

1 March 2017

Dear Shareholder

### Notification to ineligible shareholder

Axiom Mining Limited (**Company**) is conducting 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 as at the LBO Record Date disregarding any Axiom Shares issued under the Entitlement Offer). An application will be made for the Attaching Options and loyalty bonus options to be listed on ASX.

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

This letter is to inform you that, unfortunately, you are not eligible to participate in the Offers.

You are not required to do anything in response to this letter.

### 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.

### Why am I not eligible to participate in the Entitlement Offer?

Shareholders who are eligible to participate in the Entitlement Offer (**Eligible Shareholders**) are those persons who:

- are registered as a holder of ordinary Axiom Shares as the Record Date;
- have a registered address on the Company's register of members in Australia or New Zealand;
- are not in the United States and are not a U.S. Person and are not acting for the account or benefit of a US Person; and
- are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

The Company has determined, under ASX Listing Rule 7.7.1(a) and section 9A(3) of the *Corporations Act 2001* (Cth), that it would be unreasonable to make offers to shareholders in all countries in connection with the Entitlement Offer due to the number of shareholders outside of Australia and New Zealand, the number and value of shares held by those shareholders and the potential cost of complying with regulatory requirements in those countries.

Unfortunately, according to our records, you do not satisfy the eligibility criteria for an Eligible Shareholder stated above.

Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3)(b) of the *Corporations Act 2001* (Cth), the Company wishes to advise you that it will not be extending the Entitlement Offer to you and you will not be able to subscribe for new Axiom Shares under the Entitlement Offer.

On behalf of the directors and management of the Company, we regret that you are not eligible to participate in the Entitlement Offer and thank you for your continued support.

Yours sincerely



Robert Barraket  
**Chairman**