

AUSMON RESOURCES LIMITED

ABN 88 134 358 964

Half-Year Financial Report

31 December 2023

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CORPORATE DIRECTORY

Directors

Boris Patkin – Non-Executive Chairman
John Wang – Managing Director
Eric W Y M Sam Yue – Executive Director

Company Secretary

Eric W Y M Sam Yue

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Exchange Centre
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Sydney NSW 2000

ASX Code: AOA

Solicitors

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

Auditors

Stantons
Level 2, 40 Kings Park Rd
West Perth WA 6005

REVIEW OF OPERATIONS

CORPORATE

- At the Annual General Meeting held on 26 October 2023, shareholders approved the issue of 6 million fully paid ordinary shares at \$0.004 per share together with a 5 year, interest free, secured with limited recourse, loan of \$24,000 to acquire the shares under the Ausmon Employee Incentive Plan to each of the Directors, Boris Patkin, John Wang and Eric Sam Yue. The shares were issued and allotted on 26 October 2023.
- At the Annual General Meeting held on 26 October 2023 shareholders approved the issue within 3 months of up to 200 million fully paid ordinary shares in accordance with ASX Listing Rule 7.1. In January 2024, 52 million fully paid ordinary shares were issued at \$0.003 per share raising \$156,000 before costs by private placement. The proceeds of the issues will be applied to repay borrowings. The balance of 148 million shares approved for issue by the shareholders have not been issued within the approved period.
- In December 2023 the loan facility agreement was varied to increase the facility amount to \$1,250,000 and extend the loan availability period from 1 October 2024 to 1 October 2025.

EXPLORATION

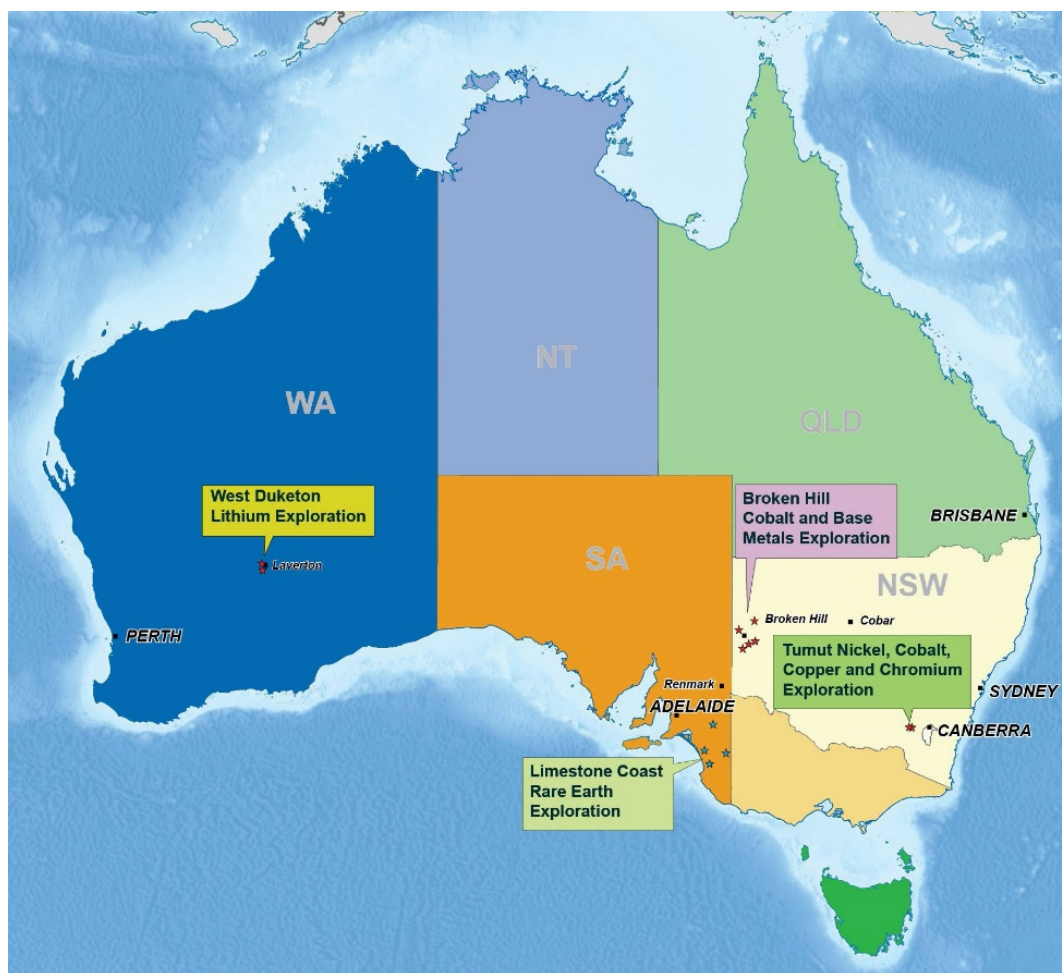


Figure 1: Location of Ausmon Exploration Projects in Australia

REVIEW OF OPERATIONS (continued)

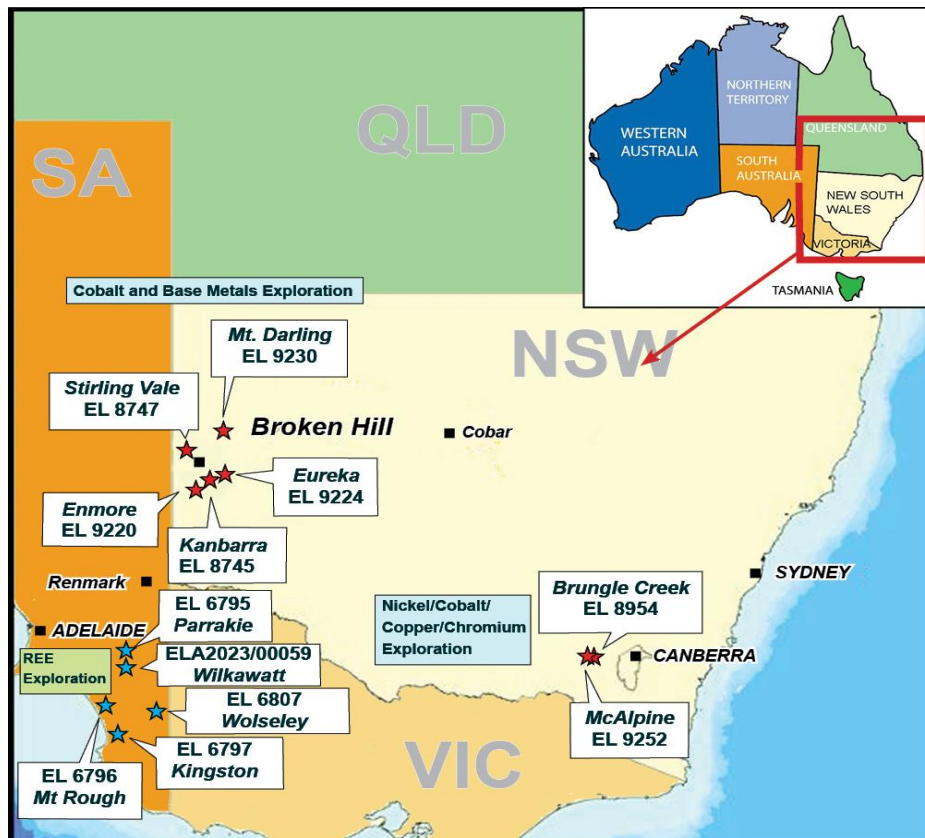


Figure 2: Location of granted licences in NSW and SA

SUMMARY OF EXPLORATION ACTIVITIES

Broken Hill, NSW- Cobalt, Lead, Zinc, Silver and Copper Exploration Enmore (EL 9220)

- Preparation for 2 RC holes drilling in 2024 to test 2 targets within 2 chargeability zones defined by an Induced Polarisation Survey in mid-2023.
- An environmental survey of the planned drilling area for the planned drilling has been conducted concluding that there are no habitats of Thick-Billed Grass Wren. An endangered native mouse specie spotted may require management at time of drilling.

Limestone Coast, SA - Rare Earth Elements (REE) Exploration Parrakie (EL 6795)

- Preparation for a first drilling campaign along roadside verges in January 2024 quarter.
- Preparation for meetings with local community prior to exploration on private properties.
- Aircore drilling commenced on 29 January 2024.

Laverton WA - Lithium Exploration

Barneys (EL 38/3718) and Neckersgat (EL 38/3719)

- Attending to Native Title requirements in preparation for field sampling.

REVIEW OF OPERATIONS (continued)

NEW SOUTH WALES

COBALT, COPPER, LEAD, ZINC AND SILVER EXPLORATION

Near Broken Hill – 100% interest

ELs 8745, 8747, 9220, 9224 and 9230

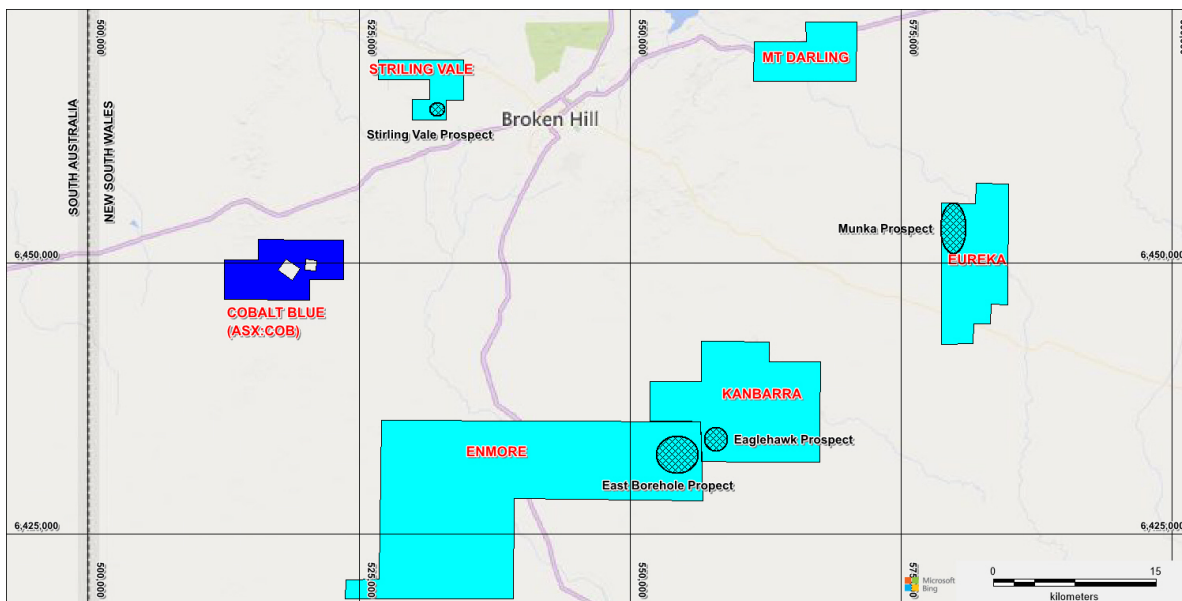


Figure 3: Location of granted Broken Hill tenements and the key prospects for exploration

The five licences cover an area of approximately 685 km² near Broken Hill (**Figure 3**) in the region of the cobalt development areas of Cobalt Blue (ASX:COB).

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

Within the 3 exploration licences (**Figure 3**) the Company plans to explore for Broken Hill-type Pb-Zn-Ag, Iron Oxide Cu-Au (IOCG) and cobalt mineralisation within Palaeoproterozoic Willyama Supergroup rocks as found by Cobalt Blue in their tenements.

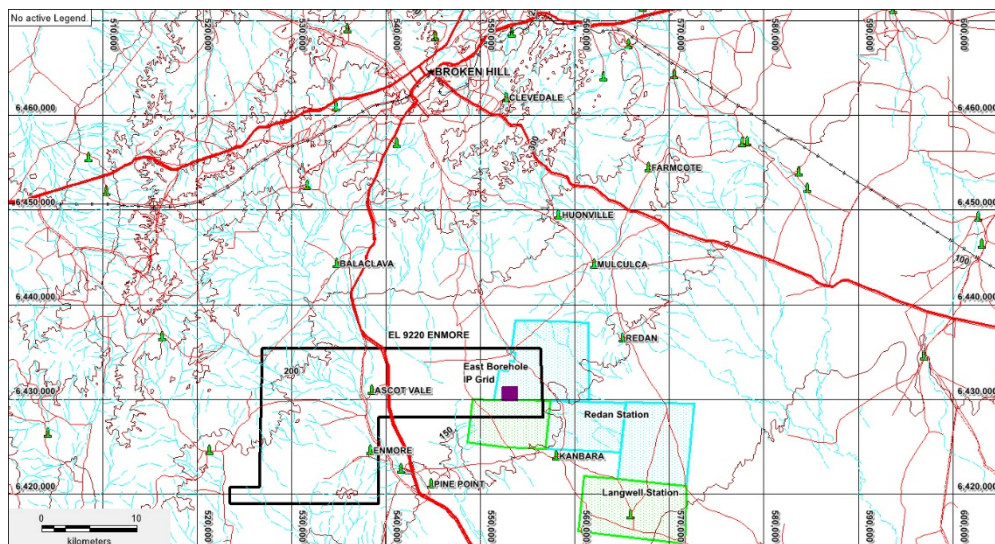


Figure 4: East Borehole Prospect Location within EL 9220 Enmore southeast of Broken Hill

REVIEW OF OPERATIONS (continued)

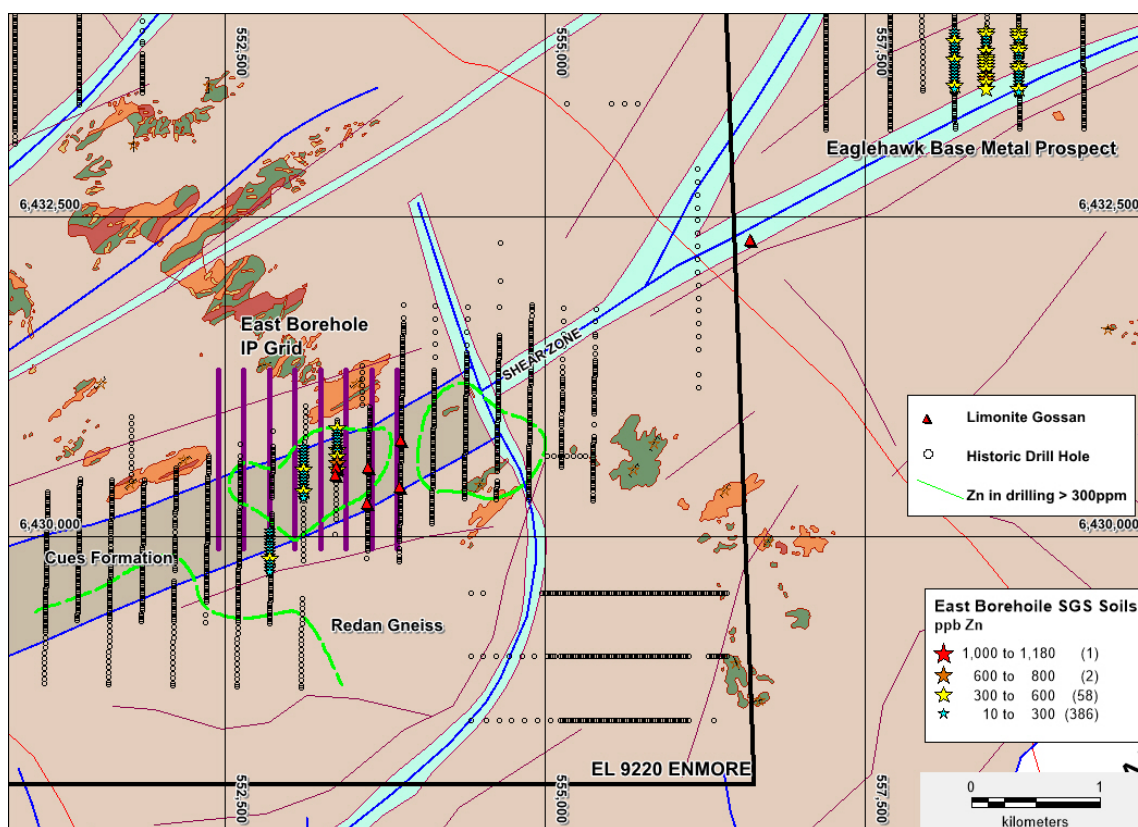


Figure 5: Orientation Soil Sampling at East Borehole

During a sampling program in March 2023, three orientation soil lines were completed using the MMI technique within East Borehole prospect (Enmore (EL 9220)) (**Figures 4 and 5**) to orientate the MMI sampling technique in the area with known sub surface base metal mineralisation.

The sampling results received in June 2023 (**Figure 4**) showed elevated Zn response between 600 ppb and 1,180 ppb over East Borehole. The orientation lines at East Borehole show the elevated Zn in soils located within the area where the Company has conducted the June IP survey (see *ASX Announcements of 18th May, 16th June and 5th July 2023*).

Two main chargeability zones have been defined by the IP survey

On the western line 552250E there is a resistive and chargeable zone (up to 20 mV/V) at around 6430600N which appears to be coincident with outcropping Redan Gneiss.

There is a similar resistive and chargeable signature in the north-east corner of the survey area, which is also coincident with outcropping Redan Gneiss. Both of these responses extend to depth, and it is likely that these broad responses at depth are also lithological responses related to the Redan Gneiss, although it is not clear why this unit should have high chargeability. Ground inspection of the outcrops is recommended by the geophysicist to look for chargeable material within the Redan Gneiss.

Of more potential interest are two moderately chargeable zones (10-12 mV/V) located to the south of the northern contact between the Cues Formation and the Redan Gneiss (**Figure 6**).

REVIEW OF OPERATIONS (continued)

They are best illustrated in depth slices through the 3D chargeability inversion model which show the two zones as ENE trending chargeable highs possibly bisected by a NW trending fault.

The two zones are also indicated in **Figures 6 and 7**. The western zone starts from about 100 m deep, has 150 m - 200 m of depth extent, and around 500 m strike extent. The eastern zone is a little deeper starting at around 150 m deep but extends to depth and has a more broad and diffuse response **Figure 8**. The eastern zone has around 300 m of strike extent defined but is open to the east **Figure 9**.

These two anomalies are located in proximity to geochemical anomalism ($\text{Zn} > 300$ ppm in historic drilling) and are possible targets for sulphide mineralisation within the Cues Formation. Proposed drillholes to test the two targets are listed in **Table 2** and are shown in **Figures 7, 8 and 9**.

Hole	East (MGA54)	North (MGA54)	Elevation	Dip	Azim (MGA54)	Depth
EB1	552450	6430450	174	-60	180	275
EB2	553650	6430870	178	-60	180	325

Table 2. Proposed drillholes to test the two chargeability targets in the Cues Formation.

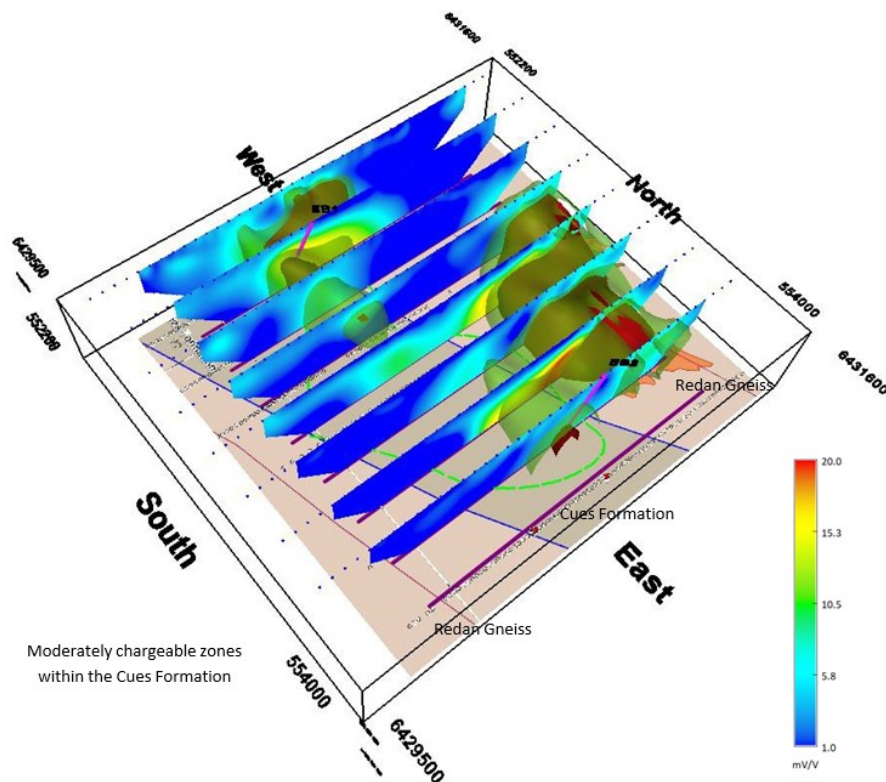


Figure 6. Perspective view looking from the SE. Sections are 2D inverted chargeability. Shells are from the 3D inverted chargeability model (7 mV/V transparent green, darker shell 10 mV/V). Geology map supplied by Ausmon. Green dashed line represents $\text{Zn} > 300$ ppm in historic drilling. Proposed drillholes EB1 and EB2 shown as pink traces

REVIEW OF OPERATIONS (continued)

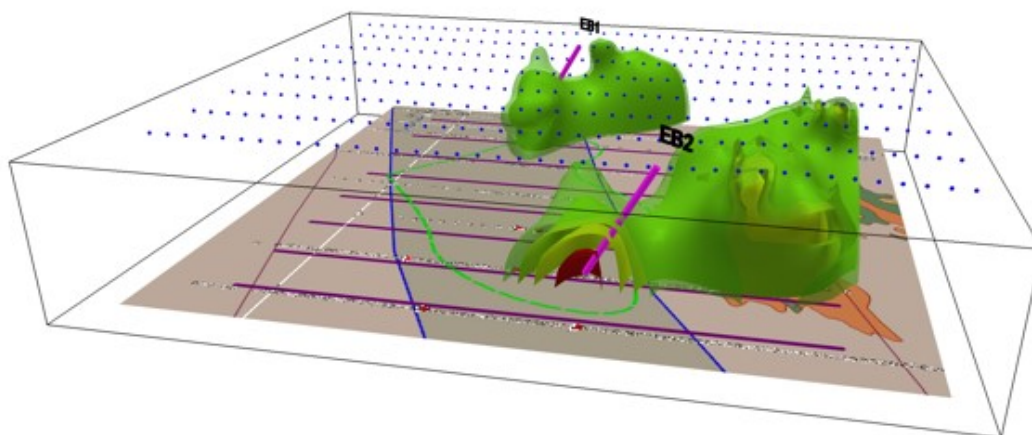


Figure 7. Perspective view looking from the East. Sections are 2D inverted chargeability. Green shells are from the 3D inverted chargeability model (7 mV/V transparent green, darker shell 10 mV/V). Geology map supplied by Ausmon. Green dashed line represents Zn > 300ppm in historic drilling. The proposed drill traces of the two proposed drill holes EB1 and 2 are shown in purple and Cues Formation outlined in blue.

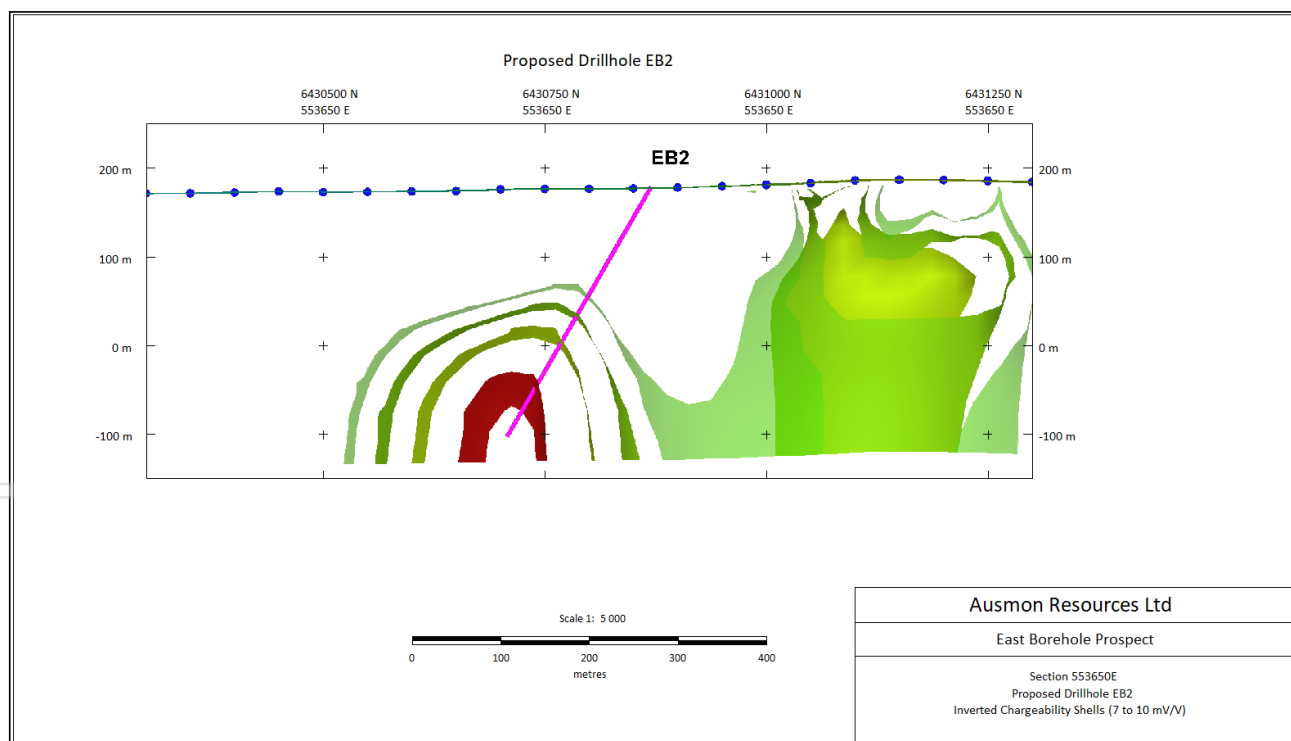


Figure 8. Cross section showing proposed hole trace for EB1 intersecting the western chargeability anomaly

REVIEW OF OPERATIONS (continued)

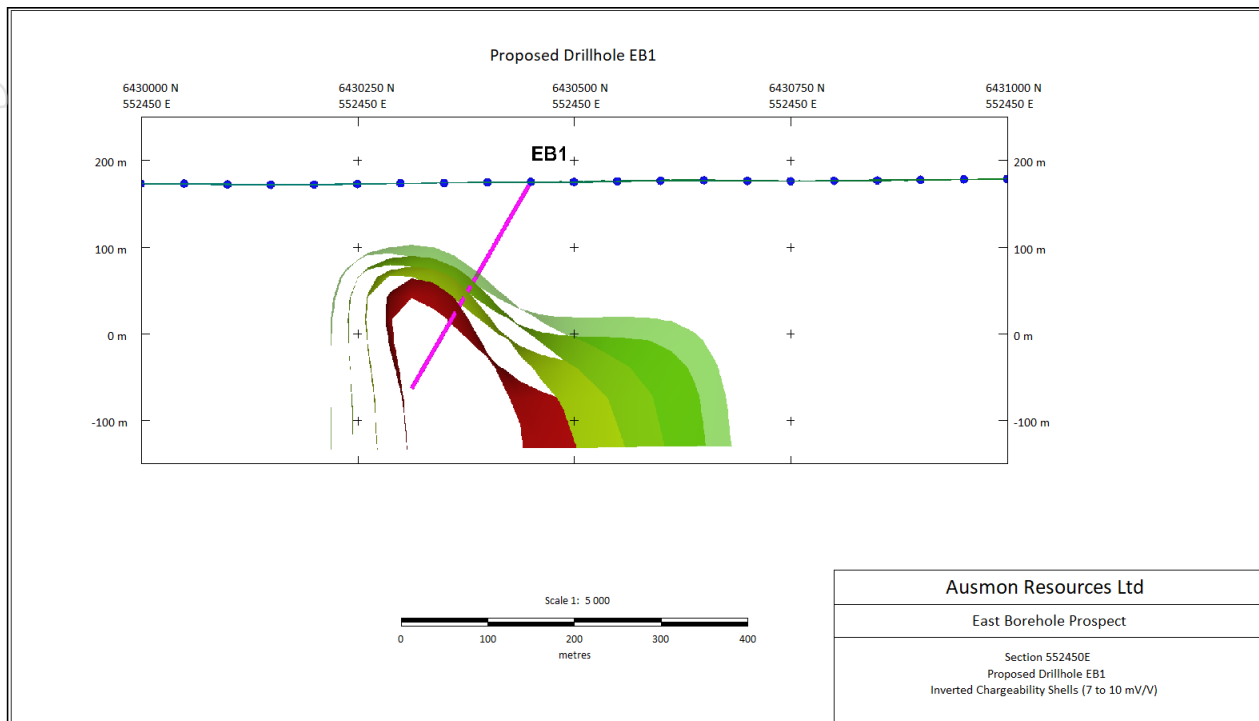


Figure 9. Cross section showing proposed hole trace for EB2 intersecting the western chargeability anomaly

During the half year the Company has been preparing to drill 2 RC holes in 2024 within the East Borehole prospect based on the results of the IP survey conducted in the June 2023 quarter as described above. The IP survey has defined 2 main chargeability zones and 2 drillholes have been proposed to test the 2 targets.

In December 2023, an environmental survey has been carried out as required prior to drilling in the area to identify any evidence of Thick-Billed Grass Wren habitats. While no habitats of the Thick-Billed Grass Wren have been located, the survey identified a native mouse which may be an endangered specie requiring management at time of drilling.

SOUTH AUSTRALIA

RARE EARTH ELEMENTS (REE) EXPLORATION

Murray and Otway Basins - 100% interest

Parrakie (EL 6795), Mt Rough (EL 6796), Kingston (EL 6797), Wolseley (EL 6807) and Wilkawatt ELA 2023/00059

The total area of the 4 ELs granted to the Company is approximately 2,775 square kilometers in the Limestone Coast Region south-east of Adelaide (**Figure 11**) within the Loxton Sands or equivalent of the Murray and Otway Basins.

On 1 November 2023, the Company lodged an application for an additional area ELA 2023/00059 Wilkawatt of approximately 775 square kilometres adjoining the southern boundary of Parrakie EL 6795. The application was

REVIEW OF OPERATIONS (continued)

successful with the grant of EL 6975 in February 2024 bring the total area of interest of the Company to approximately of 3,550 square kilometres to explore over the next few years.

The Company is targeting the Murray and Otway Basins hosted Loxton/Parilla Sands and Padthaway Formation for REE mineralisation where Australian Rare Earths has reported exploration success with estimated JORC 2012 resource of 186Mt @ 712 ppm Total Rare Earth Oxides (TREO) (*AR3 ASX Release of Quarterly Activities Report on 24th January 2024*).

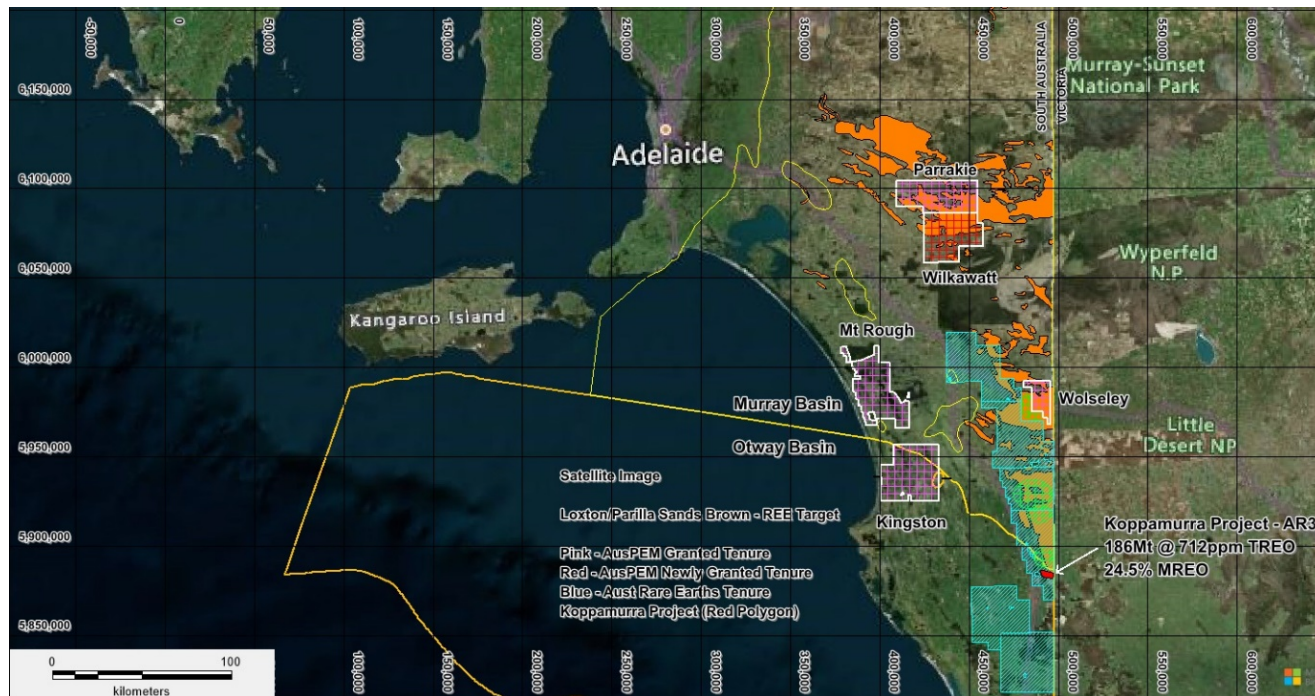


Figure 10: Location of tenements within the Murray and Otway Basins in South Australia

During the half year, the Company has obtained required approvals, completed “Dial Before You Dig” checks of proposed drill sites and, has engaged a locally based driller and a traffic management service provider for a drill program at Parrakie to be conducted in January. The drilling commenced on 29 January 2024 as planned on roadside verges and was completed on 2nd February 2024.

For this initial program, the drilling along roadside verges with local council approvals minimises disruptions on private land and aims to identify areas of potential for future programs. The drilling sites have been selected based on geological work carried out to date by the Company and the information obtained from pXRF scans and laboratory assays for Rare Earth Elements of a selection of core and drill chips from historical drilling that were available at the SA Mines Department.

NEW SOUTH WALES

COBALT AND BASE METALS (COPPER, CHROMITE, AND NICKEL) EXPLORATION

Near Tumut – 100% interest

EL 9252 and EL 8954

McAlpine EL 9252 and Brungle Creek EL 8954 cover a total area of approximately 106 square kilometres within an exciting exploration region with potential for Cobalt, Copper, Chromite, Gold and Nickel 15 km

REVIEW OF OPERATIONS (continued)

north-east of Tumut, 15 km south-east of Gundagai and adjacent to the serpentine ridge of the Honeysuckle Range. EL 9252 covers the McAlpine Copper and Chromite historical workings, is adjacent and to the west of Brungle Creek EL 8954.

Activities in the ELs were paused during the half year as the Company focuses on plans for drilling at Broken Hill in NSW and Limestone Coast in SA.

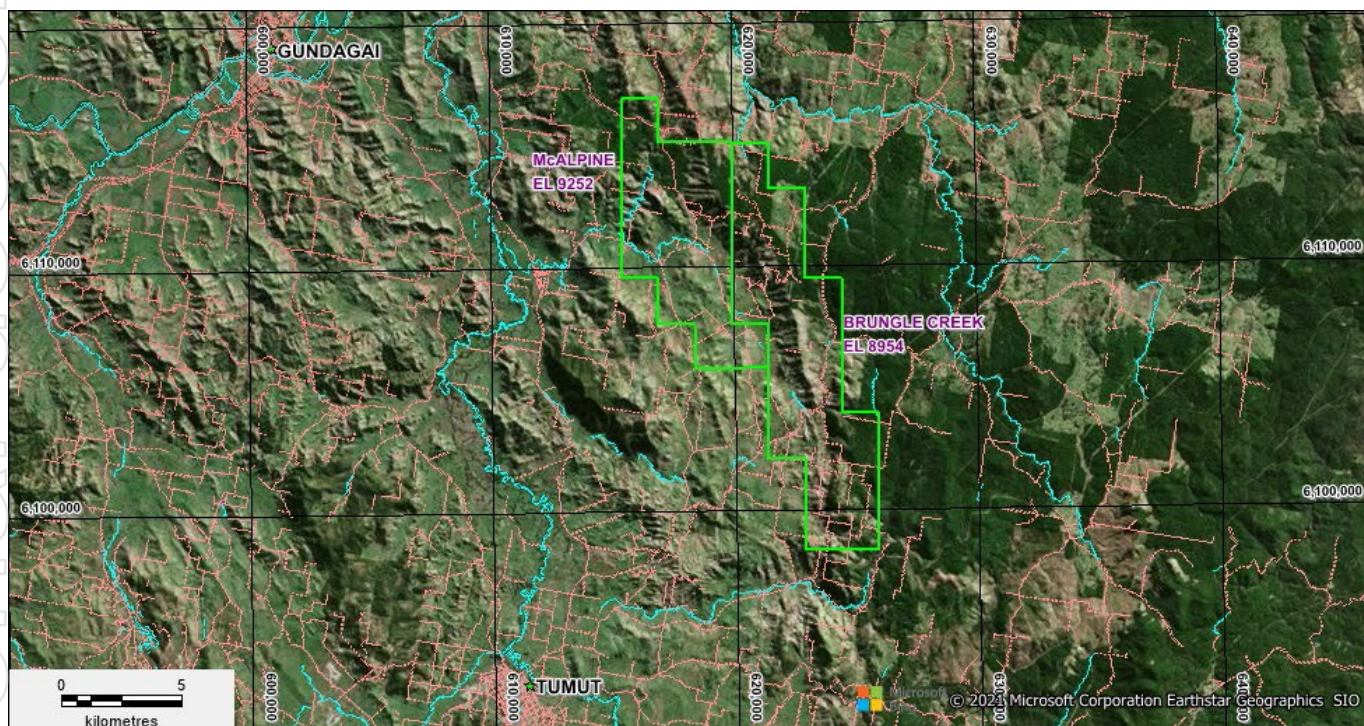


Figure 11: McAlpine EL 9252 and Brungle Creek EL 8954 location map – BING Aerial Photograph

WESTERN AUSTRALIA LITHIUM EXPLORATION

Laverton Area - 100% interest

Barneys (EL 38/3718) and Neckersgat (EL 38/3719)

Barneys EL 38/3718 and Neckersgat EL 38/3719 cover a total area of 275.8 km² near Laverton in the Eastern Goldfields of Western Australia (**Figure 12**)

According to the Company's study of the areas, a concentration of pegmatite occurrences in NW of Laverton had very limited historic sampling that focusses on lithium potential. The Company's plan is to verify whether these pegmatites belong to the LCT (Lithium Caesium Tantalum) variety that is associated with lithium mineralisation currently being mined as several operations within Western Australia.

The Native Title process to enable the conduct of field work in financial year 2024 has not progressed during the period.

REVIEW OF OPERATIONS (continued)

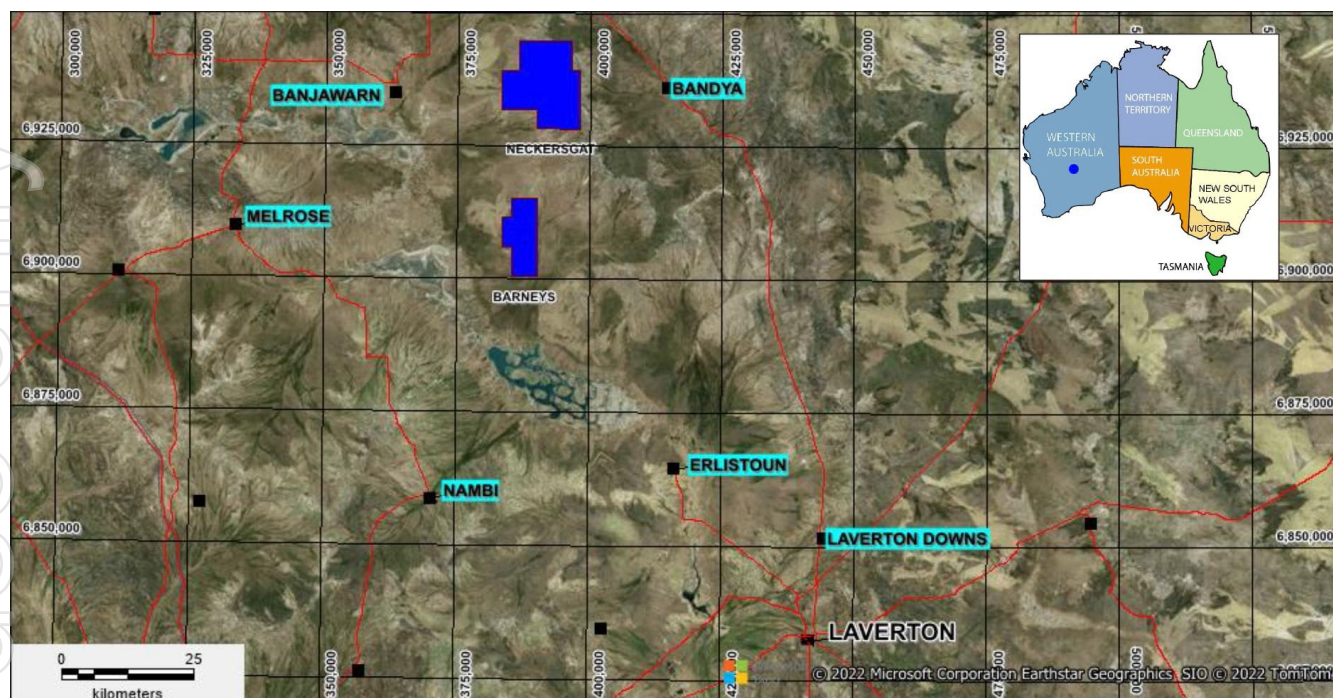


Figure 12: Laverton area Barneys and Neckersgat located to the north of Laverton in the Eastern Goldfields of

TECHNICAL RELEASES SINCE COMMENCEMENT OF HALF YEAR

This review report contains information extracted from the Company's ASX market announcements reported in accordance with the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (2012 JORC Code). Further details (including 2012 JORC Code reporting tables where applicable) of exploration results can be found in the following announcements lodged on the ASX:

4 April 2023	Soil sampling completed at EL9230 and EL9224, Broken Hill NSW
28 April 2023	Quarterly Activities Report
18 May 2023	Ground IP survey commences at EL 9220, Broken Hill NSW
1 June 2023	Soil sampling results – EL 9230 and EL 9224, Broken Hill NSW
14 and 16 June 2023	Update on ground IP survey at EL 9220 in Broken Hill NSW
5 July 2023	Ground IP survey completed at EL 9220 Enmore, Broken Hill
25 July 2023	Quarterly Activities/ Appendix 5B Cash Flow Report
26 October 2023	Presentation at 2023 AGM
31 October 2023	Quarterly Activities/Appendix 5B Cash Flow Report
12 December 2023	Exploration program update

The Company is not aware of any new information or data that materially affects the information included in these announcements.

REVIEW OF OPERATIONS (continued)

Competent Person Statement

The information in the report above that relates to Exploration Results, Exploration Targets and Mineral Resources is based on information compiled by Mr Mark Derriman, who is the Company's Consultant Geologist and a member of The Australian Institute of Geoscientists (1566). Mr Mark Derriman has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activities which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves. Mr Mark Derriman consents to the inclusion in this report of matters based on his information in the form and context in which it appears.

Forward-Looking Statement

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

EXTERNAL FACTORS AND MATERIAL RISKS ON OPERATIONS

Key risks in addition to financial and funding risks described elsewhere in this Half Year Report to which the Company is exposed in its current business and operations are summarised as follows:

Exploration and development	Exploration for minerals is a speculative endeavour and involves a high degree of risk. The Group's projects are at exploration stage and there can be no assurance that exploration of its tenements can result in the discovery of an economic mineral deposit for production in the future.
Title of licences	All Group's licences allow the Group to undertake only exploration on the tenements. Failure to satisfy minimum work commitments under a licence may render the licence liable to be cancelled or not renewed unless successfully renegotiated. There is no guarantee that renewal of a licence when periodically due will be granted. The Group has not breached terms of the licences during the period.
Environmental	The Group's operations are subject to the environmental laws and regulations which may be subject to change and risks inherent in the mining industry that could subject the Group to extensive expenses and liabilities. The Group has not experienced adverse effects on its business during the period.
Land access and Native Title	Access to tenements for exploration activities is subject to certain regulations and restrictions. Negotiations for access are generally required with indigenous parties on Native Title and cultural heritage, if any, and with landowners/occupiers.
General industry risks	<ul style="list-style-type: none"> • <i>Key personnel</i>; The Group's ability to execute its activities depends in retention of key team members to implement the business plan. There has been no difficulty to engage experienced contractors to conduct planned work programs. • <i>changes in global economic and geopolitical conditions</i>; The Group's business is dependent on economic conditions including inflation, interest rates, consumer confidence, access to funds and government fiscal, monetary and regulatory policies.

REVIEW OF OPERATIONS (continued)

The Group has experienced some adverse impact on its operations during the period as a result of higher inflation and rising interest rates.

- *health and safety*; The Group's operations expose its personnel and contractors to health and safety risks inherent in minerals exploration that could subject the Group to extensive liability under health and safety laws and regulations. There has been no adverse event in that respect during the period.
- *climatic*: There has been no adverse climatic event during the period that resulted in adverse impact on work programs.
- *Information technology and cyber security*: The Group's information technology systems are protected by security measures but unauthorised third party access to these systems for theft of information or disruption of the operations could adversely impact business performance. There has been no event of security breaches during the period.

REVIEW OF OPERATIONS (continued)**LICENCES STATUS**

Minerals tenements and applications for tenements held at 31 December 2023 and acquired or disposed of during and since the end of the half-year and their locations are as follows:

Tenement	Area Name	Location	Beneficial Interest	Status
EL 8745	Kanbarra	NSW	100%	Expiry on 15 May 2024
EL 8747	Stirling Vale	NSW	100%	Expiry on 24 May 2024
EL 8954	Brungle Creek	NSW	100%	Expiry on 11 March 2026
EL 9220	Enmore	NSW	100%	Expiry on 21 July 2026
EL 9224	Eureka	NSW	100%	Expiry on 21 July 2026
EL 9230	Mt Darling	NSW	100%	Expiry on 21 July 2026
EL 9252	McAlpine	NSW	100%	Expiry on 6 August 2027
EL 6795	Parakie	SA	100%	Expiry on 4 July 2028
EL 6796	Mt Rough	SA	100%	Expiry on 4 July 2028
EL 6797	Kingston	SA	100%	Expiry on 4 July 2028
EL 6807	Wolseley	SA	100%	Expiry on 18 July 2028
EL 6975	Wilkawatt	SA	100%	Application lodged on 1 November 2023, granted on 8 February 2024 expiring on 7 February 2030
E 38/3718	Barney	WA	100%	Expiry on 6 March 2028
E 38/3719	Neckersgat	WA	100%	Expiry on 6 March 2028

DIRECTORS' REPORT

The Directors of Ausmon Resources Limited submit the financial report of the consolidated group for the half-year ended 31 December 2023.

Directors

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

Boris Patkin	Non-Executive Chairman
John Wang	Managing Director
Eric Sam Yue	Executive Director

Operating Results

The operating loss of the Group for the half-year ended 31 December 2023 was \$135,595 (2022: \$184,535).

Review of Operations

A review of operations for the half-year ended 31 December 2023 is set out on pages 2 to 14.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under s307C of the Corporations Act 2001 is included on page 16 of this financial report and forms part of this Directors' Report.

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



John Wang
Director

Dated this 15th day of March 2024



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15 March 2024

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

Dear Sirs

RE: AUSMON 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 Limited.

As Audit Director for the review of the financial statements of Ausmon Limited for the half-year ended 31 December 2023, 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

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

Samir Tirodkar
Director



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

Report on the Half-Year Financial Report**Conclusion**

We have reviewed the half-year financial report of Ausmon Resources Limited, which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that causes us believe that the accompanying half-year financial report of Ausmon Resources Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of Ausmon Resources Limited's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review 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 (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Group on 15 March 2024.

Material Uncertainty Related to Going Concern

We draw attention to Note 3(b) in the financial report, which indicates that the Group had current assets of \$509,681 including total cash of \$54,187, current liabilities of \$487,040 and has incurred a net loss of \$135,595 for the period ended 31 December 2023. Subsequent to 31 December 2023 the Group raised a further \$156,000 before costs.

The ability of Ausmon Resources Limited 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



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raising further funds, Ausmon Resources Limited may not be able to pay its debts as and when they become due and may be required to realise its assets and discharge its liabilities other than in the normal course of business, and at amounts different to those stated in the financial report. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

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

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

Samir Tirodkar
Director

West Perth, Western Australia
15 March 2024

DIRECTORS' DECLARATION

In the opinion of the Directors of Ausmon Resources Limited:

1. The consolidated financial statements and notes of Ausmon Resources Limited are in accordance with the Corporations Act 2001, including:
 - a) complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - b) giving a true and fair view of the financial position of the consolidated group as at 31 December 2023 and of its performance for the half-year ended on that date.
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



John Wang
Director

Dated this 15th day of March 2024

**Consolidated Statement of Profit or Loss
and Other Comprehensive Income
For The Half-Year Ended 31 December 2023**

	Note	31 December 2023 \$	31 December 2022 \$
Revenue			
Interest and other income	5	183,863	180,013
Expenses			
Employee benefits expense		(22,595)	(21,902)
Directors and management fees		(87,050)	(80,900)
Finance costs		(27,102)	(21,350)
Share-based payments	12	(71,250)	(124,880)
Projects costs		(21,017)	(120)
Other expenses	6	(90,444)	(115,396)
Loss before income tax expense		(135,595)	(184,535)
Income tax expense		-	-
Net loss from continuing operations		(135,595)	(184,535)
Other comprehensive income		-	-
Other comprehensive income for the period, net of tax		-	-
Loss for the period attributable to members of the Parent Entity		(135,595)	(184,535)
Total comprehensive loss for the period attributable to members of the Parent Entity		(135,595)	(184,535)
Loss per share			
Basic and diluted loss per share	7	(0.01) cents	(0.02) cents

The accompanying notes form part of this financial report.

Consolidated Statement of Financial Position

As At 31 December 2023

	Note	31 December 2023 \$	30 June 2023 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		54,187	77,885
Trade and other receivables		10,274	21,503
Financial assets	9	420,000	240,000
Prepayments		25,220	45,177
TOTAL CURRENT ASSETS		<u>509,681</u>	<u>384,565</u>
NON-CURRENT ASSETS			
Financial assets		80,000	70,000
Exploration and evaluation expenditure		2,045,481	1,900,893
TOTAL NON-CURRENT ASSETS		<u>2,125,481</u>	<u>1,970,893</u>
TOTAL ASSETS		<u>2,635,162</u>	<u>2,355,458</u>
CURRENT LIABILITIES			
Trade and other payables		212,151	499,316
TOTAL CURRENT LIABILITIES		<u>212,151</u>	<u>499,316</u>
NON-CURRENT LIABILITIES			
Borrowings	8	480,000	-
Provisions		7,040	6,666
TOTAL NON-CURRENT LIABILITIES		<u>487,040</u>	<u>6,666</u>
TOTAL LIABILITIES		<u>699,191</u>	<u>505,982</u>
NET ASSETS		<u>1,935,971</u>	<u>1,849,476</u>
EQUITY			
Issued capital	10	15,800,121	15,649,281
Reserves	11	941,160	869,910
Accumulated losses		(14,805,310)	(14,669,715)
TOTAL EQUITY		<u>1,935,971</u>	<u>1,849,476</u>

The accompanying notes form part of this financial report.

Consolidated Statement of Changes In Equity

For The Half-Year Ended 31 December 2023

	Issued capital \$	Option reserve \$	Accumulated losses \$	Total \$
Balance at 1 July 2022	15,015,625	745,030	(14,158,338)	1,602,317
Total comprehensive profit for the period	-	-	(184,535)	(184,535)
Transactions with owners in their capacity as owners				
Employee incentive plan	-	124,880	-	124,880
Balance at 31 December 2022	15,015,625	869,910	(14,342,873)	1,542,662
 Balance at 1 July 2023	 15,649,281	 869,910	 (14,669,715)	 1,849,476
Total comprehensive loss for the period	-	-	(135,595)	(135,595)
Transactions with owners in their capacity as owners				
Issue of share capital	150,840			150,840
Employee Incentive Plan shares issue	-	71,250	-	71,250
Balance at 31 December 2023	15,800,121	941,160	(14,805,310)	1,935,971

The accompanying notes form part of this financial report.

Consolidated Statement of Cash Flows

For the Half-Year Ended 31 December 2023

	31 December 2023 \$	31 December 2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(161,341)	(149,454)
Interest received	13	13
Receipt from equipment lease	1,925	-
Net cash outflow from operating activities	<u>(159,403)</u>	<u>(149,441)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration and evaluation expenditure	<u>(333,860)</u>	<u>(110,203)</u>
Net cash outflow from investing activities	<u>(333,860)</u>	<u>(110,203)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	480,000	70,000
Interest and other costs of finance paid	<u>(10,435)</u>	<u>(5,738)</u>
Net cash inflow from financing activities	<u>469,565</u>	<u>64,262</u>
Net decrease in cash held	(23,698)	(195,382)
Cash and cash equivalents at the beginning of period	<u>77,885</u>	<u>410,240</u>
Cash and cash equivalents at the end of period	<u>54,187</u>	<u>214,858</u>

The accompanying notes form part of this financial report.

Condensed Notes to Financial Statements For the Half-Year Ended 31 December 2023 (Cont'd)

Note 1 – Nature of Operations

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

Note 2 – General Information and Basis of Preparation

The condensed interim consolidated financial statements ('the interim financial statements') are for the half-year ended 31 December 2023 and are presented in Australian dollar (\$), which is the functional currency of the Parent Company (Ausmon Resources Limited). These general purpose interim financial statements have been prepared in accordance with the requirements of the *Corporations Act 2001* and *Australian Accounting Standard AASB 134: Interim Financial Reporting*. They do not include all of the information required in annual financial statements in accordance with Australian Accounting Standards, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2023 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements under the Australian Securities Exchange Listing Rules and the *Corporations Act 2001*.

The interim financial statements have been approved and authorised for issue by the Board of Directors on 15 March 2024.

Note 3 – Significant accounting policies

(a) Accounting policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent financial statements.

The Group has reviewed all the new and amended Accounting Standards and Interpretations that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2023. It has been determined that there is no material impact of the new and revised Accounting Standards and Interpretations on its business.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

(b) 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 had current assets of \$509,681 including total cash of \$54,187 and shares in an ASX listed company with market value of \$420,000, current liabilities of \$212,151 and had incurred a net loss of \$135,595 in the period. The Group has an unfulfilled expenditure requirement under its exploration licences at 31 December 2023 of \$175,000 for the next 12 months.

The Group is planning exploration activities on its licences and has budgeted for those amounts that the financial position of the Group allows. Consistent with the nature of the Group's activities, it will require funding which may be by farmout of interest, borrowings or new equity capital. The Company entered into an agreement with an unrelated company for an unsecured loan facility of \$1,250,000 available until October 2025 to fund general working capital. At balance date \$480,000 was drawn

Condensed Notes to Financial Statements For the Half-Year Ended 31 December 2023 (Cont'd)

down under the facility and the balance of \$770,000 of the facility was available for drawdown as required.

Since balance date, on 25 January 2024, the Company raised capital of \$156,000 before costs with the issue of 52,000,000 fully paid ordinary shares at \$0.003 per share under private placement.

The Directors have reviewed the cash flow forecast for the next twelve months including consideration of 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.

Note 4 – Critical accounting estimates and judgments

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2023.

Note 5 – Interest and other income

	31 December 2023	31 December 2022
	\$	\$
Interest income	13	13
Income from equipment rental	3,850	-
Fair value gain on financial assets through profit or loss ¹	180,000	180,000
	<u>183,863</u>	<u>180,013</u>

¹Details of the fair value movement on financial assets through profit or loss are disclosed in Note 9.

Condensed Notes to Financial Statements For the Half-Year Ended 31 December 2023 (Cont'd)

	6 months to 31 December 2023 \$	6 months to 31 December 2022 \$
Note 6 – Other expenses from ordinary activities		
Audit fees	12,982	16,995
Consulting and professional fees	26,639	44,169
Listing expenses	20,339	24,999
Office accommodation	5,720	5,400
Registry fees	7,290	7,634
Insurance	10,141	9,963
Other	7,333	6,236
	<u>90,444</u>	<u>115,396</u>

Note 7 – Loss per share

	\$	\$
Operating loss after income tax used in calculation of basic and diluted loss per share	<u>(135,595)</u>	<u>(184,535)</u>
	Number	Number
Weighted average number of shares used in basic and diluted earnings per share calculation	<u>1,058,309,669</u>	<u>906,871,952</u>
	Cents	Cents
Loss per share	<u>(0.01)</u>	<u>(0.02)</u>

	31 December 2023 \$	30 June 2023 \$
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Note 8 – Borrowings**Non-current**

Loan drawn under loan facility agreement	<u>480,000</u>	<u>-</u>
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An unrelated company Fort Capital Pty Ltd provided a loan facility to fund the general working capital of up to \$1,150,000 until 1 October 2024. In December 2023 the loan facility agreement was varied to increase the loan facility amount up to \$1,250,000 and to extend the loan availability period to 1 October 2025. The funds advanced are unsecured and bear interest at 11.25% per annum. A loan facility fee of 1% is payable and the outstanding loan amount is to be repaid in priority to any accounts payable or loans within 5 business days of receipt of proceeds from an equity capital raising by the Company unless agreed otherwise in writing by the lender at its sole discretion. At balance date, \$480,000 has been drawn down by the Company.

Condensed Notes to Financial Statements For the Half-Year Ended 31 December 2023 (Cont'd)**Note 9 – Financial assets – current**

	31 December 2023	30 June 2023
	\$	\$
Financial assets measured at Fair Value Through Profit or Loss		
Fair value of 15 million shares in ASX listed G11 Resources Ltd (“G11”), ex Odin Metals Ltd (“ODM”), at beginning of balance date	240,000	195,000
Fair value gain through to profit or loss for half-year to 31 December	180,000	180,000
Fair value gain/(loss) through to profit or loss for half- year to 30 June 2023	-	(135,000)
Fair value at market price on balance date	<u>420,000</u>	<u>240,000</u>

On 12 March 2024, the fair value of the G11 shares was \$375,000.

Note 10 – Issued capital

	6 months to 31 December 2023		Year to 30 June 2023	
	Number	\$	Number	\$
Fully Paid Ordinary shares				
Balance at beginning of period	1,033,589,343	15,649,281	901,089,343	15,015,625
Shares issued during the period:				
• Share issue as payment for directors’ fees at \$0.004 per share ¹	28,350,000	113,400	-	-
• Share issue as payment for consultant fee at \$0.004 per share	9,360,000	37,440	-	-
• Share issue for cash under Share Purchase Plan	-	-	41,000,000	246,000
• Share issue for cash under private placement	-	-	67,000,000	402,000
• Shares issued under EIP ² (see Note 12)	25,500,000	-	24,500,000	-
Transaction costs	-	-	-	(14,344)
Balance at end of period	<u>1,096,799,343</u>	<u>15,800,121</u>	<u>1,033,589,343</u>	<u>15,649,281</u>

¹ The shares issued to Directors as payment for Directors’ fees were approved by shareholders at the Annual General Meeting held on 26 October 2023.

² The shares issued under Employee Incentive Plan (“EIP”) shares included 24,000,000 EIP shares issued to Directors approved by shareholders at the Annual General Meeting held on 26 October 2023.

Condensed Notes to Financial Statements For the Half-Year Ended 31 December 2023 (Cont'd)

Note 11 – Reserves

Option reserve

	2023	2022
	\$	\$
Balance at 30 June	869,910	745,030
Share-based payments during the period	71,250	124,880
Balance at 31 December	941,160	869,910

Note 12 – Share-based payments

The Company has established an Ausmon Resources Limited Employee Incentive Plan under which the Directors may offer options for free and ordinary shares at market price in the Company to eligible persons. The Directors may also offer interest free non-recourse 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 loans are repayable at the option of the eligible persons to be able to deal with the shares.

Shares issued and loans under the EIP during the half-year are akin to the offer of five year options exercisable at \$0.004 per option. The model inputs for assessing the fair value of EIP shares issued during the period, applying the Black-Scholes Option Pricing model, were as follows:

Description	Number issued	Grant date	Share price at grant date	Exercise price	Life assumption	Risk free rate	Expected price volatility	Value of each EIP share	Share-based payments
			\$	\$				\$	\$
EIP shares	7,500,000	22/09/23	0.0040	0.0040	5 years	4.07%	161.2%	0.00278	20,850
	<u>18,000,000¹</u>	26/10/23	0.0040	0.0040	5 years	4.48%	157.8%	0.00280	<u>50,400</u>
	<u>25,500,000</u>								<u>\$71,250</u>

¹18 million EIP shares issued to Directors (6 million EIP shares to each of Directors B Patkin, J Wang and E Sam Yue) following the approval of shareholders at the Annual General Meeting held on 26 October 2023. The interest free non-recourse loan for the EIP shares issued to each Director is \$24,000.

Note 13 – Operating segments

The Group has identified its operating segments based on internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources. The Group operates in one business segment being minerals 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 period.

Condensed Notes to Financial Statements For the Half-Year Ended 31 December 2023 (Cont'd)**Note 14 – Commitments****Exploration Expenditure Commitments**

The expenditure commitments to maintain rights to tenure in exploration licences as at 31 December 2023 have not been provided for in the financial statements and are due:

	31 December 2023	30 June 2023
	\$	\$
Within twelve months	175,000	248,000
Twelve months or longer and not longer than 5 years	855,000	870,000
	<u>1,030,000</u>	<u>1,118,000</u>

Note 15 - Contingent Liabilities

At balance date, the Group has given guarantees totalling \$10,000 (2022: nil) for compliance with the conditions of the exploration licences granted in Western Australia.

Note 16 – Events after Balance Date

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

- On 25 January 2024, the Company raised capital of \$156,000 before costs with the issue of 52,000,000 fully paid ordinary shares at \$0.003 per share under private placement.