

1 March 2017

Dear Shareholder

Non-renounceable entitlement offer to raise up to approximately \$5.6 million

Axiom Mining Limited (**Company**) today announced that it had made a placement at an offer price of \$0.16 per Axiom Share to raise approximately \$1.3 million and is now undertaking a non-renounceable pro-rata entitlement offer to eligible shareholders to raise approximately \$5.6 million (before offer costs) (**Entitlement Offer**).

The Entitlement Offer comprises:

- **(New shares)** 1 new Axiom Share for every 10 existing Axiom Shares held at 7.00pm on Monday, 6 March 2017 (**Record Date**) at an offer price of \$0.16 per new Axiom Share; and
- **(Attaching Options)** 7 attaching options exercisable at \$0.40 and expiring on 14 December 2018, for every 4 new Axiom Shares allotted under the Entitlement Offer (**Attaching Options**).

Loyalty Bonus Options

In addition to the Entitlement Offer, the Company also announced today that it intends to issue bonus loyalty options to shareholders in Australia and New Zealand holding more than 125,000 Axiom Shares (disregarding any Axiom Shares issued under the Entitlement Offer) as at Thursday, 30 March 2017 (**LBO Record Date**).

1 loyalty bonus option will be granted for every 8 Axiom Shares held in the Company (disregarding any Axiom Shares issued under the Entitlement Offer) as at the LBO Record Date. An application will be made for the Attaching Options and loyalty bonus options to be quoted on ASX.

The Entitlement Offer and issue of loyalty bonus options are together referred to in this letter as the **Offers**.

What are Axiom Shares?

An Axiom Share is a CHESS Depository Instrument (**CDI**) which represents a beneficial interest in one fully paid ordinary share (**Share**) in the Company.

The main difference between holding a CDI and Share in the Company is that a CDI confers beneficial ownership in a Share instead of legal title. CHESS Depository Nominees Pty Ltd (**CDN**) holds legal title to the underlying Shares.

The Shares which are the subject of Axiom Shares will be registered in the name of CDN and will be held on behalf of and for the benefit of the holder of Axiom Shares. Trading in Axiom Shares is no different from trading in other CHESS approved securities.

For further information regarding CDIs, including rights attaching to CDIs, please see the Company's Prospectus dated 1 March 2017.

Eligible Shareholders

The Offers will be offered to all shareholders of the Company with a registered address in Australia or New Zealand as at the Record Date (**Eligible Shareholders**). Shareholders that are not Eligible Shareholders are **Ineligible Shareholders**.

The Company regrets that, having considered the number of shareholders with registered addresses outside Australia and New Zealand, the number and value of the shareholdings held by Ineligible Shareholders, and the costs of complying with the laws and any requirements of any regulatory authority in each applicable jurisdiction, it will not extend the Offers to Ineligible Shareholders.

Additional Shares

Eligible Shareholders may also apply for additional Axiom Shares (which are Axiom Shares that are not taken up by Eligible Shareholders) in excess of their entitlement. The allocation of additional Axiom Shares will be limited to the number of shortfall Axiom Shares (if any) and will be at the discretion of the Directors. Eligible Shareholders who apply for additional Axiom Shares may receive fewer additional Axiom Shares than the number applied for or none at all. Successful applicants for additional Axiom Shares will be entitled to the Attaching Options.

Use of funds

The capital raised will be used to fund the development of the Isabel Nickel Project in the Solomon Islands and for general working capital purposes. There is no minimum amount sought to be raised under the Entitlement Offer and the new Axiom Shares and Attaching Options may be issued in respect of applications irrespective of the total level of subscriptions made.

Entitlements

Entitlements in respect of new Axiom Shares and Attaching Options will be rounded down to the nearest whole number and holdings on different registers or sub-registers will not be aggregated to calculate entitlements.

Company's capital structure pro-forma

The table below provides a pro-forma capital structure of the Company after completion of the Offers assuming that:

- (a) all of the Entitlements are taken up; and
- (b) no options are exercised prior to the Record Date;
- (c) no new Axiom Shares are issued before the Bonus Issue allotment date; and
- (d) 33,000,000 Loyalty Bonus Options are issued.

Please note that the actual outcome of the Offers may differ.

Axiom Share capital – full subscription	
Axiom Shares currently on issue	336,933,335
Unlisted Hong Kong Shares	697,763
Axiom Shares expected to be issued under the placement*	8,125,000
Plus: New Axiom Shares issued under the Entitlement Offer	34,505,834,
Total issued share capital on completion of Entitlement Offer (undiluted)	380,261,932
Options on issue	161,461,366
Performance rights on issue	900,000
Plus: Axiom Options expected to be issued under the placement*	4,062,500
Plus: Attaching Options	60,385,209
Plus: Loyalty Bonus Options	33,000,000
Fully diluted share capital on completion of Offers**	640,071,007

* The placement is expected to settle on Friday, 3 March 2017

** Assuming all options and performance rights are exercised.

Further information

The Offers are being made under a Prospectus dated 1 March 2017 which was lodged with ASIC on that date. Shareholder approval is not required for the issue of new Axiom Shares, Attaching Options or Loyalty Bonus Options under the Offers. New shares issued will rank equally in all respects with the fully paid ordinary shares already on issue and the Company has applied for the quotation of the new Axiom Shares on ASX.

Further details of the Offers, including details on the use of proceeds and the fees associated with conducting the Offers will be contained in the Prospectus. The Prospectus containing the Offers will be sent to Eligible Shareholders on or about Tuesday, 7 March 2017 accompanied by personalised entitlement and acceptance forms to subscribe for new Axiom Shares under the Offers. A copy of the Prospectus will be available on the ASX website at www.asx.com.au and the Company's website at www.axiom-mining.com.

Important dates

Event	Date
Lodgement of Prospectus and announcement of the Offers	Monday, 1 March 2017
Existing shares quoted on an 'ex-entitlement' basis	Friday, 3 March 2017
Entitlement Offer record date	Monday, 6 March 2017
Entitlement Offer opens Prospectus despatched	Tuesday, 7 March 2017
Entitlement Offer closes	Thursday, 16 March 2017
Announcement of shortfall (if any) under the Entitlement Offer	Tuesday, 21 March 2017
Allotment date of new Axiom Shares and Attaching Options issued under the Entitlement Offer	Thursday, 23 March 2017
<ul style="list-style-type: none">Despatch of holding statements for new shares issued under the Entitlement Offer.Normal trading of new shares issued under the Entitlement Offer	Friday, 24 March 2017
<ul style="list-style-type: none">Annual General MeetingLoyalty Bonus Option Record Date	Thursday, 30 March 2017
Allotment and grant of Loyalty Bonus Options (subject to quotation being approved in principle by ASX)	Monday, 3 April 2017

The timetable is subject to change and the Company reserves the right to withdraw or vary the timetable for the Offers without notice. In particular, the Company reserves the right to extend the closing date for the Entitlement Offer, to accept late applications whether generally or in particular cases or to withdraw the Offers without prior notice.

On behalf of the Directors and Management I thank you for your ongoing support of the Company.

Yours sincerely



Robert Barraket
Chairman