



**AUSMON RESOURCES
LIMITED**

NOTICE OF ANNUAL GENERAL MEETING

The Fifth Annual General Meeting of shareholders of Ausmon Resources Limited ("Company") will be held at Suite 1502, Level 15, 370 Pitt Street, Sydney, on 29 November 2013 at 11:30 am.

FINANCIAL, DIRECTORS' AND AUDITOR'S REPORTS

To receive and consider the Financial Report of the Company, the Directors' Report and the Auditor's Report for the year ended 30 June 2013 in accordance with Section 317 of the Corporations Act 2001.

A hard copy of the 2013 Annual Report is mailed only to those shareholders who have previously made the election. A copy of the 2013 Annual Report may be obtained from the Company's website at www.ausmonresources.com.au

ORDINARY RESOLUTIONS

To consider and, if thought fit, to pass the following ordinary resolutions:

1. Adoption of the Remuneration Report

"That the Remuneration Report contained in the Directors' Report of the 2013 Annual Report be adopted."

2. Election of Mr King M Fan as a Director

"That Mr King M Fan who retires according to the Constitution of the Company and who, being eligible, offers himself for re-election, be re-elected a Director."

3. Election of Mr Liubao Qian as a Director

"That Mr Liubao Qian being a director of the Company appointed since the last annual general meeting retires according to the Constitution of the Company and who, being eligible, offers himself for election, be elected a director of the Company."

4. Approval for 10,000,000 shares Already Issued in September 2013

"That approval is given in accordance with Listing Rule 7.4 of ASX Limited for the issue and allotment on 26 September 2013 of 10,000,000 fully paid ordinary shares in Ausmon Resources Limited at an issue price of \$0.03 per share, as detailed in the Explanatory Statement."

5. Approval for issue of up to 20,000,000 new ordinary shares

"That approval is given in accordance with Listing Rule 7.1 of ASX Limited for the issue and allotment of up to 20,000,000 fully paid ordinary shares as detailed in the Explanatory Statement."

6. Adoption of Ausmon Employee Incentive Plan 2013

"That the Ausmon Employee Incentive Plan 2013 ("EIP 2013") marked with the letter "A" and signed by the Chairman for the purposes of identification and tabled at the meeting be approved and adopted by the Company and that approval be given in accordance with Listing Rule 7.2 Exception 9 for the issue of securities from time to time under the EIP 2013."



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7. Issue of ordinary shares to Mr King M Fan as payment of Director's fees

"That for the purposes of Listing Rule 10.11 of ASX Limited and for all other purposes that approval is given for the Company to issue 1,400,000 fully paid ordinary shares in Ausmon Resources Limited to Mr King M Fan at a deemed issue price of \$0.03 per share as payment for Director's fees."

8. Issue of ordinary shares to Mr John Q Wang as payment of Director's fees

"That for the purposes of Listing Rule 10.11 of ASX Limited and for all other purposes that approval is given for the Company to issue 1,400,000 fully paid ordinary shares in Ausmon Resources Limited to Mr John Q Wang at a deemed issue price of \$0.03 per share as payment for Director's fees."

9. Issue of ordinary shares to Mr Gang Zheng as payment of Director's fees

"That for the purposes of Listing Rule 10.11 of ASX Limited and for all other purposes that approval is given for the Company to issue 1,400,000 fully paid ordinary shares in Ausmon Resources Limited to Mr Gang Zheng at a deemed issue price of \$0.03 per share as payment for Director's fees."

VOTING EXCLUSIONS

Resolution 1

The Company will disregard any votes cast on Resolution 1 by or on behalf of either:

- a member of the key management personnel (KMP) as disclosed in the Remuneration Report ;
or
- a closely related party of such a member.

Resolution 4

In accordance with Listing Rule 7.5.6 of ASX, the Company will disregard any votes cast on Resolution 4 by:

- Mr Liubao Qian who participated in the issue of securities; and
- an associate of Mr Liubao Qian.

Resolution 5

In accordance with Listing Rule 7.3.8 of ASX Limited, the Company will disregard any votes cast on Resolution 5 by:

- a person who may participate in the proposed issue of securities and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed; and
- an associate of that person.

Resolution 6

In accordance with Listing Rule 7.2 Exception 9 (b) of ASX, the Company will disregard any votes cast on Resolution 6 by:

- a Director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company); and
- an associate of such person.

Resolution 7

In accordance with Listing Rule 10.13.6 of ASX Limited, the Company will disregard any votes cast on Resolution 7 by:

- Mr King M Fan; and
- any associate of Mr King M Fan.

Resolution 8

In accordance with Listing Rule 10.13.6 of ASX Limited, the Company will disregard any votes cast on Resolution 8 by:

- Mr John Q Wang; and
- any associate of Mr John Q Wang.

Resolution 9

In accordance with Listing Rule 10.13.6 of ASX Limited, the Company will disregard any votes cast on Resolution 9 by:

- Mr Gang Zheng; and
- any associate of Mr Gang Zheng.

However, with respect to all resolutions the Company need not disregard a vote if is cast by:

- a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

HOW TO VOTE

If you wish to vote on the resolutions contained in this notice, you should either attend the meeting in person, or appoint a proxy or proxies to attend on your behalf. In relation to the appointment of proxies, refer to the notes on proxies on the Proxy Form. A body corporate may appoint a representative to attend in accordance with the Corporations Act 2001. An executed notice evidencing the appointment of the person attending is required when registering at the Annual General Meeting.

To be valid, forms of proxy (enclosed) for use at the meeting must be completed and returned to the Company no later than 11:30 am NSW Standard Time on 27 November 2013.

ENTITLEMENT TO VOTE

For the purpose of the meeting, and in accordance with regulation 7.11.37 of the Corporations Regulations 2001, it has been determined that shares in the Company will be taken to be held by the persons who are registered holders as at 11:00 pm (NSW Standard Time) on 27 November 2013. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

Dated this 23rd day of October 2013.

By Order of the Board of Directors of the Company



John Wang
Company Secretary

EXPLANATORY STATEMENT

This Explanatory Statement provides information to shareholders for the Annual General Meeting of shareholders of Ausmon Resources Limited to be held on **29 November 2013 at 11:30 am at Suite 1502, Level 15, 370 Pitt Street, Sydney** and it should be read in conjunction with the accompanying Notice of Annual General Meeting.

Receipt of Financial, Directors' and Auditor's Reports

The first item of business deals with the Financial Report of the Company, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2013. Shareholders are to consider these reports and seek explanations, if required, from the Directors when the reports are presented to the meeting. No resolution is required on these reports and they are only required to be laid at the meeting in accordance with Section 317 of the Corporations Act 2001.

Resolution 1 - Adoption of the Remuneration Report

The Remuneration Report contained in the Directors' Report of the Annual Report must be put to the vote for its adoption in accordance with Section 250R(2) of the Corporations Act 2001. The vote on this resolution is advisory only and does not bind the Directors or the Company. The Remuneration Report can be found on pages 20 to 22 of the 2013 Annual Report.

Resolution 2- Election of Director – Mr King M Fan

Mr King M Fan is the Chairman and Chief Executive Officer of the Company and details of his experience are set out on page 18 of the 2013 Annual Report.

Resolution 3- Election of Director – Mr Liubao Qian

Mr Liubao Qian was appointed to the Board on 26 September 2013 after he has invested \$300,000 for subscription of 10,000,000 new fully paid ordinary shares of Ausmon Resources Limited. He has responsibility for exploration and mining projects of the Company. Details of his experience are set out on pages 18 to 19 of the 2013 Annual Report.

Resolution 4 – Approval for 10,000,000 Shares Already Issued in September 2013

On 26 September 2013, the Company raised \$300,000 by private placement of 10,000,000 Shares at \$0.03 per Share with Mr Liubao Qian who does not require a disclosure document. Mr Qian was not a related party at the time of the share subscription and he joined the Board immediately afterwards. The Shares have the same rights as other Shares of the Company already on issue. The proceeds of the placement are applied to exploration and general working capital.

Resolution 5 – Approval for issue of up to 20,000,000 new Shares

Subject to the approval of shareholders, the Company proposes to issue up to 20,000,000 Shares at a price per Share that is at least 80% of the volume weighted average market price for the Share calculated over the last 5 days on which sales in the Shares were recorded before the day on which the issue is made.

The Shares proposed to be issued have the same rights as other fully paid ordinary shares of the Company already on issue.

The amount to be raised is to be applied to fund the Company's exploration activities, appraisal of corporate opportunities, participation in new ventures, if any, the cost of placement of the Shares and for general working capital.

The Company proposes to offer the Shares to professional and sophisticated investors and other investors not requiring a disclosure document under section 708 of the Corporations Act that are known to the Company and/or introduced by stockbrokers. The Shares will only be issued to those persons that accept an offer, if

and when the proposed issue is approved by shareholders at the Annual General Meeting. The Shares will not be offered to related parties. The Company may not issue all the securities for which approval is given. The Company may issue and allot the securities progressively as the Company places the securities with investors.

Shares approved under this Resolution 5 will be issued and allotted by the Company no later than three months from the date of the Annual General Meeting.

Resolution 6 – Approval of Ausmon Employee Incentive Plan 2013

The Company had in place an employee incentive scheme known as the Ausmon Employee Incentive Plan (“Plan”) which was approved by shareholders on 26 November 2008. The Plan gave the Directors, employees and contractors (“Eligible Persons”) the opportunity to participate in the equity of the Company.

The Company has to date issued 220,000 shares and 1,000,000 options (expired without being exercised on 30 June 2013) under the Plan. In accordance with the Listing Rules of ASX Limited (“ASX”), after 25 November 2011 the Company cannot rely on Exception 9 of Listing Rule 7.2 to issue securities to Eligible Persons under the Plan.

Listing Rule 7.1 of the ASX limits the number of ordinary shares the Company may issue without the approval of its shareholders to 15% of issued capital unless the issue can be brought within one of the exceptions set out in Listing Rule 7.2. Exception 9 of Listing Rule 7.2 permits issues under an employee incentive scheme if within three years before the date of issue the scheme has been approved by shareholders. If the Ausmon Employee Incentive Plan 2013 (“EIP 2013”) is approved at the Annual General Meeting, the Directors may issue securities under the EIP 2013 until its expiry on 28 November 2016. Accordingly, Resolution 6 seeks approval for the issue of securities from time to time under the EIP 2013 during its currency.

The terms of the EIP 2013 is the same as those of the Plan except that options may be offered at an exercise price of less than 20 cents under the EIP 2013 compared to not less than 20 cents under the Plan.

The Rules for the EIP 2013 are summarised in the following paragraphs:-

1. The EIP 2013 will be open to full time or part time employees, contractors, Directors and officers of the Company or a controlled entity of the Company (“Eligible Persons”).
2. Under the EIP 2013, the Directors at their discretion may offer ordinary fully paid shares in the Company or options to acquire ordinary fully paid shares in the Company to Eligible Persons. Shareholders must first approve any offer to a Director or anyone that the ASX considers that approval should be obtained in accordance with the Listing Rules.
3. The shares issued under the EIP have the same rights as other ordinary fully paid shares in the Company subject to restrictions on transfer, which apply where a loan made by the Company remains unpaid and during a Qualifying Period.
4. The subscription price for shares will be at the Market Value of the shares on the day of offer i.e. the weighted average of the prices at which the shares were traded in the five business days prior to the offer (“Market Value”).
5. The Company at the time of making an offer to purchase shares may also provide an interest free loan to assist with purchase of those shares. Unless otherwise specified in the offer document the terms of the loan will be as follows: -
 - The loan will be interest free and for a term of 5 years;
 - If a disqualifying event (as defined in the EIP 2013 Rules) occurs, the Company may sell the shares and after costs apply the sale proceeds to repay the outstanding amounts of the loan. If there is a shortfall between the loan amount still owing and the sale price, the plan participant will not be required to make good the shortfall. If there is a surplus after the sale of the shares the plan participant is only entitled to the surplus if the Qualifying Period described in paragraph 7 below has expired.
 - If at the expiry of a loan term, a plan participant does not repay the loan, the Company may sell the shares and after costs, repay the loan. Any surplus will be repaid to the participant. No shortfall between the sale price and the loan amount will be recoverable from the participant.

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6. While an offer to take up shares under the Plan will be at Market Value the incentive for Eligible Persons to accept the offer is the granting of an interest free loan to fund all or part of the purchase price.
 7. In certain circumstances, the Directors may specify in an offer to an Eligible Person that the Eligible Person may not transfer shares for a certain period of time ("Qualifying Period"). Where the Company issues shares under the EIP 2013 and there is a loan granted to purchase those shares, the Company retains a lien over the shares until such time as the loan is repaid in full.
 8. Options offered under the EIP are issued free. Options will be exercisable at the price specified in the offer. However, the exercise price will be not less than the Market Value of a share at the time of offer of the option. The term of any option cannot be more than 5 years.
 9. Options cannot be exercised in any Qualifying Period specified in the offer or in certain circumstances (e.g. the participant ceases to be an Eligible Person).
 10. The total number of shares issued and under option pursuant to the EIP 2013 or any other employee share scheme of the Company in respect of shares or grant of options over a period of 5 consecutive years will not exceed 10% of the total issued shares of the Company, however the 10% limit shall exclude expired or renounced options.
 11. Options issued under the EIP 2013 will not be listed for quotation on any stock exchange.
 12. In the event of a reconstruction of the Company's issued capital, the number of options will be reconstructed in a manner so as to ensure that option holders did not receive a benefit, which is not also received by shareholders of the Company and in accordance with the Listing Rules of ASX.
 13. In the event of a takeover offer for shares in the Company, the Company will use its reasonable endeavours to procure that an offer or invitation is also made to option holders. If this cannot be procured, then option holders will have the right to exercise their options irrespective of any Qualifying Period or other limitations.
 14. An option holder cannot participate in new issues of securities of the Company without first exercising the option.
 15. By accepting an offer of shares or options in accordance with the EIP 2013, a participant agrees to be bound by the EIP 2013 Rules or other conditions contained in the offer document.
 16. The EIP 2013 Rules must comply with the Listing Rules of ASX and Corporations Act 2001 requirements.
 17. Any amendment to the EIP 2013 Rules will also be subject to Listing Rules of ASX and Corporations Act 2001 requirements.
 18. The EIP 2013 may only be amended by a resolution of the shareholders of the Company.

The detailed EIP 2013 Rules may be inspected during normal business hours at the registered office of the Company by prior appointment with the Company Secretary.

Resolutions 7, 8 and 9 – Approval for issue of Shares to Directors as payment of Director's fees

The Directors resolved to issue fully paid ordinary shares ("Shares") at a deemed issue price of \$0.03 per Share, subject to approval of shareholders, as payment for Director's fees to three Executive Directors with respect to the year ended 30 June 2013 during which they had not received any remuneration. The deemed issue price is based on the price at which the Company placed Shares in September 2013 and is higher than the last sale price of a Share of \$0.019 on ASX on 7 October 2013. The number of Shares to be issued to each Director is as follows:

Chairman and Chief Executive Officer King Ming Fan – 1,400,000 Shares.

Executive Director John Wang – 1,400,000 Shares.

Executive Director Gang Zheng – 1,400,000 Shares.

The Shares have the same rights as other fully paid ordinary shares of the Company already on issue. No cash is raised from this issue of Shares. Shareholder approval is sought for the issue of the Shares to Directors Mr King M Fan, Mr John Q Wang and Mr Gang Zheng as under Listing Rule 10.11 of ASX the issue of any shares by the Company to a director requires shareholder approval. If approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1 with the result that the Shares issued to the Directors are not taken into account in determining whether the Company has capacity under Listing Rule 7.1 to issue shares – that is, whether it has issued more than 15% of its ordinary security during the 12 month period following the issue of the Shares to the Directors. The Shares will be issued within one month from the date of approval by shareholders.