AUSMON RESOURCES LIMITED

ABN 88 134 358 964

ANNUAL REPORT 2018

CONTENTS

CORPORATE DIRECTORY

Directors
Boris Patkin – Non-Executive Chairman
John Q Wang - Managing Director
Eric W Y M Sam Yue - Executive Director (appointed 25 October 2017)
Ray Shaw - (resigned 25 October 2017)

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Company Secretary
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CHAIRMAN'S LETTER

Dear Shareholder,

It is my pleasure to present the 2018 Annual Report of the Group.

During the year, we have continued to assess new ventures for investment and we have turned down several proposals deemed inappropriate. In April 2018, we were eventually presented three projects for exploration of cobalt and base metals that met our criteria. Those projects were attractive for the following reasons:

- located in the east coast of Australia and not in a jurisdiction with high fiscal and political risks;
- existing explorers in the areas have reported recent exciting results;
- mining projects for cobalt were emerging near the proposed projects which provide potential for future collaborative development that may minimise capital expenditure;
- good access and infrastructure;
- the issue of 50 million shares for the acquisition is reasonable and would not unduly dilute existing shareholders to their detriment;
- no large cash payment to the vendors was required; and
- the vendors and their parties invested $280,000 in the Company at current market share price providing immediate funds for the initial investigative exploration work to satisfy the first year work commitments when the licences are granted and evidencing their support for the projects.

Details on the technical aspects of the areas are described in the Review of Operations contained in this Annual Report. The Group will be implementing an exploration program to unlock the potential of those areas that can impact on the Group's value with judicious capital management while having regards to the exploration results and effects of its neighbouring explorers.

At Pooraka, our existing gold exploration area in NSW near Cobar, we had planned further drilling in the year but we had to postpone that plan because the acquisition of the new projects had required quite a lot of attention from our consultants and executives. We will be ranking our projects to assess where best to deploy our exploration capital having regards to the newly acquired areas and being mindful of dilution effect on our existing shareholders by raising too much equity capital too early.

Capital management
During the year, the Company raised a gross total of $805,000 by private placement at $0.007 per share at the then current market price with no discount. Those funds are earmarked for exploration work and working capital.

New projects
The Company will continue to assess new ventures in the resources sector applying the same criteria set in prior years. Those criteria, for investment, are primarily that the project be in a sector that is reasonably stable, has growth potential, can deliver early cash flows, has capacity to support capital raising, that the necessary initial stages of funding do not unduly dilute the current shareholders' value, and has the support of shareholders.

We welcome Mr Mark Derriman who joined us as Chief Technical Officer in August 2018 with responsibility to implement our exploration programs. I also warmly welcome the large number of new shareholders who joined this year and thank all shareholders for their support as we embark on our new programs to create value for the Company.

Boris Patkin
Chairman
17th August 2018

REVIEW OF OPERATIONS

SUMMARY

- **ACQUISITION OF NEW EXPLORATION AREAS**

  NSW: Broken Hill Cobalt and Base Metals Exploration Areas - 100% interests in granted EL 8745, EL 8746 and EL 8747 (formerly applications ELA 5637, ELA 5638 and ELA 5639 when acquired by the Company).

  QLD: Greenvale Cobalt-Nickel Exploration Areas - 100% interests in applications EPM 26813, EPM 26814 and EPM 26815.

  Mount Tewoo Nickel-Cobalt-Manganese Exploration Areas - 100% interests in application EPM 26764.

- **NSW: Exploration Licences 8745, 8746 and 8747 (formerly ELA 5637, 5638 and 5639)**

  Granted and Native Title confirmed extinguished, except for two small lots in EL 8747 which will not be accessed for exploration by the Company.

- **NSW: EL 8747**

  In July 2018,
  - historic diamond hole DD95STV3 drilled in 1995 was relogged and analysed for cobalt and a multi element suite;
  - land access agreement executed with new landholders;
  - field trip completed for preparation of first stage of the exploration program for the 2019 financial year.

- **QLD: APPLICATIONS EPM 26813, EPM 26814, EPM 26815 and EPM 26764**

  Grant of the permits awaited after end of Native Title Notification period in September 2018 quarter.

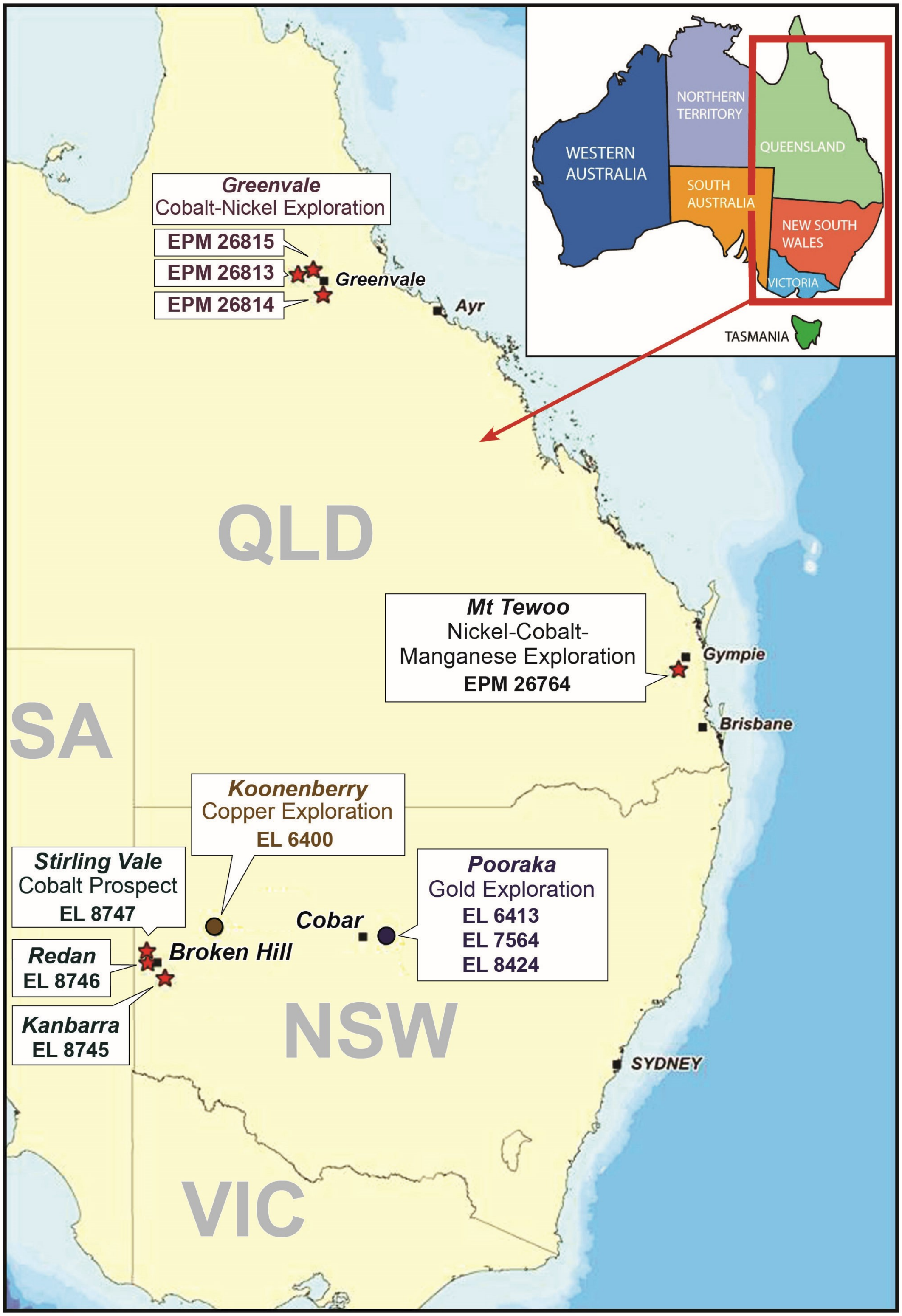
- **NSW: KOONENBERRY EL 6400**

  EL 6400 renewed with 65% area reduction, for 2 years to 1 April 2019. Seeking potential joint venture partners to participate in the potential of in-situ Cu (copper) leaching–extraction of existing JORC (2004) resource at Grasmere-Peveril.

- **NSW: POORAKA ELS 6413, 7564, AND 8424**

  EL 6413 (Pooraka 1) - renewed for 2 years to 17 May 2019. EL 8424 (Pooraka 3) renewed until 17 February 2019, and EL 7564 (Pooraka 2) not renewed on expiry on 17 June 2018. The ELs cover possible WNW strike extensions of the Canbelago gold mine directly to the south, and also cover the Gilmore Suture.

REVIEW OF OPERATIONS (continued)



Location of Licences (EL) and Application Permits (EPM)

Figure 1

REVIEW OF OPERATIONS (continued)

ACQUISITION OF NEW BASE METALS PTY LTD WITH NEW AREAS PROSPECTIVE FOR COBALT

On 5 May 2018, the Company acquired New Base Metals Pty Ltd (''NBM'') following a due diligence review that started on execution of a Binding Terms Sheet announced on 9 April 2018.

NBM has 3 groups of cobalt and base metals prospective areas with 100% interests in 7 licence applications in New South Wales and Queensland as follows *(see Figure 1):*

NSW: **Broken Hill Cobalt-Nickel Exploration Areas** – Applications ELA 5637, ELA 5638 and ELA 5639;

(Post acquisition of NBM, those ELAs were granted under EL 8745, EL 8746 and EL 8747)

QLD: **Greenvale Cobalt-Nickel Exploration Areas** – Applications EPM 26813, EPM 26814 and EPM 26815; and

Mount Tewoo Nickel-Cobalt-Manganese Exploration Areas – Application EPM 26764

Technical consultants engaged by the Company reviewed and advised on historical exploration work undertaken by previous operators in the 7 licence application areas from data available at the NSW Department of Planning and Environment - Resources and Energy ("NSW Department") and the QLD Department of Natural Resources and Mines ("QLD Department").

Based on the review the Company assessed that the NBM licence applications offer exposure to nickel-cobalt, gold and base metal exploration areas worthy for further new exploration work having regards to the activities and success of other current operators in developing cobalt mining projects within a few kilometres from the tenements.

The following were taken into account by the Company:

- **Broken Hill Exploration Areas** – 20 kms to Thackaringa Cobalt Project (EL 6622, near Broken Hill in NSW) where Cobalt Blue Holdings Ltd has announced a major cobalt resource upgrade and maiden JORC Code 2012 resource estimate as well as partnership with multinational conglomerate LG International (see ASX:COB announcements). Recent exploration (Cobalt Blue Holdings Ltd and Broken Hill Prospecting Ltd) has demonstrated that the Broken Hill region is highly prospective for pyritiferous cobalt deposits. The Broken Hill region is also highly prospective for stratabound cobalt deposits.

- **Greenvale Exploration Areas** - 20 kms from Sconi Project in QLD, considered as one of the most advanced cobalt projects in Australia operated by Australian Mines Limited (see ASX:AUZ announcements).

REVIEW OF OPERATIONS (continued)

- **Mount Tewoo Exploration Areas** - 32 kms strike of potential host rock of Cobalt Nickel Laterite east of Mt. Cobalt in QLD operated by Aus Tin Mining Ltd (see ASX:ANW announcements).

The Acquisition Terms for NBM

Following the signing of the Binding Terms Sheet, the Company paid the vendor a non-refundable amount of $40,000 and raised $280,000 from the vendor and its nominees with the issue of 40 million fully paid ordinary shares at $0.007 per share which is equal to the volume weighted average price per share in the 5 days prior to the announcement when the shares traded on the ASX. The amount raised is to fund to exploration and working capital.

On the signing of the definitive acquisition agreement on 5 May 2018, the Company issued 25 million fully paid ordinary shares to the vendor (escrowed voluntarily for 6 months until 6 November 2018) and the balance of 25 million shares in 7 instalments to be issued as each exploration licence is granted by the Government. Three of the instalments totalling 10,714,284 shares were issued in May 2018 when EL 8745, EL 8746 and EL 8747 were granted. Those share issues totaling 50 million are within the 15% limit allowed for issue of shares without shareholders' approval under the Australian Securities Exchange ("ASX") Listing Rule 7.1.

The vendors and their related parties have right to collectively subscribe for up to 50% of any equity capital raising, excluding under any entitlement offer, share purchase plan, employee incentive plan or dividend reinvestment plan, conducted by the Company for the period of 12 months after the execution of the definitive acquisition agreement, i.e. until 4 May 2019.

NSW: BROKEN HILL EXPLORATION AREAS

ELs 8745, 8746 and 8746 near Broken Hill in NSW – 100% Interest
Cobalt and Base Metals Exploration

On 15 May 2018, EL 8745 and EL 8746 were granted for 6 years to 15 May 2024 under the tenements applications ELA 5637 and ELA 5638 respectively, and on 24 May 2018, EL 8747 was granted for 6 years to 24 May 2024 under the application ELA 5639, by the NSW Department. The 3 ELs cover an area of approximately 174 km^2.

REVIEW OF OPERATIONS (continued)

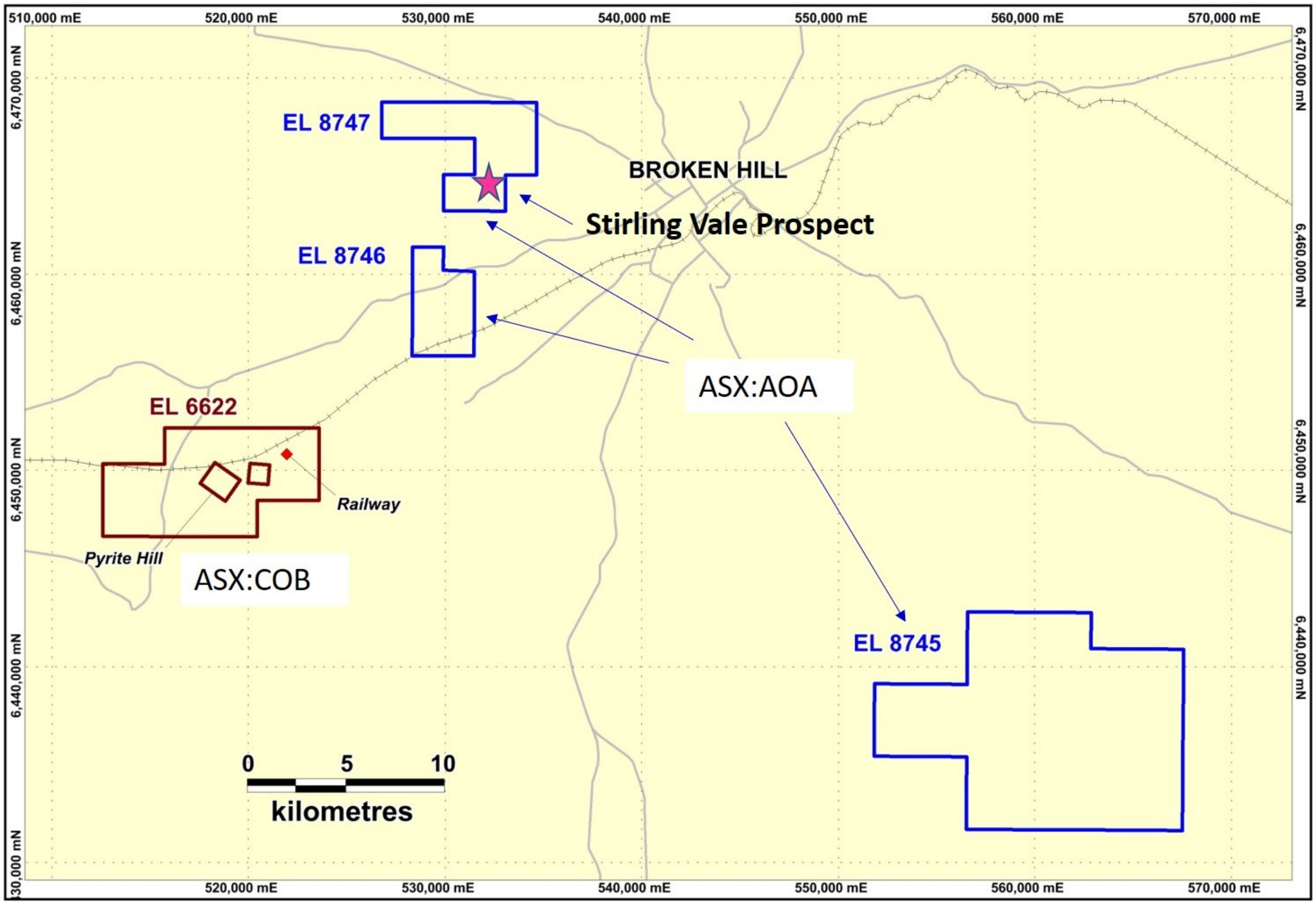


Figure 2: Location of ELs near Broken Hill with Stirling Vale Cobalt Prospect within EL 8747

In June 2018, the NSW Department has confirmed that there is sufficient evidence that Native Title has been extinguished within ELs 8745, 8746 and 8747 except for 2 lots containing a track that runs along the northern part of the EL 8747. Those 2 small lots are of no interest as the Company is unlikely to explore along that track.

The Company was able to access the Department of Planning and Environment – Resources and Energy Broken Hill Core Library to geologically relog and sample historic diamond hole DD95STV3 that was drilled on historic EL 3500, now covered in part by EL 8747 at Broken Hill.

The only diamond hole was drilled in 1995 by Pasminco Exploration in joint venture with Aberfolye Resources into the Stirling Vale Synform targeting base and precious metals. Cobalt was not originally targeted. The diamond hole was never cut for assay despite numerous geologically logged observations of sulphide mineralization being described, and the hole was eventually offered for historical storage at the Broken Hill Core Library. The Stirling Vale Synform appears to bear similar geology to Cobalt Blue's (ASX:COB) Pyrite Hill Geology with the "PI2" pyritic bearing horizon present, as shown below by the black arrows in Figure 3. The

REVIEW OF OPERATIONS (continued)

Stirling Vale Synform is located 20 kms north east of Cobalt Blue's Thackaringa deposit in EL 6622, and 10 kms west of Broken Hill.

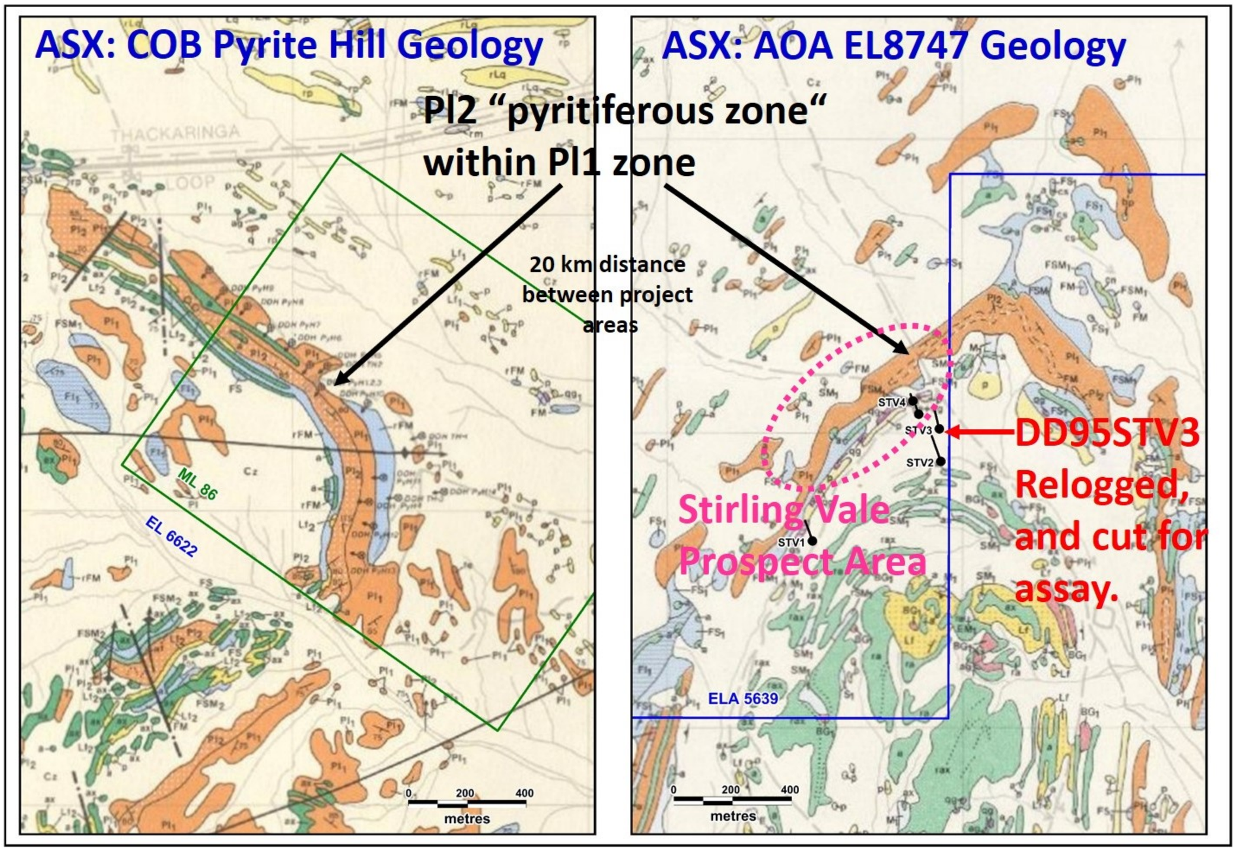


Figure 3: Geological similarities of Stirling Vale Prospect with Cobalt Blue's Cobalt Deposits*

*****{Source of Geology Maps: NSW Geological Survey "Thackaringa" 1:25k Map (1977) for COB; and "Broken Hill" 1:25k (1979) for AOA}.

The Company engaged a locally based and highly experienced geological consultant at Broken Hill to relog the entire hole and to cut any geologically significant intersections for analysis. A total of 51 samples were cut and sent for analysis covering 42.1 prospective metres. The relogging has revealed two significant findings:

1: Firstly, an extensive pryitiferous zone from 108.6 metres to the end of hole at 143.3 metres has been identified (open at depth). The zone from 108.6 to 126.2 metres has been visually estimated to contain up to 10% pyrite. The zone from 126.2 to 143.3 metres has been visually estimated to contain up to 25% pyrite (*see Figure 4*). This total intersection of 34.7 metres were cut and transported to the Intertek Laboratory in Adelaide and submitted for cobalt analysis.

REVIEW OF OPERATIONS (continued)

Figure 4: An example of the strongly pyritic (potentially cobaltiferous) bands in albitic gneiss in DD95STV3.

Figure 5 is a photo of the core tray from DD95STV3 showing the diamond core from around 123 to 133 metres with the yellow hue of pyrite sulphide bands visible throughout this core section.

Figure 5: Pyrite zone in DD95STV3 from around 123 to 133 metres being relogged.

REVIEW OF OPERATIONS (continued)

2: Secondly, two zones of Broken Hill Type Lode Unit type have been identified from 51.5 to 52.7 metres (0.7m wide) and from 85.5 to 86.9 metres (1.4m wide). *See Figures 6 and 7 respectively*. These were submitted for gold and base metal analyses.

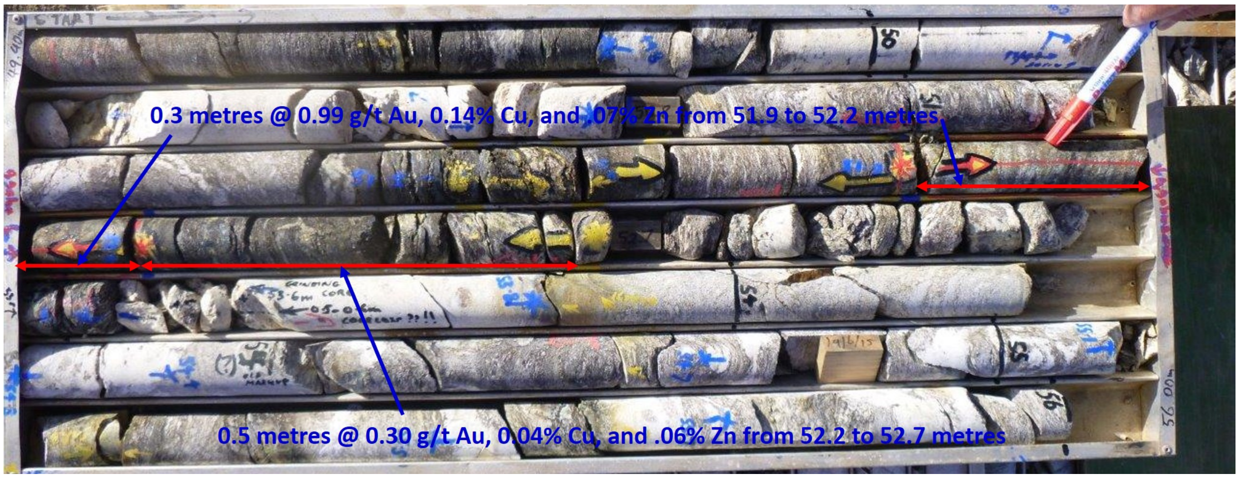


Figure 6: Mineralised quartz gahnite bearing BHT Lode Zone 1 from 51.5 to 52.7 metres.

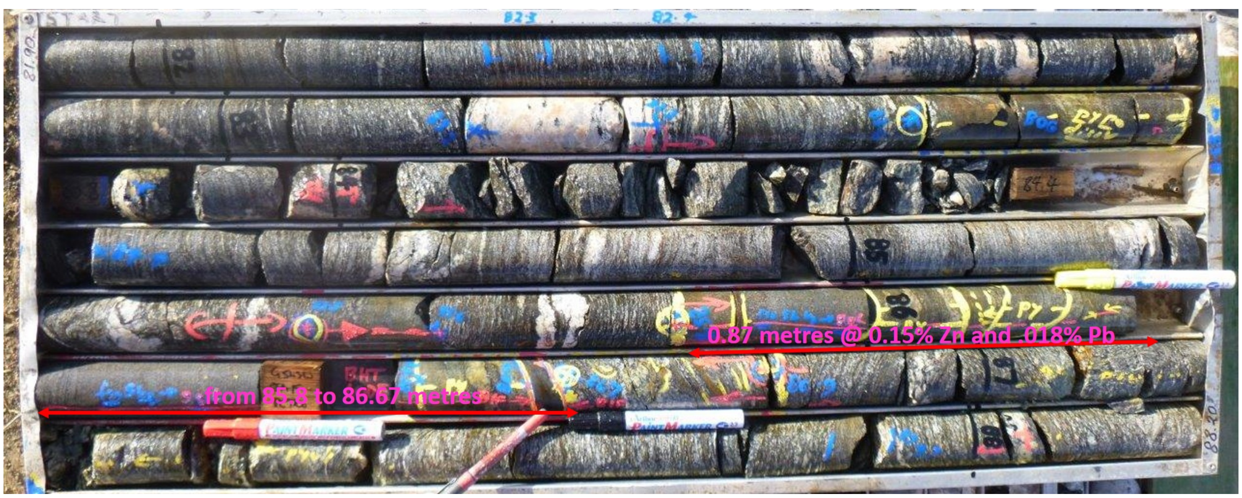


Figure 7: Mineralised garnetite & BIF bearing BHT Lode Zone 2 from 85.5 to 86.9 metres.

In mid-July 2018 the Company received encouraging results for cobalt and base and precious metals from the assaying of historic diamond hole DD95STV3.

Best cobalt results include:

- **1.4 metres @ 0.096% Co from 130 to 131.4 metres downhole, or 962 ppm Co.**
- **0.3 metres @ 0.074% Co from 131.7 to 132 metres downhole, or 739 ppm Co.**

REVIEW OF OPERATIONS (continued)

The first zone of geologically interpreted Broken Hill Lode Unit type rocks from 51.9 to 52.7 metres downhole returned:

- **0.3 metres @ 0.99 g/t Au, 0.14% Cu, and 0.07% Zn from 51.9 to 52.2 metres downhole.**
- **0.5 metres @ 0.30 g/t Au, 0.04% Cu, and 0.06% Zn from 52.2 to 52.7 metres downhole.**

Best results from the second zone of geologically interpreted Broken Hill Lode unit type rocks returned 0.87 metres @ 0.15% Zn from 85.8 to 86.67 metres downhole. The interval from 51.5 to 86.7metres averaged 460 ppm zinc over 35.2 metres.

See Figure 8 for the drill hole plot of anomalous cobalt and base and precious metal intersections for DD95STV3.

These assay results provide the impetus to fast track exploration as hole DD95STV3 is located 300 metres to the south of the Stirling Vale Prospect that will be the target of cobalt exploration by the Company. Both the cobalt, gold and base metal results indicate that EL 8747 containing the Stirling Vale Prospect has the potential to host ore grade mineralisation.

REVIEW OF OPERATIONS (continued)

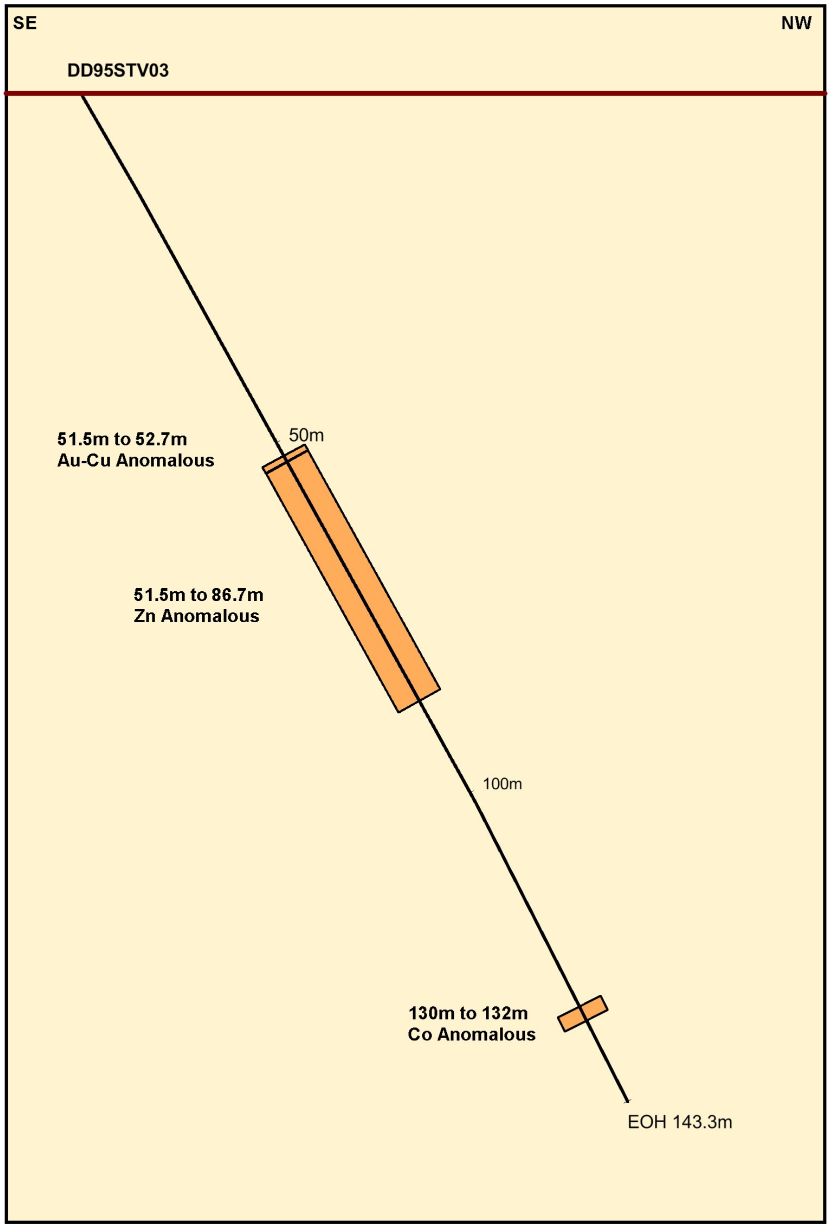


Figure 8: DD95STV3 Anomalous cobalt, gold, and zinc zones

Planned Exploration Work

In July 2018, the Company met with the new landholders at the Stirling Vale Prospect within EL 8747 and an access agreement has been executed between the Company and the landholders, allowing the Company to then conduct its first site visit. The Company is planning geological mapping fieldwork, field sampling, and considering geophysical surveys, with a view to developing targets at the Stirling Vale Synform for drilling. The Company intends to accelerate exploration work in this main area of interest in a staged approach having regards to capital

REVIEW OF OPERATIONS (continued)

management. The minimum total expenditure work commitment for the first year of the 3 ELs is $46,000.

QLD: GREENVALE COBALT-NICKEL EXPLORATION AREAS

Applications EPM 26813, EPM 26814 and EPM 26815 in QLD – 100% Interest

The 3 EPM applications, EPM 26813, EPM 26814 and EPM 26815 (*see Figure 1 and Figure 9*) cover a total area of approximately 276 km^2 and are strategically located 20-50 kms from reportedly the most advanced cobalt project in Australia (ASX: AUZ ''Sconi'' ML10368). Sconi has recently attracted an offtake agreement from SK Innovation, a very large battery supplier and one of the largest companies listed on the Korean Stock Exchange.

The applications have been advertised in relevant publications by NBM and no objections were reported to the QLD Department. In May 2018, the QLD Department approved the work program proposed in the applications and the Native Title Notification period started. That period will end on 25 August 2018 for EPM 26813 and 9 September 2018 for EPM 26814 and EPM 26815 after which a Notice to Progress from the QLD Department would be next step in the process to the grant of the permits.

Each permit is applied for a period of 5 years and the total minimum work expenditure commitment for the first year is $60,000 for all 3 permits.

REVIEW OF OPERATIONS (continued)

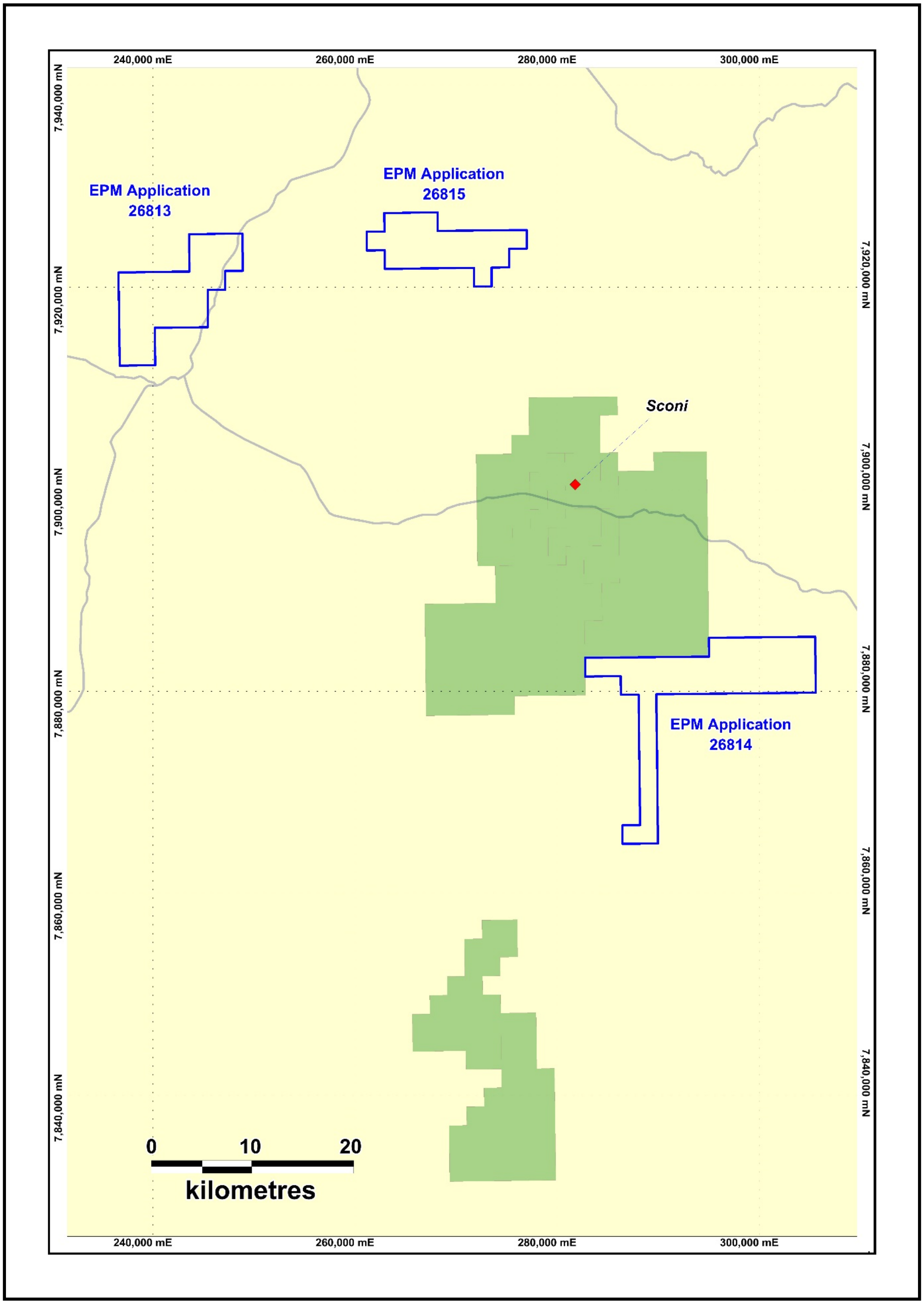


Figure 9: Greenvale Exploration Areas EPM applications north west and south east of SCONI Project.

QLD: MOUNT TEWOO NICKEL COBALT MANGANESE EXPLORATION AREAS

Application EPM 26764 in QLD – 100% Interest

The Mount Tewoo Nickel Cobalt Manganese Exploration Areas comprise 100% interest in the EPM 26764 application covering an area of approximately 178 km^2 located 25 kms south-west of Gympie, and 30 kms south-east of Kilkivan (*see Figure 10*). The application has been advertised and no objections have been reported to the QLD Department. The Native Title Notification period ended on 11 August 2018 and the issue of a Notice to Progress by the QLD Department would be the next step in the process to the grant of the permit.

The licence is applied for a period of 5 years and the total minimum work expenditure commitment for the first year is $41,000.

The EPM 26764 application:

- is 15 kms south-east of Aus Tin Mining's (ASX: ANW) Mt Cobalt Nickel-Cobalt deposit and Pembroke Nickel Sulphide discovery in EPM 19366;

- covers approximately 32 kms of prospective Mount Mia Serpentinite, a potential host rock for nickel-cobalt mineralisation similar to that discovered by Aus Tin Mining (ASX: ANW) (*see Figure 11*).

- is in an area with similar geology to Pembroke and Mt Cobalt where nickel sulphide and oxide nickel-cobalt mineralisation have been discovered.

REVIEW OF OPERATIONS (continued)

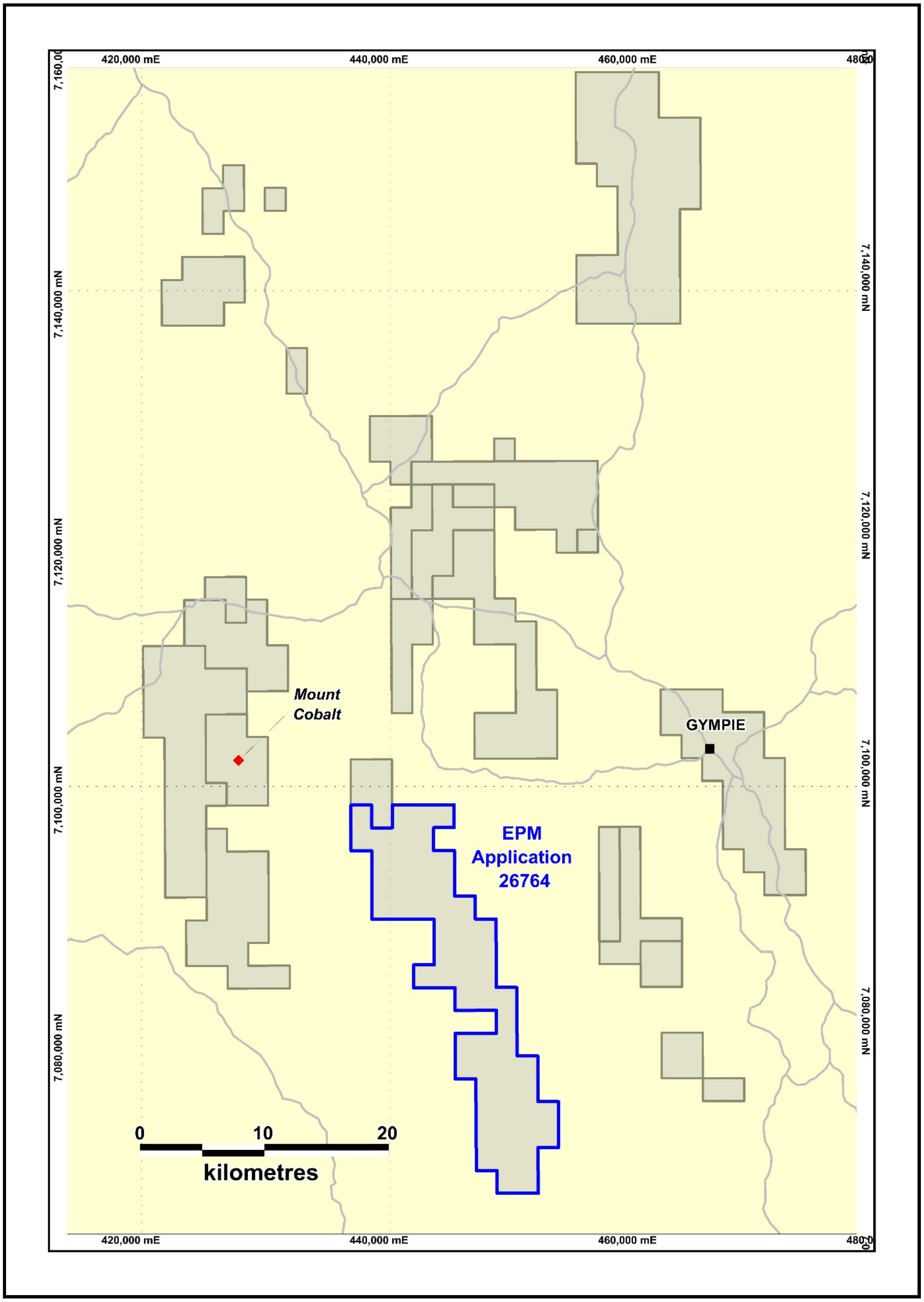


Figure 10: Mt Tewoo EPM application 26764 south east of ANW's Mt Cobalt Project.

REVIEW OF OPERATIONS (continued)

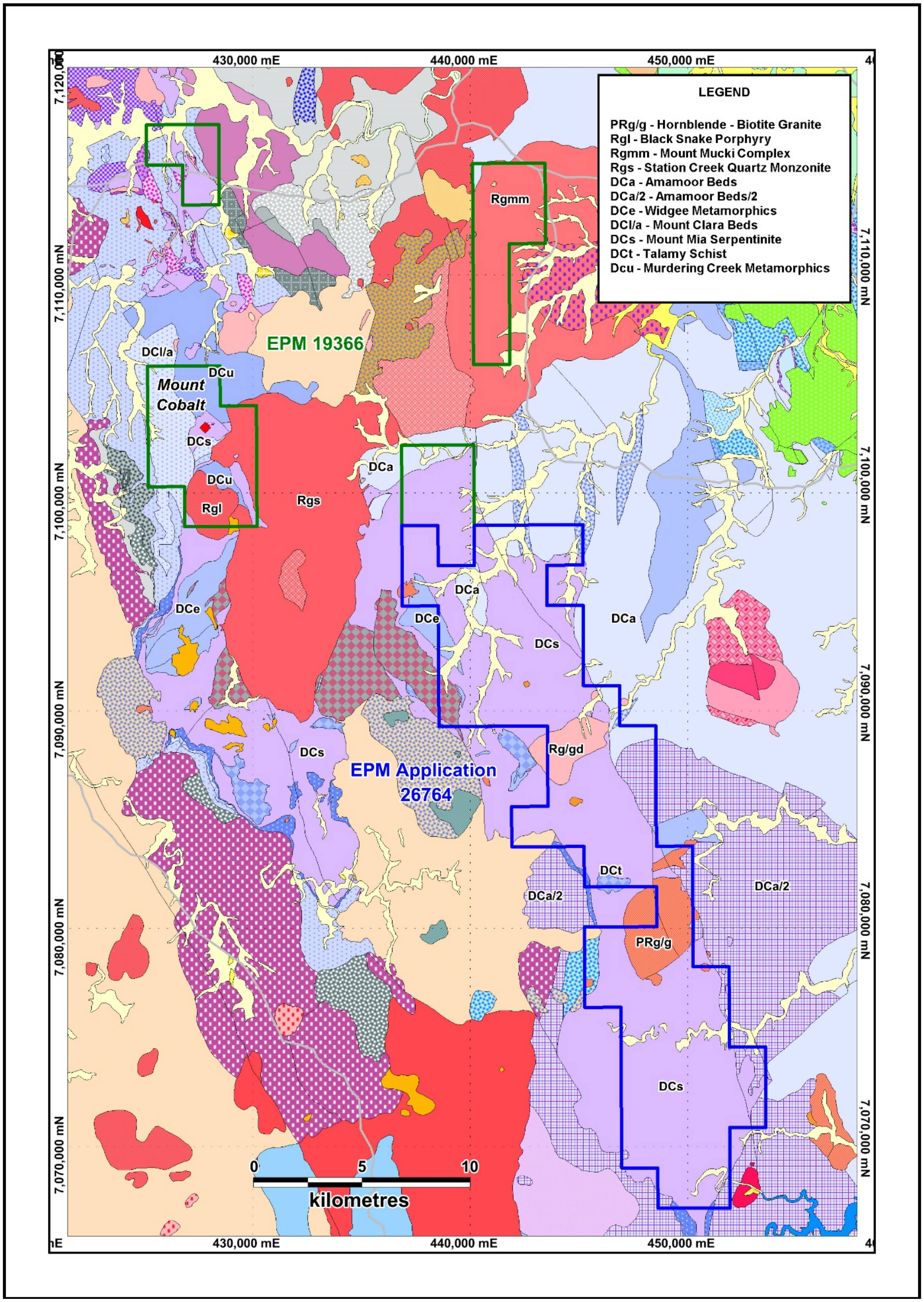


Figure 11: EPM Application 26764 geology map.

REVIEW OF OPERATIONS (continued)

NSW: KOONENBERRY COPPER EXPLORATION AREA

EL 6400 - NSW – 100% interest
Copper-Zinc- (Silver) Exploration

EL 6400 (*see Figure 12*) was renewed with 65% area reduction, for 2 years to 1 April 2019. This EL covers the Grasmere-Peveril Cu-Zn-(Ag) deposits, which contain a significant indicated and inferred JORC Code 2004 compliant resource of 5.75mt @ 1.03% Cu, 0.35% Zn, 2.3g/t Ag and 0.05g/t Au (Inferred: 2.73 mt grading 0.9% Cu, 0.4% Zn, .04 g/t Au and 2.05 g/t Ag. Indicated: 3.02 mt grading 1.15% copper, 0.3% Zn, 0.06 g/t Au and 2.53 g/t Ag). Information relating to this mineral resource was prepared and first reported in accordance with the JORC Code 2004 in 2006. It has not been updated since, to comply with the JORC Code 2012, on the basis that the information has not materially changed since it was reported in 2006. Exploration to date has not achieved an increase in that resource with unsuccessful attempts in early 2015 to locate WNW extensions to the line of lode (9 RC percussion holes drilled). The existing JORC Code (2004) resource is not suitable for conventional mining and treatment due to the small scale, narrow shoots, remote location and high capital costs.

Consequently the Company investigated the potential of *in-situ leaching* ("ISL") techniques to extract Cu from known lodes. Copper is usually leached using acid (sulfuric acid or hydrochloric acid), then recovered from solution by *solvent extraction-electro-winning* (SX-EW) or by chemical precipitation, e.g. using iron as a precipitant. Ores most amenable to ISL include the copper carbonates malachite and azurite, the oxide tenorite, and the silicate chrysocolla. Other copper minerals, such as the oxide cuprite and the sulfides chalcocite and chalcopyrite require addition of oxidizing agents such as ferric sulfate and/or oxygen (air) to the leachate before the minerals can be fully dissolved.

Copper ISL is normally undertaken by *stope leaching* where broken low-grade ore is leached in a current or former underground mine. Leaching can also take place in backfilled stopes or caved areas. ISL has the benefit of having a low environmental impact, with little infrastructure and capital investment required.

In the case of the Grasmere-Peveril line of lode the 600+ existing drill holes could be selectively re-entered (cleaned out) and used as leach wells or extraction wells. The leach wells would introduce an oxygenated acidic leaching liquid with a fine suspension of quartz grains, into the lodes under sufficient pressure to frack them and deposit quartz grains in cracks as the *propping agent*. Oxygen would react with the abundant contained pyrite, and, in the presence of the aqueous leach liquid, should rapidly produce ferric sulfate and additional sulfuric acid, which would speed up dissolution of chalcopyrite. The reaction is exothermic (generates heat) which also enhances the process. In the unlikely event that acid leaching was found to be difficult ammonia-oxygen leaching could be used.

The Grasmere-Peveril mineralization exhibit a number of features that appear efficacious for ISL extraction of copper, using sulphuric acid. Firstly, the ore consists largely of broken and fractured

REVIEW OF OPERATIONS (continued)

pyrite grains, with chalcopyrite and lesser sphalerite conveniently located in cracks and crevices between pyrite grains. Hydraulic fracking should preferentially open those cracks and crevices, and the abundant pyrite, when oxidized, should produce new (additional) sulphuric acid. The low proportion of acid reactive carbonate minerals (gangue) in the ore means that acid would not be consumed reacting with non-sulphide minerals. The consistent sulphide mineralogy all along the 5 km line of lode means that once an ISL acid extraction process is optimized in one area, it can then be applied in all other areas.The retained units of the renewed EL cover the line of lode and immediate environs.

The Company planned to carry out bench test metallurgical studies together with further field studies, including hydrogeological assessments, as part of a preliminary feasibility assessment of using ISL to commercially exploit the Grasmere-Peveril mineralization. The Company is seeking joint venture partners to fund the costs of that work.

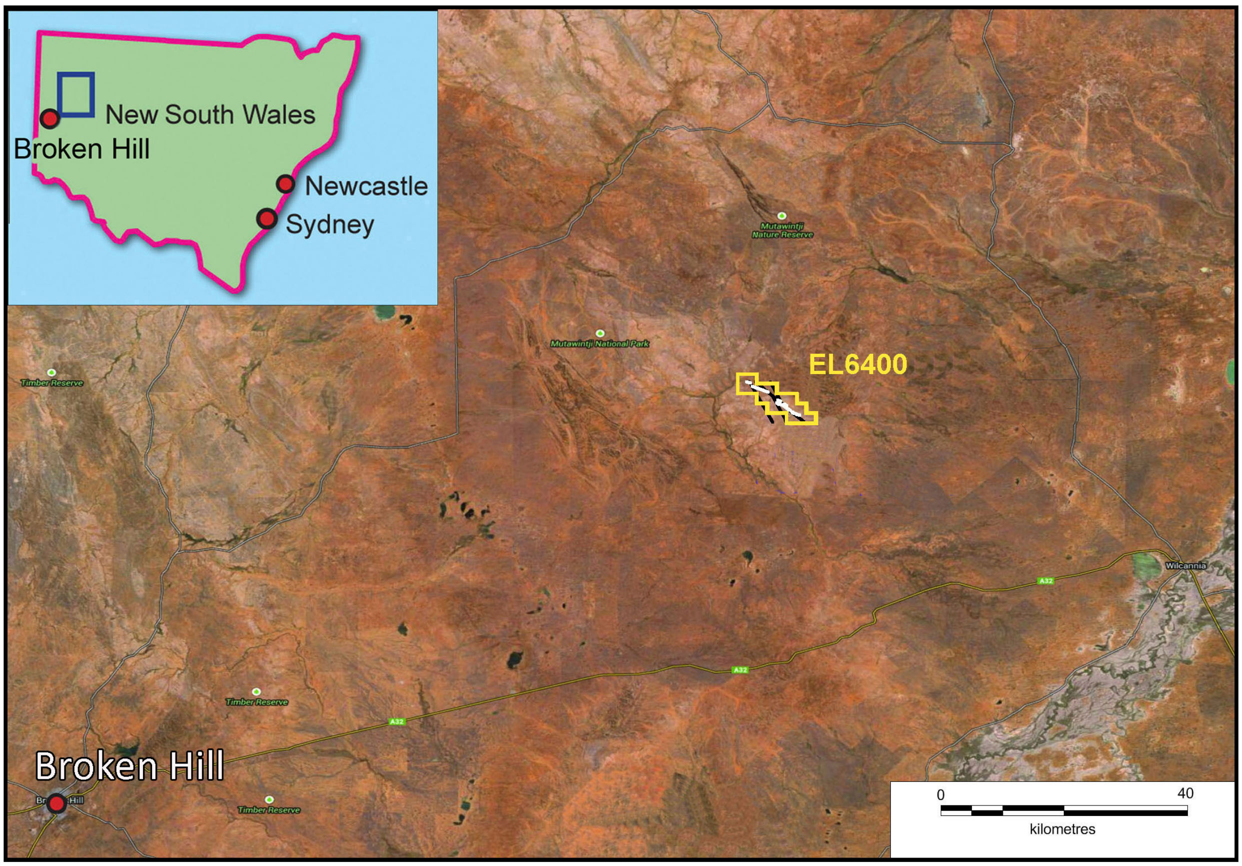


Figure 12 – Location of Current Koonenberry Exploration Licence EL 6400
Note: *Line of mineralization – white; Faults- black*

REVIEW OF OPERATIONS (continued)

NSW: POORAKA GOLD EXPLORATION AREA

Pooraka ELs 6413, 7564 and 8424 – NSW - 100% interest
Gold, Silver and Base Metal Exploration

Contiguous ELs 6413, 8424 & 7564 (*see Figure 13*) at Pooraka, 50 kms east of Cobar, contain several gold and base metal target areas gleaned from earlier exploration results. In 2014, the Company undertook a ground based EM survey to seek hidden conductors. Two target areas, T1 and T2, were chosen in 2015, a ground based 200m x 200m geophysical survey was undertaken over those targets using the time domain electromagnetic (TDEM) technique. TDEM data were processed to define anomalies caused by conductors.

Responses from the two conductor targets were modelled in 2016 and 2 deep, inclined, RC percussion holes were drilled in March 2017 to test the nature of their conductivities. The conductors turned out to be formational in origin (caused by saline, clay-rich rocks) and not related to sulphide-gold mineralization. Based on the results, EL 7564 was not renewed on its expiry on 17 June 2018.

Other deep targets (bedrock Au anomalies) are known in the McGuiness-Buds Tank area (Sub-Area 2/3). At that location earlier explorers (1986-1992) discovered significant inferred shallow Au resource in three pods to a depth of 12m. Also, at Langbein West (Sub-Area 1) the Company's early (2010) bedrock sampling (shallow air core drilling) detected bedrock Au anomalies. The ELs cover possible WNW strike extensions of the Canbelago gold mine directly to the south, and also cover the Gilmore Suture.

REVIEW OF OPERATIONS (continued)

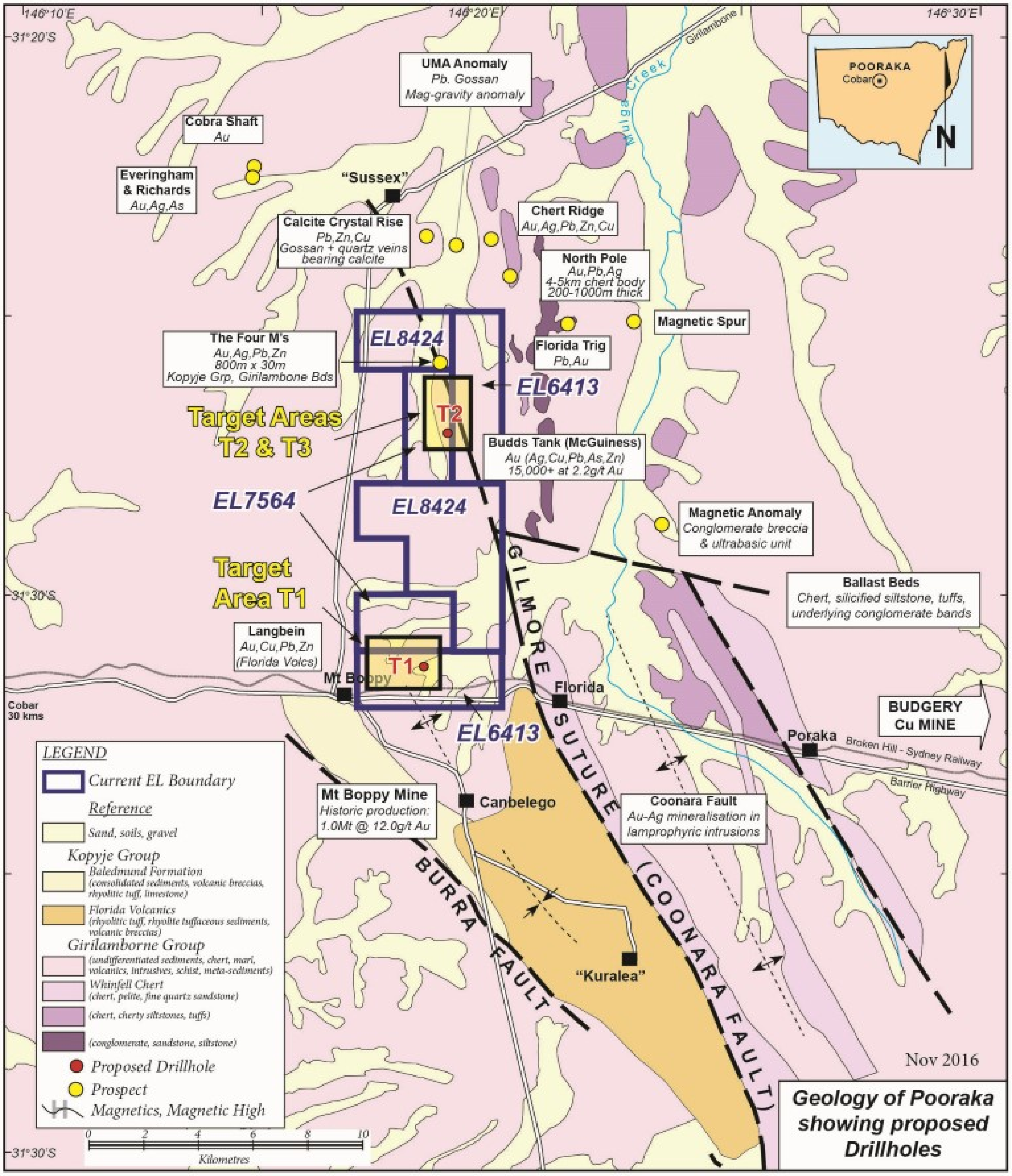


Figure 13 – Geology and Prospect Locations - Pooraka Project

REVIEW OF OPERATIONS (continued)

LICENCES STATUS

Minerals tenements and applications for tenements held at 30 June 2018 and acquired or disposed of during the quarter and their locations are as follows:

Tenement	Area Name	Location	Beneficial Interest	Status
EL 6400	Koonenberry	NSW	100%	Expiry on 1 April 2019
EL 6413	Pooraka 1	NSW	100%	Expiry on 17 May 2019
EL 7564	Pooraka 2	NSW	100%	Not renewed on expiry on 17 June 2018
EL 8424	Pooraka 3	NSW	100%	Expiry on 17 February 2019
EL 8745	Kanbarra	NSW	100%	Licence Application acquired on 5 May 2018, Licence granted on 15 May 2018 for expiry on 15 May 2024
EL 8746	Redan	NSW	100%	Licence Application acquired on 5 May 2018, Licence granted on 15 May 2018 for expiry on 15 May 2024
EL 8747	Stirling Vale	NSW	100%	Licence Application acquired on 5 May 2018, Licence Granted on 24 May 2018 for expiry on 24 May 2024
EPM 26813	Greenvale	QLD	100%	Permit Application acquired on 5 May 2018 and awaiting grant
EPM 26814	Greenvale	QLD	100%	Permit Application acquired on 5 May 2018 and awaiting grant
EPM 26815	Greenvale	QLD	100%	Permit Application acquired on 5 May 2018 and awaiting grant
EPM 26764	Mt Tewoo	QLD	100%	Permit Application acquired on 5 May 2018 and awaiting grant

(The information in the report above that relates to Exploration Results is based on information compiled by Mr Mark Derriman, who is the Company's Chief Technical Officer 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, 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.)

CORPORATE AND FINANCIAL

Corporate

The Board composition changed following the appointment of Mr Eric W Y M Sam Yue on 25th October 2017 and the resignation of Dr Raymond Shaw on the same day.

Mr Eric W Y M Sam Yue was also appointed Company Secretary and Chief Financial Officer on 25th October 2017 in replacement of Mr John Wang who remains as Managing Director.

Funding

During the year, to fund exploration and working capital, the Group raised a gross total of $1,048,000 in new capital by private placement and sale of EIP shares relinquished during the year.

To undertake exploration activities while the Group has no revenue producing assets, the Group requires regular injections of funds and the level of activities is dictated by the funds that are available. Currently the Group is able to fund the exploration expenditure that satisfies the minimum licence commitments activities and to meet its financial commitments as and when they fall due.

Performance

During the year the Group incurred net losses of $591,740 (2017: losses $2,445,436) which included the write off of exploration and evaluation expenditure of $27,221 (2017: $2,011,807), projects costs of $112,176 (2017: nil) and share-based payments of $107,000 (2017: $239,690) relating to shares issued under the Company's Employee Incentive Plan.

Financial Position

Total equity increased during the year to $1,949,423 from $595,459 mainly due to share issues and sale of EIP shares relinquished for cash and to the acquisition of subsidiary NBM settled mostly by the issue of shares. Share issues and sale of EIP shares relinquished for cash during the year raised $988,704 after issue expenses.

Cash at 30 June 2018 was $1,003,067 (2017: $566,364) with total current assets being $1,038,065 (2017: $583,710) made up substantially of cash.

Current liabilities were $62,031 (2017: $30,751).

Cash Flows

Operating activities resulted in net outflow of $462,769 (2017: outflow $358,032) as the Group is still in the exploration phase with no revenue. This outflow was funded from existing cash on hand.

REVIEW OF OPERATIONS (continued)

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 following:
- exploration for copper at Koonenberry;
- gold exploration near Cobar;
- exploration for cobalt and base metals in NSW and QLD in licence areas recently granted or applied for; and
- new projects.

To carry out those above activities the Group will require funding which may be by farmout of interests or equity capital. The method of funding will be determined at the appropriate time as part of the Group's capital management in maintaining a capital structure that minimises the cost of capital and benefits all shareholders.

DIRECTORS' REPORT

The Directors present their report on Ausmon Resources Limited ("Company") and its controlled entities ("Group") for the financial year ended 30 June 2018.

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 Morgan's 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: None.
Former directorship of listed public companies in the last three years: None.
Interest in shares: 11,142,857 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 19 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: 14,327,859 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: 18,304,857 ordinary shares in Ausmon Resources Limited.

DIRECTORS' REPORT (continued)

Dr Ray Shaw
Director – Executive - resigned on 25 October 2017

Dr Shaw has more than 30 years' experience in the minerals and energy resource sectors, including senior corporate roles as either Chairman (Rampart Energy Limited and Red Gum Resources Ltd) or Managing Director (Great Artesian Oil and Gas Limited and Bandanna Energy Limited) of Australian Securities Exchange (ASX) listed companies, following a broad career as a professional earth scientist consulting to industry, government, and international aid agencies including the World Bank, Asia Development Bank and AusAid. He was a part time consultant with the New South Wales Department of Mineral Resources for 7 years, providing input for exploration industry initiatives within the State.

Appointed to the Board: 15 September 2016, resigned 25 October 2017.
Special responsibilities: New projects search.
Directorship of other listed public companies during time in office: None.
Former directorship of listed public companies in the last three years during time in office: None.
Interest in shares during time in office: None.

COMPANY SECRETARY

The Company Secretary is Mr Eric W Y M Sam Yue who was appointed on 25 October 2017 and he is also the Chief Financial Officer and 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, silver, copper and other base metals and also seeking new projects. The Group acquired new exploration projects in emerging cobalt mining regions in QLD and NSW in May 2018.

OPERATING RESULTS

The loss of the Group after income tax for the year was $591,740 (2017: $2,445,436).

FINANCIAL POSITION

The net assets of the Group at 30 June 2018 were $1,949,423 (2017: $595,459). Total assets increased by $1,385,244 to $2,011,454 and total liabilities increased by $31,280 to $62,031 with cash and cash equivalents of $1,003,067 (2017: $566,364) and no borrowings.

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 Group occurred during the financial year:

(a) Sale of relinquished EIP shares for $243,000;

(b) Issue of 115,000,000 fully paid ordinary shares at $0.007 per share through private placements to raise $805,000, before expenses, in new capital;

(c) Acquisition of all the shares in New Base Metals Pty Ltd ("NBM"), which owns three exploration licence applications in NSW and four in QLD, for cash consideration of $40,000 and 50,000,000

DIRECTORS' REPORT (continued)

fully paid ordinary shares (including deferred consideration of 14,285,716 ordinary shares at balance date, to be issued pro-rata when each of the 4 QLD applications are granted licences); and

(d) The 3 exploration licence applications in NSW acquired under NBM were granted.

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 24.

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.

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.

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.

DIRECTORS' REPORT (continued)

Fees have not been paid to Directors B Patkin and J Wang during the last financial year 2016/17 to preserve cash of the Group. During the current financial year, the Board considered it inappropriate not to remunerate the Directors as they assume their responsibilities and perform their duties for the future development of the Group. Therefore, the Board had resolved to remunerate Directors B Patkin, J Wang and E Sam Yue for director's fees, as applicable, for the period from July 2017, or date of appointment if later. However, the directors' fees were stopped after February 2018 when cash balances of the Group was low with the intention to reconsider payment after the Group has identified new projects for investment and new capital has been raised. From March 2018, remuneration of the executive directors has been on the basis of actual time involved in performing their executive duties.

(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 at various intervals with advice from external remuneration advisers as may be required. There are no contracts for service between the Company and Executive Directors and other key management personnel currently in place other than executive positions held by Directors 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 fixed fees to Directors for directorship and executive functions for the period from July 2017 to February 2018. From March 2018, executive functions are 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 2017 annual general meeting

The Company received 100% of "for" votes on its remuneration report for 2017 financial year. 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. Employees and consultants

DIRECTORS' REPORT (continued)

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.

Key management personnel remuneration

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

The following table show details of the remuneration of each Director and key management personnel for the year ended 30 June 2018:

	Short-term employee benefits	Post employment benefits	Other long term benefits	Termination benefits	Share-based payments	
	Cash salary and fees					Total
2018	**$**	**$**	**$**	**$**	**$**	**$**
Directors						
B Patkin	50,000[3]	-	-	-	25,000	75,000
E Sam Yue[1]	49,604	4,712	-	-	25,000	79,316
J Q Wang	68,000	-	-	-	25,000	93,000
R Shaw[2]	-	-	-	-	-	-
	167,604	4,712	-	-	75,000	247,316

[1] Appointed 25 October 2017
[2] Resigned 25 October 2017
[3] Included $10,000 in consulting fees

2017						
Directors						
B Patkin	-	-	-	-	54,000	54,000
R Shaw	27,396	2,604	-	-	-	30,000
J Q Wang	-	-	-	-	108,000	108,000
	27,396	2,604	-	-	162,000	192,000

Share-based payments

A general meeting of shareholders of the Company held on 8 February 2018 approved the issue of 5,000,000 fully paid ordinary shares in the Company to each of Directors B Patkin, J Wang and E Sam Yue at an issue price of $0.007 per share and the provision of a non-recourse interest free 5 years' loan of $35,000 each to acquire the shares under the Employee Incentive Plan 2016 ("EIP").

Shares issued and loans under the EIP are akin to the offer of five year options exercisable at $0.007 per option. The model inputs for assessing the fair value of EIP shares issued to each Director during the year, applying the Black-Scholes Option Pricing model, were as follows:

DIRECTORS' REPORT (continued)

Description	Number issued	Issue and 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	5,000,000	09/02/18	$0.006	$0.007	5 years	2.39%	132%	$0.005	$25,000

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future movements, which may not eventuate. Dividend is not included in the model.

Shares held by Key Management Personnel

The number of ordinary shares in the Company held by each of the Group's Key Management Personnel, including their related parties during the financial yer ended 30 June 2018 is set out below:

	Balance at start of year or on appointment	Granted as remuneration[4]	EIP shares relinquished	Other changes	Balance at end of year or on resignation
Year ended 30 June 2018					
B Patkin[1]	12,142,857	5,000,000	(6,000,000)[7]	-	11,142,857
J Q Wang[2]	21,327,859	5,000,000	(12,000,000)[7]	-	14,327,859
E Sam Yue[3,5]	10,404,857	5,000,000	(2,600,000)[8]	5,500,000	18,304,857
R Shaw [6]	-	-	-	-	-
	43,875,573	15,000,000	(20,600,000)	5,500,000	43,775,573

[1] Shares are held by Snowy Plains Pty Ltd of which Director B Patkin is the sole director and owns all of the shares.

[2] 2,510,000 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 beneficiary.

[3] 5,500,000 shares are registered in the name of Vesway Pty Ltd Atf ESVSY Super Fund of which Director E Sam Yue is a beneficiary and 7,804,857 are held by the spouse of Director E Sam Yue.

[4] Shares were issued under Employee Incentive Plan 2016 and approved by shareholders at a General Meeting held on 8 February 2018.

[5] Appointed 25 October 2017.

[6] Resigned 25 October 2017.

[7] EIP shares were issued on 30 November 2016 and relinquished on 29 December 2017.

[8] EIP shares issued prior to becoming a Director and relinquished on 23 February 2018.

DIRECTORS' REPORT (continued)

Other transactions with Key Management Personnel

	2018	2017
	$	$
Paid to Australian MBA Accountants an entity controlled by Director J Q Wang		
- Services for tax returns	4,700	2,300
- Office Rental	10,400	10,600
- Professional and consultancy services	1,230	8,432
	16,330	21,332

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.

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the Company's Directors held during the year ended 30 June 2018, and the number of meetings attended by each Director:

	Directors' meetings	
	Number eligible to attend	**Number attended**
B Patkin	5	5
J Q Wang	5	4
E Sam Yue[1]	5	5
R Shaw [2]	1	-

[1] Appointed 25 October 2017.
[2] Resigned 25 October 2017.

During the year, some 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 has operated and all matters were dealt with in the Directors' meetings or by circulated resolutions.

INDEMNIFYING OFFICERS OR AUDITORS

The Group has not during or since the end of the year indemnified an officer or an auditor of the Group or of any related body corporate, against a liability incurred by such an officer or auditor. The Group has not paid or agreed to pay a premium to insure a current or former officer or the auditor against legal liabilities.

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.

DIRECTORS' REPORT (continued)

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 2018.

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 2018 has been received and can be found on page 33 of the Annual Report and forms part of this report.

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

John Wang
Director
Dated this 17th day of August 2018

Stantons International Audit and Consulting Pty Ltd
trading as
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17 August 2018

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

Dear Sirs

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 2018, 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 faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LIMITED
(Trading as Stantons International)
(An Authorised Audit Company)

Martin Michalik

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 entity ('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 – 3rd edition ('the ASX Principles').

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/corporate.html.

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 2018

	Note	Consolidated Group	
		2018	**2017**
		$	$
Revenue			
Interest revenue		5,303	5,347
Expenses			
Employee benefits expense		(39,858)	(37,160)
Impairment of exploration and evaluation expenditure	12	(27,221)	(2,011,807)
Share-based payments	6	(107,000)	(239,690)
Projects costs		(112,176)	-
Other expenses	5	(310,788)	(162,126)
Loss before income tax expense		(591,740)	(2,445,436)
Income tax expense	7	-	-
Loss for the year		(591,740)	(2,445,436)
Other comprehensive income		-	-
Other comprehensive income for the year, net of tax		-	-
Other comprehensive income for the year		-	-
Total comprehensive loss for the year		(591,740)	(2,445,436)
Loss attributable to:			
- members of the Parent Entity		(591,740)	(2,445,436)
Total comprehensive income (loss) attributable to:			
- members of the Parent Entity		(591,740)	(2,445,436)
Loss per share			
Basic and diluted loss per share	20	(0.15 cents)	(0.78 cents)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

	Note	Consolidated Group	
		2018	**2017**
		$	**$**
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	1,003,067	566,364
Trade and other receivables	9	22,498	6,758
Financial assets	10	12,500	10,000
Other assets	11	-	588
TOTAL CURRENT ASSETS		1,038,065	583,710
NON-CURRENT ASSETS			
Financial assets	10	60,000	42,500
Exploration and evaluation expenditure	12	913,389	-
TOTAL NON-CURRENT ASSETS		973,389	42,500
TOTAL ASSETS		2,011,454	626,210
CURRENT LIABILITIES			
Trade and other payables	13	62,031	30,751
TOTAL CURRENT LIABILITIES		62,031	30,751
TOTAL LIABILITIES		62,031	30,751
NET ASSETS		1,949,423	595,459
EQUITY			
Issued capital	14	13,215,736	11,377,032
Reserves	15	464,770	357,770
Accumulated losses		(11,731,083)	(11,139,343)
TOTAL EQUITY		1,949,423	595,459

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2018

	Issued capital $	Option reserve $	Accumulated losses $	Total $
CONSOLIDATED GROUP				
Balance at 1 July 2016	10,928,388	118,080	(8,693,907)	2,352,561
Total comprehensive loss for the year	-	-	(2,445,436)	(2,445,436)
Transactions with owners in their capacity as owners:				
Issue of share capital	536,710	-	-	536,710
Transaction costs	(88,066)	-	-	(88,066)
Employee incentive plan	-	239,690	-	239,690
Balance at 30 June 2017	11,377,032	357,770	(11,139,343)	595,459
Balance at 1 July 2017	11,377,032	357,770	(11,139,343)	595,459
Total comprehensive loss for the year	-	-	(591,740)	(591,740)
Transactions with owners in their capacity as owners:				
Issue of share capital	1,898,000	-	-	1,898,000
Transaction costs	(59,296)	-	-	(59,296)
Employee incentive plan	-	107,000	-	107,000
Balance at 30 June 2018	13,215,736	464,770	(11,731,083)	1,949,423

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2018

	Note	Consolidated Group	
		2018	2017
		$	$
CASH FLOW FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(470,352)	(363,567)
Interest received		5,303	5,535
Net cash (used in) operating activities	18(b)	(465,049)	(358,032)
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for exploration and evaluation expenditure		(26,952)	(84,345)
Acquisition of tenements		(40,000)	-
Payments for security deposits		(30,000)	-
Proceeds from refund of security deposits		10,000	11,614
Net cash (used in) investing activities		(86,952)	(72,731)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		805,000	536,710
Proceeds from EIP shares relinquished		243,000	-
Capital raising costs		(59,296)	(88,066)
Net cash inflow from financing activities		988,704	448,644
Net increase in cash and cash equivalents		436,703	17,881
Cash and cash equivalents at beginning of year		566,364	548,483
Cash and cash equivalents at end of year	18(a)	1,003,067	566,364

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

Notes to the Financial Statements for the Year Ended 30 June 2018

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 and other base metals as well as cobalt and nickel.

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 2018 were approved and authorised for issue by the board of Directors on 17 August 2018.

Note 3 – New and revised standards that are effective for these financial statements

A number of new and revised standards became effective for the first time to annual periods beginning on or after 1 July 2017. None has had any impact on the Group.

New accounting standards and interpretations

Certain new accounting standards and interpretation have been issued but were not mandatory for annual reporting periods ending 30 June 2018 and have not been adopted early by the Group as follows:

- AASB 9 Financial Instruments, which becomes mandatory for the Group's 2019 financial statements. A detailed impact assessment is yet to be completed, however, no significant impact on the Group's financial performance or position, on transition date at 1 July 2018 is expected.

- AASB 15 Revenue from Contracts with Customers, which becomes mandatory for the Group's 2019 financial statements. While a detailed impact assessment is yet to be completed, management expects the majority of current revenue recognition practice not to be significantly impacted by the new standard.

Notes to the Financial Statements for the Year Ended 30 June 2018 (continued)

- AASB 16 Leases, which becomes mandatory for the Group's 2020 financial statements. Whilst work is yet to commence, this standard will ultimately result in a portion of the Group's operating leases to be accounted for on balance sheet as a "right to use asset" and "lease liability" upon adoption of the standard on 1 July 2019. This standard will also result in reclassification of operating lease expense into depreciation and finance expenses, and a reclassification of certain cash flows from operating into financing activities.

- AASB 2015-8 Amendments to Australian Accounting Standards – Effective Date of AASB 15.

- AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions.

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 2018. 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 22 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.

Minority 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.

Notes to the Financial Statements for the Year Ended 30 June 2018 (continued)

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 minority shareholders in the acquiree is initially measured at the minority'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. At balance date the Group has current assets of $1,038,065 including total cash of $1,003,067, current liabilities of $62,031 and has incurred a net loss of $591,740 in the year. In addition, the Group has an unfulfilled expenditure requirement under its exploration licences of $205,000 for the next 12 months.

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.

Notes to the Financial Statements for the Year Ended 30 June 2018 (continued)

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.

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.

Notes to the Financial Statements for the Year Ended 30 June 2018 (continued)

(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
>
> (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) 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 Group 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 Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

Notes to the Financial Statements for the Year Ended 30 June 2018 (continued)

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 year end and based on the above policies, have fully impaired the capitalised expenditure in the amount of $29,501.

(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.

(j) 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.

Notes to the Financial Statements for the Year Ended 30 June 2018 (continued)

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.

(k) Accounts payable

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

(l) 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.

(m) Financial assets

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- loans and receivables
- financial assets at fair value through profit or loss (FVTPL)
- held-to-maturity (HTM) investments
- available-for-sale (AFS) financial assets.

The category determines subsequent measurement and whether any resulting income and expense is recognised in profit or loss or in other comprehensive income.

Notes to the Financial Statements for the Year Ended 30 June 2018 (continued)

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

Classification and subsequent measurement of financial liabilities

The Group's financial liabilities include borrowings, trade and other payables. Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1 - Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 - Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

- if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or

Notes to the Financial Statements for the Year Ended 30 June 2018 (continued)

- if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Company recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

(n) 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.

(o) Earnings per share

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

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share by taking into account any reduction in earnings per share that will probably arise from the exercise of options 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 23 has been prepared on the same basis as the consolidated financial statements.

Notes to the Financial Statements for the Year Ended 30 June 2018 (continued)

(r) Comparative information

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

Note 5 – Other expenses

	2018	2017
	$	$
Audit fees	25,000	40,122
Directors' fees	162,316	30,000
Consulting and contract fees	15,930	16,008
Listing expenses	28,835	13,989
Operating leases	10,400	10,600
Registry expenses	14,557	12,393
Professional fees	41,924	26,850
Other	11,826	12,164
	310,788	162,126

Note 6 – 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:

Description	Number issued	Issue and grant date	Share price at grant date	Exercise price	Life assump-tion	Risk free rate	Expec-ted price volatility	Value of each EIP share	Share-based payments
EIP shares	5,000,000[1]	02/01/18	$0.006	$0.007	5 years	2.34%	127%	$0.005	$25,000
	1,000,000[1]	19/01/18	$0.008	$0.008	5 years	2.44%	130%	$0.007	$7,000
	15,000,000[2]	09/02/18	$0.006	$0.007	5 years	2.39%	132%	$0.005	$75,000
									$107,000

[1] Issued to eligible persons under the EIP.
[2] Issued to Directors and approved by shareholders at general meeting held on 8 February 2018.

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future movements, which may not eventuate. Dividend is not included in the model.

Notes to the Financial Statements for the Year Ended 30 June 2018 (continued)

	2018 $	2017 $
Note 7 - Income tax		
The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax expenses as follows:		
Prima facie tax benefit on the loss from ordinary activities calculated at 27.5%	(162,729)	(672,495)
Tax effect of:		
Non-temporary differences	31,497	65,970
Equity capital raising costs debited to equity	(8,105)	(4,844)
Temporary differences and tax losses not recognized	139,337	611,369
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 27.5%	3,166,992	3,012,423

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.

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.

Note 8 – Cash and cash equivalents

	2018	2017
Cash at bank and in hand	1,003,067	566,364

Note 9 – Trade and other receivables

Current

	2018	2017
Other receivables	22,498	6,758

Notes to the Financial Statements for the Year Ended 30 June 2018 (continued)

(a) 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.

(b) 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.

(c) Foreign exchange and interest rate risk

Detail regarding foreign exchange and interest rate risk exposure is disclosed in Note 21.

	2018	2017
	$	$
Note 10 – Financial assets		
Current		
Security deposits	12,500	10,000
Non-current		
Security deposits	60,000	42,500
Note 11 – Other assets		
Current		
Prepayments	-	588
Note 12 – Exploration and evaluation expenditure		
Exploration areas of interest at cost	913,389	-
Movements during the year		
Exploration areas :		
Balance at beginning of year	-	1,925,777
Acquisition costs	890,000	-
Additions at cost	50,610	86,030
Impairment	(27,221)	(2,011,807)
Balance at end of year	913,389	-

Notes to the Financial Statements for the Year Ended 30 June 2018 (continued)

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 or being earned by the Group are detailed in the Licences Status on page 22.

Impairment indicators in AASB 6 are considered on each identifiable area of interest.

	2018	2017
	$	$
Note 13 – Trade and other payables		
Trade and other payables	62,031	30,751
Note 14 – Issued capital		
518,353,627 (2017: 346,639,343) fully paid ordinary shares	13,215,736	11,377,032

	2018		2017	
	Number	**$**	**Number**	**$**
(a) Fully Paid Ordinary shares				
Balance at beginning of year	346,639,343	11,377,032	239,486,486	10,928,388
Shares issued during the year:				
- Share issues under EIP	21,000,000	-	30,480,000	-
- Sale of EIP Shares relinquished	-	243,000		
- Share issues for cash @ 0.7c	75,000,000	525,000	76,672,857	536,710
- Share issues for cash @ 0.7c	40,000,000	280,000	-	-
- Shares issued on acquisition of New Base Metals Pty Ltd @ 1.7c not including deferred shares	35,714,284[1]	850,000	-	-
Transaction costs	-	(59,296)	-	(88,066)
Balance at end of year	518,353,627	13,215,736	346,639,343	11,377,032

[1] Number of shares issued to balance date for acquisition of NBM and does not include 14,285,716 deferred shares to be issued when the remaining 4 licences applied for are granted.

Notes to the Financial Statements for the Year Ended 30 June 2018 (continued)

On 5 May 2018 the Company signed the definitive agreement to acquire New Base Metals Pty Ltd ("NBM") for a cash consideration of $40,000 and consideration of 50 million shares at $0.017. The issue price of $0.017 is equal the volume weighted average market price for the share calculated over the last 5 days on which sales in the shares were recorded before 5 May 2018 when the issue was agreed to be made.

The shares issued or to be issued for the acquisition of NBM were as follows:

- 25,000,000 fully paid ordinary shares ("Consideration Shares") issued on 07 May 2018;

- 7,142,856 Consideration Shares issued on 18 May 2018 on the grant of exploration licences EL 8745 and EL 8746;

- 3,571,428 Consideration Shares issued on 29 May 2018 onthe grant of exploration licences EL 8747;

- Deferred Consideration of 14,285,716 shares will be issued when last 4 exploration licences applied for are granted in accordance with the acquisition agreement. The Directors have deemed the likelihood of the remaining applications being issued as probable and therefore have in accordance with AASB 2 recorded the full cost of the deemed consideration in the current financial year.

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.

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

Notes to the Financial Statements for the Year Ended 30 June 2018 (continued)

Note 15 – Reserves

Option reserve

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

Movement on shares granted under the Employee Incentive Plan:

	2018 Number	2017 Number
Balance at beginning of year	48,700,000	18,000,000
EIP shares issued	21,000,000	30,700,000
EIP shares relinquished	(48,600,000)	-
Balance at end of year	21,100,000	48,700,000

Details and valuation of the EIP shares issued during the year are described in Note 6.
Loans owing on the EIP shares at balance date were $149,000 (2017: $487,000).

Note 16 – 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:

	2018	2017
	$	$

Transactions with Key Management Personnel

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

	2018 $	2017 $
Short-term employee benefits	167,604	27,396
Post-employment benefits	4,712	2,604
Long-term benefits	-	-
Termination benefits	-	-
Share-based payments	75,000	162,000
	247,316	192,000

Detailed remuneration disclosures are provided in the remuneration report on pages 27 to 31.

Other transactions with Key Management Personnel

Other transactions with and balances at reporting date with key management personnel or their related entities are disclosed in the remuneration report on pages 27 to 31.

Notes to the Financial Statements for the Year Ended 30 June 2018 (continued)

	2018	2017
	$	$
Note 17 – Remuneration of auditors		
Remuneration of the current auditor for:		
- auditing or reviewing the financial reports	21,000	-
Remuneration of the previous auditor for:		
- auditing or reviewing the financial reports (Grant Thornton)	4,000	40,122
	25,000	40,122

Notes to the Financial Statements for the Year Ended 30 June 2018 (continued)

Note 18 – Notes to the Cash Flow Statement

	2018	2017
	$	$
(a) Reconciliation of cash		
Cash at bank and on hand	1,003,067	566,364

	2018	2017
(b) Reconciliation of loss from ordinary activities after income tax to net cash used in operating activities		
Loss after income tax	(591,740)	(2,445,436)
Add non-cash items in operating costs:		
Exploration and evaluation expenditure written off	27,221	2,011,807
Share-based payments	107,000	239,690
Changes in assets and liabilities relating to operations:		
Increase/(Decrease in trade and other payables	6,779	(160,132)
(Increase) in receivables	(14,897)	(3,898)
Decrease/(Increase) in prepayments	588	(63)
Net cash used in operating activities	(465,049)	(358,032)

(c) Non-cash investing and financing activities

The Company issued fully paid ordinary shares in payment for:

	2018	2017
- The acquisition of New Base Metals Pty Ltd (Note 14(a))	850,000	-

Note 19 – 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 2018 (continued)

	2018	2017
	$	$
Note 20 – Loss per share		
Loss after income tax used in the calculation of basic and diluted loss per share	(591,740)	(2,445,436)
	Number	Number
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic and diluted loss per share	386,306,270	311,824,412

Note 21 – Financial risk management

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and from subsidiaries and derivatives.

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	2018 $	2017 $
Financial Assets			
Cash and cash equivalents	8	1,003,067	566,364
Trade and other receivables	9	22,498	6,758
Financial assets	10	72,500	52,500
Total Financial Assets		1,098,065	625,622
Financial Liabilities			
Financial liabilities at amortised cost:			
Trade and other payables	13	62,031	30,751
Total Financial Liabilities		62,031	30,751

(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.

Notes to the Financial Statements for the Year Ended 30 June 2018 (continued)

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, foreign currency 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.

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

	2018	2017
	$	$
Financial assets		
Cash and cash equivalents	1,003,067	566,364
Security deposits	72,500	52,500
	1,075,567	618,864

(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 9.

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.

The Group does not have a material exposure to liquidity risk.

(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.

Notes to the Financial Statements for the Year Ended 30 June 2018 (continued)

(b) Net fair values

Fair value hierarchy

The hierarchy of the fair value measurement of the Group's financial assets and liabilities was as follows:

	Note	Level 1	Level 2	Level 3	Total
		$	$	$	$
2018					
Assets					
Total	(a)	1,098,065	-	-	1,098,065
Liabilities					
total		(62,031)	-		(62,031)
Net fair value		1,036,034	-	-	1,036,034
2017					
Assets					
Total	(a)	625,622	-	-	625,622
Liabilities					
total		(30,751)	-	-	(30,751)
Net fair value		594,871	-	-	594,871

Measurement of fair value

The method and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

(a) The fair values are estimated using market prices.

Notes to the Financial Statements for the Year Ended 30 June 2018 (continued)

(c) 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**
2018	$	$	$	$	$	$
Financial assets						
Cash and cash equivalents	1,003,060	-	-	7	-	1,003,067
Trade and other receivables	-	-	-	22,498	-	22,498
Security deposits	72,500	-	-	-	-	72,500
	1,075,560	-	-	22,505	-	1,098,065
Financial liabilities						
Trade and other payables	-	-	-	62,031	-	62,031
2017						
Financial assets						
Cash and cash equivalents	566,357	-	-	7	-	566,364
Trade and other receivables	-	-	-	6,758	-	6,758
Security deposits	52,500	-	-	-	-	52,500
	618,857	-	-	6,765	-	625,622
Financial liabilities						
Trade and other payables	-	-	-	30,751	-	30,751

(d) 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.

	2018	**2017**
	$	**$**
Interest rate sensitivity analysis		
Decrease/ (increase) in loss		
- increase in interest rate by 2%,	21,511	12,377
- decrease in interest rate by 2%	(21,511)	(12,377)

Notes to the Financial Statements for the Year Ended 30 June 2018 (continued)

Note 22– Controlled entities

Controlled entities	Country of incorporation	Ownership interest 2018	2017
Great Western Minerals Pty Ltd	Australia	100%	100%
New Base Metals Pty Ltd	Australia	100%	-

Note 23 – Parent Entity information

Summary financial information

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

	2018	2017
Assets		
Current assets	1,034,084	573,707
Non-current assets	956,829	52,500
Total assets	1,990,913	626,207
Liabilities		
Current liabilities	43,678	30,751
Total liabilities	43,678	30,751
Equity		
Issued capital	13,215,736	11,377,032
Reserves	464,770	357,770
Accumulated losses	(11,733,271)	(11,139,346)
	1,947,235	595,456
Financial performance		
Loss for the year	(593,925)	(2,429,523)
Other comprehensive income	-	-
Total comprehensive loss	(593,925)	(2,429,523)

The Parent Entity has not entered into any financial guarantee which is outstanding and has no commitments for the acquisition of property, plant and equipment as at 30 June 2018 and 30 June 2017.

Notes to the Financial Statements for the Year Ended 30 June 2018 (continued)

Note 24 – Commitments

Exploration expenditure commitments

The expenditure commitments to maintain rights to tenure and earn interests under joint venture arrangements in exploration licences as at 30 June 2018 have not been provided for in the financial statements and are due:

	2018	2017
	$	$
Within twelve months	205,000	50,000
Twelve months or longer and not longer than five years	517,000	50,000
Longer than five years	255,000	-
	977,000	100,000

Note 25 – Contingent liabilities

The Group has no contingent liabilities at 30 June 2018 or 30 June 2017.

Note 26 – 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.

The financial report was authorised for issue on 17 August 2018 by the Board of Directors.

DIRECTORS' DECLARATION

Directors' Declaration
for the year ended 30 June 2018

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 2018 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 2018.

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 17th day of August 2018

John Wang
Director

Stantons International Audit and Consulting Pty Ltd
trading as
Stantons International
Chartered Accountants and Consultants

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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 2018, 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 2018 and of its financial performance for the year then ended; and

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

Material Uncertainty Regarding 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 2018, the Group had working capital of $976,034 and had incurred a loss for the year of $591,740. 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.

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 Group 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.

Key Audit Matters

We have defined the matters described below to be key audit matters 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 year. 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
Exploration and Evaluation Assets At 30 June 2018 the Group had $913,389 of capitalised Exploration and Evaluation expenditure. During the year the Group acquired New Base Metals Pty Limited (NBM) for a combined consideration of $890,000 and further capitalised $23,389 in other exploration expenditure. This area is a key audit matter due to the inherent subjectivity that is involved in the Group making judgements in relation to Exploration for and Evaluation of Mineral Resources (AASB 6) and its significance as a total percentage of net assets (47%).	Inter alia, our audit procedures included the following: i. Obtaining supporting documentation for the acquisition of NBM and its exploration licences during the year and ensuring that they have been accounted for in accordance with AASB 6; ii. Completed substantive testing on other exploration expenditure and verified the ownership of those assets; iii. Requested the Group complete an impairment review in line with AASB 6 and Impairment of Assets (AASB 136) and satisfied ourselves that no impairment was necessary; and iv. Reviewed the disclosures included in the annual report.
Valuation of Share Based Payments During the year the Group issued 21,000,000 Employee Incentive Plan (EIP) shares to directors and management of the Group. The Group also ordinary shares as part of its acquisition of NBM. The Group prepared a valuation of the EIP shares and provided a valuation of the shares issued as part of its acquisition of NBM in accordance to its accounting policy and the accounting standard Share Based Payments (AASB 2). This is a key audit matter for us due to the judgement involved in assessing the fair value of the shares issued.	Inter alia, our audit procedures included the following: i. We reviewed the inputs used in the models; the underlying assumptions used and discussed with management the justification for inputs; ii. We assessed the accounting treatment and its application in accordance with AASB 2; and iii. We assessed whether the Group's disclosures met the requirements of the related accounting standards.

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 2018, 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 conclusion 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.

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 consolidated financial report of the current year 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 27 to 31 of the directors' report for the year ended 30 June 2018.

In our opinion the Remuneration Report of Ausmon Resources Limited for the year ended 30 June 2018 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
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd

Martin Michalik

Martin Michalik
Director

West Perth, Western Australia
17 August 2018

ADDITIONAL INFORMATION

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

1. SHAREHOLDINGS

(a) Distribution of Shareholders as at 16 August 2018

Size of Holding	Holders	Ordinary Shares Held	%
1-1,000	19	3,751	0.001
1,001-5,000	15	50,024	0.010
5,001- 10,000	91	896,123	0.173
10,001-100,000	176	9,043,200	1.745
100,001 – and over	322	508,360,529	98,071
	623	**518,353,627**	**100.000**

257 shareholders held less than a marketable parcel.

(b) Top Twenty Shareholders as at 16 August 2018

Shareholder	Number of Ordinary Shares	% Held of Issued Ordinary Capital
LAGOM CAPITAL INVESTMENTS PTY LTD	35,714,284	6.890
FAST LANE AUSTRALIA PTY LTD	25,000,000	4.823
MR BAIRONG FENG	23,142,857	4.465
LAMDIAN PTY LTD <SAMYUE SUPERFUND A/C>	20,283,312	3.913
MR LIUBAO QIAN	20,000,000	3.858
MRS MAN SUN NG	19,500,000	3.762
OCTAN ENERGY PTY LTD	17,000,000	3.280
WUJIANG INVESTMENT PTY LTD	15,432,720	2.977
YAU MAN FAMILY PTY LTD <YAU MAN FAMILY A/C>	13,788,989	2.660
AUSTRALASIA ACCESS PTY LTD	12,000,000	2.315
MS JIN QIN WANG	11,473,794	2.214
MS CAROL MCCOLL	10,000,000	1.929
MR D R BLAKISTON & MRS J M BLAKISTON<D&A BLAKISTON SUPERFUND A/C>	9,813,868	1.893
MRS S SAM YUE	7,804,857	1.506
MR MAKARYN & MRS MAKARYN <TMAK SUPER A/C>	7,750,000	1.495
C K CAMDEN PTY LTD	6,325,000	1.220
MS XIA ZHANG	6,307,481	1.217
SNOWY PLAINS PTY LTD	6,142,857	1.185
MR YONGJIAN WANG	6,000,000	1.158
VESWAY PTY LTD<ESVSY SUPER FUND A/C>	5,500,000	1.061
Twenty largest shareholders	278,980,019	53.820
Others	239,373,608	46.180
	518,353,627	**100.000**

ADDITIONAL INFORMATION

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 authorized.
(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.

4. SUBSTANTIAL SHAREHOLDER

The securities held by this substantial shareholder is as follows:

Name	Number of Shares
LAGOM CAPITAL INVESTMENTS PTY LTD	39,285,715