



7 May 2018

ASX Market Announcements

### **Ausmon Resources Signed Definitive Agreement to Acquire Exploration Projects in Emerging Cobalt Mining Regions NSW and QLD**

Ausmon Resources Limited ("Company") is pleased to announce that it has signed the definitive agreement 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.

NBM has 3 cobalt prospective projects with 100% interests in 7 licence applications in New South Wales and Queensland as follows (see Figure 1):

**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** - EPM26764

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

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

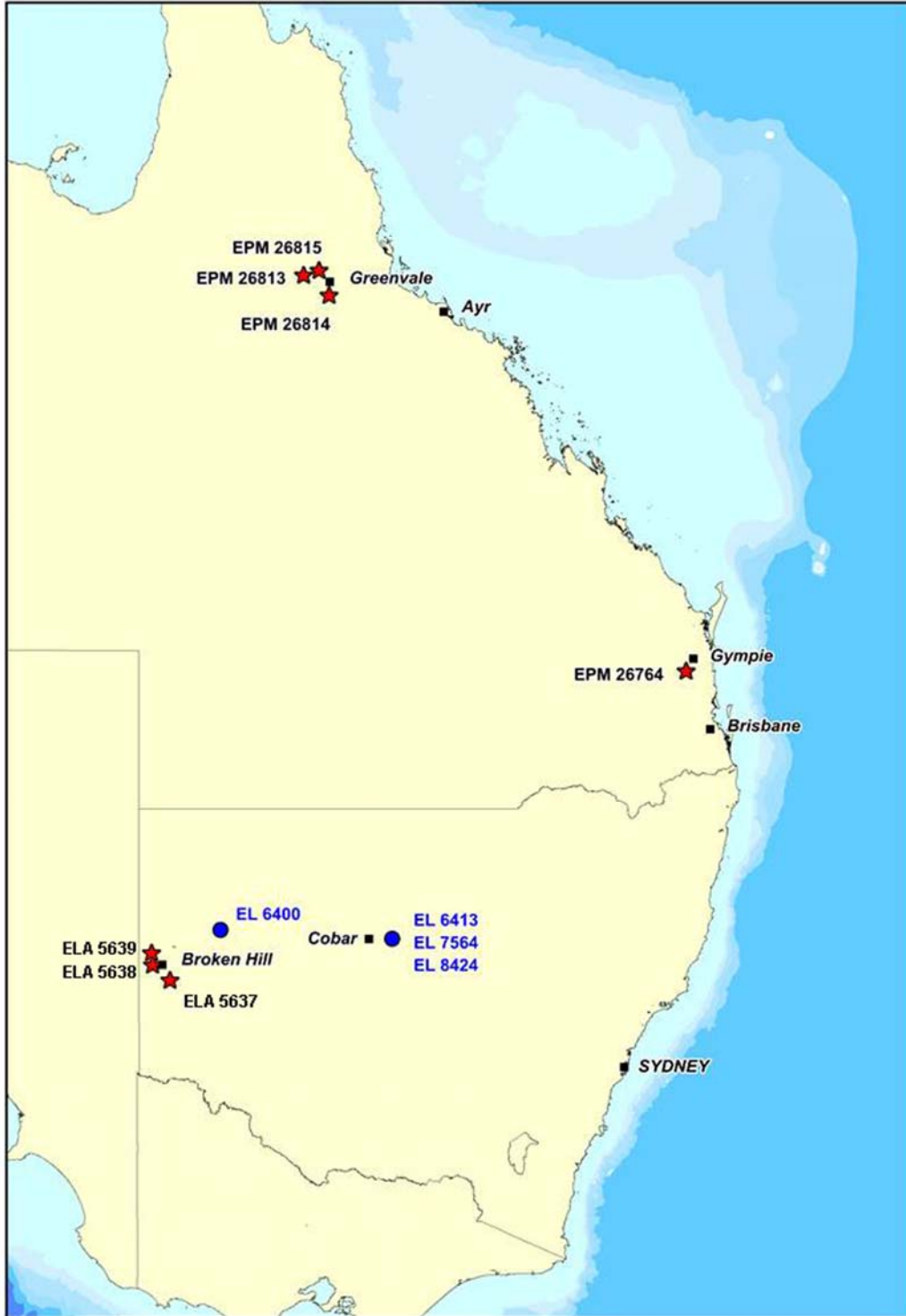
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**Figure 1: NBM New applications (red stars) and current AOA NSW Licences in blue.**



The following are taken into account by the Company:

- **Broken Hill Project** - 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). Recent exploration (Cobalt Blue Holdings Ltd and Broken Hill Prospecting Ltd) has demonstrated that the Broken Hill region is highly prospective for pyritiferous cobalt deposits. The Broken Hill region is also highly prospective for stratabound cobalt deposits.
- **Greenvale Project** - 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).
- **Mount Tewoo Project** - 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).

### **NSW : Broken Hill Cobalt-Nickel Project**

On 23 March 2018, the NSW Department has issued Notices of Proposed Decision recommending the grant of the 3 licence applications around Broken Hill (Figure 2) covering a total area of approximately 174 km<sup>2</sup>, namely **ELA5637, ELA5638 and ELA5639**, for a period of 6 years. NBM was required to provide a security deposit of \$10,000 for each of the licence by 4 May 2018. NBM has provided the security deposits together with payment of the annual rental fee and administrative levy for first year of the licences. NSW Department has confirmed receipt of the deposits and payments and has also advised that a Final Offer will be issued in due course. We can expect the grant of the licences within weeks per usual procedures.

The Company will immediately commence planning the initial exploration fieldwork including preparing access agreements with landholders so that those access agreements may be signed and fieldwork may commence as soon as the tenements are formally granted. The timing would be ideal with cooler climate during May-September in the Broken Hill region.

Proposed fieldwork will include the following:

- field mapping and sampling;
- airborne surveys to delineate any prospective cobaltiferous pyrite horizons on ELA5639 for

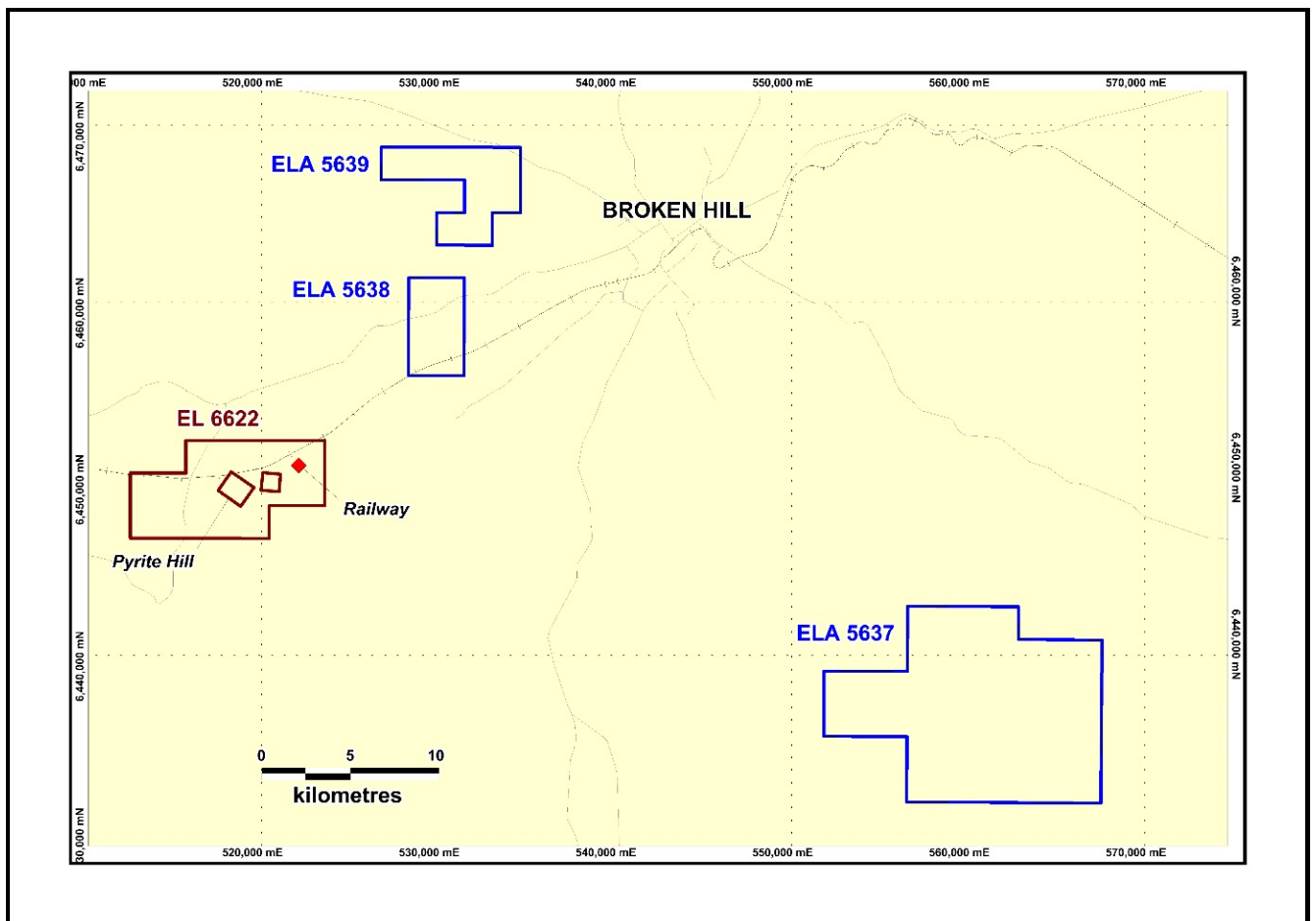


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drilling; and

- as the Company is aware that historical diamond core in the Broken Hill Geological Core Library is available from historical drilling on ELA5639 by previous operators, a possible relogging and assaying of the core for cobalt, not done by previous explorers, that could fast track the work of the Company in its search of cobalt minerals prior to any drilling.

The minimum expenditure work commitments for the first year of the 3 ELAs is \$46,000 and the Company expects the work planned as described above would fully satisfy those commitments. It is the intention of the Company to carry out exploration beyond the minimum commitments subject to results of the initial work and funding.



**Figure 2: Broken Hill Project ELAs north east and south east of Cobalt Blues EL6622.**



### **QLD : Greenvale Cobalt-Nickel Project**

The 3 EPM applications - EPM26813, EPM26814 and EPM26815 (Figure 3) have been advertised in relevant publications by NBM and no objections were reported to the QLD Department. They can therefore be expected to be granted in the normal course within the next few months. Each licence is applied for a period of 5 years and the total minimum work expenditure commitment for the first year is \$60,000.

The 3 large EPM applications cover a total of approximately 276 km<sup>2</sup> and are strategically located 20-50 kms from the reportedly most advanced cobalt project in Australia (ASX: AUZ "Sconi" ML10368). Sconi has recently attracted an offtake agreement from SK Innovation, a very large battery supplier and one of the largest companies listed on the Korean Stock Exchange.

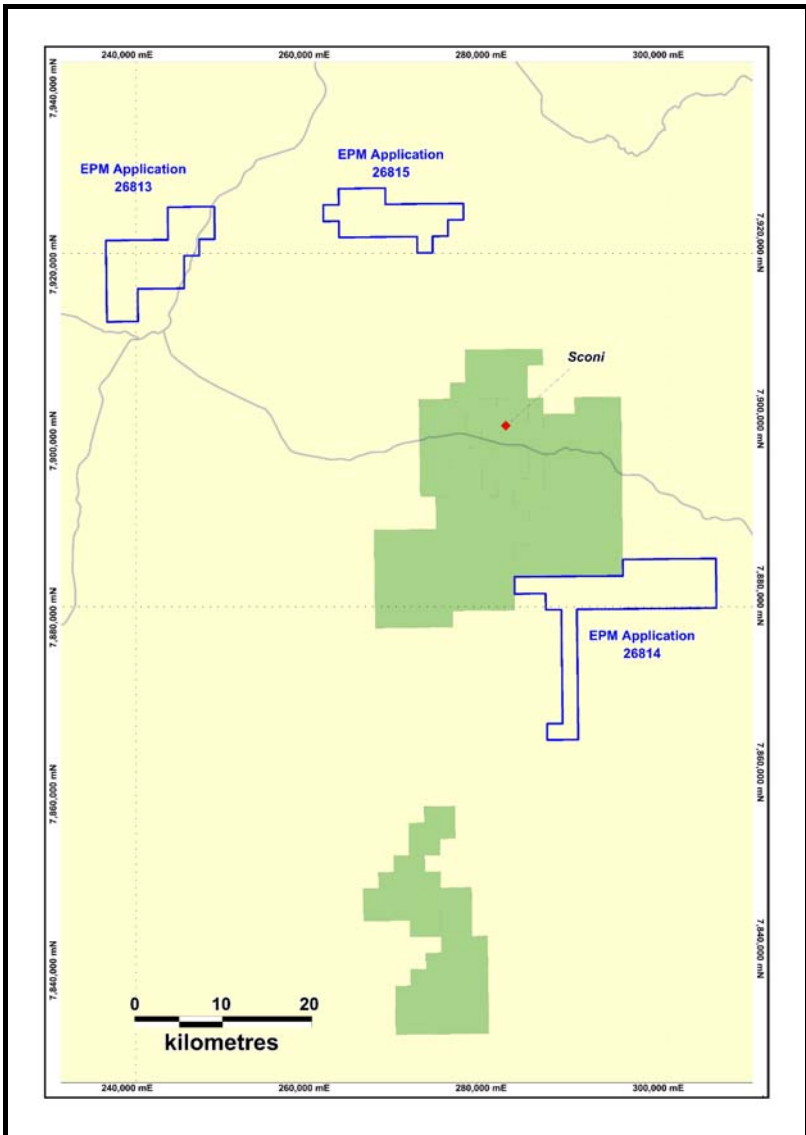
### **QLD : Mount Tewoo Nickel Cobalt Manganese Project**

The Mount Tewoo Nickel Cobalt Manganese Project comprises EPM26764 application covering an area of approximately 178 km<sup>2</sup> located 25 km south-west of Gympie, and 30 km south-east of Kilkivan (Figure 4). The application has been advertised and no objections have been reported to the QLD Department. It can therefore be expected to be granted in the normal course within the next few months. The licence is applied for a period of 5 years and the total minimum work expenditure commitment for the first year is \$41,000.

The 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;
- covers approximately 32 km of prospective Mount Mia Serpentinite, a potential host rock for nickel-cobalt mineralisation similar to that discovered by Aus Tin Mining (ASX: ANW). See Figure 5.
- is in an area with similar geology to Pembroke and Mt Cobalt where nickel sulphide and oxide nickel-cobalt mineralisation have been discovered.

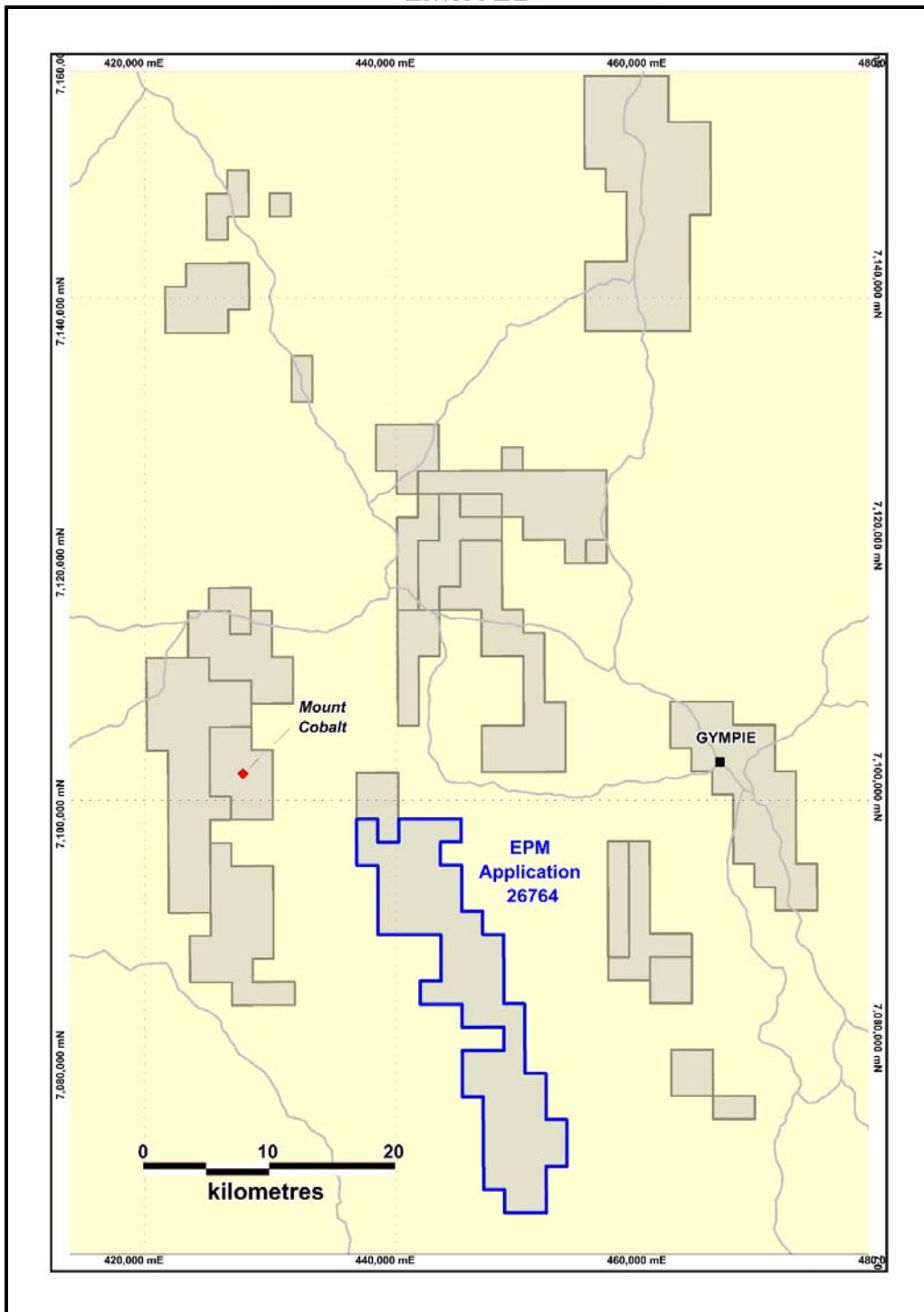
While awaiting the grant of the tenements, the Company will commence identifying areas within those tenements in QLD for preparation of access agreements to avoid any foreseeable delays to carry out fieldwork. As soon as the licences are granted and access agreements are in place, the Company will refine its exploration programs and fast track fieldwork.



**Figure 3: Greenvale Project EPM applications north east and south east of SCONI Project, QLD.**



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





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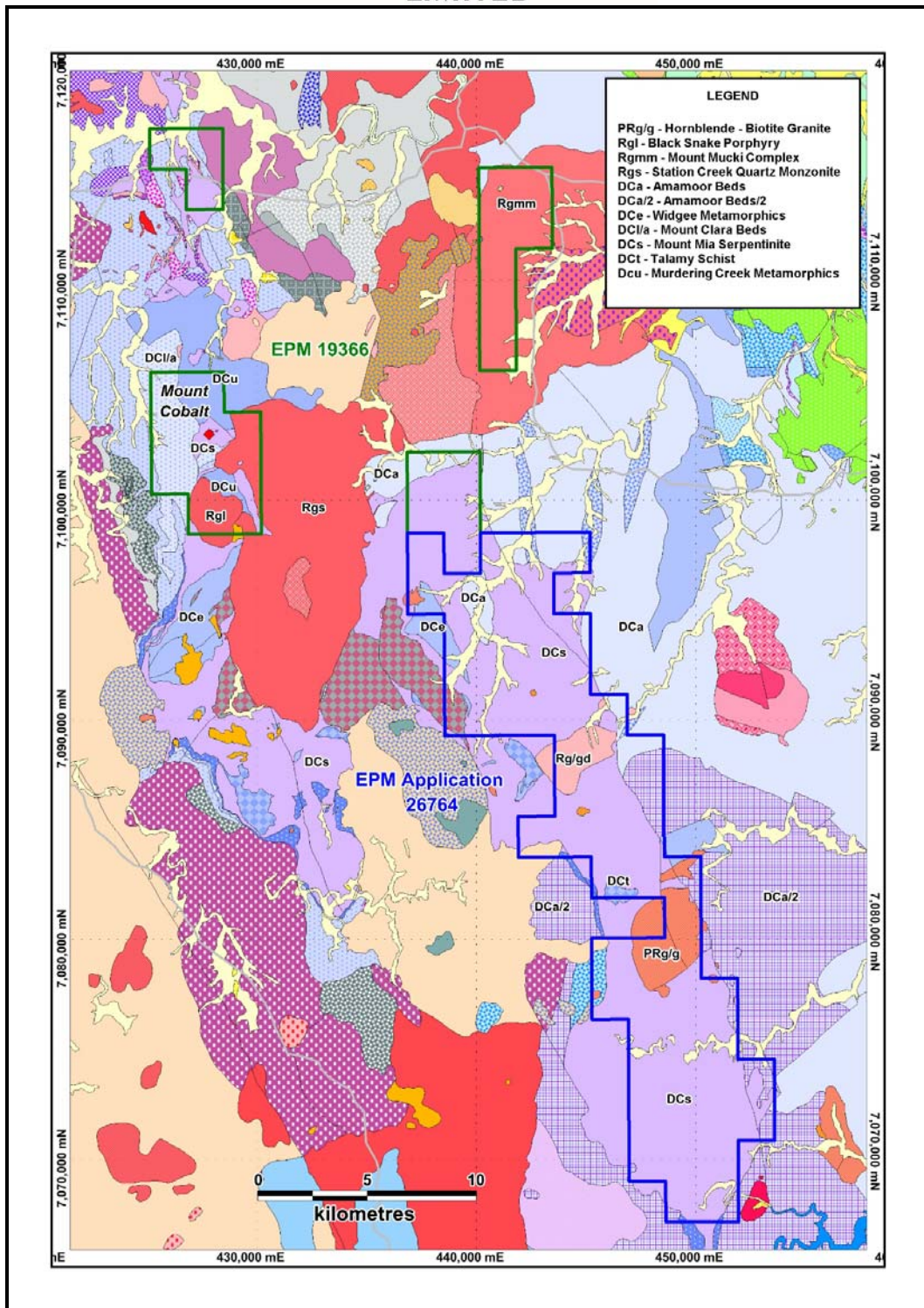


Figure 5: EPM Application 26764 geology map.





## **THE ACQUISITION TERMS**

Following the signing of the Binding Terms Sheet announced on 9 April 2018, the Company has paid the vendor a non-refundable amount of \$40,000 and has raised \$280,000 from the vendor and its nominees with the issue of 40 million fully paid ordinary shares at \$0.007 per share which is equal to the volume weighted average price per share in the 5 days prior to the announcement when the shares traded on the ASX. The amount raised will be applied to exploration and working capital.

On the signing of the definitive acquisition agreement the Company will issue a total of 50 million fully paid ordinary shares to the vendor, 50% of the shares (i.e. 25 million) will be issued today following 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. Those shares will be issued within the 15% limit allowed for issue of shares without shareholders' approval under the Australian Securities Exchange ("ASX") Listing Rule 7.1. ASX has confirmed that Listing Rules 11.1.2 and 11.1.3 do not apply to the acquisition of NBM by the Company. Therefore the Company has been able to complete the acquisition transaction promptly.

The first 25 million shares issued today will be escrowed voluntarily for 6 months until 6 November 2018. The Company is not aware of any compulsory escrow requirements of ASX on the total shares to be issued under the acquisition.

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

*(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**