



**AUSMON RESOURCES
LIMITED**

9 April 2018

ASX Market Announcements

**AUSMON INVESTS IN EMERGING AUSTRALIAN COBALT MINING
REGIONS IN NSW AND QLD**

HIGHLIGHTS

- *Approximately 628 km² of prospective cobalt ground across NSW and QLD to be acquired.*
- *Close proximity to Thackaringa Cobalt Project (EL6622, near Broken Hill in NSW) where Cobalt Blue Holdings Ltd has announced a major cobalt resource upgrade as well as partnership with multinational conglomerate LG International (see ASX:COB announcements).*
- *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).*
- *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).*

Ausmon Resources Limited (“AOA”) is pleased to advise that it has signed a Binding Terms Sheet to acquire all the issued capital of New Base Metals Pty Ltd (“NBM”) and therefore 100% of its projects.

THE PROJECTS OF NBM

**NSW: 100% interests in ELA5637, ELA5638 and ELA5639
(‘Broken Hill Cobalt-Nickel Project’).**

**QLD: 100% interests in EPM26813, EPM26814 and EPM26815
(‘Greenvale Cobalt-Nickel Project’); and**

**100% interests in EPM26765
(‘Mount Tewoo Nickel-Cobalt-Manganese Project’).**

Broken Hill Cobalt-Nickel Project (NSW)

- The Broken Hill Cobalt-Nickel Project (see ELA locations in Figure 1 below) comprises three exploration licence applications; ELA5637 (45 units), ELA5638 (6 units) and ELA5639 (9 units) covering a total area of approximately 174 km². The Department of Planning &

AUSMON RESOURCES LIMITED ABN 88 134 358 964
‘World Tower’ Suite 1312, 87-89 Liverpool Street, Sydney NSW 2000 Australia.
PO BOX 20188 World Square, NSW 2002 Australia
Tel: 61 2 9264 6988 Fax: 61 2 9283 7166 Email: office@ausmonresources.com.au
www.ausmonresources.com.au ASX code: AOA





**AUSMON RESOURCES
LIMITED**

Environment – Resources and Geoscience has already recommended the grant of each of those ELAs for a period of 6 years. The licences would be issued upon payment of a security deposit of \$10,000, the annual fee and administrative levy for each.

- 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.

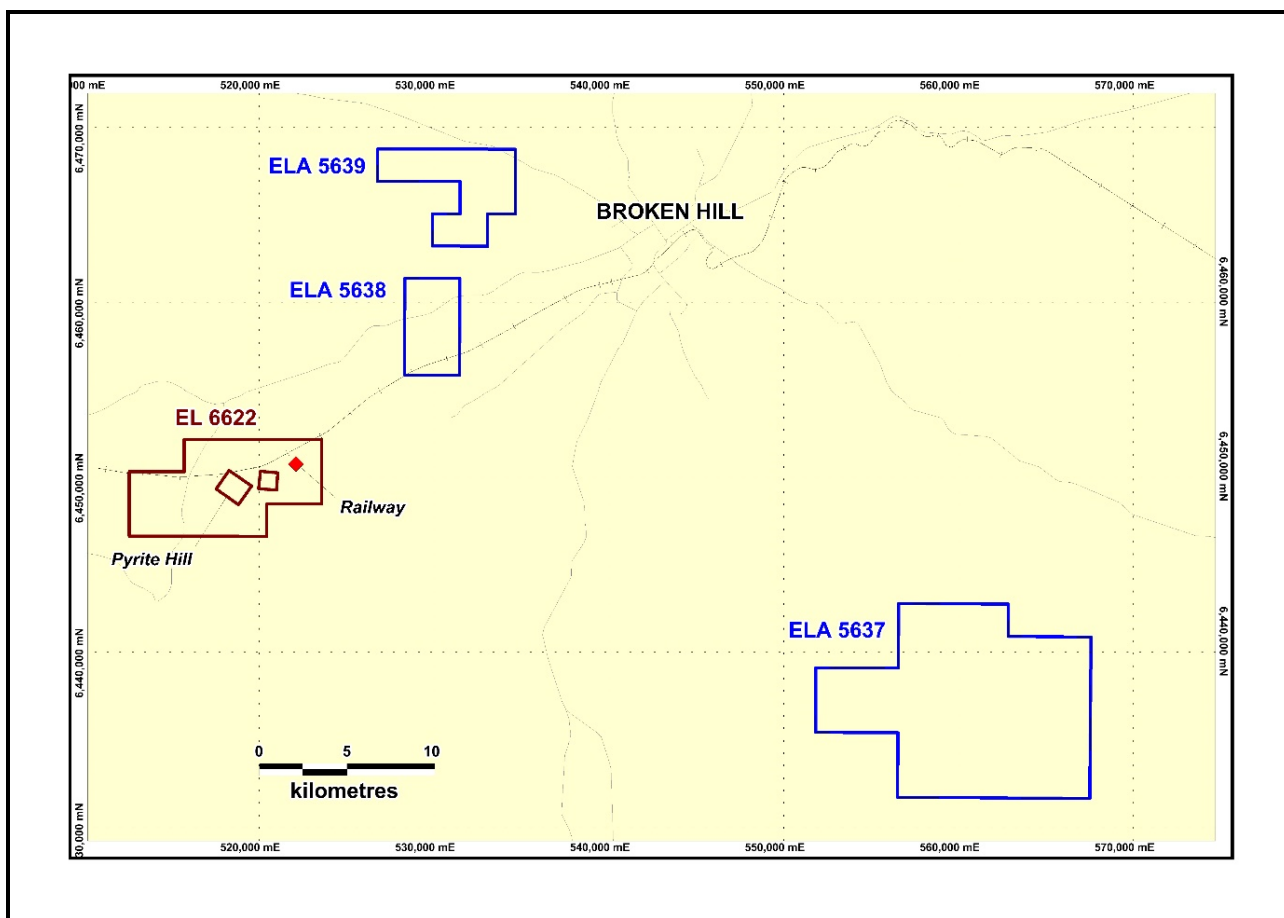


Figure 1: Broken Hill Project ELAs north east and south east of Cobalt Blue's EL6622

- Access to 100% owned prospective cobalt exploration tenure in the Broken Hill region has become increasingly difficult as highlighted by the tenure map in Figure 2 below.





AUSMON RESOURCES
LIMITED

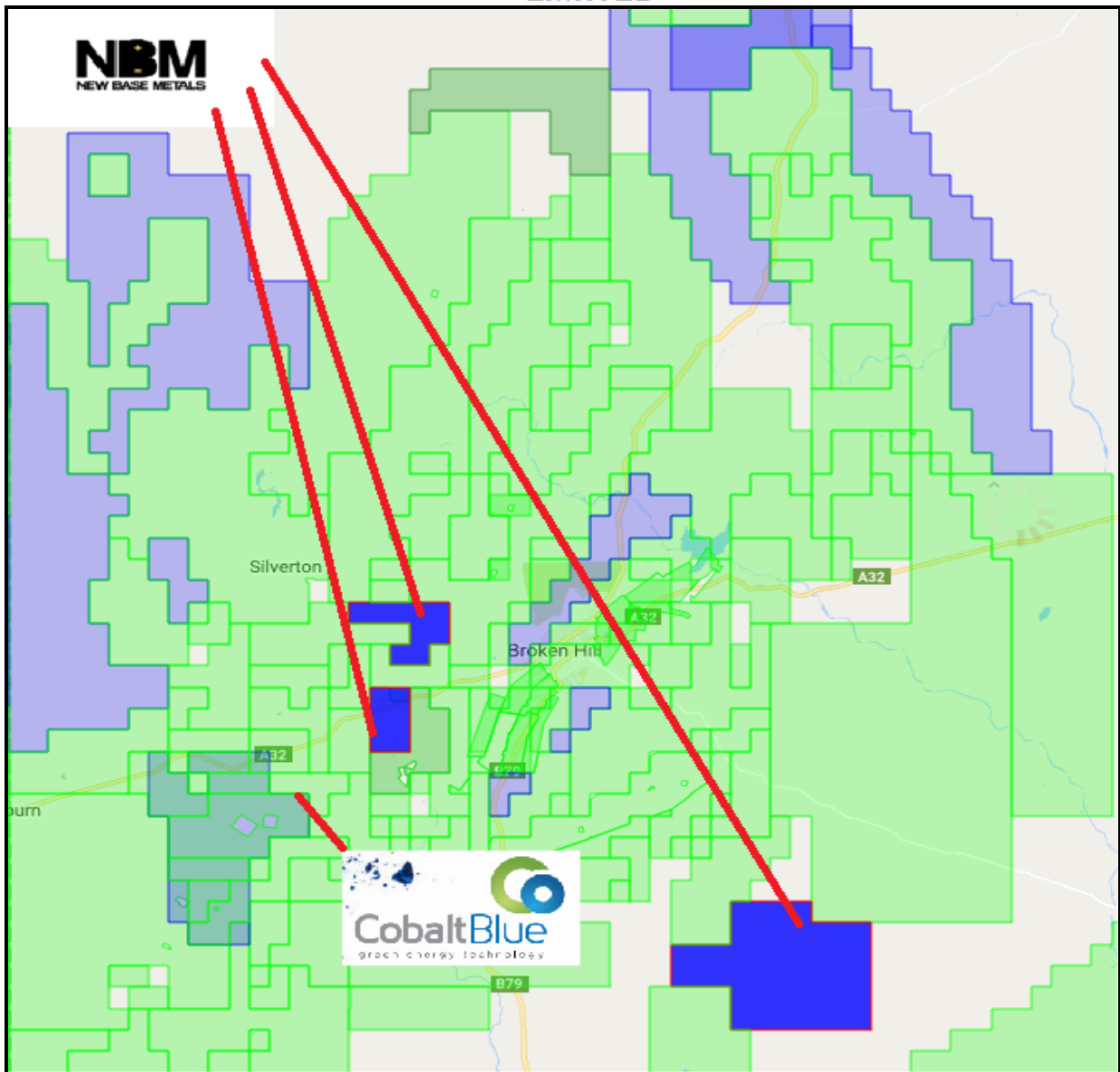


Figure 2: Broken Hill tenure map showing prospective cobalt ELAs 5637 to 5739 in dark blue.

Greenvale Cobalt-Nickel Project (QLD)

- 3 large EPM applications (EPM26813, EPM26814 and EPM26815) covering a total of approximately 276 km² and strategically located 20-50 kms from the reportedly most advanced cobalt project in Australia (ASX: AUZ “Sconi” ML10368). See Figure 3 below.

AUSMON RESOURCES LIMITED ABN 88 134 358 964
‘World Tower’ Suite 1312, 87-89 Liverpool Street, Sydney NSW 2000 Australia.
PO BOX 20188 World Square, NSW 2002 Australia
Tel: 61 2 9264 6988 Fax: 61 2 9283 7166 Email: office@ausmonresources.com.au
www.ausmonresources.com.au ASX code: AOA





**AUSMON RESOURCES
LIMITED**

- Sconi has recently attracted an offtake agreement from SK Innovation, a very largest battery supplier and one of the largest companies listed on the Korean Stock Exchange (ASX: AUZ announcements).
- These EPM applications have been advertised with no objections received and are expected to be granted in the next few months.

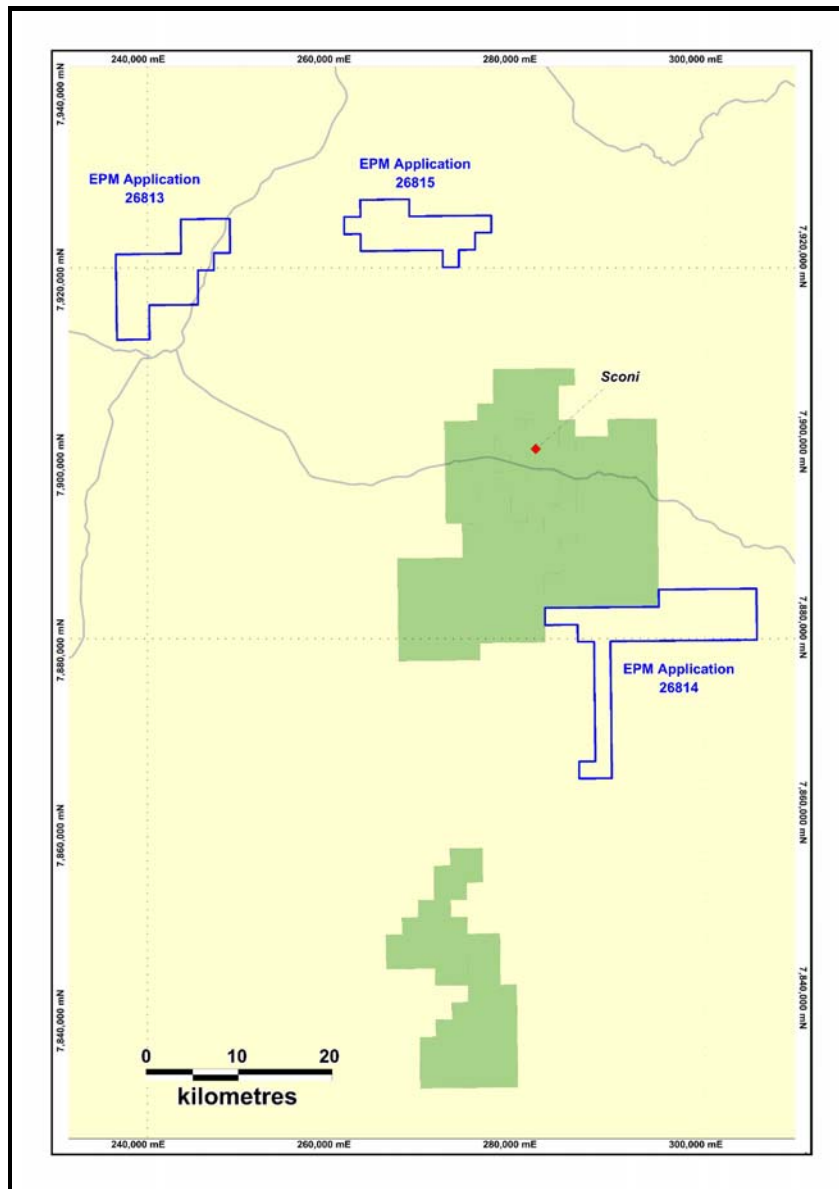


Figure 3: Greenville Project EPM applications north west and south east of Sconi Project, QLD.

AUSMON RESOURCES LIMITED ABN 88 134 358 964

'World Tower' Suite 1312, 87-89 Liverpool Street, Sydney NSW 2000 Australia.

PO BOX 20188 World Square, NSW 2002 Australia

Tel: 61 2 9264 6988 Fax: 61 2 9283 7166 Email: office@ausmonresources.com.au

www.ausmonresources.com.au ASX code: AOA





Mt Tewoo Nickel Cobalt Manganese Project (QLD)

- The Mount Tewoo Nickel Cobalt Manganese Project comprises EPM application 26764 covering an area of approximately 178 km² located 25 km south-west of Gympie, and 30 km south-east of Kilkivan (see Figure 4).
- The EPM26764 application is 15 km south-east of Aus Tin Mining's (ASX: ANW) Mt Cobalt Nickel-Cobalt deposit and Pembroke Nickel Sulphide discovery in EPM19366.
- EPM26764 covers approximately 32 km of prospective Mount Mia Serpentine, a potential host rock for nickel-cobalt mineralisation similar to that discovered by Aus Tin Mining (ASX: ANW). See Figure 5.
- Discovery of nickel sulphide and oxide nickel-cobalt mineralisation (Pembroke and Mt Cobalt) in similar geology.
- This EPM application is expected to be granted in the next few months.





**AUSMON RESOURCES
LIMITED**

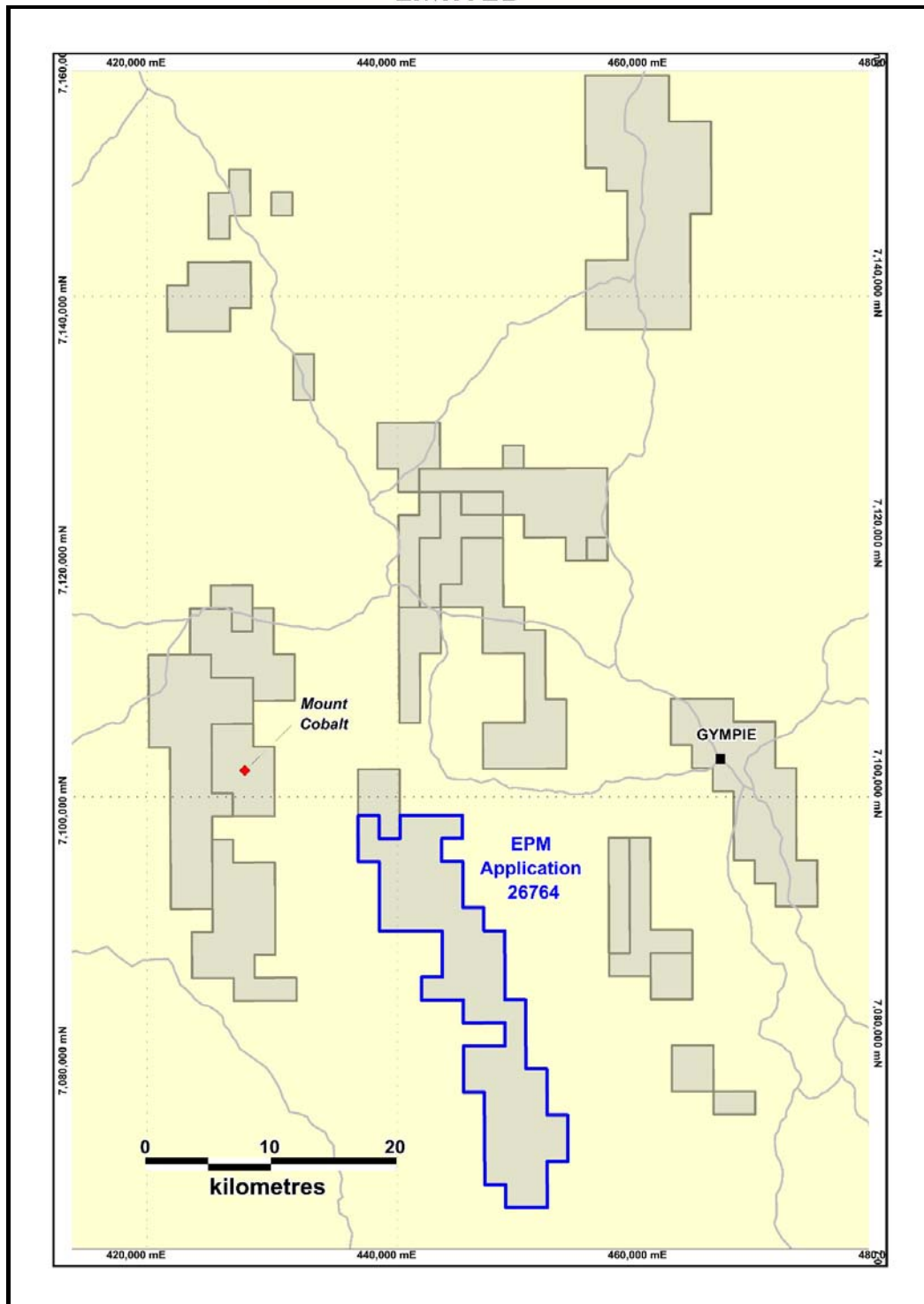


Figure 4: Mt Tewoo EPM application 26764 south east of ANW's Mt Cobalt Project.

AUSMON RESOURCES LIMITED ABN 88 134 358 964
'World Tower' Suite 1312, 87-89 Liverpool Street, Sydney NSW 2000 Australia.
PO BOX 20188 World Square, NSW 2002 Australia
Tel: 61 2 9264 6988 Fax: 61 2 9283 7166 Email: office@ausmonresources.com.au
www.ausmonresources.com.au ASX code: AOA





AUSMON RESOURCES
LIMITED

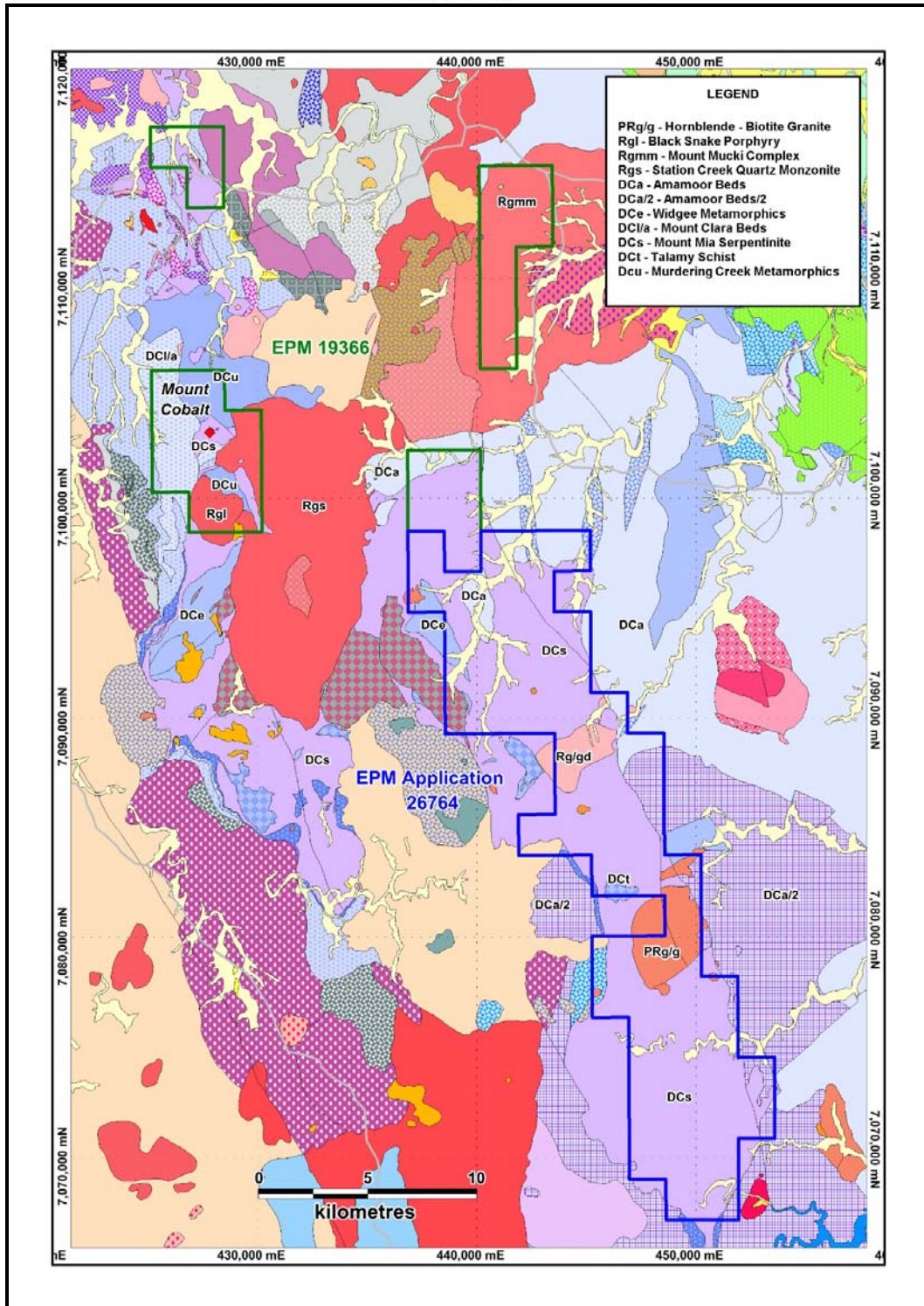


Figure 5: EPM Application 26764 geology map

AUSMON RESOURCES LIMITED ABN 88 134 358 964

'World Tower' Suite 1312, 87-89 Liverpool Street, Sydney NSW 2000 Australia.

PO BOX 20188 World Square, NSW 2002 Australia

Tel: 61 2 9264 6988 Fax: 61 2 9283 7166 Email: office@ausmonresources.com.au

www.ausmonresources.com.au ASX code: AOA





THE ACQUISITION TERMS

NBM is owned by unrelated parties and private investors.

Under the Binding Terms Sheet:

- AOA is allowed 30 days to carry out due diligence on the projects of NBM prior to decision to execute an agreement for a definitive acquisition of NBM.
- AOA will pay the vendor \$40,000 (non-refundable) within 3 business days as part reimbursements for their expenditure on the projects.
- On execution of the definitive agreement for acquisition of all the issued capital of NBM that will own all the projects described above and has nil liabilities
 - o AOA will issue to the vendors and their nominees:
 - 25,000,000² fully paid ordinary shares (“Consideration Shares”) that will be escrowed voluntarily for 6 months.
 - 3,571,428² Consideration Shares on the grant of each of the first 6 licence applications and 3,571,432² Consideration Shares on the grant of the 7th licence application.

Under certain conditions, if a licence is not granted a proportionate value of the shares issued and expenses reimbursed to NBM are refundable to AOA.

- o The Vendors and their related parties have right to collectively subscribe for up to 50% of any equity capital raising conducted by AOA for the period of 12 months after the execution of the definitive agreement.

Usual terms and conditions on exclusivity, conduct, confidentiality and regulatory consents for an agreement of this nature also apply.

The vendors and their nominees will subscribe for 35,714,285¹ fully paid ordinary shares in AOA at \$0.007 per share within 3 business days for a total consideration of \$250,000. The issue price of \$0.007 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 6 March 2018 when the issue was agreed to be made.

AOA has also agreed to place an additional 4,285,715¹ shares at \$0.007 per share for a total consideration of \$30,000 to satisfy demand for nominees of the vendors. The issue price of \$0.007 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 6 March 2018 when the issue was agreed to be made.





¹ AOA has a pre-approval from shareholders to issue new shares for cash under Australian Securities Exchange (“ASX”) Listing Rule 7.1 at the general meeting held on 8 February 2018. Those shares may be issued under that pre-approval.

² AOA may issue those shares within the 15% limit allowed for issue of shares without shareholders’ approval under ASX Listing Rule 7.1. However, shareholder approval may be required should ASX decide to apply Listing Rule 11.1.2 for the acquisition of NBM. AOA is awaiting advice from ASX on the applicability of Listing Rule 11.1.2 to this transaction.

EFFECT OF THE PROPOSED TRANSACTION ON THE CAPITAL OF AOA

	Listed	Restricted
Fully paid ordinary shares on issue - current	421,539,343	21,100,000
Subscription from vendors and their nominees per the Binding Terms Sheet at \$0.007/share ¹	35,714,285	-
Additional placement to vendors’ nominees at \$0.007 /share ¹	4,285,715	
Consideration Shares on execution of definitive acquisition agreement (escrowed for 6 months) ²		25,000,000
Total Consideration shares on grant of 7 exploration licences after execution of definitive acquisition agreement ²	25,000,000	
TOTAL	486,539,343	46,100,000

The funds provision from the vendors together with the current cash on hand will bring available funds of AOA to approximately \$1.1 million. The proposed first year work commitments expenditure under all 7 licences under application is approximately \$147,000. In that respect, AOA does not intend to raise further capital to carry out the first year work program. However, during the due diligence should AOA identify exploration work to be fast tracked to achieve early results, AOA will consider raising additional capital.

Ausmon Resources Limited (“AOA”) has been searching for investment in sectors that provides growth potential and in projects which can support capital raising that does not unduly dilute the current shareholders’ value.

“Battery Minerals” is one sector that has been in AOA’s sight for some time because of their exciting growth potential with the emergence of electric vehicles globally. Cobalt is currently regarded as one of the better minerals for investment in view of future demand and restricted supply. The price of Cobalt has increased substantially over the last year on the London Metal Exchange from around US\$55,000 per tonne in April 2017 to around US\$91,000 per tonne currently.

The location for investment is of prime importance having regards to sovereign risks and fiscal terms. In that respect Australia ranks very high compared to the other places globally where Cobalt resources are found,





Subject to satisfactory results on the due diligence AOA believes the NBM projects satisfy its criteria for investment.

(The information in the report above that relates to Exploration Results is based on information compiled by Mr Joe Schifano, the principal of Geo Joe Pty Ltd and a member of The Australasian Institute of Mining and Metallurgy.

Mr Schifano has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activities which he is undertaking to qualify as a Competent Person as defined in the 2004 and 2012 Editions of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Schifano consents to the inclusion in this report of matters based on his information in the form and context in which it appears.)

Eric Sam Yue
Company Secretary

