

5 February 2019

## Clarification – Appendix 5B and further information

Axiom Mining Limited ('Axiom' or 'the Company') provides the following clarification and further information in relation to its Appendix 5B for the quarter ended 31 December 2018 and cash proceeds received from its capital raising activities.

### 1. Amended Appendix 5B – Quarterly Cashflow Report 31 December 2018

On 20 December 2018 the Company announced that Director, Mr Jeffrey Markoff had provided a binding financial commitment of \$2.0 million in a Private Placement of shares, subject to shareholder approval. To support his commitment, Mr Markoff provided the \$2.0m share subscription money to the Company in advance in the December 2018 quarter. Shareholder approval will be sought at the Extraordinary General Meeting (EGM) scheduled for 8 February 2019. This relates to (Resolution One).

**Attached** is an amended Appendix 5B for the quarter ended 31 December 2018 which has amended the proceeds from issue of shares and proceeds from borrowings in Section 3 – cash flows from financing activities and reflects that, until shareholder approval is obtained and the shares issued, the share subscription monies received in advance are treated as a borrowing as opposed to share issue proceeds. If (Resolution One) is passed at the EGM on 8 February, these borrowings will be converted to shares.

		<b>Appendix 5B (as reported) 1-Feb-19 (\$'000)</b>	<b>Appendix 5B (amended) 5-Feb-19 (\$'000)</b>
<b>Section 3 Cash flows from financing activities</b>	<b>Sec.</b>		
Proceeds from issue of shares	3.1	3,578	1,545
Proceeds from convertible notes	3.2	1,000	1,000
Transaction costs	3.4	(63)	(63)
Proceeds from borrowings	3.5	80	2,113
Repayment of borrowings	3.6	(70)	(70)
<b>Total</b>		<b>4,525</b>	<b>4,525</b>

The closing cash balance of \$1.7 million as reported at 31 December 2018 remains unchanged.

## **2. ASX Announcement of 9 October 2018, 'Capital raising transaction for \$2.5 million'**

The Company announced on 9 October 2018 that it had raised \$2.5m of equity from investors, including \$500,000 from its Directors, Mr Jeffrey Markoff and Mr Ryan Mount, subject to shareholder approval. Mr Markoff and Mr Mount provided to the Company in advance \$480,000 of subscription monies in the September 2018 quarter\* and \$20,000 in the December 2018 quarter. Shareholder approval will be sought at the EGM scheduled for 8 February 2019. This relates to (Resolution Two and Three).

The Company provides the following further information in relation to the equity raising.

In relation to the \$500,000 of subscription monies advanced by Mr Markoff and Mr Mount, until shareholder approval is obtained and the shares issued, those share subscription monies are treated as a loan. If Resolutions Two and Three are passed at the EGM on 8 February, these borrowings will be converted to shares.

In relation to the balance of \$2,039,500 in equity raised, shares were issued for the following consideration:

- \$1,545,000 cash;
- \$207,500 cash which was committed to be paid on issue, is due for payment in the March 2019 quarter and remains in holding lock;
- \$250,000\* from the conversion of an unrelated party loan into shares; and
- \$32,500 from the conversion of supplier payments into shares.

All shares in the placement were issued at \$0.10 cents per share with a 1 for 2 attaching option with an exercise price of \$0.20 and an expiry of 30 June 2019.

## **3. Appendix 5B – Estimated cash outflows for next quarter**

The Company refers to Section 9 of the Appendix 5B for the quarter ended 31 December 2018. The Company advises that a large portion of the \$1.0 million in development costs and \$1.45 million in production costs partly relating to the first shipment of nickel ore from the San Jorge mine are dependent on there being available funding from the Off-take finance facility that the Company is currently negotiating and revenue from sales of nickel ore in the March 2019 quarter. The precise cash outlays will vary to reflect the funding the company can secure.

The Company will release a further announcement with an update in relation to the Kolosori tenement shortly which ends the Suspension of trade of the Company's securities.

\* part of the disclosure in note 18 (b) to the Annual Consolidated Financial Statements dated 30 September 2018.

**For enquiries, please contact:**

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**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 Solomon Islands and North Queensland, Australia. Axiom Mining is listed on the ASX.

For more information on Axiom Mining, please visit [www.axiom-mining.com](http://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, some of which may be outside the Company's control. 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.

## Amended Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

AXIOM MINING LIMITED

### ARBN

119 698 770

### Quarter ended ("current quarter")

31 DECEMBER 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(492)	(492)
(b) development	(1,480)	(1,480)
(c) production	-	-
(d) staff costs	(788)	(788)
(e) administration and corporate costs	(322)	(322)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	59	59
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(3,024)</b>	<b>(3,024)</b>

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(22)	(22)
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(22)</b>	<b>(22)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	1,545	1,545
3.2	Proceeds from convertible notes	1,000	1,000
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(63)	(63)
3.5	Proceeds from borrowings	2,113	2,113
3.6	Repayment of borrowings	(70)	(70)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>4,525</b>	<b>4,525</b>

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	212	212
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(3,024)	(3,024)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(22)	(22)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	4,525	4,525
4.5 Effect of movement in exchange rates on cash held	-	-
<b>4.6 Cash and cash equivalents at end of period</b>	<b>1,691</b>	<b>1,691</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	1,506	76
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	185	136
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,691</b>	<b>212</b>

<b>6. Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to these parties included in item 1.2	252
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>7. Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

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<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	350
9.2 Development	1,000
9.3 Production	1,450
9.4 Staff costs	750
9.5 Administration and corporate costs	300
9.6 Litigation	150
<b>9.7 Total estimated cash outflows *</b>	<b>4,000</b>

\*The estimate provided above is subject to financing and includes the development and production costs for first shipment of ore mined relating to the San Jorge Isabel Nickel Project. Balance of funds necessary for completion of development and first shipment to come from either Off-take agreement financing and / or other sources. The Company will not commit to a substantial amount of the production and developments costs estimated above unless the Off-take financing or other forms of funding are secured.

## Mining exploration entity and oil and gas exploration entity quarterly report

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Nil	-	-	-
10.2	Interests in mining tenements and petroleum tenements acquired or increased	Nil	-	-	-

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



Local Agent

Date: 5 February 2019

Print name: Brent Hofman

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.