIONS (continued)

Regional Geology and Mineralisation

The broad geological setting is Archean Yilgarn Craton granite/greenstone terranes as shown in **Figure 30** with the greenstone terranes shown in green and the granites in pink/red. The state's, major gold and nickel mines are generally situated on the greenstone terranes. The lithium operations are located primarily within the greenstone terranes ie Wodgina, Pilgangoora etc.. However, the Greenbushes Lithium, the largest in WA is located within the Balingup Metamorphic Belt of the Western Gneiss Terrane, dominated by metamorphosed granitic lithologies in addition to more mafic to ultramafic varieties of igneous rocks as occur at Greenbushes. The NW oriented Donnybrook-Bridgetown shear zone that appears to be associated with the emplacement of the pegmatites at Greenbushes is an ancient structure, characterised by steeply dipping mylonitic textures, horizontal stretching lineations, assymetric folds and evidence of sinistral strike-slip movement. It corresponds to a sequence of sheared gneiss, orthogneiss, amphibolite and migmatite outcrops along the trace of the lineament. A series of syn-tectonic granitoid intrusives also occur within the Balingup Metamorphic Belt, elongated along the Donnybrook-Bridgetown Shear Zone.

Within the West Duketon- Laverton Lithium Project the dominant lithology is a fine to coarse grained monzogranite flanked by the Duketon Greenstone Belt to the west (**Figure 31**). The pegmatites are hosted by strongly foliated and gneissic metagranite with local gneissic or migmatitic (a composite rock found in medium and high-grade metamorphic environments consisting of two or more constituents often layered repetitively with the alternate layer being a pegmatitic or finer granite). The gneissic nature represents a higher metamorphic grade and possibly significant structural component. The regional magnetics show the tenement areas as having a higher overall magnetic tenor (warm colours) and NW oriented magnetic linears that possibly represent significant structures (**Figure 31**).

REVIEW OF OPERATIONS (continued)

LICENCES STATUS

Minerals tenements and applications for tenements held at 30 June 2022 and at date of this report and acquired or disposed of during the year and their locations are as follows:

Tenement	Area Name	Location	Beneficial Interest	Status
EL 8745	Kanbarra	NSW	100%	Expiry on 15 May 2024
EL 8747	Stirling Vale	NSW	100%	Expiry on 24 May 2024
EL 8954	Brungle Creek	NSW	100%	Expiry on 11 March 2026
EL 9220	Enmore	NSW	100%	Expiry on 21 July 2026
EL 9224	Eureka	NSW	100%	Expiry on 21 July 2026
EL 9230	Mt Darling	NSW	100%	Expiry on 21 July 2026
EL 9252	McAlpine	NSW	100%	Expiry on 6 August 2027
EL 6795	Parakie	SA	100%	Grant on 5 July 2022 and Expiry on 4 July 2028
EL 6796	Mt Rough	SA	100%	Grant on 5 July 2022 and Expiry on 4 July 2028
EL 6797	Kingston	SA	100%	Grant on 5 July 2022 and Expiry on 4 July 2028
EL 6807	Wolseley	SA	100%	Grant on 19 July 2022 and Expiry on 18 July 2028
ELA 38/3718	Barney	WA	100%	Application lodged in February 2022
ELA 38/3719	Neckersgat	WA	100%	Application lodged in February 2022

Competent Person Statement

The information in the report above that relates to Exploration Results, Exploration Targets and Mineral Resources is based on information compiled by Mr Mark Derriman, who is the Group's Consultant Geologist and a member of The Australian Institute of Geoscientists (1566). Mr Mark Derriman 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 2012 Edition of the Australasian Code for Reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves. Mr Mark Derriman consents to the inclusion in this report of matters based on his information in the form and context in which it appears.

REVIEW OF OPERATIONS (continued)

Forward-Looking Statement

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward-looking statements. Although Ausmon Resources Limited believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

CORPORATE AND FINANCIAL

Performance

During the year the Group incurred net losses of $370,366 (2021: losses $582,600) which included share-based payments of $134,820 (2021: 145,440) and unrealised loss of $195,000 (2021: nil) due to fair value fluctuation of investment in shares of ASX listed Odin Metals Limited ("ODM") received as part of the consideration for the sale of a subsidiary with the tenement EL 6400 Koonenberry.

Financial Position

Cash at 30 June 2022 was $410,240 (2021: $54,595) with total current assets being $673,625 (2021: $104,136).

Total assets increased from $1,335,405 at 30 June 2021 to $2,113,992 at balance date due to exploration and drilling activities, new equity raised and equity holding in ODM arising from the sale of a subsidiary during the year.

Current liabilities at balance date were $266,580 (2021: $228,157) including Directors' fees payable of $108,000 (2021: $90,000) for the year ended 30 June 2022. Non-current liabilities consisted of a drawdown under loan facility agreement with an unrelated party of $240,000 (2021: 125,000) made during the year to finance exploration and operations activities. Total liabilities at balance date were $511,675 (2021: $353,157).

Total equity increased from $982,248 at 30 June 2021 to $1,602,317 at 30 June 2022 due mainly to new equity.

Funding

At the Annual General Meeting held on 15 November 2021 shareholders approved the issue within 3 months of up to 200 million fully paid ordinary shares in accordance with ASX Listing Rule 7.1. In December 2021, the Company raised $503,415 before costs from the issue of 91.53 million fully paid ordinary shares at $0.0055 per share by private placement and in February 2022 a further 35 million fully paid ordinary shares were issued at $0.006 per share raising $210,000 before costs by private placement.

In February 2022, the Company received $142,200 from the repayment of loans under the Employee Incentive Plan ("EIP') for EIP shares issued in prior years.

An unrelated company Fort Capital Pty Ltd has provided a loan facility to fund the general working capital of up to $1,150,000 until 1 October 2023. At balance date $910,000 was available for drawdown under the loan facility.

REVIEW OF OPERATIONS (continued)

To undertake exploration activities while the Group has no revenue producing assets, the Group requires regular injection of equity or loan capital and the level of activities is dictated by the funds that are available. Currently the Group is able to fund its financial commitments as and when they fall due.

Cash Flows

Operating activities resulted in net outflow of $440,882 (2021: outflow $360,647) as the Group is still in the exploration phase with no revenue. Outflow of $155,925 (2021: $727,031) on investing activities was incurred on exploration and evaluation expenditure less cash proceeds from sale of a subsidiary. These outflows were funded from existing cash on hand, equity raising and borrowings.

Covid-19

The Covid-19 pandemic continued to prevail in 2022, with significant number of infections. The Group has taken a number of measures to monitor and prevent the effects of the Covid-19 virus, such as safety and health measures for its employees and contractors (for example. social distancing and working from home).

At this stage, the impact on the Group's business during the year has been the following:

(a) the Group has managed its operations and exploration programs to avoid significant disruptions from the various restrictions imposed by the authorities; and

(b) there has been no other financial effect on the Group's operations.

It is not expected that Covid-19 will impact the Group's operations in the future other than preventing or delaying field exploration due to further travel restrictions imposed by the governments.

External Factors and Material Risks on Operations

In addition to risks described elsewhere in this Annual Report (Covid-19 pandemic described above, financial and funding described above and in Note 24 to the financial statements) other key risks to which the Group is exposed in its current business and operations are summarised as follows:

Exploration and development	Exploration for minerals is a speculative endeavour and involves a high degree of risk. The Group's projects are at exploration stage and there can be no assurance that exploration of its tenements can result in the discovery of an economic mineral deposit for production in the future.
Title of licences	All Group's licences allow the Group to undertake only exploration on the tenements. Failure to satisfy minimum work commitments under a licence may render the licence liable to be cancelled or not renewed unless successfully renegotiated. There is no guarantee that renewal of a licence when periodically due will be granted.
Environmental	The Group's operations are subject to the environmental laws and regulations which may be subject to change and risks inherent in the mining industry that could subject the Group to extensive expenses and liabilities. In that respect, the Group has not experienced adverse effects on its business during the year.

REVIEW OF OPERATIONS (continued)

Land access and Native Title	Access to tenements for exploration activities is subject to certain regulations and restrictions. Negotiations for access are generally required with indigenous parties on Native Title and cultural heritage, if any, and with landowners/occupiers. During the year, the Group has been unable to contact some landowners for access resulting in deferral of some field work but no significant adverse effect has resulted.
General industry risks	• *Key personnel*; The Group's ability to execute its activities depends in retention of key team members to implement the business plan. There have been certain periods when experienced contractors have been unavailable consequently delaying planned field work programs. • *changes in global economic and geopolitical conditions*; The Group's business is dependent on economic conditions including inflation, interest rates, consumer confidence, access to funds and government fiscal, monetary and regulatory policies. The Group has not experienced significant adverse impact on its operations during the year as a result of changes in economic conditions. • *health and safety*; The Group's operations expose its personnel and contractors to health and safety risks inherent in minerals exploration that could subject the Group to extensive liability under health and safety laws and regulations. There has been no adverse event in that respect during the year. • *climatic*: Adverse climatic conditions e.g. rain and floods during the year have restricted access to some tenements and delay exploration activities during the year. • *Information technology and cyber security*: The Group's information technology systems are protected by security measures but unauthorised third party access to these systems for theft of information or disruption of the operations could adversely impact business performance. There has been no event of security breaches during the year.

STRATEGY AND PROSPECTS FOR FUTURE

The Group proposes to continue its mineral exploration program in Australia and search for new projects in the resources sector. However, no indication as to likely results in the future can be given due to the uncertainties usually associated with exploration activities and new projects. Future financial performance will be driven by success in the exploration for gold, silver, copper, cobalt, nickel, zinc and other base metals, rare earth elements and any new projects.

To carry out those above activities the Company will require funding which may be by farmout of interests, borrowings 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.

DIRECTORS' REPORT

The Directors present their report on Ausmon Resources Limited ("Company") and its controlled entities ("Group") for the financial year ended 30 June 2022.

DIRECTORS

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

Boris Patkin
Non-Executive Chairman

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

Appointed to the Board: 16 July 2014.
Special responsibilities: Chairman from 16 July 2014.
Current directorship of other listed public companies: Noxopharm Limited.
Former directorship of listed public companies in the last three years: None.
Interest in shares: 34,142,857 ordinary shares in Ausmon Resources Limited.

John Qiang Wang
Managing Director

Mr Wang holds a Bachelor of Computer Science from Shanghai University and a Master of Business Administration from the University of Technology, Sydney. He is a Justice of the Peace with more than 20 years' experience in the accounting profession in Australia. He is a Fellow Member of the Taxation Institute of Australia, a member of National Institute of Accountants and an affiliate member of the Financial Planner Association of Australia.

Appointed to the Board: 26 November 2008 on incorporation.
Special responsibilities: Managing Director from 16 July 2014 and CFO/secretary until 25 October 2017
Current directorship of other listed public companies: None.
Former directorship of listed public companies in the last three years: None.
Interest in shares: 36,327,859 ordinary shares in Ausmon Resources Limited.

Eric W Y M Sam Yue
Director – Executive

Mr Sam Yue holds a Bachelor of Science in Economics and is a Chartered Accountant with international experience in both public accounting and commerce. His financial management and corporate experience span over 25 years in senior financial executive positions in professional services, shipping, mining and oil and gas companies in Australia and New Zealand in private and ASX listed companies.

Appointed to the Board: 25 October 2017.
Special responsibilities: Chief Financial Officer and company secretary.
Current directorship of other listed public companies: None.
Former directorship of listed public companies in the last three years: None.
Interest in shares: 41,004,857 ordinary shares in Ausmon Resources Limited

DIRECTORS' REPORT (continued)

COMPANY SECRETARY

Mr Eric W Y M Sam Yue is the Company Secretary of the Company and is also an Executive Director.

PRINCIPAL ACTIVITIES

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

OPERATING RESULTS

The loss of the Group after income tax for the year was $370,366 (2021: $582,600).

FINANCIAL POSITION

Total equity of the Group at 30 June 2022 was $1,602,317 (2021: $982,248). Total assets increased by $778,587 to $2,113,992 and total liabilities increased from $353,157 to $511,675 with cash and cash equivalents of $410,240 (2021: $54,595), non-current borrowings of $240,000(2021: 125,000) and non-current provisions of $5,095 (2021: nil)..

DIVIDENDS

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

STATE OF AFFAIRS

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

(a) In December 2021, issue of 91,530,000 fully paid ordinary shares at $0.0055 per share under private placement raising $503,415 before costs for funding exploration and working capital;

(b) In February 2022, the Company received $142,200 from the repayment of loans under the Employee Incentive Plan ("EIP") for EIP shares issued in prior years;

(c) In February 2022, Issue of 35,000,000 fully paid ordinary shares at $0.0060 per share under private placement raising $210,000 before costs for funding exploration and working capital;

(d) Details of exploration activities undertaken are included in the Review of Operations;

REVIEW OF OPERATIONS AND LIKELY DEVELOPMENTS

A Review of Operations for the financial year, together with future prospects, is set out on pages 3 to 33.

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

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

DIRECTORS' REPORT (continued)

ENVIRONMENTAL ISSUES

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

AFTER BALANCE DATE EVENTS

In the opinion of the Directors, no items, transactions or events of a material or unusual nature have arisen in the interval between the end of the financial year and the date of this report which have significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years other than the following:

- In July 2022, the Group was granted 4 exploration licences for Rare Earth Elements on the Limestone Coast in South Australia (ELs 6795, 6796, 6797,6807) for 6 years;

REMUNERATION REPORT (AUDITED)

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

Remuneration Policy and Practices

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

(i) Directors

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

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

As the Directors continued to discharge their duties and work for the future development of the Group, it was considered appropriate for them to be remunerated. The Board resolved to remunerate Directors B Patkin, J Wang and E Sam Yue director fees for directorship functions for the period from July 2021 to June 2022 in the total amount of $108,000 (2021: total amount $90,000).Director fees of $36,000 for each of the three Directors for the 12 months to June 2022 remained unpaid at balance date. Fees for executive functions continue to be remunerated on time cost basis.

(ii) Key Management Personnel

The remuneration structure for senior executives, including Executive Directors, is based on a number of factors, including qualifications, particular experience and general past performance of the individual concerned, overall performance of the Group and general human resources market pricing. There is no predetermined equity compensation element within the remuneration structure nor predetermined performance condition to be satisfied. Remuneration including equity compensation is reviewed on an annual basis with advice from external remuneration advisers as may be required. There are contracts for service between the Company and Directors currently in place, other than executive positions held by

DIRECTORS' REPORT (continued)

Directors, which may be terminable by the Company by giving one month's notice or by payment of one month's fees in lieu of notice.

The Board determines payments to Non-Executive and Executive Directors and other key management personnel. The Board had resolved to pay fees to existing Directors for directorship and executive functions. Fees for executive functions continue to be remunerated on time cost basis. Non-executive Directors are remunerated at the rate of $1,000 per day when performing services that are not the normal duties of non-executive directors.

Company performance, shareholder wealth and Director and executive remuneration

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

Use of remuneration consultants

No remuneration consultants were used during the year.

Voting and comments made at the Company's 2021 Annual General Meeting (AGM)

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

Employee Incentive Plan (EIP)

The Company has established an Ausmon Resources Limited Employee Incentive Plan under which the Directors may offer options and ordinary shares in the Company to eligible persons. The Directors may also offer non-recourse interest free loans for terms of up to 5 years under the plan for subscription of shares and under such loans the Company holds a lien over the issued shares. The options are issued free at grant. The shares may not be subscribed for less than the market value of the shares at the time an offer is made under the plan. The maximum total number of options and shares that may be offered or issued under the plan may not exceed 20% of the issued shares of the Company.

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

21,400,000 shares were granted under the plan to Eligible Persons during the financial year (2021:21,400,000).

DIRECTORS' REPORT (continued)

Key management personnel remuneration

The key management personnel of the Group during the year were the Directors B Patkin, J Q Wang, and E Sam Yue.

The following table show details of the remuneration of each Director and key management personnel for the year ended 30 June 2022:

	Short-term employee benefits	Post employment benefits	Other long term benefits	Termination benefits	Share-based payments[3]	
	Cash salary and fees $	Super-annuation $	Long service leave $	$	EIP shares $	Total $
2022						
Directors						
B Patkin	36,000[1]	-	-	-	31,500	67,500
E Sam Yue	101,111[1,2]	6,529	-	-	31,500	139,140
J Q Wang	36,000[1]	-	-	-	31,500	67,500
	173,111	6,529	-	-	94,500	274,140

[1] $36,000 for each Director for the year ended 30 June 2022 and not yet paid at balance date.
[2] $65,111 for managing fees of which $3,960 was not yet paid at balance date.
[3]Equity-settled approved by shareholders at Annual General Meeting held on 15 November 2021.

	Short-term employee benefits	Post employment benefits	Other long term benefits	Termination benefits	Share-based payments[3]	
	Cash salary and fees $	Super-annuation $	Long service leave $	$	EIP shares $	Total $
2021						
Directors						
B Patkin	30,000[1]	-	-	-	33,500	63,500
E Sam Yue	85,837[1,2]	5,363	-	-	33,500	124,700
J Q Wang	30,000[1]	-	-	-	33,500	63,500
	145,837	5,363	-	-	100,500	251,700

[1] $30,000 for each Director for the year ended 30 June 2021 and paid after balance date.
[2] $55,837 for management fees of which $12,780 was paid after balance date.
[3]Equity-settled approved by shareholders at Annual General Meeting held on 27 November 2020

None of the remuneration was performance based.

DIRECTORS' REPORT (continued)

Shares held by Key Management Personnel (KMP)

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

	Balance at start of year	Granted as remuneration[4]	Other changes	Balance at end of year
Year ended 30 June 2022				
B Patkin[1]	29,142,857	5,000,000	-	34,142,857
J Q Wang[2]	31,327,859	5,000,000	-	36,327,859
E Sam Yue[3]	36,004,857	5,000,000	-	41,004,857
	96,475,573	15,000,000	-	111,475,573

[1] 5,000,000 shares are registered in the name of Snowy Plains Pty Ltd of which Director B Patkin is the sole director and sole shareholder..

[2] 6,510,000 shares are registered in the name of John Wang & Co Pty Ltd (J Q Wang is a director and controller) and 2,800,000 shares are registered in the name of John Wang & Co Pty Ltd <JM Wang Family Trust> of which J Q Wang is a director and beneficiary.

[3] 31,004,857shares are registered in the name of Vesway Pty Ltd <ESVSY Super Fund A/c> of which Director E Sam Yue is a director and beneficiary

[4] EIP shares approved by shareholders at Annual General Meeting held on 15 November 2021.

	Balance at start of year	Granted as remuneration[4]	Other changes	Balance at end of year
Year ended 30 June 2021				
B Patkin[1]	22,142,857	5,000,000	*2,000,000*	29,142,857
J Q Wang[2]	24,327,859	5,000,000	*2,000,000*	31,327,859
E Sam Yue[3]	37,504,857	5,000,000	(6,500,000)	36,004,857
	83,975,573	15,000,000	(2,500,000)	96,475,573

[1] 10,000,000 shares are held by Snowy Plains Pty Ltd of which Director B Patkin is the sole director and shareholder.

[2] 6,510,000 shares are registered in the name of John Wang & Co Pty Ltd (J Q Wang is a director and controller) and 2,800,000 shares are registered in the name of John Wang & Co Pty Ltd Atf JM Wang Family Trust of which J Q Wang is a director and beneficiary.

[3] 26,004,857 shares are registered in the name of Vesway Pty Ltd Atf ESVSY Super Fund of which Director E Sam Yue is a beneficiary

[4] Equity-settled approved by shareholders at Annual General Meeting held on 27 November 2020

DIRECTORS' REPORT (continued)

Loans to Directors

There are no outstanding loans to Directors and no loans have been issued during the year, other than non-recourse loans structured under the Employee Incentive Plan (EIP). At balance date, the EIP non-recourse loans to Directors approved by shareholders were as follows:

Director	Loan expiry date	EIP shares[1]	2022 $	2021 $
B Patkin	7 February 2023	-	-[2]	35,000
	10 December 2025	5,000,000	37,500	37,500
	15 November 2026	5,000,000	37,500	-
		10,000,000	75,000	72,500
J Q Wang	7 February 2023	-	-[2]	35,000
	10 December 2025	5,000,000	37,500	37,500
	15 November 2026	5,000,000	37,500	-
		10,000,000	75,000	72,500
E Sam Yue	7 February 2023	-	-[2]	35,000
	10 December 2025	5,000,000	37,500	37,500
	15 November 2026	5,000,000	37,500	-
		10,000,000	75,000	72,500

[1]The EIP shares are included in the number of shares in the above table of Shares held by KMP.
[2]The Directors repaid loan under the Employee Incentive Plan ("EIP") for EIP shares granted in 2018.

Other transactions with Key Management Personnel

	2022 $	2021 $
Paid to Australian MBA Accountants an entity controlled by Director J Q Wang		
- Office rental	10,400	10,400
- Professional services	1,046	-
	11,446	10,400

End of audited remuneration report.

SHARE OPTIONS

There are no share options issued during the year or on issue at the date of this report.

DIRECTORS' REPORT (continued)

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the Company's Directors held during the year ended 30 June 2022, and the number of meetings attended by each Director:

	Directors' meetings	
	Number eligible to attend	**Number attended**
B Patkin	3	3
J Q Wang	3	3
E Sam Yue	3	3

During the year, Board business was also effected by execution of circulated resolutions.

Because of the small size of the Board, no separate sub-committees of the Board have operated and all matters were dealt with in the Directors' meetings or by circulated resolutions.

INDEMNIFICATION OF OFFICERS OR AUDITORS

During the financial year, the Group paid a premium in respect of a contract ensuring the directors and officers of the Group against a liability incurred as such a director or officer to the extent permitted by the Corporations Act. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Group has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify a former officer or auditor of the Group against a liability incurred as such an officer or auditor.

PROCEEDINGS

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

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

NON-AUDIT SERVICES

No non-audit services were provided by the auditor during the year ended 30 June 2022.

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with section 307C of the Corporations Act 2001 the auditor's independence declaration for the year ended 30 June 2022 has been received and can be found on page 43 of the Annual Report and forms part of this report.

DIRECTORS' REPORT (continued)

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

John Wang
Director
Dated this 29 day of September 2022

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29 September 2022

Board of Directors

Ausmon Resources Limited
World Tower
Suite 1312
87-89 Liverpool Street
Sydney NSW 2000

Dear Directors

RE: AUSMON RESOURCES LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Ausmon Resources Limited.

As Audit Director for the audit of the financial statements of Ausmon Resources Limited for the year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Martin Michalik
Director

CORPORATE GOVERNANCE

The Board is committed to achieving and demonstrating the highest standards of corporate governance. As such, Ausmon Resources Limited and its controlled entites ('the Group') have adopted a corporate governance framework and practices to ensure they meet the interests of shareholders.

The ASX Corporate Governance Council has published the Corporate Governance Principles and Recommendations – 4th edition which takes effect for a listed entity's first full financial year commencing on or after 1 January 2020. The Group has adopted the 4th edition from 1 July 2020.

The Group has chosen to publish its Corporate Governance Statement on its website rather than in this Annual Report. The Corporate Governance Statement and governance policies and practices can be found in the corporate governance section of the Company's website at http://www.ausmonresources.com.au.

The Group's Corporate Governance Statement incorporates the disclosures required by the ASX Principles under the headings of the eight core principles. All of these practices, unless otherwise stated, were in place for the full reporting period.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 30 June 2022

	Note	2022	2021
		$	$
Revenue			
Interest and other income	5	486,632	10,588
Expenses			
Employee benefits expense		(45,135)	(39,858)
Directors and management fees		(164,340)	(134,280)
Finance costs		(19,062)	(15,665)
Impairment of exploration and evaluation expenditure		-	(8,564)
Share-based payments	7	(134,820)	(145,440)
Projects evaluation		(53,073)	(24,990)
Fair value loss on financial assets through profit or loss	12	(195,000)	-
Other expenses	6	(245,568)	(224,391)
Loss before income tax expense		(370,366)	(582,600)
Income tax expense	8	-	-
Net loss from continuing operations		(370,366)	(582,600)
Other comprehensive income		-	-
Other comprehensive income for the year, net of tax		-	-
Other comprehensive income for the year		-	-
Total comprehensive loss for the year		(370,366)	(582,600)
Loss attributable to:			
- members of the Parent Entity		(370,366)	(582,600)
Total comprehensive income (loss) attributable to:			
- members of the Parent Entity		(370,366)	(582,600)
Loss per share			
Basic and diluted loss per share	21	(0.04 cents)	(0.08 cents)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	Note	2022 $	2021 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	9	410,240	54,595
Trade and other receivables	10	12,995	35,794
Financial assets	12	195,000	-
Other assets	11	55,390	13,747
TOTAL CURRENT ASSETS		673,625	104,136
NON-CURRENT ASSETS			
Financial assets	12	70,000	80,000
Exploration and evaluation expenditure	13	1,370,367	1,151,269
TOTAL NON-CURRENT ASSETS		1,440,367	1,231,269
TOTAL ASSETS		2,113,992	1,335,405
CURRENT LIABILITIES			
Trade and other payables	14	266,580	228,157
TOTAL CURRENT LIABILITIES		266,580	228,157
NON-CURRENT LIABILITIES			
Borrowings	16	240,000	125,000
Provisions	15	5,095	-
TOTAL NON-CURRENT LIABILITIES		245,095	125,000
TOTAL LIABILITIES		511,675	353,157
NET ASSETS		1,602,317	982,248
EQUITY			
Issued capital	17	15,015,625	14,160,010
Reserves	18	745,030	610,210
Accumulated losses		(14,158,338)	(13,787,972)
TOTAL EQUITY		1,602,317	982,248

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2022

	Issued capital $	Option reserve $	Accumulated losses $	Total $
Balance at 01 July 2020	13,516,892	464,770	(13,205,372)	776,290
Total comprehensive loss for the year	-	-	(582,600)	(582,600)
Transactions with owners in their capacity as owners:				
Issue of share capital	683,400	-	-	683,400
Transaction costs	(40,282)	-	-	(40,282)
Employee incentive plan	-	145,440	-	145,440
Balance at 30 June 2021	14,160,010	610,210	(13,787,972)	982,248
Balance at 01 July 2021	14,160,010	610,210	(13,787,972)	982,248
Total comprehensive loss for the year	-	-	(370,366)	(370,366)
Transactions with owners in their capacity as owners:				
Issue of share capital	855,615	-	-	855,615
Employee incentive plan	-	134,820	-	134,820
Balance at 30 June 2022	15,015,625	745,030	(14,158,338)	1,602,317

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2022

	Note	2022 $	2021 $
CASH FLOW FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(440,904)	(371,235)
Interest received		22	588
Receipts under Government cash flow boost		-	10,000
Net cash used in operating activities	22(b)	(440,882)	(360,647)
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for exploration and evaluation expenditure		(263,285)	(717,031)
Proceeds from sale of subsidiary		97,360	-
Payments for security deposits		-	(40,000)
Proceeds from refund of security deposits		10,000	30,000
Net cash used in investing activities		(155,925)	(727,031)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		713,415	683,400
Proceeds from repayment of loans on EIP share	17(a)	141,500	-
Proceeds from sale of treasury shares	17(a)	700	-
Capital raising costs		-	(40,282)
Proceeds from borrowings		415,000	125,000
Repayment of borrowings		(300,000)	-
Borrowing costs		(18,163)	(15,665)
Net cash inflow from financing activities		952,452	752,453
Net increase/(decrease) in cash and cash equivalents		355,645	(335,225)
Cash and cash equivalents at beginning of year		54,595	389,820
Cash and cash equivalents at end of year	22	410,240	54,595

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

Notes to the Financial Statements for the Year Ended 30 June 2022

Note 1 – Nature of operations

Ausmon Resources Limited and its subsidiaries' ('the Group') principal activities consisted of carrying out exploration in minerals tenements with a focus on gold, silver, copper, cobalt, nickel, zinc and other base metals.

Note 2 – General information and statement of compliance

The consolidated general purpose financial statements of the Group have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Ausmon Resources Limited is a for-profit entity for the purpose of preparing the financial statements.

Ausmon Resources Limited is the Group's ultimate Parent Company. Ausmon Resources Limited is a public company incorporated and domiciled in Australia. The address of its registered office and its principal place of business is World Tower, Suite 1312, 87-89 Liverpool Street, Sydney NSW 2000.

The consolidated financial statements for the year ended 30 June 2022 were approved and authorised for issue by the board of Directors on 29 September 2022.

Note 3 – New accounting standards and interpretations

Certain new accounting standards and interpretation that have recently been issued or amended but are not yet effective have not been adopted early by the Group. Those which may be relevant to the Group are set out below but they are not expected to have any significant impact on the Group's financial statements:

New or revised pronouncement	**Nature of change**	**Effective for annual reporting periods beginning on or after**	**Likely impact on initial application**
AASB 2020-3 Amendments to Australian Accounting Standards –Annual improvements 2018-2020 and Other Amendmentsl	Amends AASB 101 and AASB 108, refines the definition of material in AASB 101 and clarifies the definition of material and its application by improving the wording and aligning the definition across the Australian Accounting Standards and other publications.	1 January 2022	When these amendments are first adopted for the year ending 30 June 2023, there will be no material impact on the financial statements.
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as current or Non-current	Makes amendments to AASB 101 Presentation of Financial Statements to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current.	1 January 2023	When these amendments are first adopted for the year ending 30 June 2023, there will be no material impact on the financial statements.

Notes to the Financial Statements for the Year Ended 30 June 2022 (continued)

Note 4 – Summary of accounting policies

(a) Overall considerations

The consolidated financial statements have been prepared using the significant accounting policies and measurement bases summarized below.

(b) Basis of consolidation

The Group financial statements consolidated those of the Parent Company and its subsidiaries as of 30 June 2022. The Parent Company controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. The subsidiaries in the Group have a reporting date of 30 June.

Details of the subsidiaries (controlled entities) are contained in Note 25 to the financial statements.

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

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

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

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

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

(c) Going concern

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will be able to pay its debts as and when they become due and payable.

Notes to the Financial Statements for the Year Ended 30 June 2022 (continued)

At balance date the Group had current assets of $673,625 including total cash of $410,240 and current liabilities of $266,580 and had incurred a net loss of $370,366 in the year. In addition, the Group has an unfulfilled expenditure requirement under its exploration licences of $61,000 for the next 12 months at balance date.

The Group is planning exploration activities on its licences and has budgeted for those amounts that the financial position of the Group allows. Consistent with the nature of the Group's activities, it will require funding which may be by farmout of interests, borrowings or new equity capital. The Company entered into an agreement with an unrelated company for an unsecured loan facility of $1,150,000 available until 1 October 2023 to fund general working capital. At balance date, $240,000 has been withdrawn under the loan facility with further amount of $910,000 available to be drawn.

The Directors have reviewed the cash flow forecast for the next twelve months including consideration of the unfulfilled expenditure requirement and other committed expenses and have reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. If for any reason, the Group is unable to continue as a going concern, then this could have an impact on the Group's ability to realise assets at their recognised values and to extinguish liabilities in the normal course of business at the amounts stated in the consolidated financial statements.

(d) Income tax

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

Current tax

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

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

Deferred tax

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

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

Notes to the Financial Statements for the Year Ended 30 June 2022 (continued)

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

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.
Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(e) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured.

Interest revenue is recognised as interest accrues using the effective interest method.

(f) Cash and cash equivalents

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

(g) Receivables

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

(h) Exploration and evaluation expenditure

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

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

(ii) one of the following conditions is met:

> (i) such costs are expected to be recouped through successful development and exploitation of the area of interest or by its sale; or

Notes to the Financial Statements for the Year Ended 30 June 2022 (continued)

(ii) exploration and/or evaluation activities in the area of interest have not at balance date yet reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the areas are continuing.

Indirect costs relating to exploration and evaluation in areas of interest are capitalised in the period they are incurred. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Accumulated expenditure on areas which have been abandoned, or are considered to be of no value, is written off in the year in which such a decision is made.

(i) Provisions

Employee benefits

Liabilities for unpaid wages and salaries are recognised in other creditors. Current entitlements to annual leave and accumulating sick leave accrued for services up to the reporting date are recognised in the provision for employee benefits and are measured at the amount expected to be paid. Entitlements to non-accumulated sick leave are recognised when the leave is taken.

The current liability for long service leave (for which settlement within 12 months of the reporting date cannot be deferred) is recognised in the current provision for employee benefits and is measured in accordance with annual leave described above. The non-current liability for long service leave is recognised in the non-current provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

(j) Critical accounting estimates and judgments

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

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

Key estimates

(i) Impairment

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

Notes to the Financial Statements for the Year Ended 30 June 2022 (continued)

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

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior year. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value. Impairment of goodwill is not reversed.

When the Group does not intend to renew a licence expiring subsequent to balance date or is not planning substantive exploration expenditure within the licence having regards to its perceived prospectivity, it impairs the deferred exploration expenditure at balance date.

The Directors have reviewed the carrying value of exploration and evaluation expenditure at the balance date and, based on the above policies and in accordance with the requirements of *AASB 6 – Exploration for and Evaluation of Mineral Resources*, no impairment has been recognised during the year.

(ii) Restoration, rehabilitation and environmental protection expenditure

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

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

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

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

(iii) Share-based payments

The fair value of shares issued under the Employee Incentive Plan (EIP) is measured at grant date and is determined using the Black-Scholes option pricing model that takes into account the term of the EIP shares, the exercise price, the share price at grant date and the expected volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the EIP shares.

Notes to the Financial Statements for the Year Ended 30 June 2022 (continued)

Fees for services rendered by Directors and suppliers may also be settled by the issue of shares in the Company. The fair value of the services received is measured by reference to the fair value of the equity instruments granted.

(k) Foreign currency transactions and balances

Functional and presentation currency

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

Transactions and balances

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

(l) Accounts payable

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

(m) Equity-settled compensation

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

(n) Financial Instruments

(i) *Initial recognition and measurement*

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Group commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Group commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted

Notes to the Financial Statements for the Year Ended 30 June 2022 (continued)

prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

(ii) *Classification and subsequent measurement*

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates;

- the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Group initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;

- it is in accordance with the documented risk management or investment strategy, and information about the groupings was documented appropriately, so that the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis;

Notes to the Financial Statements for the Year Ended 30 June 2022 (continued)

- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading and not a contingent consideration recognised by an acquirer in a business combination to which AASB 3:*Business Combinations* applies, the Group made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Group's accounting policy.

Financial liabilities

Financial instruments are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: *Business Combinations* applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if:

- it is incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in a effective hedging relationships).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship are recognised in profit or loss.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and are not subsequently reclassified to profit or loss. Instead, they are transferred to retained earnings upon derecognition of the financial liability. If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Group no longer controls the asset (ie the Group has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Notes to the Financial Statements for the Year Ended 30 June 2022 (continued)

(o) Goods and services tax (GST)

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

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

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

(p) Earnings per share

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

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

(p) Segment reporting

Operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the Group's chief operating decision maker which, for the Group, is the Board of Directors. In this regard, such information may be provided using different measures to those used in preparing the Statement of Profit or Loss and Other Comprehensive Income and Statement of Financial Position. Reconciliations of such management information to the statutory information contained in the financial statements have been included, where applicable.

(q) Parent Entity financial information

The financial information for the Parent Entity, Ausmon Resources Limited, disclosed in Note 26 has been prepared on the same basis as the consolidated financial statements.

(r) Comparative information

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

Notes to the Financial Statements for the Year Ended 30 June 2022 (continued)

	2022 $	2021 $
Note 5 – Interest and other income		
Interest	21	588
Government cash flow boost	-	10,000
Other income	2,000	-
Gain on sale of subsidiary[1]	484,611	-
	486,632	10,588

[1]On 24 August 2021 the Company disposed of its wholly-owned subsidiary Great Western Minerals Pty Ltd that owned EL 6400 Koonenberry to ASX listed Odin Metals Limited ("ODM") for $97,360 cash and 15 million shares in ODM (escrowed for 12 months) valued at fair value of $390,000 (based on the ODM share price of $0.026 per share on that day), with transaction cost of $2,746. The carrying value of net identifiable assets disposed of amounted to $3 on 24 August 2021, resulting in a gain on disposal of $484,611.

Note 6 – Other expenses

	2022 $	2021 $
Audit fees	32,890	22,000
Consulting and professional fees	120,622	97,650
Listing expenses	29,606	31,621
Operating leases	10,400	10,400
Registry expenses	18,199	18,448
Insurance	18,220	18,944
Other	15,631	25,328
	245,568	224,391

Note 7 – Share-based payments

The model inputs for assessing the fair value of EIP shares issued during the year, applying the Black-Scholes Option Pricing model, were as follows:

2022

Description	Number issued	Grant date	Share price at grant date $	Exercise price $	Life assumption	Risk free rate	Expected price volatility	Value of each EIP share $	Share-based payments $
EIP shares	400,000	18/10/21	0.007	0.0075	5 years	1.00%	149%	0.0063	2,520
	1,000,000	18/10/21	0.007	0.0075	5 years	1.00%	149%	0.0063	6,300
	5,000,000	18/10/21	0.007	0.0075	5 years	1.00%	149%	0.0063	31,500
	15,000,000[1]	15/11/21	0.007	0.0075	5 years	1.39%	148%	0.0063	94,500[1]
	21,400,000								134,820

[1]EIP shares issued to KMP and approved by shareholders on 15 November 2021.

Notes to the Financial Statements for the Year Ended 30 June 2022 (continued)

Description	Number issued	Grant date	Share price at grant date	Exercise price	Life assump-tion	Risk free rate	Expected price volatility	Value of each EIP share	Share-based payments
			$	$				$	$
EIP shares	400,000	22/10/20	0.010	0.0075	5 years	0.28%	181%	0.0096	3,840
	1,000,000	23/10/20	0.008	0.0075	5 years	0.29%	183%	0.0076	7,600
	5,000,000	02/11/20	0.007	0.0075	5 years	0.28%	184%	0.0067	33,500
	15,000,000[1]	27/11/20	0.007	0.0075	5 years	0.29%	187%	0.0067	100,500
	21,400,000								145,440

[1]EIP shares issued to KMP and approved by shareholders on 27 November 2020.

Note 8 - Income tax

	2022	2021
	$	$
The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Loss before income tax expense	(370,366)	(582,600)
Prima facie tax benefit on the loss from ordinary activities calculated at 30% (2021:30%)	(111,110)	(174,780)
Tax effect of:		
Non-temporary differences	(21,249)	40,632
Equity capital raising costs debited to equity	(6,475)	(11,760)
Temporary differences and tax losses not recognised	138,834	145,908
Income tax expense	-	-
Tax losses		
Unused tax losses for which no tax loss has been recognised as a deferred tax asset adjusted for non-temporary differences at 30% (2021:30%)	4,475,947	4,249,659

The taxation benefits will only be obtained if:

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

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

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

The Group tax consolidated in Australia from December 2009. There are presently no tax sharing of funding agreements in place. The Parent Entity and each of the tax subsidiaries are in tax loss for the year and have substantial tax losses carried forward.

Notes to the Financial Statements for the Year Ended 30 June 2022 (continued)

The Directors are of the view that there is insufficient probability that the Parent Entity and its subsidiaries will derive sufficient income in the foreseeable future to justify booking the tax losses and temporary differences as deferred tax assets and deferred tax liabilities.

In September 2021, exploration credits of $500,000 in the Federal Government's Junior Minerals Exploration Incentive ("JMEI") scheme for financial year 202 was allocated to the Company. The exploration credits can be distributed to eligible investors when the Company raised new capital in the form of ordinary shares after 1 September 2021and conducts eligible exploration activities in the income year ending 30 June 2022. Following lodgement and assessment of the Company's income year 2022 tax return, the Company will create JMEI tax credits totalling $76,289 (2021:$150,000) which will be distributed on a pro-rata basis to eligible investors. Accordingly, carry forward tax losses at balance date have been reduced by $254,295 (2021:$500,000).

	2022	2021
	$	$
Note 9 – Cash and cash equivalents		
Cash at bank and in hand	410,240	54,595

Note 10 – Trade and other receivables

	2022	2021
Current		
Other receivables	12,995	35,794

Allowance for impairment loss

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

(a) Fair value and credit risk

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

(b) Interest rate risk

Detail regarding interest rate risk exposure is disclosed in Note 24.

Note 11 – Other assets

	2022	2021
Current		
Prepayments	55,390	13,747

Notes to the Financial Statements for the Year Ended 30 June 2022 (continued)

	2022	2021
	$	$
Note 12 – Financial assets		
Current		
Financial assets measured at fair value through profit or loss:		
15,000,000 shares in ASX listed Odin Metals Ltd ("ODM") received as part consideration for sale of a subsidiary during the year	390,000	-
Fair value loss through profit or loss	(195,000)	-
Fair value at market price on balance date	195,000	-

On 27 September 2022, the fair value of the ODM shares was $330,000.

	2022	2021
Non-current		
Security deposits for exploration licences held	70,000	80,000

Note 13 – Exploration and evaluation expenditure

	2022	2021
Exploration areas of interest at cost	1,370,367	1,151,269

Movements during the year:

	2022	2021
Exploration areas :		
Balance at beginning of year	1,151,269	439,555
Additions at cost	219,098	720,278
Impairment	-	(8,564)
Balance at end of year	1,370,367	1,151,269

Exploration and evaluation expenditures are capitalised in respect of each identifiable area of interest. Ultimate recoupment of the carrying value of the exploration areas is dependent on successful development and commercial exploitation, or alternatively sale of the respective areas of interest. The areas of interest are exploration licences held by the Group detailed in the Licences Status on page 30.

Impairment indicators in *AASB 6 – Exploration for and Evaluation of Mineral Resources* are considered on a project by project basis at each balance date and impairment is recognised under its requirements. No impairment has been recognised during the year.

Notes to the Financial Statements for the Year Ended 30 June 2022 (continued)

	2022	2021
	$	$
Note 14 – Trade and other payables		
Current		
Trade and other payables	266,580	228,157
Note 15 – Provisions		
Non-Current		
Provision for long service leave	5,095	-
Note 16 – Borrowings		
Non-current		
Borrowings[1]	240,000	125,000

[1]An unrelated company Fort Capital Pty Ltd provided a loan facility to fund the general working capital of up to $1,150,000 until 01 October 2023. The funds advanced are unsecured and bear interest at 8% per annum. A loan facility fee of 1% is payable and the outstanding loan amount is to be repaid in priority to any accounts payable or loans within 5 business days of receipt of proceeds from an equity capital raising by the Company. At balance date, $240,000 has been withdrawn by the Company under the loan facility.

Notes to the Financial Statements for the Year Ended 30 June 2022 (continued)

Note 17 – Issued capital

	2022	2021
	$	$
901,089,343 (2021: 753,159,343) fully paid ordinary shares	15,015,625	14,160,010

	2022		2021	
	Number	$	Number	$
(a) Fully Paid Ordinary shares				
Balance at beginning of year	753,159,343	14,160,010	632,639,343	13,516,892
Shares issued during the year:				
- Share Placement at $0.0055 per share	91,530,000	503,415	30,000,000	165,000
- Share Placement at $0.0060 per share	35,000,000	210,000	-	-
- Repayment of EIP loans at $0.0070 per share	-	119,000	-	-
- Repayment of EIP loans at $0.0075 per share	-	22,500	-	-
- Proceed from sale of treasury shares[1]	-	700	-	-
- Share Purchase Plan at $0.0075 per share	-	-	29,120,000	218,400
- Share Placement at $0.0075 per share	-	-	40,000,000	300,000
- Share Issued under EIP	21,400,000	-	21,400,000	-
Transaction costs	-	-	-	(40,282)
Balance at end of year	901,089,343	15,015,625	753,159,343	14,160,010

[1] Treasury shares are EIP shares surrendered to the Company.

The total capital raised was used for exploration, investigation of new ventures and for general working capital.

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

Ordinary shares have no par value.

(b) Capital management

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

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

Notes to the Financial Statements for the Year Ended 30 June 2022 (continued)

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

(c) Movement on shares and non-recourse loans granted under the Employee Incentive Plan

	2022 Number	2022 $	2021 Number	2021 $
Balance at beginning of year	42,500,000	309,500	21,100,000	149,000
Issued during the year[1]	21,400,000	160,500	21,400,000	160,500
Repaid during the year	(20,000,000)	(141,500)	-	-
Surrendered to treasury shares	(100,000)	(1,000)	-	-
Balance at end of year	43,800,000	327,500	42,500,000	309,500

[1]Details and valuation of the EIP shares issued during the year are described in Note 7.

Note 18 – Reserves

Option reserve

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

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	2022 $	2021 $
Balance at beginning of year	610,210	464,770
Share-based payments during the year	134,820	145,440
Balance at end of year	745,030	610,210

Note 19 – Related party transactions

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

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

Transactions with Key Management Personnel (KMP)

Key management of the Group are the members of Ausmon Resources Limited's Board of Directors. KMP remuneration includes the following expenses:

Short-term employee benefits[1]	173,111	145,837
Post-employment benefits	6,529	5,363
Long-term benefits	-	-
Termination benefits	-	-
Share-based payments	94,500	100,500
	274,140	251,700

[1]Include amounts owing to Directors at balance date of $111,960 (2021: $102,780)

Detailed remuneration disclosures are provided in the remuneration report on pages 36 to 40.

Notes to the Financial Statements for the Year Ended 30 June 2022 (continued)

	2022	2021
	$	$
Other transactions with Key Management Personnel		
Paid to Australian MBA Accountants, an entity controlled by Director J Q Wang		
- Office rental	10,400	10,400
- Professional services	1,046	-
	11,446	10,400

Note 20 – Remuneration of auditors

Remuneration of the auditor for:		
- auditing or reviewing the financial reports	32,890	22,000

Note 21 – Loss per share

Operating loss after income tax used in the calculation of basic and diluted loss per share	(370,366)	(582,600)
	Number	**Number**
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic and diluted loss per share	825,598,959	706,158,576

Notes to the Financial Statements for the Year Ended 30 June 2022 (continued)

	2022	2021
	$	$

Note 22 – Notes to the Cash Flow Statement

(a) Reconciliation of cash

	2022 $	2021 $
Cash at bank and on hand	410,240	54,595

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

	2022 $	2021 $
Loss after income tax	(370,366)	(582,600)
Add non-cash items in operating costs:		
Exploration and evaluation expenditure written off	-	8,564
Change in fair value of financial assets	195,000	-
Gain on sale of subsidiary	(484,611)	-
Borrowing costs	19,062	15,665
Share-based payments	134,820	145,440
Changes in assets and liabilities relating to operations:		
Increase/ (Decrease)in trade and other payables	38,093	78,245
Increase/(Decrease) in provisions	5,095	-
Decrease/(Increase) in receivables	22,798	(27,202)
(Increase)/Decrease in prepayments	(773)	1,241
Net cash used in operating activities	(440,882)	(360,647)

(c) Non-cash investing and financing activities

During the year, the Company issued 21,400,000 (2021:21,400,000) fully paid ordinary shares to eligible persons under the Company's Employee Incentive Plan ("EIP") (see Note 7).

Note 23 – Segment information

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

Notes to the Financial Statements for the Year Ended 30 June 2022 (continued)

Note 24 – Financial risk management

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, borrowings and loans to and from subsidiaries.

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

	Note	2022 $	2021 $
Financial assets			
Cash and cash equivalents	9	410,240	54,595
Trade and other receivables	10	12,995	35,794
Financial assets	12	265,000	80,000
Total Financial assets		688,235	170,389
Financial liabilities			
Financial liabilities at amortised cost:			
Trade and other payables	14	266,580	228,157
Borrowings	16	240,000	125,000
Total financial liabilities		506,580	353,157

(a) Financial risk management policies

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

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

Specific Financial Risk Exposures and Management

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

(i) Interest rate risk

The Group has cash at bank and its income and operating cash flows are exposed to changes in market interest rates. Interest rate on borrowings is fixed until maturity.

Notes to the Financial Statements for the Year Ended 30 June 2022 (continued)

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

	2022 $	2021 $
Financial assets		
Cash and cash equivalents	410,236	54,588
Security deposits	-	10,000
	410,236	64,588

(ii) Credit risk

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

Credit risk exposures

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

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed in Note 10.

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

(iii) Liquidity risk

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

	Interest Rate	Within 1 year		1 to 5 years		Over 5 years		Total	
	(fixed)	2022	2021	2022	2021	2022	2021	2022	2021
	%	$	$	$	$	$	$	$	$
Non-Interest bearing									
Trade and other payables		266,580	228,157					266,580	228,157
Interest bearing									
Borrowings	8.0	-		240,000	125,000			240,000	125,000
Total non-derivatives		266,580	228,157	240,000	125,000			506,580	353,157

At balance date the Group has loan facility available of $1,150,000 that can be drawn as and when required until 1 October 2023.

Notes to the Financial Statements for the Year Ended 30 June 2022 (continued)

(iv) Price risk

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

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

(v) Equity Price risk

Equity price risk is the risk that the fair value of equities decreases as a result of changes in market prices, whether those changes are caused by factors specific to the individual stock or factors affecting all instruments in the market. Equity price risk arises from the Company's holding of shares in an ASX listed company.

(b) Net fair values

(i) Fair value hierarchy

The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes.

AASB 13 *Fair value Measurement* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices);
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table presents the Group's financial assets and liabilities measured and recognised at fair value at 30 June 2022 and 30 June 2021 on a recurring basis.

	Level 1	Level 2	Level 3	Total
	$	$	$	$
2022				
Financial asset				
Total	195,000	493,235	-	688,235
Financial liability				
Total	-	506,580	-	506,580

Notes to the Financial Statements for the Year Ended 30 June 2022 (continued)

	Level 1	Level 2	Level 3	Total
	$	$	$	
2021				
Financial asset				
Total	-	170,389	-	170,389
Financial liability				
Total	-	353,157	-	353,157

The Group did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 30 June 2022 and did not transfer any fair value amounts between the fair value hierarchy levels during the year ended 30 June 2022

(c) Sensitivity analysis

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

	2022	2021
	$	$
Interest rate sensitivity analysis		
Decrease/ (increase) in loss		
- increase in interest rate by 1% (2021: 0.25%),	4,104	161
- decrease in interest rate by 1% (2021: 0.25%)	(4,104)	(161)

The Group's exposure to equity securities price risk arises from shares held by the Group and classified in the balance sheet as at fair value though profit or loss. The Group's investments are publicly traded on the Australian Securities Exchange. The following table summarises the sensitivity analysis of on the exposure to equity price risk as at balance date.

Equity price sensitivity analysis		
Decrease/ (increase) in loss		
- increase in market price by 10%,	19,500	-
- decrease in market price by 10%	(19,500)	-

Notes to the Financial Statements for the Year Ended 30 June 2022 (continued)

(d) Financial instruments

Interest rate risk

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

		Fixed interest rate maturing		Non-interest bearing		
	Variable interest rate	**Within 1 year**	**1 to 5 years**	**Within 1 year**	**1 to 5 years**	**Total**
2022	**$**	**$**	**$**	**$**	**$**	**$**
Financial assets						
Cash and cash equivalents	410,236	-	-	4	-	410,240
Trade and other receivables	-	-	-	12,995	-	12,995
Security deposits	-	-	-	-	70,000	70,000
	410,236	-	-	12,999	70,000	493,235
Financial liabilities						
Trade and other payables	-	-	-	266,580	-	266,580
Borrowings	-	-	240,000	-	-	240,000
	-	-	240,000	266,580	-	506,580
2021						
Financial assets						
Cash and cash equivalents	54,588	-	-	7	-	54,595
Trade and other receivables	-	-	-	35,794	-	35,794
Security deposits	10,000	-	-	-	70,000	80,000
	64,588	-	-	35,801	70,000	170,389
Financial liabilities						
Trade and other payables	-	-	-	228,157	-	228,157
Borrowings	-	-	125,000	-	-	125,000
	-	-	125,000	228,157	-	353,157

Notes to the Financial Statements for the Year Ended 30 June 2022 (continued)

Note 25– Controlled entities

Controlled entities	Country of incorporation	Ownership interest	
		2022	2021
New Base Metals Pty Ltd	Australia	100%	100%
AusBCM Pty Ltd	Australia	100%	-
Great Western Minerals Pty Ltd[1]	Australia	-	100%

A wholly-owned controlled entity, AusPEM Pty Ltd, was registered in August 2022.

[1]The sale of 100% ownership of this controlled entity was completed on 24 August 2021 (see Note 5).

Note 26 – Parent Entity information

Summary financial information

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

	2022	2021
	$	$
Assets		
Current assets	657,751	62,530
Non-current assets	1,456,243	1,233,375
Total assets	2,113,994	1,295,905
Liabilities		
Current liabilities	266,580	188,655
Non-current liabilities[1]	245,095	125,000
Total liabilities	511,675	313,655
Equity		
Issued capital	15,015,625	14,160,010
Reserves	745,030	610,210
Accumulated losses	(14,158,336)	(13,787,970)
	1,602,319	982,250
Financial performance		
Loss for the year	(370,366)	(582,596)
Total comprehensive loss	(370,366)	(582,596)

[1]Includes borrowings under the loan facility agreement of $240,000 which is to be repaid in priority to any accounts payable or loans within 5 business days of receipt of proceeds from an equity capital raising by the Company (see Note 16).

Notes to the Financial Statements for the Year Ended 30 June 2022 (continued)

Note 27 – Commitments

Exploration expenditure commitments

The expenditure commitments to maintain rights to tenure in exploration licences as at 30 June 2022 have not been provided for in the financial statements and are due:

	2022	2021
	$	$
Within twelve months	61,000	53,000
Twelve months or longer and not longer than five years	597,000	460,000
Longer than five years	118,000	-
	776,000	513,000

Exploration licences ELs 6795, 6796, 6797 and 6807 near Limestone Coast in SA were granted in July 2022, with two-year commitments from the dates of grant of $290,000 as follows:

Within twelve months	-
Twelve months or longer and not longer than five years	290,000
Longer than five years	-
	290,000

Note 28 – Contingent liabilities

The Group has no contingent liabilities at 30 June 2022 or 30 June 2021.

Note 29 – Events after balance sheet date

In the opinion of the Directors, no items, transactions or events of a material or unusual nature have arisen in the interval between the end of the financial year and the date of this report which have significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years other than the following:

- In July 2022, the Group was granted 4 exploration licences for Rare Earth Elements on the Limestone Coast in South Australia (ELs 6795, 6796, 6797, 6807) for 6 years;

The financial report was authorised for issue on 29 September 2022 by the Board of Directors.

DIRECTORS' DECLARATION

Directors' Declaration
for the year ended 30 June 2022

1 In the opinion of the directors of Ausmon Resources Limited:

(a) the consolidated financial statements and notes of Ausmon Resources Limited are in accordance with the Corporations Act 2001, including

(i) giving a true and fair view of its financial position as at 30 June 2022 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

(b) as noted in Note 4(c) there are reasonable grounds to believe that Ausmon Resources Limited will be able to pay its debts as and when they become due and payable.

2 The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the chief executive officer and chief financial officer for the financial year ended 30 June 2022.

3 Note 2 confirms that the consolidated financial statements also comply with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors:

Dated this 29th day of September 2022

John Wang
Director

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Australia

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
AUSMON RESOURCES LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Ausmon Resources Limited the Company and its subsidiaries ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material Uncertainty Related to Going Concern

Without qualification to the opinion expressed above, attention is drawn to the following matters:

As referred to in Note 4(c) to the financial statements, the financial statements have been prepared on a going concern basis. As at 30 June 2022, the Group had incurred a loss for the year of $370,366, and the Group has cash and cash equivalents as at 30 June 2022 totalling $410,240. The Group had borrowings of $240,000 which are repayable on the 1 October 2023 and had net operating cash outflows of $440,882 for the year ended 30 June 2022. This casts a material uncertainty in relation to the entity's going concern assumption.

The ability of the Group to continue as a going concern is subject to the successful recapitalisation of the Group. In the event that the Board is not successful in recapitalising the Group and in raising further funds, the Group may not be able to pay its debts as and when they become due and may be required to realise its assets and discharge its liabilities other than in the normal course of business, and at amounts different to those stated in the financial report.

Our opinion is not modified in relation to this matter.

Key Audit Matters

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be a Key Audit Matter to be communicated in our report.

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How the matter was addressed in the audit
Carrying Value of Exploration and Evaluation Assets As at 30 June 2022, Exploration and Evaluation Assets totalled $1,370,367 (refer to Note 13 of the financial report). The carrying value of exploration and evaluation assets is a key audit matter due to: • The significance of the expenditure capitalised representing 65% of total assets; • The necessity to assess management's application of the requirements of the accounting standard Exploration for and Evaluation of Mineral Resources ("AASB 6"), in light of any indicators of impairment that may be present; and • The assessment of significant judgements made by management in relation to the capitalised exploration and evaluation expenditure.	Inter alia, our audit procedures included the following: i. Assessing the Group's right to tenure over exploration assets by corroborating the ownership of the relevant licences for mineral resources to government registries; ii. Reviewing the directors' assessment of the carrying value of the capitalised exploration and evaluation costs, ensuring the veracity of the data presented and assessing management's consideration of potential impairment indicators and the stage of the Group's projects; iii. Evaluation of Group documents for consistency with the intentions for continuing exploration and evaluation activities in areas of interest and corroborated in discussions with management. The documents we evaluated included: ▪ Minutes of the board and management; and ▪ Announcements made by the Group to the Australian Securities Exchange; and iv. Consideration of the requirements of accounting standard AASB 6 and reviewed the financial statements to ensure appropriate disclosures are made.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance opinion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Stantons

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in Internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 36 to 40 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Ausmon Resources Limited for the year ended 30 June 2022 complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001.* Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd

Martin Michalik
Director

West Perth, Western Australia
29 September 2022

ADDITIONAL INFORMATION

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

1. SHAREHOLDINGS

(a) Distribution of Shareholders as at 14 September 2022

Size of Holding	Holders	Ordinary Shares Held	%
1-1,000	33	4,794	0.000
1,001-5,000	19	56,494	0.010
5,001- 10,000	95	933,813	0.100
10,001-100,000	368	24,468,631	2.720
100,001 – and over	804	875,625,611	97.170
	1,319	**901,089,343**	**100.000**

314 shareholders held less than a marketable parcel.

(b) Top Twenty Shareholders as at 14 September 2022

Shareholder	Number of Ordinary Shares	% Held of Issued Ordinary Capital
VESWAY PTY LTD <ESVSY SUPER FUND A/C>	31,004,857	3.441%
MR BORIS PATKIN	29,142,857	3.234%
MR JOHN WANG	27,017,859	2.998%
LAMDIAN PTY LTD <SAMYUE SUPERFUND A/C>	24,000,000	2.663%
MR BAIRONG FENG	23,142,857	2.568%
MR LIUBAO QIAN	20,000,000	2.220%
YAU MAN FAMILY PTY LTD <YAU MAN FAMILY A/C>	15,788,989	1.752%
MRS MAN SUN NG	15,130,000	1.679%
WUJIANG INVESTMENT PTY LTD	14,510,000	1.610%
HIX CORP PTY LTD <HIX CORP A/C>	13,200,000	1.465%
AUSTRALASIA ACCESS PTY LTD	12,000,000	1.332%
BNP PARIBAS NOMS PTY LTD <DRP>	11,880,000	1.318%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	10,752,961	1.193%
CITICORP NOMINEES PTY LIMITED	10,020,992	1.112%
MR WONG Y M SAM YUE	10,000,000	1.110%
OCTAN ENERGY PTY LTD	10,000,000	1.110%
MR REUBEN MICHAEL CIAPPARA	9,000,000	0.999%
HEHERSON AND ANITA BULOSAN PTY LTD <H & A BULOSAN FAMILY SF A/C>	8,000,000	0.888%
MR YOSHITSUGU UEMURA	7,130,000	0.791%
JOHN WANG & CO PTY LTD	6,510,000	0.697%
Twenty largest shareholders	308,231,372	34.207%
Others	592,857,971	65.793%
	901,089,343	**100%**

AUDIT REPORT

2. VOTING RIGHTS

(a) At meetings of members each member entitled to vote may vote in person or by proxy or attorney or, in the case of a member which is a body corporate, by representative duly authorised.
(b) On a show of hands every member entitled to vote and be present in person or by proxy or attorney or representative duly authorised shall have one (1) vote.
(c) On a poll every member entitled to vote and be present in person or by proxy or attorney or representative duly authorised shall have one (1) vote for each fully paid share of which he is a holder.

3. AUDIT COMMITTEE

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