



NOTICE OF ANNUAL GENERAL MEETING

The tenth Annual General Meeting of shareholders of Ausmon Resources Limited (“Company”) will be held at the **Offices of Piper Alderman, Level 23, Governor Macquarie Tower, 1 Farrer Place, Sydney**, on **25 October 2018 at 12:00 pm**.

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 2018 in accordance with Section 317 of the Corporations Act 2001.

A hard copy of the 2018 Annual Report is mailed only to those shareholders who have previously made the election. A copy of the 2018 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 2018 Annual Report be adopted.”

2. Election of Mr Eric W Y M Sam Yue as a Director

“That Mr Eric W Y M Sam Yue who retires according to the Constitution of the Company and who, being eligible, offers himself for re-election, be re-elected a Director.”

3. Approval for 25,000,000 shares already issued on 7 May 2018

“That approval is given in accordance with Listing Rule 7.4 of ASX Limited for the issue and allotment on 7 May 2018 of 25,000,000 fully paid ordinary shares in Ausmon Resources Limited as part consideration for the acquisition of all the issued capital of New Base Metals Pty Ltd, as detailed in the Explanatory Statement.”

4. Approval for 7,142,856 shares already issued on 18 May 2018

“That approval is given in accordance with Listing Rule 7.4 of ASX Limited for the issue and allotment on 18 May 2018 of 7,142,856 fully paid ordinary shares in Ausmon Resources Limited as part consideration for the acquisition of all the issued capital of New Base Metals Pty Ltd, as detailed in the Explanatory Statement.”

5. Approval for 3,571,428 shares already issued on 30 May 2018

“That approval is given in accordance with Listing Rule 7.4 of ASX Limited for the issue and allotment on 30 May 2018 of 3,571,428 fully paid ordinary shares in Ausmon Resources Limited as part consideration for the acquisition of all the issued capital of New Base Metals Pty Ltd, as detailed in the Explanatory Statement.”



6. Approval for issue of shares to Director Mr Boris Patkin as payment of Director's fees

"That approval be given for the purposes of Listing Rule 10.11 of ASX Limited and for all other purposes for the Company to issue 5,000,000 fully paid ordinary shares in Ausmon Resources Limited to Mr Boris Patkin or his nominee at a deemed issue price of \$0.006 per share as payment of Director's fees of \$30,000.00."

7. Approval for issue of shares to Director Mr John Wang as payment of Director's fees

"That approval be given for the purposes of Listing Rule 10.11 of ASX Limited and for all other purposes for the Company to issue 4,000,000 fully paid ordinary shares in Ausmon Resources Limited to Mr John Wang or his nominee at a deemed issue price of \$0.006 per share as payment of Director's fees of \$24,000.00."

8. Approval for issue of shares to Director Mr Eric W Y M Sam Yue as payment of Director's fees

"That approval be given for the purposes of Listing Rule 10.11 of ASX Limited and for all other purposes for the Company to issue 4,000,000 fully paid ordinary shares in Ausmon Resources Limited to Mr Eric W Y M Sam Yue or his nominee at a deemed issue price of \$0.006 per share as payment of Director's fees of \$24,000.00."

9. Approval for issue of up to 150,000,000 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 150,000,000 fully paid ordinary shares as detailed in the Explanatory Statement."

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.

Resolutions 3, 4 and 5

In accordance with Listing Rule 7.5.6 of ASX Limited (ASX), the Company will disregard any votes cast on Resolutions 3, 4 and 5 by:

- a person who participated in the issue of securities; and
- an associate of that person.

Resolution 6

In accordance with Listing Rule 10.13.6 of ASX, the Company will disregard any votes cast on Resolution 6 by:

- Mr Boris Patkin; and
- any associate of Mr Boris Patkin.

Resolution 7

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

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

Resolution 8

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

- Mr Eric W Y M Sam Yue; and
- any associate of Mr Eric W Y M Sam Yue.

Resolution 9

In accordance with Listing Rule 7.3.8 of ASX Limited, the Company will disregard any votes cast on Resolution 9 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.

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.

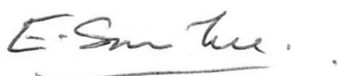
To be valid, forms of proxy (enclosed) for use at the meeting must be completed and returned to the Company no later than 12:00 pm NSW Standard Time on 23 October 2018.

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 23 October 2018. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

Dated this 24th day of September 2018.

By Order of the Board of Directors of the Company



Eric Sam Yue
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 **25 October 2018 at 12:00 pm** at the **Offices of Piper Alderman, Level 23, Governor Macquarie Tower, 1 Farrer Place, 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 2018. 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 27 to 31 of the 2018 Annual Report.

Resolution 2 - Election of Director – Mr Eric W Y M Sam Yue

Mr Eric W Y M Sam Yue was appointed to the Board on 25 October 2017 and elected at the annual general meeting held in November 2017. He is an Executive Director with special responsibilities as Chief Financial Officer and Company Secretary of the Company. He 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 spans over 25 years in senior financial executive positions in shipping, mining and oil and gas companies in Australia and New Zealand and ASX listed companies.

Resolutions 3, 4 and 5

On 7 May 2018, the Company announced that it has signed a definitive agreement (“SPA”) to acquire 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.

At the time of execution of the SPA, NBM had 3 cobalt prospective projects with 100% interests in 7 licence applications in New South Wales and Queensland as follows:

NSW: Broken Hill Cobalt-Nickel Project - ELA5637, ELA5638 and ELA5639;

QLD: Greenvale Cobalt-Nickel Project - EPM26813, EPM26814 and EPM26815; and

Mount Tewoo Nickel-Cobalt-Manganese Project - EPM26765

Under the SPA negotiated at arm's length, the Company agreed to issue and allot a total of 50 million fully paid ordinary shares in Ausmon Resources Limited to the vendor or its nominee who are not related parties of the Company; 50% of the shares (i.e.25 million) to be issued at completion of the transaction and the balance of 25 million shares in 7 instalments to be issued as each exploration licence is granted by the Government under the licence applications. ASX had confirmed that shareholder's approval was not required under Listing Rule 11.1.2 for the acquisition of NBM. The Company had the capacity to issue those shares within the 15% limit allowed for issue of shares without shareholders' approval under ASX Listing Rule 7.1.

Under the SPA, 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.

On 7 May 2018, the Company issued 25,000,000 fully paid ordinary shares in Ausmon Resources Limited under the terms of the SPA at a deemed price of \$0.017 per share being the closing price of a share on the first day of trading after the execution of the SPA and the day of issue of the shares. Those 25 million shares are escrowed voluntarily for 6 months from the date of issue under the terms of the SPA.

On 18 May 2018 when exploration licences EL 8745 and EL 8746 in NSW were granted under the applications ELA 5637 and ELA 5638 respectively, the Company issued and allotted 7,142,856 fully paid ordinary shares under the terms of the SPA at the deemed price of \$0.017 per share.

On 30 May 2018 when exploration licence EL 8747 in NSW was granted under the application ELA 5639, the Company issued a further 3,571,428 fully paid ordinary shares under the terms of the SPA at the same deemed price of \$0.017 per share.

There was no cash raised on the issue of those shares under the SPA. The shares were issued and allotted to Lagom Capital Investments Pty Ltd the nominee of the vendor of NBM and who is not a related party of the Company.

Listing Rules requirements

Listing Rule 7.1 of ASX allows the Company to issue new securities up to 15% of the existing issued capital of the Company without prior approval of shareholders. The total of 35,714,284 shares issued in May 2018 were within this limitation.

Under Listing Rule 7.4 of ASX, shareholders may subsequently approve the issue of shares made within the limitation of Listing Rule 7.1. The Company is seeking this approval. Following this approval, the Company will again be able to issue new securities up to 15% of its existing issued capital without prior approval of shareholders.

Resolutions 6, 7 and 8 – Approval of issue of Shares to Directors as payment of Director’s fees

In order to preserve cash resources of the Company and to settle fees payable to the Directors, Chairman Mr Boris Patkin, Managing Director Mr John Wang and Executive Director Eric WYM Sam Yue agreed for Director's fees payable to them to be settled by the issue of fully paid ordinary shares in the Company (“Shares”) at a deemed issue price of \$0.006 per Share which is equal to the volume weighted average market price of a Share over the last 5 trading days on which sales were recorded to 17 September 2018, the business day before the agreement. Subject to approval of shareholders, Mr Boris Patkin will be issued 5,000,000 Shares, Mr John Wang will be issued 4,000,000 Shares and Mr Eric WYM Sam Yue will be issued 4,000,000 Shares within one month after the date of the meeting. No cash will be raised from the issue of Shares which will be for settlement of fees payable to those Directors for the 6 months ended on 31 August 2018. The Shares to be issued have the same rights as other Shares in the Company.

Shareholder approval is sought for the issue of the Shares to Mr Boris Patkin, Mr John Wang and Mr Eric WYM Sam Yue as under Listing Rule 10.11 of ASX the issue of any Share 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.

Resolution 9 – Approval for issue of up to 150,000,000 new shares

Subject to the approval of shareholders, the Company proposes to issue up to 150,000,000 fully paid ordinary 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, investment 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 9 will be issued and allotted by the Company no later than three months from the date of the Annual General Meeting.