



Axiom Mining Limited

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24 January 2019

Extraordinary General Meeting

Dear Shareholder,

Axiom Mining Limited ('Axiom' or 'the Company') is pleased to invite you to the Company's Extraordinary General Meeting (EGM). Items on the agenda of the EGM are predominately for the approval of recent capital raising transactions including participation by Directors of Axiom.

Today we have dispatched to each shareholder and lodged separately with ASX copies of the following:

1. Notice of Meeting of EGM
2. Proxy / voting instruction form

Axiom will shortly provide shareholders with a further update in relation to operations in Solomon Islands, the Entitlement Rights Issue and the Annual General Meeting to be held by 29 March 2019.

ENDS

About Axiom Mining Limited

Axiom Mining Limited focuses on tapping into the resource potential within the mineral-rich Pacific Rim. Through dedication to forging strong bonds and relationships with the local communities and governments where we operate, Axiom Mining has built a diversified portfolio of exploration tenements in the Asia-Pacific region. This includes a majority interest in part of the Isabel Nickel Project in the Solomon Islands and highly prospective gold, silver and copper tenements in North Queensland, Australia. Axiom Mining is listed on the ASX. For more information on Axiom Mining, please visit www.axiom-mining.com

Disclaimer

Statements in this document that are forward-looking and involve numerous risk and uncertainties that could cause actual results to differ materially from expected results are based on the Company's current beliefs and assumptions regarding a large number of factors affecting its business, including litigation outcomes in the Solomon Islands Court of Appeal. There can be no assurance that (i) the Company has correctly measured or identified all of the factors affecting its business or their extent or likely impact; (ii) the publicly available information with respect to these factors on which the Company's analysis is based is complete or accurate; (iii) the Company's analysis is correct; or (iv) the Company's strategy, which is based in part on this analysis, will be successful.

Axiom Mining Limited
ARBN 119 698 770

Meeting Documentation

**Notice of Extraordinary General Meeting and
Explanatory Statement**

Date of Meeting

8 February 2019

Time of Meeting

10:00 am

Place of Meeting

Boardroom No. 9
Upper Lobby
Renaissance Harbour View Hotel
1 Harbour Road
Hong Kong

Notice of Extraordinary General Meeting

Axiom Mining Limited

ARBN 119 698 770

An Extraordinary General Meeting of Axiom Mining Limited ARBN 119 698 770 will be held at Boardroom No. 9, Upper Lobby, Renaissance Harbour View Hotel, 1 Harbour Road, Wanchai Hong Kong on Friday, 8 February 2019 at 10:00 am (Hong Kong time).

The business to be considered at the Extraordinary General Meeting is set out below.

This Notice of Meeting should be read in its entirety in conjunction with the accompanying Explanatory Statement, which contains information in relation to the following Resolutions. If you are in any doubt as to how you should vote on the proposals set out in this Notice of Meeting, you should consult your financial or other professional adviser.

Business

To consider, and if thought fit, to pass the following ordinary resolutions:

1. Resolution 1 – Approval to issue 20,000,000 Shares and 80,000,000 Options – Director, Mr Jeffrey Markoff

“That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 20,000,000 Shares and 80,000,000 Options to Mr Jeffrey Markoff on the terms and conditions set out in section 3 of the Explanatory Statement.”

Voting exclusion statement for Resolution 1: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Jeffrey Markoff or any of his Associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

2. Resolution 2 – Approval to issue 1,000,000 Shares and 500,000 Options – Director, Mr Ryan Mount

“That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 1,000,000 Shares and 500,000 Options to Mr Ryan Mount on the terms and conditions set out in section 4 of the Explanatory Statement.”

Voting exclusion statement for Resolution 2: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Ryan Mount or any of his Associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

3. Resolution 3 – Approval to issue 4,000,000 Shares and 2,000,000 Options – Director, Mr Jeffrey Markoff

“That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 4,000,000 Shares and 2,000,000 Options to Mr Jeffrey Markoff on the terms and conditions set out in section 4 of the Explanatory Statement.”

Voting exclusion statement for Resolution 3: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Jeffrey Markoff or any of his Associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

4. Resolution 4 – Ratification of previous issue of 20,395,000 Shares and 10,197,500 Options to professional and/or sophisticated investors

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the previous issue of 20,395,000 fully paid Shares and 10,197,500 Options to professional and/or sophisticated investors on the terms and conditions set out in section 5 of the Explanatory Statement.”

Voting exclusion statement for Resolution 4: The Company will disregard any votes cast in favour of this Resolution by or on behalf of the allottees described in section 5 of the Explanatory Statement or any of their Associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

5. Resolution 5 – Ratification of previous issue of Convertible Notes

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the previous issue of 731,600 Convertible Notes, to Magna (or its nominee) on the terms and conditions set out in section 6 of the Explanatory Statement.”

Voting exclusion statement for Resolution 5: The Company will disregard any votes cast in favour of this Resolution by Magna or its Associates. However, the Company will not disregard a vote if it 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, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Other Business

To transact any other business that might be legally brought before the Extraordinary General Meeting.

Dated 24 January 2019

By order of the Board



Mr Robert Barraket

Chairman

Proxies

The Explanatory Statement and all attachments are important documents. They should be read carefully.

If you have any questions regarding the matters set out in this Explanatory Statement or the preceding Notice of Meeting, please contact the Company, your accountant or investment adviser.

The Board has determined that for the purpose of this Extraordinary General Meeting, Shareholders will be taken to be the persons recorded on the Company's Register of Shareholders by 3 pm (AEST) on 6 February 2019.

Venue details

The Extraordinary General Meeting of the Shareholders of Axiom Mining Limited (**Company**) will be held at Boardroom No. 9, Upper Lobby, Renaissance Harbour View Hotel, 1 Harbour Road, Wanchai Hong Kong.

The meeting commences at 10:00am (Hong Kong time) on 8 February 2019.

How to Vote

If you are a registered holder of Shares whether or not you are able to attend the meeting, you may use the enclosed form of proxy to appoint one or more persons to attend and vote on poll on your behalf. A proxy need not be a member of the Company. Holders of CDIs on the Australian CDI registry may only vote by directing CHESS Depository Nominees Pty Ltd ("CHESS" the Depository Nominee in respect of the CDIs) to cast proxy votes in the manner directed in the CDI voting instruction form enclosed.

To be effective, the proxy form must be received by the Company (unless otherwise permitted by the Directors) no later than:

- for holders of Axiom CDIs – no later than 10.00 am (Hong Kong time) on 4 February 2019; and
- for holders of Axiom Shares – no later than 10.00 am (Hong Kong time) on 6 February 2019.

Any proxy form received after this deadline, including at the meeting, will be treated as invalid.

Lodge your vote:

Online:

www.investorvote.com.au

By Mail:

GPO Box 242 Melbourne

Victoria 3001 Australia

Telephone (within Australia) 1300 850 505 (outside Australia) +61 3 9415 4000

Alternatively you can submit your proxy form to the fax number listed below:

By Fax:

(within Australia) 1800 783 447 (outside Australia) +61 3 9473 2555

Your Proxy Form is enclosed

This is an important document. Please read it carefully. If you are unable to attend the Extraordinary General Meeting please complete the enclosed Proxy Form and return it in accordance with the instructions set out on that form.

Explanatory Statement

Axiom Mining Limited

ARBN 119 698 770

1. Introduction

This Explanatory Statement has been prepared for Shareholders of Axiom Mining Limited ARBN 119 698 770 (**Company**) in connection with the business to be transacted at the Extraordinary General Meeting of the Company to be held at 10:00 am (Hong Kong time) on 8 February 2019 at Boardroom No. 9, Upper Lobby, Renaissance Harbour View Hotel, 1 Harbour Road, Wanchai Hong Kong and contains important explanatory and other information for Shareholders in relation to the Resolutions set out in the attached Notice of Meeting.

The Directors recommend Shareholders read this Explanatory Statement carefully in full before making any decision in relation to the Resolutions.

The Directors encourage all Shareholders to attend the Extraordinary General Meeting and vote in person or by proxy to ensure that they have a say in protecting their investment in the Company.

With the exception of any of the voting exclusions contained in this Notice of Meeting and Explanatory Statement, the Directors recommend that Shareholders vote in favour of all Resolutions.

If you are in doubt about what to do in relation to the Resolutions, you should consult your financial or other professional adviser.

2. Reasons for Resolutions

The Company is required to comply with the ASX Listing Rules with respect to all Resolutions.

The relevant ASX Listing Rules for which each of the Resolutions is required to be passed is set out in the body of that Resolution. The effect of each relevant provision of the ASX Listing Rules is as follows.

(a) ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period, without shareholder approval (**Placement Capacity**).

(b) ASX Listing Rule 7.4

ASX Listing Rule 7.4 provides that a company may ratify an issue of securities made without approval under ASX Listing Rule 7.1 subsequently to the issue of those securities provided that the issue did not breach ASX Listing Rule 7.1 and that issue of securities will be treated as having been made with approval for the purposes of ASX Listing Rule 7.1.

(c) ASX Listing Rule 10.11.1

ASX Listing Rule 10.11.1 requires the prior approval of Shareholders for the issue of securities to a related party, which includes a director of the Company.

Notes on Resolutions

None of the Resolutions are inter-conditional. Accordingly, if Shareholders do not approve one of these Resolutions, each other Resolution may still be approved by Shareholders.

Resolutions 1 to 5 are ordinary resolutions, which require approval by 50% of Shareholders present at a meeting, either in person or by proxy.

3. Approval to issue 20,000,000 Shares and 80,000,000 Options – Director, Mr Jeffrey Markoff (Resolution 1)

In its announcement dated 20 December 2018, the Company advised that Director, Mr Jeffrey Markoff, had provided a binding financial commitment of \$2 million in a private placement of Shares and Options, subject to Shareholder approval (**December Placement**).

Under the terms of the December Placement, the Company has agreed to issue Mr Markoff (or his nominee) 20,000,000 Shares at an issue price of \$0.10 per Share and 80,000,000 attaching Options. The Options are to be allocated in four equal tranches, expiring on 30 March 2027, with exercise prices of \$0.20, \$0.30, \$0.40 and \$0.50 respectively. The other terms of the Options granted under this Resolution are set out Annexure A to this Notice of Meeting.

Mr Markoff is a Director and is therefore a related party of the Company. Accordingly, he requires Shareholder approval to participate in the December Placement.

If Shareholders approve the issue of Shares and grant of Options to Mr Jeffrey Markoff under ASX Listing Rule 10.11, those securities will be deemed to be made with Shareholder approval under ASX Listing Rule 7.1 and will therefore not reduce the Company's available Placement Capacity.

4. Approval to issue Shares and grant of Options to Directors, Mr Ryan Mount and Mr Jeffrey Markoff (Resolutions 2 and 3)

In its announcement dated 9 October 2018, the Company advised that Directors, Mr Ryan Mount and Mr Jeffrey Markoff, had provided a \$500,000 financial commitment, subject to Shareholder approval, to support a \$2.5 million placement from sophisticated and professional investors (**October Placement**).

It is proposed that Mr Mount and Mr Markoff (or their nominees) participate in the October Placement by committing \$100,000 and \$400,000 respectively on the same terms as the other participants in the October Placement. The Company has agreed to issue Mr Mount and Mr Markoff (or their nominees) shares at an issue price of \$0.10 per Share with one attaching Option for every two Shares. As noted in paragraphs (b) and (c) of section 7, the Options will have an exercise price of \$0.20 with an expiry date of 30 June 2019. The other terms of the Options granted under this Resolution are set out in Annexure A to this Notice of Meeting.

Mr Mount and Mr Markoff are Directors and therefore related parties of the Company and accordingly, require Shareholder approval to participate in the October Placement.

If Shareholders approve the issue of Shares and grant of Options to Mr Mount and Mr Markoff (or their nominees) under ASX Listing Rule 10.11, those securities will be deemed to be made with Shareholder approval under ASX Listing Rule 7.1 and will therefore not reduce the Company's available Placement Capacity.

5. Ratification of previous issue of Shares and grant of Options to professional and/or sophisticated Investors (Resolution 4)

In its announcement dated 9 October 2018, the Company announced the placement of 20,395,000 Shares and 10,197,500 attaching Options to professional and/or sophisticated investors (issued on 12 October 2018).

The Shares were issued at an issue price of \$0.10 per Share. The Options have an exercise price of \$0.20 and are exercisable on or before 30 June, 2019. The other terms of the Options granted under this Resolution are set out in paragraph (d) of section 7 and Annexure A to this Notice of Meeting.

Resolution 4 seeks subsequent Shareholder ratification for the issue of Shares and grant of Options to professional and/or sophisticated investors pursuant to ASX Listing Rule 7.4. If Shareholders approve the issue of the Shares and grant of Options, those securities will be deemed to be made with Shareholder approval under ASX Listing Rule 7.1 and will therefore not reduce the Company's available Placement Capacity.

The issue of the Shares and grant of Options did not breach ASX Listing Rule 7.1. Each allottee of the Shares and grant of Options is an institutional, professional and/or sophisticated investor (as the case may be) for the purposes of section 708(8) or 708(11) of the Corporations Act (as applicable) and did not acquire (or in the case of Shares to be issued by the Company on exercise of the Options, the Company understands that the relevant investors will not acquire) the securities with the purpose of selling or transferring all or any of them or granting, issuing or transferring interests in or options over them, except where disclosure to investors is not required under sections 708 or 708A of the Corporations Act.

6. Ratification of previous issue of Convertible Notes (Resolution 5)

In its announcement dated 12 December 2018, the Company announced that it had entered into an additional Convertible Note Facility (**Facility**) with New York based, MEF I, L.P. (**Magna**) for a further \$1 million in funding.

The \$1 million received under the Facility has resulted in the issue of 731,600 Convertible Notes (**Convertible Notes**), which once converted, will result in the issue of approximately 17,741,623 Shares.¹ The issue of the Convertible Notes on 10 December 2018 did not breach ASX Listing Rule 7.1.

The funds will be used for the preparation for development and mining activities of the Isabel Nickel project, other mineral exploration programs and to supplement the Company's general working capital.

Resolution 5 seeks shareholder ratification pursuant to ASX Listing Rule 7.4, for the issue of Convertible Notes to Magna (or its nominee) on the terms and conditions set out in this Explanatory Statement.

Key details of the Facility

- (a) **Investment Amount** – A\$1 million.
- (b) **Convertible Notes** – 731,600 Convertible Notes calculated based on the exchange rate at 12 December 2018, with one Convertible Note being issued for each US\$1 of funds provided to the Company.
- (c) **Term** – the Convertible Notes have a maturity of 12 months from the date of issue.
- (d) **Face Value** – US\$1.10 per Convertible Note.
- (e) **Conversion** – the Convertible Notes will be convertible at any time by Magna (subject to certain limits) at a Share price which is the lower of:
 - (i) \$0.18 or the lowest price for which the Company issues Shares to others from the date of the Facility until the date of issue to Magna (or its nominee); or
 - (ii) a 10% discount to the average of the two lowest daily VWAPs in the five Trading Days prior to conversion.

Magna may elect to convert Convertible Notes to Shares in any five (5) day period provided the Face Value of the Convertible Notes to be converted are not greater than 25% of the investment amount outstanding.

- (f) **Conversion Shares** – the number of Shares to be issued and the dilution² on conversion of the Convertible Notes will be determined by converting the Face Value of the Convertible Note from US\$ into A\$ and dividing that by the conversion price described above. As there is no floor on the conversion price (see paragraph (e) above), the number of Shares to be issued to Magna on conversion of the Convertible Notes could be highly dilutive to existing Shareholders if the market price of the Company's Shares falls substantially. The table below shows a worked example of the issue of Shares on conversion of all of the Convertible Notes, where the exchange rate is US\$0.72 to A\$1, with variances in the exchange rate and Share price at the time of conversion into Shares:

¹ Based on the closing Share price on 21 January 2019 of 6.3 cents per share and an exchange rate of US\$0.72 to A\$1.00.

² Dilution is calculated based on the 467,156,996 Shares on issue. The Company also had 142,753,079 Unlisted Options, 450,000 Performance Rights and 1,403,002 (including 731,600 in this resolution) Convertible Notes on issue at the time the Notice of Meeting was released.

Exchange rate at time of conversion into Shares	Number of Shares and percentage (%) of dilution		
	\$0.0315 50% decrease in Share price	\$0.063 Share price	\$0.126 100% increase in Share price
A\$ = US\$0.54 (25% decrease in exchange rate at conversion)	47,310,994 Shares 10.13% Dilution	23,655,497 Shares 5.06% Dilution	11,829,749 Shares 2.53% Dilution
A\$ = US\$0.72 (exchange rate at conversion)	35,483,245 Shares 7.6% Dilution	17,741,623 Shares 3.8% Dilution	8,870,811 Shares 1.9% Dilution
A\$ = US\$0.9 (25% increase in exchange rate at conversion)	28,386,597 Shares 6.08% Dilution	14,193,299 Shares 3.04% Dilution	7,096,650 Shares 1.52% Dilution

- (g) **Interest** – the Convertible Notes are unsecured and bear no interest.
- (h) **Repayment** – the Company has an option to repay the Convertible Notes prior to maturity at a premium to their face value.
- (i) **Limitations** – the Facility contains provisions restricting the periodic trading of shares on the market as well as a prohibition on short selling. In addition Magna will not sell more than an amount of Shares in excess of the larger of:
- (i) an amount where the aggregate value of the Shares sold would exceed A\$30,000; and
 - (ii) 15% of the market traded volume of Shares on the ASX on any Trading Day.

7. Information for the purposes of the ASX Listing Rules

(a) Information for the purpose of ASX Listing Rule 10.13 (Resolution 1)

The following information is provided for the purpose of ASX Listing Rule 10.13

Number of securities issued	20,000,000 Shares and 80,000,000 Options.
Issue price of securities	The Shares will be issued at an issue price of \$0.10 per Share. The Options will be granted for nil consideration.

Terms of the securities	<p>The Shares will be fully paid and will rank pari passu in all respects with the Company's other Shares on issue.</p> <p>The Options will have the following exercise prices, all with an expiry date of 30 March 2027:</p> <p>20,000,000 Options with an exercise price of \$0.20 per Share;</p> <p>20,000,000 Options with an exercise price of \$0.30 per Share;</p> <p>20,000,000 Options with an exercise price of \$0.40 per Share; and</p> <p>20,000,000 Options with an exercise price of \$0.50 per Share.</p> <p>The other terms of the Options granted under this Resolution are set out in Annexure A to this Notice of Meeting.</p> <p>The Shares issued upon exercise of the Options will be fully paid and will rank pari passu in all respects with the Company's other Shares on issue.</p>
Allottees	Mr Jeffrey Markoff, a Director of the Company, or his nominee.
Intended use of funds raised by the issue of Share and/ or exercise of Options	The funds raised by the Company will be utilised for preparation for the development and mining activities of the Company's Nickel Project in the Solomon Islands, exploration programs and general working capital.
Issue date	The Shares will be issued and the Options will be granted within one month of the Extraordinary General Meeting.
Voting exclusion statement	Refer to the Notice of Meeting for details of the voting exclusion statement for the Resolution.

(b) **Information for the purpose of ASX Listing Rule 10.13 (Resolution 2)**

The following information is provided for the purpose of ASX Listing Rule 10.13

Number of securities issued	1,000,000 Shares and 500,000 Options.
Issue price of securities	The Shares will be issued at an issue price of \$0.10 per Share. The Options will be granted for nil consideration.

Terms of the securities	<p>The Shares will be fully paid and will rank pari passu in all respects with the Company's other Shares on issue.</p> <p>The Options will have an exercise price of \$0.20 per Share, expiring on 30th June 2019. The other terms of the Options granted under this Resolution are set out in Annexure A to this Notice of Meeting.</p> <p>The Shares issued upon exercise of the Options will be fully paid and will rank pari passu in all respects with the Company's other Shares on issue.</p>
Allottees	Mr Ryan Mount, a Director of the Company.
Intended use of funds raised by the issue of Shares and/ or the exercise of Options	The funds raised by the Company will be utilised for preparation for the development and mining activities of the Company's Nickel Project in the Solomon Islands, exploration programs and general working capital.
Issue date	The Shares will be issued and the Options will be granted within one month of the Extraordinary General Meeting.
Voting exclusion statement	Refer to the Notice of Meeting for details of the voting exclusion statement for the Resolution.

(c) **Information for the purpose of ASX Listing Rule 10.13 (Resolution 3)**

The following information is provided for the purpose of ASX Listing Rule 10.13

Number of securities issued	4,000,000 Shares and 2,000,000 Options.
Issue price of securities	The Shares will be issued at an issue price of \$0.10 per Share. The Options will be granted for nil consideration.
Terms of the securities	<p>The Shares will be fully paid and will rank pari passu in all respects with the Company's other Shares on issue.</p> <p>The Options will have an exercise price of \$0.20 per Share, expiring on 30th June 2019. The other terms of the Options granted under this Resolution are set out in Annexure A to this Notice of Meeting.</p> <p>The Shares issued upon exercise of the Options will be fully paid and will rank pari passu in all respects with the Company's other Shares on issue.</p>
Allottees	Mr Jeffrey Markoff, a Director of the Company.
Intended use of funds raised by the issue of Shares and/ or the exercise of Options	The funds raised by the Company will be utilised for preparation for the development and mining activities of the Company's Nickel Project in the Solomon Islands, exploration programs and general working capital.

Issue date	The Shares will be issued and the Options will be granted within one month of the Extraordinary General Meeting.
Voting exclusion statement	Refer to the Notice of Meeting for details of the voting exclusion statement for the Resolution.

(d) **Information for the purpose of ASX Listing Rule 7.5 (Resolution 4)**

The following information is provided for the purpose of ASX Listing Rule 7.5.

Maximum number of securities issued	20,395,000 Shares and 10,197,500 Options.
Issue price of securities	The Shares were issued at an issue price of \$0.10 per Share. The Options were granted for nil consideration.
Terms of the securities	<p>The Shares are fully paid and rank pari passu in all respects with the Company's other Shares on issue.</p> <p>The Options have an exercise price of \$0.20 per Share, expiring on 30th June 2019. The other terms of the Options granted under this Resolution are set out in Annexure A to this Notice of Meeting.</p> <p>The Shares issued upon exercise of the Options will be fully paid and will rank pari passu in all respects with the Company's other Shares on issue.</p>
Allottees	Eighteen (18) Professional and/or sophisticated investors identified by the Company. The allottees under Resolution 4 were not related parties of the Company.
Intended use of funds raised by the issue of Shares and/ or exercise of Options	The funds raised by the Company will be utilised for preparation for the development and mining activities of the Company's Isabel Nickel Project in the Solomon Islands, exploration programs and general working capital.
Issue date	12 th October 2018.
Voting exclusion statement	Refer to the Notice of Meeting for details of the voting exclusion statement for the Resolution.

(e) **Information for the purpose of ASX Listing Rule 7.5 (Resolution 5)**

The following information is provided for the purpose of ASX Listing Rule 7.5.

<p>Maximum number of securities issued</p>	<p>731,600 Convertible Notes.</p> <p>The number of Shares to be issued on conversion of the Convertible Notes will be determined by converting the Face Value of the Convertible Note from US\$ into A\$ and dividing that by the conversion price described in paragraph (e) of section 6 of this Explanatory Statement.</p> <p>The table in paragraph (f) of section 6 of this Explanatory Statement shows a worked example of the issue of Shares on conversion of all of the Convertible Notes.</p>
<p>Issue price of securities</p>	<p>The Convertible Notes were issued for consideration of \$1 million.</p> <p>The Shares to be issued on conversion of the Convertible Notes will be issued at a Share price which is the lower of:</p> <ul style="list-style-type: none"> • \$0.18 or the lowest price for which the Company issues Shares to others from the date of the Facility until the date of the Share issue to Magna (or its nominee); or • a 10% discount to the average of the two lowest daily VWAPs in the five Trading Days prior to conversion.
<p>Terms of the securities</p>	<p>The Convertible Notes were issued on the terms and conditions set out in section 6 of this Explanatory Statement.</p> <p>The Shares to be issued on conversion of the Convertible Notes will be fully paid and will rank pari passu in all respects with the Company's other Shares on issue.</p>
<p>Allottees</p>	<p>Magna, which is not a related party of the Company.</p>
<p>Intended use of funds raised</p>	<p>The funds raised by the Company will be utilised for preparation for the development and mining activities of the Company's Isabel Nickel Project in the Solomon Islands, exploration programs and general working capital.</p>
<p>Issue date</p>	<p>The Convertible Notes were issued on 10th December 2018.</p>
<p>Voting exclusion statement</p>	<p>Refer to the Notice of Meeting for details of the voting exclusion statement for the Resolution.</p>

8. Glossary

In the Notice of Meeting and this Explanatory Statement the following defined terms have the following meanings:

Associate has the meaning given in sections 12 and 16 of the Corporations Act. A related party of a director or officer of the entity or of a child entity is to be taken an associate of the director or officer unless the contrary is established.

ASX means Australian Securities Exchange.

ASX Listing Rules means the Listing Rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of ASX Settlement Pty Ltd.

Axiom CDI means a CDI in respect of an Axiom Share.

Axiom Share means an ordinary share in the capital of the Company that is fully paid or credited as fully paid (as the case may be).

Board means the Board of Directors of the Company.

CDI means a CHESS Depository Interest, within the meaning of the ASX Settlement Operating Rules.

CDN means CHESS Depository Nominees Pty Limited ARBN 75 071 345 506 or such other entity that is the Company's CHESS Depository Nominee with respect to Axiom Shares.

Company means Axiom Mining Limited ABN 81 119 698 770.

Convertible Notes or **Notes** means the convertible notes issued by the Company to Magna under the Facility.

Convertible Note Agreement means the Convertible Note Agreement in respect of the Facility between the Company and Magna dated 26 November 2018.

Corporations Act means the *Corporations Act 2001* (Cth).

December Placement has the meaning given in section 3 of this Explanatory Statement.

Director means each of the Directors of the Company being Mr Robert Barraket, Mr Jeffrey Markoff, Mr Jeremy Gray and Mr Ryan Mount.

Dollar or **\$** means the lawful currency of the Commonwealth of Australia.

Extraordinary General Meeting means the extraordinary general meeting convened by the Notice of Meeting.

Facility has the meaning given in section 6 of this Explanatory Statement.

Magna means MEF I, L.P.

Notice of Meeting means the notice of meeting that accompanies this Explanatory Statement.

October Placement has the meaning given in section 4 of this Explanatory Statement.

Option means an option to purchase a Share.

Placement Capacity has the meaning given in section 2 of this Explanatory Statement.

Resolutions means the resolutions set out in the Notice of Meeting and **Resolution** means any of them.

Share means an Axiom Share issued (or to be issued) to CDN and an Axiom CDI issued (or to be issued) by CDN in respect of such Axiom Share.

Shareholder means a registered holder of Shares in the Company.

Trading Day has the meaning given to that term in the ASX Listing Rules.

VWAP means the volume weighted average market price of Shares.

ANNEXURE A
TERMS OF OPTIONS

1. Each Option entitles the holder the right to subscribe for one ordinary share in the capital of the Company for the relevant option exercise price.
2. Each Option which has not been exercised will expire at 5.00pm (Sydney time) on the relevant date of expiry (**Expiry Date**). Each Option may be exercised at any time prior to the Expiry Date and Options not so exercised shall automatically expire on such date.
3. Each Share issued as a result of the exercise of any Option will, subject to the Articles of Association of the Company, rank equally in all respects with the then existing ordinary Shares on issue.
4. No Optionholder will be entitled to attend or vote at any meeting of the members of the Company unless they are, in addition to being an Optionholder, a member of the Company.
5. The Options are transferable.
6. An Option may only be exercised by the Optionholder by lodging an exercise notice with the Company which must be received by the Company by 5.00 pm (Sydney time) on the Expiry Date. The exercise of some Options shall not affect the Optionholder's right to exercise the other Options at a later time.
7. The Company will, as soon as practicable (and not later than 15 days) after the Company receives a valid exercise notice from the Optionholder, and in accordance with the Corporations Act and the ASX Listing Rules, allot the number of Shares in the Company so subscribed for by the Optionholder. In the case of fractions (if any), the number of Shares issued will be rounded down to the next lower whole number and the exercise price will be rounded up to the next highest cent.
8. An Optionholder shall have no rights to dividends in respect of the Options and shall have no interest in the Shares the subject of the Options unless and until those Options are exercised and the Shares issued.
9. If the Company reorganises its capital in any way while any Options are on issue, the number of Options will be reorganised in accordance with the ASX Listing Rules so that the Optionholder will not receive a benefit that the existing holders of Shares do not receive and in addition will be changed to the extent necessary to comply with the ASX Listing Rules applicable to the particular reorganisation of capital at the time.
10. There are no participating rights or entitlements inherent in the Options to participate in any new issues of capital which may be offered or made by the Company to its shareholders from time to time prior to the Expiry Date unless and until the Options are exercised.
11. If there is a pro-rata issue (except a bonus issue) to the holders of the ordinary shares, the exercise price of the Options shall be reduced according to the following formula:

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

Where:

- O' = the new exercise price of each Option
 O = the old exercise price of each Option
 E = the number of ordinary shares into which each Option is exercisable
 P = the average market price per ordinary shares (weighted by reference to volume) of the ordinary shares during the 5 Trading Days ending on the day before the ex-rights or ex-entitlements date

- S = the subscription price for an ordinary share under the pro rata issue
- D = the dividend due but not yet paid on the ordinary shares (except those to be issued under the pro rata issue)
- N = the number of ordinary shares with rights or entitlements that must be held to receive a right to one new ordinary share.
12. If there is a bonus issue to the holders of ordinary shares, the number of securities over which each Option is exercisable will be increased by the number of ordinary shares which the Optionholder would have received if the Options had been exercised before the record date for the bonus issue.
13. If and to the extent any of the preceding terms and conditions are inconsistent with the ASX Listing Rules, such rules will prevail in all respects to the extent of the inconsistency.
14. These terms and conditions are governed by the laws of the State of New South Wales and the holders of the Options unconditionally submit to the jurisdiction of the courts of that State and courts of appeal from them.



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Build. Share. Protect.

Axiom Mining Limited
ARBN 119 698 770

Lodge your vote:

Online:
www.investorvote.com.au

By Mail:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

CDI Voting Instruction Form



Vote and view the Notice of Meeting online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 182414

SRN/HIN:

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

For your vote to be effective it must be received by 10:00am (Hong Kong time) / 12:00pm (AEST) Monday 4 February 2019

How to Vote on Items of Business

Each CHESS Depository Interest (CDI) is equivalent to one share of Company Common Stock, so that every 1 (one) CDI that you own at 5:00pm (AEST) Monday 4 February 2019 entitles you to one vote.

You can vote by completing, signing and returning your CDI Voting Instruction Form. This form gives your voting instructions to CHESS Depository Nominees Pty Ltd, which will vote the underlying shares on your behalf. You need to return the form no later than the time and date shown above to give CHESS Depository Nominees Pty Ltd enough time to tabulate all CHESS Depository Interest votes and to vote on the underlying shares.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the Australian registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Only duly authorised officer/s can sign on behalf of a company. Please sign in the boxes provided, which state the office held by the signatory, ie Sole Director, Sole Company Secretary or Director and Company Secretary. Delete titles as applicable.

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

GO ONLINE TO VOTE
or turn over to complete the form

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

CDI Voting Instruction Form

Please mark to indicate your directions

STEP 1 CHESSE Depository Nominees Pty Ltd will vote as directed

Voting Instructions to CHESSE Depository Nominees Pty Ltd

I/We being a holder of CHESSE Depository Interests of Axiom Mining Limited hereby direct CHESSE Depository Nominees Pty Ltd to vote the shares underlying my/our holding at the Extraordinary General Meeting of Axiom Mining Limited to be held in Boardroom No. 9, Upper Lobby, Renaissance Harbour View Hotel, 1 Harbour Road, Wanchai Hong Kong on Friday 8 February 2019 at 10:00am (Hong Kong time) / 12:00pm (AEST) and at any adjournment or postponement of that meeting.

By execution of this CDI Voting Form the undersigned hereby authorises CHESSE Depository Nominees Pty Ltd to appoint such proxies or their substitutes to vote in their discretion on such business as may properly come before the meeting.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing CHESSE Depository Nominees Pty Ltd or their appointed proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1.	Approval to issue 20,000,000 Shares and 80,000,000 Options – Director, Mr Jeffrey Markoff	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2.	Approval to issue 1,000,000 Shares and 500,000 Options – Director, Mr Ryan Mount	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3.	Approval to issue 4,000,000 Shares and 2,000,000 Options – Director, Mr Jeffrey Markoff	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4.	Ratification of previous issue of 20,395,000 Shares and 10,197,500 Options to professional and/or sophisticated investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5.	Ratification of previous issue of Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date ____ / ____ / ____



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(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form



Vote and view the Notice of Meeting online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 102416

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

For your vote to be effective it must be received by 10:00am (Hong Kong time) / 12:00pm (AEST) Wednesday 6 February 2019

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** →

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Axiom Mining Limited hereby appoint

the Chairman of the Meeting OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

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 to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Extraordinary General Meeting of Axiom Mining Limited to be held in Boardroom No. 9, Upper Lobby, Renaissance Harbour View Hotel, 1 Harbour Road, Wanchai Hong Kong on Friday 8 February 2019 at 10:00am (Hong Kong time) / 12:00pm (AEST) and at any adjournment or postponement of that meeting.

STEP 2 Items of Business

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

	For	Against	Abstain
Resolution 1. Approval to issue 20,000,000 Shares and 80,000,000 Options – Director, Mr Jeffrey Markoff	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2. Approval to issue 1,000,000 Shares and 500,000 Options – Director, Mr Ryan Mount	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3. Approval to issue 4,000,000 Shares and 2,000,000 Options – Director, Mr Jeffrey Markoff	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4. Ratification of previous issue of 20,395,000 Shares and 10,197,500 Options to professional and/or sophisticated investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5. Ratification of previous issue of Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date / /