



## NOTICE OF ANNUAL GENERAL MEETING

The eleventh 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 **29 November 2019 at 12:15 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 2019 in accordance with Section 317 of the Corporations Act 2001.

A hard copy of the 2019 Annual Report is mailed only to those shareholders who have previously made the election. A copy of the 2019 Annual Report may be obtained from the Company's website at [www.ausmonresources.com.au](http://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 2019 Annual Report be adopted."

**2. Election of Mr Boris Patkin as a Director**

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

**3. Adoption of Ausmon Employee Incentive Plan 2019**

"That the Ausmon Employee Incentive Plan 2019 ("EIP 2019") 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 2019."

**4. 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.



### Resolution 3

In accordance with Listing Rule 7.2 Exception 9 (b) of ASX, the Company will disregard any votes cast on Resolution 3 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 4

In accordance with Listing Rule 7.3.8 of ASX Limited, the Company will disregard any votes cast on Resolution 4 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.

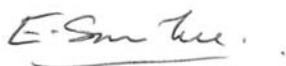
**To be valid, forms of proxy (enclosed) for use at the meeting must be completed and returned to the Company no later than 12:15 pm NSW Standard Time on 27 November 2019.**

## 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 2019. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

Dated this 23<sup>rd</sup> day of October 2019.

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 **29 November 2019 at 12:15 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 2019. 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 35 to 38 of the 2019 Annual Report.

### **Resolution 2 - Election of Director – Mr Boris Patkin**

Mr Patkin holds a Bachelor of Science (Industrial Chemistry) with a number of industry qualifications. He worked for the Shell Group from 1973 – 1980 and subsequently operated his own businesses for many years in various industries, including textile, footwear, freight forwarding, property and independent living communities. He is presently an authorised representative at Morgans stockbroking division dealing in generic securities, margin lending and managed investments.

### **Resolution 3– Approval of Ausmon Employee Incentive Plan 2019**

The Company had in place an employee incentive scheme known as the Ausmon Employee Incentive Plan 2016 ("Plan") which was approved by shareholders on 30 November 2016. 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 21,100,000 shares excluding renounced options and shares under the Plan and any other employee share scheme of the Company in respect of shares or grant of options over a period of 5 consecutive years. In accordance with the Listing Rules of ASX Limited ("ASX"), after 29 November 2019 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 2019 ("EIP 2019") is approved at the Annual General Meeting, the Directors may issue securities under the EIP 2019 until its expiry on 28 November 2022. Accordingly, Resolution 3 seeks approval for the issue of securities from time to time under the EIP 2019 during its currency.

The Rules for the EIP 2019 are summarised in the following paragraphs:

1. The EIP 2019 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 2019, 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 2019 have the same rights as other ordinary fully paid shares in the Company subject to restrictions on transfer and dealing with (i.e. sell, mortgage, pledge or otherwise encumber), which apply where a loan made by the Company remains unpaid, when any specified Qualifying Conditions have not been satisfied and during a Qualifying Period.
4. The subscription price for shares will be at the Market Value of the shares on the day an offer is decided 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 2019 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 EIP 2019 participant is only entitled to the surplus if the Qualifying Period described in paragraph 7 below has expired and all Qualifying Conditions have been satisfied.
  - If at the expiry of a loan term, an EIP 2019 participant does not repay the loan, the Company may sell the shares and after costs, repay the loan. Any surplus will be paid to the participant provided all Qualifying Conditions have been satisfied. No shortfall between the sale price and the loan amount will be recoverable from the participant.
6. While an offer to take up shares under the EIP 2019 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 or deal with (i.e. sell, mortgage, pledge or otherwise encumber) the shares for a certain period of time ("Qualifying Period") and until certain conditions have been satisfied ("Qualifying Conditions"). Where the Company issues shares under the EIP 2019 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 2019 ("EIP Option") are issued free. EIP 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 EIP Option cannot be more than 5 years.

The terms and conditions of the EIP Option are as follows:

- a. Each EIP Option entitles the holder to subscribe for one fully paid ordinary share in Ausmon Resources Limited ("Share").
- b. The EIP Option shall expire at 5.00 pm NSW Standard Time on *(date to be specified at time of issue of EIP Option)* ("Expiry Date"). Any EIP Option which has not been exercised prior to the Expiry Date automatically lapses.
- c. The EIP Option is exercisable at an exercise price of *(price to be specified at time of issue of EIP Option)* per Share at any time on or before the Expiry Date.
- d. The EIP Option is not transferable.
- e. All Shares issued pursuant to the exercise of the EIP Options will be allotted within 10 business days after the exercise of the EIP Options and will rank pari passu in all respects with the Company's then existing Shares. If Ausmon Resources Limited ("Company") is listed on the Australian Securities Exchange ("ASX"), the Company will apply for official quotation by ASX of all Shares issued upon exercise of the EIP Options on or before the third business day on which ASX is open after the date of allotment of the Shares.
- f. There are no participating rights or entitlement inherent in the EIP Options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the EIP Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 10 business days after the issue is announced. This will give EIP Option

holders the opportunity to exercise their EIP Options prior to the date for determining entitlements to participate in any such issue.

- g. In the event of reorganisation (including a consolidation, sub-division, reduction or return) of the issued capital of the Company, the number of EIP Options or the exercise price of the EIP Options or both shall be reorganised (as appropriate) in the manner required by the Listing Rules of ASX.
- h. If there is a pro-rata issue (except a bonus issue) to shareholders, the exercise price of each EIP Option shall be reduced according to the following formula:

$$O' = O - \frac{E[P-(S+D)]}{N + 1}$$

Where

O' = the new exercise price of EIP Option.

O = the old exercise price of EIP Option.

E = the number of Shares into which one EIP Option is exercisable.

P = the average market price per Share (weighted by reference to volume) during the 5 trading days ending on the day before the ex-rights or ex-entitlements date.

S = the subscription price for a Share under the pro-rata issue.

D = the dividend due but not yet paid on the Shares (except those to be issued under the pro-rata issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one Share.

- i. If there is a bonus issue to the shareholders, the number of securities over which the EIP Option is exercisable will be increased by the number of Shares which the holder of EIP Option would have received if the EIP Option had been exercised before the record date for the bonus issue.
  - j. If and to the extent any of the preceding terms and conditions are inconsistent with the rules or requirements of any stock exchange on which Shares are listed or are proposed to be listed from time to time, the rules of the relevant stock exchange will prevail in all respects to the extent of the inconsistency.
  - k. These terms and conditions are governed by the laws of the State of New South Wales and the holder of the EIP Options unconditionally submits to the jurisdiction of the courts of that State and courts of appeal from them.
- 9. Options cannot be exercised in any Qualifying Period specified in the offer and/or the Qualifying Conditions have not been satisfied 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 2019 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 20% of the total issued shares of the Company; however the 20% limit shall exclude expired or renounced options and renounced Shares that have been offered.
  - 11. Options issued under the EIP 2019 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, Qualifying Conditions 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 2019, a participant agrees to be bound by the EIP 2019 Rules or other conditions contained in the offer document.
16. The EIP 2019 Rules must comply with the Listing Rules of ASX and Corporations Act 2001 requirements.
17. Any amendment to the EIP 2019 Rules will also be subject to Listing Rules of ASX and Corporations Act 2001 requirements.
18. The EIP 2019 may only be amended by a resolution of the shareholders of the Company.

The detailed EIP 2019 Rules may be inspected during normal business hours at the registered office of the Company by prior appointment with the Company Secretary.

#### **Resolution 4 – 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 4 will be issued and allotted by the Company no later than three months from the date of the Annual General Meeting.

**FOR ALL ENQUIRIES CALL:**  
+61 2 9264 6988

**FACSIMILE**  
+61 2 9283 7166

**ALL CORRESPONDENCE TO:**  
PO Box 20188  
World Square, Sydney NSW 2002  
Australia

## YOUR VOTE IS IMPORTANT

**FOR YOUR VOTE TO BE EFFECTIVE IT MUST BE RECORDED BEFORE 12:15 PM ON 27 NOVEMBER 2019**

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## TO VOTE BY COMPLETING THE PROXY FORM

### STEP 1 Appointment of Proxy

Indicate here who you want to appoint as your Proxy  
If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chairman of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

#### Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the Company's securities registry.

#### Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

### STEP 2 Voting Directions to your Proxy

You can tell your Proxy how to vote

To direct your proxy how to vote, place a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### STEP 3 Sign the Form

The form **must** be signed as follows:

**Individual:** This form is to be signed by the securityholder.

**Joint Holding:** where the holding is in more than one name, all the securityholders must sign.

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. **Please indicate the office held by signing in the appropriate place.**

### STEP 4 Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below not later than 48 hours before the commencement of the meeting i.e. at **12:15 pm on 27 November 2019**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

#### Proxies may be lodged:

**BY MAIL -** Ausmon Resources Limited, PO Box 20188,  
World Square, Sydney NSW 2002 Australia

**BY FAX -** + 61 2 9283 7166

**IN PERSON -** Ausmon Resources Limited,  
"World Tower" Suite 1312, Level 13  
87-89 Liverpool Street,  
Sydney NSW 2000 Australia

### Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

☐**Your Address**

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction on the form. Securityholders sponsored by a broker should advise your broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

**STEP 1 - Appointment of Proxy**

I/We being a member/s of **Ausmon Resources Limited** and entitled to attend and vote hereby appoint

☐

the Chairman  
of the Meeting  
(mark with an  
'X')

**OR**

If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered security holder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy at the **Annual General Meeting of Ausmon Resources Limited to be held at the Offices of Piper Alderman, Level 23, Governor Macquarie Tower, 1 Farrer Place, Sydney on 29 November 2019 at 12:15 pm** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting instruction below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of each resolution, even though a resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel. The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

**STEP 2 - Voting directions to your Proxy – please mark ☒ or ☐ to indicate your directions**

| Ordinary Resolutions |                                                                               | For                      | Against                  | Abstain<br>*             |
|----------------------|-------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|
| 1                    | Adoption of Remuneration Report                                               | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2                    | Election of Mr Boris Patkin as a Director                                     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3                    | Approval for adoption of Ausmon Employee Incentive Plan 2019                  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4                    | Approval for issue of up to 150,000,000 new shares under ASX Listing Rule 7.1 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

\*If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

**STEP 3 - PLEASE SIGN HERE** This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary