



**Axiom Mining Limited**  
ARBN 119 698 770

## **PROSPECTUS**

In relation to

**A non-renounceable pro-rata entitlement offer to raise up to approximately \$4.2 million to Eligible Shareholders of:**

- **1 New Axiom Share for every 5 Axiom Shares held at the Record Date, at an Offer Price of \$0.04 per New Axiom Share, plus**
- **1 Attaching Option for every 1 New Axiom Share allotted**

**An offer under a shortfall facility of Shortfall Axiom Shares plus 1 Attaching Option for every 1 Shortfall Axiom Share allotted**

**An offer of 1 Attaching Option for every 1 Axiom Share issued to investors to whom no disclosure is required during the Offer Period**

**The Entitlement Offer and Shortfall Offer closes at 5.00pm Sydney time on 5 June 2019.**

This Prospectus is a transaction-specific prospectus issued in accordance with section 713 of the *Corporations Act 2001* (Cth). If you are an Eligible Shareholder, this is an important document that requires your immediate attention. It should be read in its entirety. If, after reading this Prospectus, you have any questions about the securities being offered under this Prospectus, you should contact your stockbroker, accountant or other professional adviser.

**An investment in securities offered under this Prospectus should be considered as speculative.**

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## IMPORTANT INFORMATION

This Prospectus is dated 17 May 2019 and was lodged with ASIC on that date. Neither ASIC nor ASX takes any responsibility for the content of this Prospectus or the merits of the investment to which it relates. The Offer is made only to Shareholders with registered addresses in Australia and New Zealand, on the Record Date. This Prospectus does not constitute an offer in any place in which or to persons to whom it would not be lawful to make such an offer. In particular, this Prospectus does not constitute an offer to Ineligible Shareholders.

No New Axiom Shares or Attaching Options will be issued or granted on the basis of this Prospectus after the expiry date, which is 13 months after the date of this Prospectus. This is a Prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) of the Company and an offer of options to acquire continuously quoted securities and has been prepared in accordance with section 713 of the Corporations Act. Accordingly, this Prospectus does not contain the same level of disclosure as an initial public offer prospectus.

No exposure period applies to this Prospectus by operation of ASIC Corporations (Exposure Period) Instrument 2016/74. No person is authorised to give any information or make any representation in connection with any offer which is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by the Company or the Directors.

You should read this Prospectus in its entirety before deciding to complete and lodge an Entitlement and Acceptance Form or accepting the Attaching Options Offer. In particular, in considering the prospects of the Company, you should consider the risk factors that could affect the future operating and financial performance of the Company and the value of an investment in the Company. You should consider these factors in the light of your personal circumstances (including financial and taxation issues). The key risk factors that should be considered by potential investors are outlined in section 5 of this Prospectus. If you have any questions, you should seek professional advice from your stockbroker, accountant or other professional adviser before deciding to invest in New Axiom Shares or Attaching Options.

The potential tax effects of participating in the Offer will vary between investors. All investors should satisfy themselves of any possible tax consequences by consulting their own professional tax advisers.

The information provided in this Prospectus is not investment advice and has been prepared without taking into account your investment objectives, financial situation or particular needs (including financial and taxation issues). It is important that you read and consider the information in this Prospectus in full before deciding to invest in New Axiom Shares or Attaching Options and consider the risks that could affect the performance of the Company.

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any 'US person' (as defined in Regulation S under the US Securities Act of 1933, as amended (**US Person**)). Axiom Shares and Attaching Options may not be offered or sold in the United States or to, or for the account or benefit of, any US Person absent registration or an exemption from registration. This Prospectus has been prepared for publication only in Australia and New Zealand and may not be released elsewhere.

Certain terms and abbreviations used in this Prospectus have defined meanings as set out in the glossary in Section 8. All financial amounts shown in this Prospectus are expressed in Australian dollars unless otherwise stated.

## Important dates for Entitlement Offer

Lodgment of Prospectus with ASIC and announcement of Offer	Friday, 17 May 2019
Existing Axiom Shares quoted 'ex' rights	Wednesday, 22 May 2019
Record Date	7.00pm (Sydney time) Thursday, 23 May 2019
Despatch of Prospectus and Entitlement and Acceptance Forms Offer Opening Date	Monday, 27 May 2019
Closing Date – last date for acceptance and payment in full	5.00pm (Sydney time) Wednesday, 5 June 2019
Announcement of shortfall (if any) under the Offer	Tuesday, 11 June 2019
Allotment and issue of New Axiom Shares and grant of Attaching Options	Thursday, 13 June 2019
Despatch date of holding statements Normal trading of New Axiom Shares and Attaching Options commences	Friday, 14 June 2019

*The dates above and other dates referred to in this Prospectus (except the date of this Prospectus) are indicative only. Subject to the Listing Rules and the Corporations Act, the Company reserves the right to change any date (including to extend the Closing Date of the Entitlement Offer or to close the Entitlement Offer early) without prior notice.*

## Key offer details

<b>Offer Price – Entitlement Offer</b>	\$0.04 per New Axiom Share payable in full on acceptance
<b>Eligible Shareholders' entitlement</b>	1 New Axiom Share for every 5 Axiom Shares held on the Record Date and 1 Attaching Option for every 1 New Axiom Share allotted
<b>Additional Axiom Shares</b>	Eligible Shareholders may apply for Additional Axiom Shares in excess of their Entitlement
<b>Maximum amount which can be raised under the Offer (before costs)*</b>	Up to approximately \$4.2 million
<b>Maximum number of New Axiom Shares which can be issued under the Offer</b>	106,089,677 New Axiom Shares
<b>Maximum number of Attaching Options which can be issued under the Offer</b>	106,089,677 Attaching Options

*For further details regarding the effect of the Offer on the capital structure of Axiom, see section 4.2.*

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## Frequently asked questions

Question	Overview	Reference
<b>What is the Entitlement Offer?</b>	A non-renounceable pro-rata entitlement offer to Eligible Shareholders of 1 New Axiom Share for every 5 Shares held at the Record Date, plus Attaching Options, at an offer price of \$0.04 per New Axiom Share.	Section 1.1
<b>How many Attaching Options will an Eligible Shareholder receive?</b>	Eligible Shareholders will receive 1 Attaching Option for every 1 New Axiom Share allotted to them.	Section 1.1
<b>What is the Offer Price?</b>	\$0.04 per New Axiom Share	Section 1.1
<b>What is an Axiom Share?</b>	An Axiom Share is a CHESSE Depository Interest which represents a beneficial interest in one Share in the Company ( <b>CDI</b> ).	Sections 6.1 and 6.2
<b>What is the difference between a CDI in a Share and a Share?</b>	<p>The main difference between holding a CDI in a share and a Share, is that a CDI in a share confers beneficial ownership in the Shares instead of legal title.</p> <p>CHESSE Depository Nominees Pty Ltd (<b>CDN</b>) holds the legal title to the underlying Shares.</p> <p>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 Axiom Shareholder.</p> <p>Trading in Axiom Shares is no different from trading in other CHESSE approved securities.</p>	Sections 6.1 and 6.2
<b>Am I an Eligible Shareholder?</b>	<p>Eligible Shareholders are those holders of Axiom Shares who:</p> <ul style="list-style-type: none"> <li>are registered as a holder of Axiom Shares on the Record Date;</li> <li>have a registered address in Australia or New Zealand;</li> <li>are not in the United States, are not a US Person and are not acting for the account or benefit of a person in the United States or a US Person; and</li> <li>are eligible under all applicable securities laws to receive an offer under the Offer without any requirement for a prospectus or offer document to be lodged or registered.</li> </ul>	Section 1.2
<b>What happens if I am a Shareholder on the Record Date but not an Eligible Shareholder?</b>	You will not be entitled to subscribe for New Axiom Shares under the Offer. Ineligible Shareholders will have their percentage holding in the Company (held at the Record Date) diluted as a result of the Offer.	Section 1.17
<b>What is the Shortfall Offer?</b>	<p>An invitation to Eligible Shareholders to subscribe for Additional Axiom Shares plus Attaching Options in addition to their Entitlement out of the Shortfall Axiom Shares.</p> <p>The Directors reserve the right to allot and issue Additional Axiom Shares in their absolute discretion.</p>	Section 1.3
<b>How much will be raised from the Offer?</b>	The Offer will raise up to approximately \$4.2 million (before costs) if fully subscribed.	Section 1.1

Question	Overview	Reference
<b>What is the purpose of the Offer and how will the funds raised be used?</b>	The funds raised under the Offer, net of Offer expenses will be used to meet current expenditure and past expenditure incurred in and prior to the March 2019 quarter on mine development and operations focussed on the first shipment of nickel ore from its San Jorge project, as well as part of the anticipated operational expenditure and working capital requirements in the June 2019 quarter.	Section 1.13
<b>Is the Entitlement Offer underwritten?</b>	No, the Entitlement Offer is not underwritten.	Section 1.5
<b>What are the tax implications of participating in the Entitlement Offer?</b>	Taxation implications will vary depending upon the specific circumstances of individual Shareholders. Investors should obtain their own professional advice as to the particular tax treatment that will apply to them.	Section 7.8
<b>Are there any risks?</b>	<p>There are risks associated with an investment in the Company.</p> <p>These include risks relating to the Company's business, operations and funding, risks relating to the Entitlement Offer and risks associated with financial investments generally. These risks are set out in more detail in section 5 of this Prospectus.</p> <p>In particular, key risks associated with an investment in the Company include:</p> <ul style="list-style-type: none"> <li>• <b>(Funding)</b> the Company currently operates on a negative cash operating basis in that its operating expenses exceed its revenue. In an announcement dated 10 May 2019 and updated on 17 May 2019, Axiom disclosed its short term funding requirements and funding strategy including assumptions regarding potential sources of funding for the June quarter and from the sale of its first shipment of nickel ore. There are risks that the assumed sources of funding are not realised either at all or when expected.</li> </ul> <p>For example, a key source of funding is the net proceeds from the sale of the first shipment of nickel ore. There are risks that these proceeds are not received either at all or are delayed for reasons including the following:</p> <ul style="list-style-type: none"> <li>• <b>(production)</b> the Company does not produce and deliver 55,000 wet metric tonnes of nickel ore at a grade of 1.6% nickel at all or it is delayed until after July 2019;</li> <li>• <b>(regulatory consents)</b> the Company does not obtain all of the regulatory approvals necessary for the first shipment including export and customs approvals</li> <li>• <b>(assay)</b> the Company is unable to establish its on site assay capability or to conduct on-site assays of its stockpiled nickel ore or the assayed grade does not meet contract requirements;</li> </ul>	Section 5

Question	Overview	Reference
	<ul style="list-style-type: none"> <li>• <b>(delivery or sale)</b> the first shipment of nickel ore is not sold or the net proceeds of sale are not received at all or is delayed until after July 2019.</li> </ul> <p>Other funding risks include the risks that:</p> <ul style="list-style-type: none"> <li>• <b>(project finance)</b> the Company does not secure long longer term project finance whether under the Traxys terms sheet or otherwise; and</li> <li>• <b>(revenue)</b> the Company is unable to secure regular and reliable cash inflows from the production and sale of regular shipments of nickel ore.</li> </ul> <p>If the Company is unable to secure required funding, it may be required to delay or indefinitely postpone exploration, development or production and/or reduce the scope of its operations, which may affect the Company's ability to continue as a going concern.</p> <ul style="list-style-type: none"> <li>• <b>(Regulatory risk – San Jorge)</b> Axiom KB Limited (a subsidiary) has been granted a mining lease over the San Jorge tenement. The development consent for that mining lease was appealed by an environmental group on 19 June 2018 to the Solomon Island's Environmental Advisory Committee who may by majority decision either confirm the decision to grant the development consent or substitute its own decision. There is an inherent risk in contested matters that the appeal may produce an outcome which is unfavourable to Axiom;</li> <li>• <b>(resource risk)</b> uncertainty around the quantity and specification of the nickel deposit at San Jorge;</li> <li>• <b>(Prospecting Licence risk)</b> the Company may not be able to expand its current operations beyond the current San Jorge tenement area. The Company has applied for prospecting licences in relation to various areas including areas known as Kolosori, Tenement D, Jejevo (north west of Tenement D) and an area immediately south and west of the existing San Jorge mining lease area. There is a risk that these applications will not be successful. The Company's application for the Kolosori prospecting licence was not successful and the Company has reapplied for it and requested a review of the decision. The Company understands that prospecting licence/s in respect of the Kolosori tenement have been issued to one or two other parties not associated with the Company (see announcement on 6 February 2019);</li> <li>• <b>(operational and production risk)</b> the Company is unable to regularly produce and deliver for shipment a quality and volume of nickel ore that can be sold for a commercial margin;</li> </ul>	Section 5

Question	Overview	Reference
	<ul style="list-style-type: none"> <li>• <b>(offtake)</b> the Company does not secure either a long term offtake arrangement (such as with Traxys) or reliable arrangements to sell its nickel ore product;</li> <li>• <b>(Solomon Islands)</b> the uncertainties of operating and carrying on business in the Solomon Islands; and</li> <li>• <b>(other)</b> the risk of market movements in commodity prices (especially for nickel ore) exchange rates and equity markets generally</li> </ul>	
<b>What effect will the issue of the New Axiom Shares have on the Company?</b>	The potential effect that the issue of New Axiom Shares will have on the capital structure and financial position of the Company are set out in section 3.	Section 3
<b>What effect will the issue of the New Axiom Shares have on the control of the Company?</b>	The potential effect that the issue of New Axiom Shares will have on the control of the Company, and the consequences of that effect, will depend on a number of factors, including investor demand.  Further details on the effect on shareholders and control are set out in Sections 4.3 and 4.4.	Sections 4.3 and 4.4



## LETTER FROM THE CEO

Dear Shareholder,

On behalf of your Directors, I am pleased to invite Eligible Shareholders to participate in the Company's Entitlement Offer.

Eligible Shareholders are entitled to acquire 1 New Axiom Share for every 5 Shares held on the Record Date, at an offer price of \$0.04 per New Axiom Share, plus 1 Attaching Option for every 1 New Axiom Share allotted.

The funds raised under the Offer, net of Offer expenses will be used to meet current expenditure and past expenditure incurred in and prior to the March 2019 quarter on mine development and operations focussed on the first shipment of nickel ore from its San Jorge project, as well as part of the anticipated operational expenditure and working capital requirements in the June 2019 quarter.

Eligible Shareholders may also apply for New Axiom Shares in excess of their Entitlement through the Shortfall Facility (**Additional Axiom Shares**), with such oversubscriptions to be satisfied from Entitlements that were not taken up under the Entitlement Offer. Please see section 1.3 for further details on how Additional Axiom Shares will be allocated to Eligible Shareholders.

Further details regarding the Entitlement Offer are set out in section 1.1.

### **Actions required to take up your Entitlement**

Your entitlement to subscribe for New Axiom Shares under the Entitlement Offer is set out in your personalised Entitlement and Acceptance Form accompanying this Prospectus. Instructions on how to participate in the Entitlement Offer are set out in section 2.

The Entitlement Offer closes at 5:00pm (Sydney time) on 5 June 2019, unless extended. To participate, you need to ensure that either your completed Entitlement and Acceptance Form and Application Money or your Application Money submitted by BPAY<sup>®</sup> are received before this time in accordance with the instructions set out on the form and in section 2.

If you take no action or your application is not supported by cleared funds, your Entitlement will be deemed to have lapsed and your percentage shareholding in the Company will be diluted by your non-participation in the Entitlement Offer.

### **Further information**

It is important that you carefully read this Prospectus and the other publicly available information about the Company, including information on our website ([www.axiom-mining.com](http://www.axiom-mining.com)) and consider in particular the risk factors referred to in section 5 before making any investment decision.

On behalf of the Directors, I invite you to consider this opportunity and thank you for your continued support.

Yours sincerely,



**Ryan Mount**  
Chief Executive Officer

## 1 Details of the Offer

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### 1.1 Entitlement Offer

Eligible Shareholders are invited to participate in a non-renounceable pro-rata Entitlement Offer to raise up to approximately \$4.2 million (before costs).

The Entitlement Offer will be conducted on the basis of 1 New Axiom Share for every 5 Shares held at the Record Date, at an offer price of \$0.04 per New Axiom Share plus 1 Attaching Option exercisable at \$0.10 and expiring on 30 April 2021, for every 1 New Axiom Share allotted.

Under the Entitlement Offer, up to 106,089,677 New Axiom Shares and a total of up to 106,089,677 Attaching Options will be offered.

Entitlements to New Axiom Shares and Attaching Options will be rounded down to the nearest whole number.

The Entitlement of each Eligible Shareholder under the Offer is shown on the personalised Entitlement and Acceptance Form accompanying this Prospectus.

### 1.2 Eligible Shareholders

Eligible Shareholders are those holders of Axiom Shares who:

- (a) are registered as a holder of Axiom Shares on the Record Date;
- (b) have a registered address in Australia or New Zealand;
- (c) are not in the United States, are not a US Person and are not acting for the account or benefit of a person in the United States or a US Person; and
- (d) are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

The Entitlements of Eligible Shareholders who also hold Axiom Options to subscribe for Shares will be calculated on the basis of the number of Axiom Shares they hold on the Record Date, disregarding any Axiom Options which have not been exercised before that time.

Shareholders that are not Eligible Shareholders are Ineligible Shareholders.

### 1.3 Shortfall Offer

Eligible Shareholders that have fully subscribed for their Entitlements under the Entitlement Offer will be able to subscribe for additional Axiom Shares (**Additional Axiom Shares**). Additional Axiom Shares will be sourced from Entitlements that were not taken up under the Entitlement Offer.

Eligible Shareholders can subscribe for Additional Axiom Shares by completing the relevant part of the Entitlement and Acceptance Form, or through BPAY<sup>®</sup>.

There is no guarantee that those Eligible Shareholders will receive the number of Additional Axiom Shares applied for, or any. The number of Additional Axiom Shares will not exceed the shortfall from the Entitlement Offer. The Directors reserve the right to allot and issue Additional Axiom Shares in their absolute discretion.

Each Participating Shareholder will also receive 1 Attaching Option for every 1 Additional Axiom Shares allotted.

### 1.4 Placements after Closing Date

To the extent that any of the Entitlements of Eligible Shareholders are not allocated as Additional Axiom Shares, the Board also reserves the right to place any Shortfall Axiom Shares at their discretion within 3 months after the Closing Date.

## 1.5 **No underwriting**

The Entitlement Offer is not underwritten.

## 1.6 **Ranking of New Axiom Shares**

New Axiom Shares and Additional Axiom Shares issued under the Entitlement Offer will rank equally with existing Axiom Shares.

## 1.7 **No Entitlements trading**

Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Shareholders who do not take up their Entitlements in full will not receive any value in respect of those Entitlements which they do not take up.

## 1.8 **Minimum subscription**

There is no minimum subscription for the Entitlement Offer.

## 1.9 **No cooling off rights**

Cooling off rights do not apply to an investment in New Axiom Shares. You cannot withdraw your Acceptance or payment once it has been accepted, except as allowed by law.

## 1.10 **Withdrawal of Entitlement Offer**

The Board reserves the right to withdraw all or part of the Entitlement Offer at any time before the issue of New Axiom Shares, in which case the Company will refund Application Money without payment of interest.

## 1.11 **Brokerage, commission and stamp duty**

No brokerage, commission or stamp duty is payable by Eligible Shareholders under the Entitlement Offer.

## 1.12 **Opening and Closing Date for applications**

The Entitlement Offer opens for acceptances on **27 May 2019** and all Entitlement and Acceptance Forms and payments of Application Money must be received by no later than 5.00pm (Sydney time) on **5 June 2019** subject to the Directors being able to vary the Closing Date in accordance with the Listing Rules.

## 1.13 **Use of funds**

The Company's present intention is to use the funds raised under the Offer to fund expenditure and past expenditure incurred in and prior to the March 2019 quarter on mine development and operations focussed on the first shipment of nickel ore from its San Jorge project, as well as part of the anticipated operational expenditure and working capital requirements in the June 2019 quarter – see the Company's announcements dated 10 May 2019 and updated on 17 May 2019. The table below sets out the indicative use of funds if the Offer is fully subscribed.

<b>Proposed use of funds</b>	<b>If fully subscribed</b>
Exploration and evaluation	\$200,000
Development	\$1,000,000
Production	\$900,000
Staff costs	\$900,000
Administration and corporate costs	\$300,000
Title and permitting	\$125,000
Other working capital	\$775,000
<b>Total uses</b>	<b>\$4,200,000</b>

There is no minimum amount sought to be raised by the Offer. New Axiom Shares and Attaching Options may be issued in respect of applications irrespective of the total level of subscriptions made.

As with any budget, the actual use of funds raised under the Offer may change depending on the outcome of the initiatives undertaken in accordance with the Company's stated objectives. There is no guarantee that the funds raised will be sufficient to enable the Company to achieve its stated objectives.

This is a statement of present intention only. The Company and the Directors reserve the right to change the way and the amount in which funds are applied, particularly if the Offer is not fully subscribed.

#### 1.14 **ASX quotation**

The Company will apply for the quotation of all New Axiom Shares on ASX within seven business days after the date of this Prospectus. If official quotation of the New Axiom Shares is not granted by ASX within three months after the date of this Prospectus (or any longer period permitted by law), the Entitlement Offer will be cancelled and Application Money will be returned (without interest) to Eligible Shareholders as soon as practicable.

The fact that ASX may grant official quotation to the New Axiom Shares is not to be taken in any way as an indication of the merits of the Company or the securities being offered under the Offer.

#### 1.15 **CHESS**

Under CHESS, Participating Shareholders and other applicants will not receive a certificate but will receive a statement of their holding of New Axiom Shares. If you are broker sponsored and you take up your Entitlement, ASX Settlement will send you a CHESS statement. The CHESS statement will set out the number of New Axiom Shares issued under this Prospectus, provide details of your holder identification number and the participant identification number of the sponsor. If you are registered in the issuer sponsored sub register, your statement will be despatched by the Registry and will contain the number of New Axiom Shares and Attaching Options issued to you under this Prospectus and your security holder reference number.

#### 1.16 **Allotment**

Allotment and issue of New Axiom Shares and Attaching Options will only be made once the Application Money has been received and ASX has granted permission for quotation of the New Axiom Shares.

If permission is granted, it is expected the New Axiom Shares and Attaching Options will be allotted on 13 June 2019 and holding statements for the New Axiom Shares and Attaching Options will be despatched on 14 June 2019.

It is the responsibility of Eligible Shareholders to determine their allocation prior to trading in the New Axiom Shares or Attaching Options. Eligible Shareholders who sell New Axiom Shares before they receive their holding statement do so at their own risk.

#### 1.17 **Ineligible Shareholders**

The Entitlement Offer is offered only to those Shareholders with registered addresses in Australia and New Zealand at the Record Date.

Shareholders who are not recorded on the Register at the Record Date with an address in Australia and New Zealand are Ineligible Shareholders. The Company has decided that it is unreasonable to make an offer under this Prospectus to Ineligible Shareholders, having regard to the number of Ineligible Shareholders, the number and value of the New Axiom Shares, Attaching Options they would be offered and the cost of complying with the legal and regulatory requirements in the places where they are resident.

Accordingly, the Entitlement Offer is not being extended to, and no New Axiom Shares or Attaching Options will be issued to, Ineligible Shareholders.

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law. Persons who come into possession of this Prospectus in those jurisdictions should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law.

### **Special notice to New Zealand resident investors**

This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 (Australia) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This offer and the content of this Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 (Australia) and the regulations made under that Act set out how the offers must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The offers may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to the changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

### **United States**

The New Axiom Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state of the United States and may not be offered or sold, directly or indirectly, in the United States or to, or for the account or benefit of, a US person, except in a transaction exempt from the registration requirements of the US Securities Act and applicable United States state securities laws.

This Prospectus is neither an offer to sell nor a solicitation of an offer to buy securities as those terms are defined under the US Securities Act. The Entitlement Offer is not being made to US persons or persons in the United States.

## 1.18 Rights of convertible security holders

### (a) General

Optionholders, performance rights holders and holders of Convertible Notes will not be entitled to participate in the Entitlement Offer unless they:

- (i) are entitled to exercise their existing Axiom Options, performance rights or Convertible Notes under the terms and conditions of grant; and
- (ii) validly exercise their Axiom Options, performance rights or Convertible Notes and become an Eligible Shareholder on or before the Record Date.

### (b) Unquoted options

On the date of this Prospectus, the Company has following unlisted Axiom Options on issue.

Exercise Price	Expiry Date	Number of Axiom Options
\$0.10	30 April 2021	24,240,000
\$0.20	30 June 2019	23,030,835
\$0.16	7 May 2020	1,000,000
\$0.30	30 March 2026	30,305,561
\$0.40	30 March 2026	30,305,561
\$0.50	30 March 2026	30,305,561
\$0.60	30 March 2026	30,305,561
\$0.20	30 March 2027	20,000,000
\$0.30	30 March 2027	20,000,000
\$0.40	30 March 2027	20,000,000
\$0.50	30 March 2027	20,000,000
<b>Total*</b>		<b>249,493,079</b>

\* Not including the Attaching Options which may be granted as part of the Entitlement Offer or 400,000 Attaching Options which may be granted in relation to 400,000 Axiom Shares issued on 16 May 2019.

### (c) Performance rights

On the date of this Prospectus, the Company has the following unlisted performance rights on issue:

Exercise Price	Expiry Date	Number of performance rights
-	28/08/2019	2,400,000
-	28/08/2020	2,400,000
-	09/03/2021	100,000
-	30/07/2021	350,000
<b>Total</b>		<b>5,250,000</b>

(d) **Convertible Notes**

On the date of this Prospectus, there were 1,095,566 Convertible Notes outstanding to MEF I, L.P.

1.19 **Market Price of Axiom Shares**

The highest and lowest market sale price of the Axiom Shares on ASX during the three calendar months immediately preceding the date of issue of this Prospectus and the last market price on the last day of trading before lodgement is set out below:

<b>3 month high</b>	<b>3 month low</b>	<b>Last market sale price on 16 May 2019</b>
\$0.088	\$0.036	\$0.039

1.20 **Risks**

Investors should carefully read the section on risk factors in section 5 of the Prospectus. An investment in New Axiom Shares involves various risks, a number of which are specific to the Company and the industry in which it operates.

An investment in securities issued under this Prospectus should be regarded as speculative.

## 2 How to participate – Entitlement Offer and Shortfall Offer

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### 2.1 What you may do – choices available

Before taking any action you should carefully read this Prospectus and the other publicly available information about the Company on our website ([www.axiom-mining.com](http://www.axiom-mining.com)) and consider the risk factors set out in section 5.

The number of New Axiom Shares to which Eligible Shareholders are entitled is shown on the Entitlement and Acceptance Form. If you are an Eligible Shareholder you may:

<b>Alternatives</b>	<b>See section</b>
Take up your Entitlement in full or in part	2.2
Take up your Entitlement in full and apply for Additional Axiom Shares	2.2 and 2.3
Allow your Entitlement to lapse	2.4

### 2.2 To accept your Entitlement in full or in part

Either:

#### **Payment by cheque or bank draft**

If you are paying for your New Axiom Shares by cheque, bank cheque or bank draft, complete and return the Entitlement and Acceptance Form with your payment. The Registry must receive your completed Entitlement and Acceptance Form together with full payment for the number of New Axiom Shares for which you are applying by no later than **5pm (Sydney time) on 5 June 2019**.

Axiom Mining Limited  
C/- Computershare Investor Services Pty Ltd  
GPO Box 505  
Melbourne VIC 3001  
Australia

Your cheque, bank cheque or bank draft must be paid in Australian currency and be drawn on an Australian branch of an Australian financial institution. Your payment must be for the full amount required to pay for the New Axiom Shares applied for. Payments in cash will not be accepted.

Cheques must be made payable to 'Axiom Mining Limited' and crossed 'Not Negotiable'.

You must ensure that your cheque account has sufficient funds to cover your payment, as your cheque will be presented for payment on receipt. If your bank dishonours your cheque your application will be rejected. We will not re-present any dishonoured cheques.

or:

#### **Pay by BPAY®**

If you are paying for your New Axiom Shares by BPAY®, please refer to your personalised instructions on your Entitlement and Acceptance Form. Please note that should you choose to pay by BPAY®:

- you do not need to complete or return the Entitlement and Acceptance Form but are taken to have made the declarations on that personalised Entitlement and Acceptance Form;
- amounts received by the Company in excess of the Offer Price multiplied by your Entitlement (**Excess Amount**) may be treated as an application to apply for as many Additional Axiom Shares as your Excess Amount will pay for in full; and



- if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Axiom Shares as is covered in full by your Application Money.

When completing your BPAY<sup>®</sup> payment, please make sure to use the specific Biller Code and unique reference number provided on your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form (i.e. where you have multiple holdings), please only use the reference number specific to the Entitlement on that form. If you inadvertently use the same reference number for more than one of your Entitlements, you will be deemed to have applied only for New Axiom Shares on the Entitlement to which the reference number applies.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY<sup>®</sup> are received by **5pm (Sydney Time) on 5 June 2019**.

### **Payment direction**

Axiom may also, in its absolute discretion, on a case by case basis, accept payment from Existing Applicants by way of an authority and direction to apply Refund Monies towards payment of Applications Moneys under this Offer.

Excess Amounts that are not sufficient to subscribe for a number of New Axiom Shares or Additional Axiom Shares multiplied by the Offer Price will be refunded to you except where that amount is less than \$2.00, in which case it will be retained by the Company. The method by which you receive the refund will be at the discretion of the Company. No interest will be paid to Eligible Shareholders on any Excess Amount received or refunded.

By either returning the Entitlement and Acceptance Form with payment or making payment received by BPAY<sup>®</sup> you provide authorisation to be registered as a holder of New Axiom Shares and Attaching Options subscribed for by you and agree to be bound by the Company's Articles of Association.

Acceptances or payments received after the Closing Date may not be accepted.

## **2.3 Applying for Additional Axiom Shares**

If you have applied to take up all of your Entitlement, you may also apply for Additional Axiom Shares.

If you apply for Additional Axiom Shares and your application is successful (in whole or in part) your Additional Axiom Shares will be issued at the same time that other New Axiom Shares are issued under the Entitlement Offer. There is no guarantee that you will receive any Additional Axiom Shares. The Directors reserve their right to allot and issue Additional Axiom Shares in their absolute discretion.

## **2.4 Allow your Entitlement to lapse**

If you **do not wish** to accept all or part of your Entitlement, you do not have to do anything in respect of the Entitlement you are not accepting, and any Entitlement not taken up will automatically lapse. You will receive no payment for your lapsed Entitlement.

## **2.5 Acceptance of the Entitlement Offer**

By completing, and the Company receiving, your personalised Entitlement and Acceptance Form with the requisite Application Money or making a payment by BPAY<sup>®</sup>, you:

- agree to be bound by the terms of this Prospectus and the provisions of the Company's Articles of Association;
- authorise the Company to register you as the holder(s) of the New Axiom Shares and Attaching Options allotted or granted to you;
- declare that all details and statements made in the Entitlement and Acceptance Form are complete and accurate;

- (d) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement Offer;
- (e) acknowledge that once the Company receives the Entitlement and Acceptance Form or your payment by BPAY<sup>®</sup>, you may not withdraw it except as allowed by law;
- (f) agree to apply for, and be issued with up to, the number of New Axiom Shares and Attaching Options that your payment will pay for at the Offer Price;
- (g) authorise the Company and its officers or agents to do anything on your behalf necessary for the New Axiom Shares and Attaching Options to be issued to you, including to act on instructions of the Axiom Share Registry upon using the contact details set out in the Entitlement and Acceptance Form;
- (h) declare that you were the registered holder(s) at the Record Date of the Axiom Shares indicated on the Entitlement and Acceptance Form as being held by you on the Record Date;
- (i) acknowledge that the information contained in this Prospectus is not investment advice or a recommendation that New Axiom Shares are suitable for you, given your investment objectives, financial situation or particular needs;
- (j) acknowledge that investments in the Company are subject to risks;
- (k) represent and warrant that you are an Eligible Shareholder and have read and understood this Prospectus and the Entitlement and Acceptance Form and that you acknowledge the matters, and make the warranties and representations and agreements contained in this Prospectus and the Entitlement and Acceptance Form;
- (l) you are not in the United States and are not a US Person, and are not acting for the account or benefit of, a US Person and are not otherwise a person to whom it would be illegal to make an offer or issue New Axiom Shares under the Entitlement Offer;
- (m) you acknowledge that the Entitlements and the New Axiom Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States, or in any other jurisdiction outside Australia and New Zealand, and accordingly, the Entitlements may not be taken up, and the New Axiom Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws; and
- (n) you have not and will not send any materials relating to the Entitlement Offer to any person in the United States or that is a US Person, or is acting for the account or benefit of a US Person.

## 2.6 Entitlement and Acceptance Form is binding

Receipt of payment of Application Money by cheque and a completed and lodged Entitlement and Acceptance Form constitutes a binding acceptance of the Company's offer to acquire New Axiom Shares on the terms and conditions set out in this Prospectus and an acknowledgement by you that you have received and read this Prospectus, you have acted in accordance with the terms of the Offer detailed in this Prospectus, and that you agree to all of the terms and conditions as detailed in this Prospectus.

The Entitlements and Acceptance Form, once lodged, cannot be withdrawn.

The Entitlement and Acceptance Form does not need to be signed to be binding. If the Entitlement and Acceptance Form is not completed correctly, the Company, in its absolute discretion, can reject it or treat it as valid. The Company's decision as to whether to accept or reject an Entitlement and Acceptance Form or how to interpret an incorrectly completed Entitlement and Acceptance Form is final.

## 2.7 **Application Money**

The Company is entitled to retain any interest paid on Application Money, whether or not allotment and issue of the New Axiom Shares takes place. If quotation of the New Axiom Shares is not granted by ASX within the time required by law, no New Axiom Shares will be allotted and Application Money will be refunded to Eligible Shareholders without interest within the time prescribed under the Corporations Act.

### **3 Offer of Attaching Options**

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#### **3.1 Background**

On 16 May 2019, Axiom announced that it had issued 400,000 Axiom Shares to an arm's length supplier in satisfaction of monies owing to the supplier in the ordinary course of business together with an entitlement to receive one Attaching Option for every one Axiom Share subscribed by the supplier.

Axiom reserves the right during the Offer Period and separately from the Offer, to issue further Axiom Shares from time to time to persons to whom no disclosure is required under applicable laws and to offer to those investors an entitlement to receive one Attaching Option for every one Axiom Share subscribed for.

The supplier referred to in the first paragraph of this section 3.1 and any other person who is issued Axiom Shares in the manner set out in the second paragraph of this section 3.1 is called a **Subscriber**.

#### **3.2 Offer of Attaching Options**

Axiom offers to each Subscriber an entitlement without further consideration to apply for the grant to it of one Attaching Option for every one Axiom Share subscribed for by the Subscriber.

#### **3.3 No ASX quotation of Attaching Options**

The Attaching Options will not be listed on ASX and no application will be made for official quotation of Attaching Options.

#### **3.4 Attaching Options Offer Timetable**

The Attaching Options Offer is open for acceptance until the Closing Date. The Closing Date is indicative only and may be subject to change. The Company reserves the right to vary this date without prior notice but subject to any applicable requirements of the Corporations Act or the Listing Rules. This may include extending the Closing Date or closing the Attaching Options Offer early, either generally or in particular cases.

#### **3.5 Acceptance of Attaching Options Offer**

Axiom will provide an Attaching Options Offer acceptance form to each Subscriber. A Subscriber may only accept the Attaching Options Offer made to the Subscriber by returning that acceptance form which accompanies this Prospectus to Axiom by email, delivery or by mail to Axiom in accordance with the instructions on the acceptance form by no later than the Closing Date.

#### **3.6 Grant of Attaching Options**

Attaching Options will be granted as soon as practicable after acceptance of the Attaching Options Offer and in any event within 7 days after acceptance of the Attaching Options Offer. Axiom will issue an option certificate to each Subscriber to whom Attaching Options are granted.

#### **3.7 Use of Funds**

No funds will be raised from the Attaching Options Offer. Funds raised from the exercise of any Attaching Options will be used to fund production costs, debt retirement and/or working capital purposes.

#### **3.8 No cooling off rights**

Cooling off rights do not apply to an investment in Attaching Options. Subscribers cannot withdraw their acceptance, except where permitted by law.

### 3.9 **ASIC Instrument 2016/80**

As the Attaching Options will be issued under this Prospectus and the exercise of Attaching Options will not involve any further offer, *ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80* should apply to exempt from disclosure under section 707 of the Corporations Act 2001 the sale of Axiom Shares issued on exercise of the Attaching Options.

## 4 Effect of Offer on the Company

### 4.1 Relevant Transactions

The Relevant Transactions are:

- (a) a placement of 32,990,000 Axiom Shares and grant of 32,990,000 Attaching Options<sup>1</sup>;
- (b) the conversion of all outstanding Convertible Notes resulting in the issue of 44,774,928 Conversion Shares (**Conversion**)<sup>2</sup>;
- (c) the issue of 400,000 Axiom Shares and 400,000 Attaching Options<sup>3</sup>; and
- (d) the Offer contained in this Prospectus.

### 4.2 Effect of the Offer on capital structure

The Offer will have an effect on the capital structure, control and the financial position of the Company.

The following table sets out the Company's current capital structure and its fully diluted capital structure immediately after the Relevant Transactions, assuming that:

- (a) the Relevant Transactions are completed;
- (b) no Axiom Options are exercised prior to the Closing Date<sup>4</sup>;
- (c) no new Axiom Shares are issued before the issue date; and
- (d) all of the Entitlements are taken up.

In this section 3, these assumptions are called the **Full Subscription Assumptions**.

<b>Axiom Share capital</b>	
Axiom Shares on issue at the date of this Prospectus <sup>5</sup>	530,448,386
Unlisted Shares	697,763
Plus: Placement Shares to be issued to the Managing Director, subject to shareholder approval <sup>6</sup>	8,750,000
Plus: Conversion Shares	44,774,928
Plus: New Axiom Shares issued under the Entitlement Offer	106,089,677
<b>Total issued share capital on completion of Relevant Transactions (undiluted)</b>	<b>690,760,754</b>

<sup>1</sup> As disclosed in a Funding Update dated 10 May 2019 and Prospectus dated 10 May 2019.

<sup>2</sup> Assumes a total Convertible Note face value of US\$1,241,519, RBA exchange rate of AUD1.00: USD0.6932 (on 15 May 2019) and Conversion Price of \$0.04. See examples of calculation of Conversion Shares in section 6.5. The actual number of Conversion Shares will differ from the assumption if the assumed values are different on the date of conversion.

<sup>3</sup> As disclosed in a market announcement dated 16 May 2019.

<sup>4</sup> As at the date of this Prospectus, all unlisted Axiom Options and performance rights have vested and are able to be exercised. Accordingly, if all Optionholders and performance rights holders elect to exercise their Axiom Options prior to the Record Date and participate in the Entitlement Offer, a further 50,948,616 New Axiom Shares and 50,948,616 Attaching Options may be issued under this Prospectus.

<sup>5</sup> Includes 24,240,000 Placement Shares issued on 13 May 2019 and 400,000 Axiom Shares issued to suppliers to reduce debt and 4,407,095 Axiom Shares issued upon conversion of Convertible Notes, issued on 16 May 2019.

<sup>6</sup> As disclosed in a Funding Update dated 10 May 2019.

Axiom Options on issue <sup>7</sup>	249,493,079
Performance rights on issue	5,250,000
Plus: Attaching Options to be granted to the Managing Director, subject to shareholder approval <sup>8</sup>	8,750,000
Plus: Attaching Options to be granted in relation to Axiom Shares issued on 16 May 2019 <sup>9</sup>	400,000
Plus: Attaching Options issued under the Entitlement Offer	106,089,677
<b>Total issued share capital on completion of the Relevant Transactions (fully diluted)</b>	<b>1,060,743,510</b>

The Company's actual position on the Closing Date may differ from the positions illustrated in the pro-forma capital structure table above.

If the Offer is not fully subscribed, fewer New Axiom Shares and Attaching Options may be issued and there may be fewer Axiom Shares on issue following completion of the Offer. The Company will announce to ASX the actual number of New Axiom Shares and Attaching Options to be issued under the Entitlement Offer as soon as practicable after all securities have been issued.

#### 4.3 Effect of Offer on Shareholdings

##### (a) General

All existing shareholders will be diluted by the Placement and the Conversion.

However, if you exercise your full Entitlement under the Entitlement Offer you will not be diluted by the Entitlement Offer. If you do not exercise your full Entitlement you will be diluted by the Entitlement Offer. Ineligible Shareholders will have their holdings diluted by the Entitlement Offer.

The effect of the Offer on the control of the Company will depend upon a number of factors, including:

- (i) the level of Shareholder participation (including both the taking up of Entitlements and applications for Additional Axiom Shares); and
- (ii) which Shareholders participate.

If every Shareholder was to take up their full Entitlement, there would be a minimal effect on the control of the Company, as the Entitlement Offer is made pro-rata and, in that case, there would not be any scope for any Shareholder to apply for Additional Axiom Shares under the Offer.

<sup>7</sup> Includes 24,240,000 Attaching Options granted on 16 May 2019.

<sup>8</sup> As disclosed in a Funding Update dated 10 May 2019.

<sup>9</sup> Includes 400,000 Attaching Options to be granted in relation to 400,000 Axiom Shares issued on 16 May 2019.

(b) **Full subscription**

The following table sets out the potential effect of the Offer on the shareholdings in the Company immediately following the successful completion of the Offer based on the Full Subscription Assumptions.

<b>Axiom Share capital</b>	<b>Number</b>	<b>%</b>
Axiom Shares on issue at the date of this Prospectus <sup>10</sup>	530,448,386	76.80
Unlisted Shares	697,763	0.01
Plus: Placement Shares to be issued to the Managing Director, subject to shareholder approval	8,750,000	1.29
Plus: Conversion Shares	44,774,928	6.5
Plus: New Axiom Shares issued under the Entitlement Offer	106,089,677	15.4
<b>Total issued share capital on completion of Relevant Transactions(undiluted)</b>	<b>690,760,754</b>	<b>100.0%</b>

<b>Share capital – full subscription (fully diluted)</b>	<b>Number</b>	<b>%</b>
Axiom Shares on issue at the date of this Prospectus	530,448,386	50.00
Unlisted Shares on issue as at the date of this Prospectus	697,763	0.07
Plus: Placement Shares to be issued to the Managing Director, subject to shareholder approval	8,750,000	0.82
Plus: Conversion Shares	44,774,928	4.20
Plus: New Axiom Shares issued under the Entitlement Offer	106,089,677	10.00
<b>Total issued share capital on completion of the Relevant Transactions (undiluted)</b>	<b>690,760,754</b>	<b>65.09</b>
Existing Axiom Options	249,493,079	23.49
Existing performance rights	5,250,000	0.49
Plus: Attaching Options to be granted to the Managing Director, subject to shareholder approval	8,750,000	0.82
Plus: Attaching Options to be granted in relation to Axiom Shares issued on 16 May 2019	400,000	0.11
Plus: Attaching Options issued under the Entitlement Offer	106,089,677	10.00
<b>Total convertible securities on completion of the Relevant Transactions</b>	<b>369,982,756</b>	<b>34.91</b>
<b>Fully diluted share capital on completion of the Relevant Transactions</b>	<b>1,060,743,510</b>	<b>100.0</b>

<sup>10</sup> Includes 24,240,000 Placement Shares issued on 13 May 2019 and 400,000 Axiom Shares issued on 16 May 2019.



#### 4.4 **Effect of the Offer on control of the Company**

The Directors cannot speculate as to the extent that Entitlements will be accepted by Eligible Shareholders or the effect on control that the Offer will have on the Company. If Eligible Shareholders accept their Entitlements in full, the Offer will not have an effect on the control of the Company.

#### 4.5 **Effect of the Offer on financial position**

##### (a) **General**

The general effect of the Offer on the Company's financial position if the Full Subscription Assumptions are made will be, if the Entitlements are fully taken up, to increase shareholders' funds and net assets by up to approximately \$4.2 million before Offer costs.

##### (b) **Pro-forma balance sheet – basis of preparation**

To illustrate the effect of the Offer on the Company, the following pro-forma consolidated balance sheet of the Company has been prepared based on the audited balance sheet of the Company as at 30 September 2018.

The pro-forma balance sheet has been prepared on the basis of accounting policies normally adopted by the Company. The financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by the Applicable Accounting Standards.

The table below is the audited balance sheet of the Company as at 30 September 2018 adjusted to reflect the following pro-forma transactions:

- (i) no Axiom Shares were issued pursuant to the exercise of existing options, or performance rights;
- (ii) \$876,000 was received under the Placement from the issue of 32,990,000 Axiom Shares;
- (iii) the issue of 400,000 Axiom Shares;
- (iv) 1,095,566 Convertible Notes having a total face value of \$1,790,997.11 were converted into 44,774,928 Conversion Shares having a total issue price equal to the total face value;
- (v) Trade and Other Payables were reduced by \$459,600;
- (vi) the Offer was fully taken up and approximately \$4,200,000 was received under the Offer from the issue of 106,089,677 shares
- (vii) payment of approximately \$35,000 representing the costs of the Offer.

<b>Pro-forma balance sheet as at 30 September 2018 assuming Relevant Transactions completed</b>			
	<b>Pro-forma prior to completion (AUD)</b>	<b>Adjustments (AUD)</b>	<b>Pro-forma on completion (AUD)</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash & Cash Equivalents	200	5,076	5,276
Trade & Other Receivables	297	-	297
Prepayments	49	-	49
<b>Total Current Assets</b>	<b>546</b>	<b>-</b>	<b>5,622</b>
<b>NON-CURRENT ASSETS</b>			
Property, Plant & Equipment	517	-	517
Mineral exploration expenditure	8,710	-	8,710
<b>Total Non-current Assets</b>	<b>9,227</b>	<b>-</b>	<b>9,227</b>
<b>TOTAL ASSETS</b>	<b>9,773</b>	<b>-</b>	<b>14,849</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade & Other Payables	3,525	(350)	3,175
Borrowings	2,335	(1,791)	544
Employee Benefits	-	-	-
<b>Total Current Liabilities</b>	<b>5,860</b>	<b>(2,141)</b>	<b>3,719</b>
<b>NON-CURRENT LIABILITIES</b>			
Other payables	42	-	42
Lease liabilities	-	-	-
Employee benefits	-	-	-
<b>Total Non-current liabilities</b>	<b>42</b>	<b>-</b>	<b>42</b>
<b>TOTAL LIABILITIES</b>	<b>5,902</b>	<b>(2,141)</b>	<b>3,761</b>
<b>NET ASSETS</b>	<b>3,871</b>		<b>11,088</b>
<b>EQUITY</b>			
Issued Capital	121,247	7,327	128,574
Reserves			
Accumulated losses	(111,808)	(110)	(111,918)
<b>Total equity attributable to owners of the Company</b>	<b>9,439</b>	<b>7,217</b>	<b>16,656</b>
<b>Non-controlling interests</b>	<b>(5,568)</b>		<b>(5,568)</b>
<b>TOTAL EQUITY</b>	<b>3,871</b>		<b>11,088</b>

#### 4.6 Management discussion and analysis of pro-forma balance sheet

The pro-forma balance sheet is not a forecast. The actual financial position of the Company on completion of the Offer will differ from the position illustrated in the pro-forma capital structure and pro-forma balance sheet due to net expenditure during the period between 30 September 2018 and the date when the Offer is completed.

## 5 Risk factors

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### 5.1 General

There are a number of factors, both specific to the Company and of a general nature, which may affect the future operating and financial performance of the Company, its products, the industry in which it operates and the outcome of an investment in the Company. There can be no guarantee that the Company will achieve its stated objectives or that forward-looking statements will be realised.

This section describes certain, but not all, risks associated with an investment in the Company. Each of the risks set out below could, if it eventuates, have a material adverse impact on the Company's performance, profits and the value of Axiom Shares.

Before deciding to invest in the Company, potential investors should read the entire Prospectus and the risk factors that could affect the financial performance of the Company.

You should carefully consider these factors in light of your personal circumstances and seek professional advice from your accountant, stockbroker or other professional adviser before deciding whether to invest.

### 5.2 Specific risk factors

In addition to the general risks set out in section 5.1, the Directors believe that there are a number of specific factors that should be taken into account before investors decide whether or not to apply for Axiom Shares. Each of these factors could have a materially adverse impact on the Company, its expansion plans, operating and product strategies and its financial performance and position.

These include:

#### (a) Regulatory and title risk

There is a risk that the Company may not be able to expand its current operations beyond the current San Jorge tenement area. The Company's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consents, conditions of operation including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters.

The Company requires permits from regulatory authorities for its exploration, development, production and rehabilitation activities.

#### (i) Kolosori – Isabel Nickel project – Solomon Islands

On 20 December 2018, the Company advised that its Prospecting Licence application for the Kolosori tenement was not successful. The Company has re-applied for the Prospecting Licence and requested a review of the decision.

The Company understands that prospecting licence/s in respect of the Kolosori tenement have been issued to one or two other parties not associated with the Company (see announcement on 6 February 2019).

There is a risk that the review and further application may not take place or be successful. If this occurs, the Company will not be able to continue its exploration and development of the Kolosori tenement. The Company is considering a claim for judicial review of this matter in the High Court.

#### (ii) Tenement D – Isabel Nickel project – Solomon Islands

On 30 August 2018, the Company was issued a Letter of Intent for a Prospecting Licence by the Solomon Islands Minister for Mines (LOI) over the 145km<sup>2</sup> area surrounding the Kolosori tenement, referred to as Tenement D. The Company announced on 22 November 2018 that it had submitted

landowner agreements for its Prospecting Licence application. On 20 December 2018 and 30 January 2019, the Company advised that the MMERE has requested that the Company obtain further consents from landowners in nearby areas prior to the grant of a Prospecting Licence (see ASX announcement dated 22 March 2019). The Company has commenced securing these additional consents.

There is a risk that this application may not be successful. If the Company is unsuccessful in obtaining a Prospecting Licence, it will not be able to develop Tenement D.

(iii) **San Jorge tenement – Isabel Nickel project – Solomon Islands**

On 20 September 2018, the Company's subsidiary, Axiom KB Limited, was formally granted a Mining Lease over the San Jorge tenement by the Minister of Mines on behalf of the Solomon Islands Government. The Mining Lease has been issued for a term of 25 years for the extraction, export and sale of nickel ore and other associated commodities. Axiom KB Limited's development consent dated 22 May 2018 was appealed by a local Solomon Islands environmental group on 19 June 2018 to the Environmental Advisory Committee who may by majority decision either confirm the decision to grant the development consent or substitute its own decision. The appeal has not been progressed since it was lodged and under local laws, the lodging of the appeal does not operate in any way to affect the grant of the development consent<sup>11</sup>.

(iv) **Additional Prospecting Licence applications – Isabel Nickel project – Solomon Islands**

The Company has applied for Prospecting Licences over:

- (A) an area of 52km<sup>2</sup> immediately south and west of its existing San Jorge Mining Lease; and
- (B) an area of 40km<sup>2</sup> in an area known as Jejevo, which lies north west of Tenement D,

(together the **Additional Tenements**).

The Company is seeking judicial review of the Prospecting Licence applications in respect of the Additional Tenements on the grounds that the MMERE appear to have failed to present the applications to the Minerals Board for formal consideration.

The Company understands that licence/s in respect of both these areas have been issued to one or two other parties not associated with Axiom. There is a risk that the judicial review of Axiom's Prospecting Licence applications may not be successful, and even if successful that the applications may not be granted. If the Company is unsuccessful in obtaining these Prospecting Licences, it will not be able to develop the Additional Tenements.

Obtaining the necessary permits can be a time consuming process and there is a risk that the Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with such permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operations or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities, suspension of the Company's activities or forfeiture of one or more of its tenements.

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<sup>11</sup> Section 32(6) of *The Environment Act 1998* (Solomon Islands).

(b) **Going concern risk**

The Company's 2018 Full Year Statutory Accounts contain a 'going concern' note. The Directors are of the opinion that Axiom and its subsidiaries (**Axiom Group**) will have sufficient working capital to finance its operations and to meet its financial obligations in the future as and when they fall due in the foreseeable future after taking into consideration the following:

- (i) as at 31 March 2019, the Axiom Group had cash and cash equivalents of \$212,000;
- (ii) in the 6 months to 31 March 2019, Axiom has demonstrated its ability to secure funding by securing \$4,852,000 of net cash from financing activities;
- (iii) Axiom's first shipment of nickel ore is expected for delivery in July 2019 which will, if achieved, provide cash inflow from the net sale proceeds;
- (iv) the Company continues to have the ability to raise additional funds by undertaking various capital raising initiatives (including the recently announced Placement);
- (v) the Axiom Group has the ability to farm out all or part of its exploration projects;
- (vi) the Axiom Group has the ability to sell particular exploration projects;
- (vii) the Axiom Group has the ability to renew pending exploration applications based on previous experience; and
- (viii) the Axiom Group announced on 1 March 2019 that it had executed the Traxys Terms Sheet for the provision of senior project finance and offtake of production.

In the event that the Company is not successful in raising further equity or is unable to undertake any of the initiatives listed above, there is significant uncertainty as to whether the Company can continue as a going concern, which is likely to have a material adverse effect on the Company's activities.

(c) **Funding risk**

The Company currently operates on a negative cash operating basis in that its operating expenses exceed its revenue. In an announcement dated 10 May 2019 and updated on 17 May 2019, Axiom disclosed its short term funding requirements and funding strategy including assumptions regarding potential sources of funding for the June quarter and from the sale of its first shipment of nickel ore. There are risks that the assumed sources of funding are not realised either at all or when expected.

For example, a key source of funding is the net proceeds from the sale of the first shipment of nickel ore. There are risks that these proceeds are not received either at all or are delayed until after July 2019 for reasons including the following:

- (i) **(production)** the Company does not produce and deliver 55,000 wet metric tonnes of nickel ore at a grade of 1.6% nickel at all or it is delayed until after July 2019;
- (ii) **(regulatory consents)** the Company does not obtain all of the regulatory approvals necessary for the first shipment including export and customs approvals;
- (iii) **(assay)** the Company is unable to establish its on-site assay capability or to conduct on-site assays of its stockpiled nickel ore or the assayed grade does not meet contract requirements;
- (iv) **(delivery or sale)** the first shipment of nickel ore is not sold or the net proceeds of sale are not received at all or is delayed until after July 2019.

Other funding risks include the risks that:

- **(project finance)** the Company does not secure long longer term project finance, whether under the Traxys terms sheet or otherwise; and
- **(revenue)** the Company is unable to secure regular and reliable cash inflows from the production and sale of regular shipments of nickel ore.

Unless and until the Company develops or acquires income producing assets, it will be dependent upon the Company's cash reserves, and its ability to obtain future equity or debt funding to support exploration, evaluation and development of the properties in which it has an interest. The Company's ability to raise further equity or debt or to divest part of its interest in a project, and the terms of such transactions, will vary according to a number of factors, including the Company's ability to operate the San Jorge project on a positive cash flow basis by producing, delivering and selling regular shipments of product, the success of the Company's exploration results and the continued development of the Company's projects, stock market conditions and prices for minerals in world markets.

The Company may exhaust its current cash reserves and still require further capital, in which case, neither the Company nor the Directors can provide any assurance that if further funding is required, such funding can be raised on terms favourable to the Company (or at all). Additional equity funding will dilute existing Shareholders.

If the Company is unable to obtain additional funding as required, the Company may be required to delay or indefinitely postpone exploration, development or production on the Company's properties and/or reduce the scope of its operations, which may affect the Company's ability to continue as a going concern.

(d) **Exploration, resource, development, mining and processing risks**

The mineral tenements of the Company are at various stages of exploration and development. The business of minerals exploration, project development and production involves significant risks by its very nature. It depends on, amongst other things, the successful exploration, identification, appraisal and development of commercially viable mineral reserves, security of tenure, the availability of adequate funding, satisfactory performance of mining operations, weather conditions, availability and cost of consumables, plant and equipment and skilled labour when required, favourable industrial relations and competent management.

Profitability and asset values can be affected by unforeseen changes in operating circumstances, mineral reserves and geotechnical considerations.

There can be no assurance that exploration of the Company's current tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic mineral deposit. Even if an apparently viable deposit is identified, there can be no assurance that the technical, financial and regulatory hurdles can be cleared and profitable, commercial production achieved.

For example, Axiom has not yet delineated a JORC resource at San Jorge. Accordingly, there is uncertainty around the quantity and specification of the nickel deposit at San Jorge and the economics of that deposit.

The success of the Company will also depend upon the Company being able to maintain title to its tenements and obtaining all required approvals for its activities. In the event that exploration programs prove to be unsuccessful, this outcome could lead to a diminution in the value of the tenements, a reduction in the base reserves of the Company and possible relinquishment of the tenements.

Whilst the Company has announced its intentions and goals with regard to the application of its current cash reserves, there is no certainty that this expenditure will result in the Company's mining concessions becoming a viable, saleable or identifiable resource.

(e) **Offtake risk**

The Company does not have any definitive offtake agreements in place in relation to its San Jorge operations. On 1 March 2019, the Company announced that it had executed a terms sheet with global metals and commodity marketing group, Traxys for senior debt finance of up to US\$10.5 million and off-take sales arrangements for nickel ore. Financial close is subject to Traxys' confirmatory due diligence and entering into definitive agreements. There can be no guarantee that the Company will be able to finalise and enter into any such agreements. If the Company is unable to secure adequate off-take arrangements, it could have a materially adverse effect on the Company.

(f) **Solomon Islands in-country risk**

The Company's operations are substantially located in the Solomon Islands. The Company will be subject to the risks associated in operating in foreign emerging countries. These risks include economic, social or political instability or change, hyperinflation, or changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, export duties, repatriation of income or return of capital, environmental protection, labour relations and government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents.

The Company is also subject to the regulatory framework in the Solomon Islands and the exercise of discretions by regulatory authorities. There is a risk that the regulatory authorities do not exercise these discretions in favour of the Company and required permissions, approvals or consents are not obtained, and if obtained, maintained. Failing to secure the necessary regulatory approvals may delay or prevent the Company's operations and its ability to earn revenue.

Changes, if any, in mining or investment policies or shifts in political attitude in the Solomon Islands may adversely affect the operations or profitability of the Company. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, foreign currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

Outcomes in courts in the Solomon Islands may be less predictable than in Australia, which could affect the enforceability of contracts entered into by the Company or its subsidiaries in the Solomon Islands.

Any material adverse changes in government policies, legislation, political, legal and social environments in the Solomon Islands or any other country that the Company has economic interests in that affect mineral exploration activities, may affect the viability and profitability of the Company.

(g) **Operating risks**

The operations of the Company may be affected by various factors, including:

- (i) failure to locate or identify mineral deposits;
- (ii) failure to achieve predicted grades in exploration;
- (iii) mining operational and technical difficulties encountered;
- (iv) mining difficulties in commissioning and operating plant and equipment;
- (v) mechanical failure or plant breakdown;

- (vi) unanticipated metallurgical problems which may affect extraction costs adverse weather conditions industrial and environmental accidents industrial disputes; and
- (vii) unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given in light of the above factors that the Company will achieve commercial viability through successful exploration and/or mining of its projects.

(h) **Production risks**

Operations such as design and construction of efficient mining and processing facilities, competent operation and managerial performance and efficient transport and marketing services are required to be successful for the Company to generate sufficient profit to make distributions or return capital on Axiom Shares. In particular, production can be hampered by force majeure circumstances, engineering difficulties, cost overruns, errors in ore resource estimation, inconsistent recovery rates and other unforeseen events. In the event the Company proceeds to development of economic deposits, production may be affected by these matters.

(i) **Access to land**

There is a substantial level of regulation and restriction on the ability of exploration and mining companies to have access to land in the Solomon Islands and Australia.

Inability to access, or significant delays experienced in accessing privately owned freehold, communal, state or leasehold land may be caused by weather, deference to landholders' activities such as cropping, harvesting and other factors and may impact on the Company's activities.

(j) **Cultural heritage**

Delays may be experienced if evidence of cultural heritage exists on any land to which the Company requires access.

When exercising a right or permission for access to any land, it may be an offence to disturb physical evidence of human occupation of prehistoric or historic significance without statutory permission. This restriction applies to any activity including minerals exploration and production.

The Company has not undertaken the comprehensive research, investigations or enquiries which would be necessary to enable it to form an opinion with certainty as to whether any such evidence exists on any land covered by the Company's wholly-owned or optioned tenements.

(k) **Environmental risks**

The Company's projects are subject to Solomon Islands Government, Queensland and Federal Australian Government regulations regarding environmental matters.

Development of any mineral resources will be dependent on the Company's projects meeting environmental guidelines and gaining approvals from the relevant governmental authorities.

As with all exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws.

There are also environmental risks that are inherent to the Company's activities, such as accidental spills, leakages or other unforeseen circumstances, which could expose the Company to extensive liability against which it has not insured or cannot insure, including those risks in respect of past mining or other activities for which it was not responsible.



Environmental regulations are likely to evolve in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance and more stringent environmental assessments of proposed projects. Environmental regulations could impact upon the viability of the Company's projects. The cost and complexity of complying with applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable mineral deposits.

The Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities and could lead to forfeiture of its tenements. The Company is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

There can be no assurance that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Company's business and financial condition.

Changes to legislative requirements including changes to income tax laws introduced to reduce emissions caused by greenhouse gases may have an adverse effect on current and future exploration and mining operations. The introduction of a carbon price mechanism in any of the jurisdictions in which the Company operates may increase the cost structure of the Company.

(l) **Exploration and appraisal expenditure**

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. Exploration and appraisal is a process subject to unforeseen contingencies. Exploration programs must be flexible enough to respond to the results obtained.

By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual scope, costs and timetables of exploration programs may differ substantially from these estimates and assumptions. No assurance can be given that the costs estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability and returns to Shareholders.

Financial failure, or default by any future alliance or joint venture partner of the Company, may require the Company to face unplanned expenditure or risk forfeiting relevant tenements.

(m) **Key personnel risk**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. If any member of the senior management team ceases their engagement with the Company there may be a detrimental impact on the Company's prospects.

In addition, the ability of the Company to achieve its objectives depends on the retention of key external contractors who constitute its technical panel and provide technical expertise. If the Company cannot secure external technical expertise (for example to carry out drilling) or if the services of the present technical panel cease to become available to the Company, this unavailability may affect the Company's ability to achieve its objectives either fully or within the timeframes and the budget the Company has set.

Whilst the ability of the Company to achieve its objectives may be affected by the matters mentioned above, the Directors believe that appropriately skilled and experienced professionals would be available to provide services to the Company at market levels of remuneration in the event key external contractors cease to be available.

(n) **Commodity price volatility and exchange rate risk**

Assuming the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks.

Commodity prices fluctuate and are affected by a number of factors beyond the control of the Company including supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

In addition, international prices for various commodities are subject to a number of international factors including world inflation, geo-political events, central bank transactions, exchange rates as well as supply and demand factors. The price of commodities in Australian dollars will influence returns on the Company's projects, subject to any hedging contracts the Company may take out in relation to future production.

(o) **Volatility in the market price of Axiom Shares**

Although the Company is listed on the ASX, there is no assurance that an active trading market for its Axiom Shares will be sustained. There is also no assurance that the market price for the Axiom Shares will not decline.

The market price of the Company's Axiom Shares may be subject to significant fluctuations due to various external factors and events, including the liquidity of the Axiom Shares in the market, any difference between the Company's actual financial or operating results and broader market-wide fluctuations.

Furthermore, any stock market volatility and weakness could result in the market price of the Axiom Shares decreasing so that they trade at prices significantly below the issue price, regardless of the Company's operating performance.

(p) **Negative publicity may adversely affect the Axiom Share price**

Any negative publicity or announcement relating to the Company, any of its substantial Shareholders or key personnel may adversely affect the stock performance of the Company, whether or not this is justifiable. Examples of this negative publicity or announcement may include adverse articles in international newspapers (whether factually correct or not), involvement in legal or insolvency proceedings, failed attempts in takeovers, joint ventures or other business transactions.

(q) **Insurance risk**

The Company maintains insurance coverage that is substantially consistent with industry practice. However, there is no guarantee that such insurance or any future necessary coverage will be available to the Company at economically viable premiums (if at all) or that, in the event of a claim, the level of insurance carried by the Company now or in the future will be adequate, or that a liability or other claim would not materially and adversely affect the Company's business.

(r) **Dividends**

There is no guarantee as to future earnings of the Company or that the Company will be profitable at any time in the future and there is no guarantee that the Company will be in a financial position to pay dividends at any time in the future.

(s) **Foreign jurisdiction risk**

As the Company is incorporated in Hong Kong, changes in Hong Kong laws may have an adverse effect on non-Hong Kong holders of Shares. Laws and regulations in Hong Kong may provide Shareholders with fewer rights than under the Corporations Act.

5.3 **General risk factors**

(a) **Axiom Share (and underlying Share) market risk**

On completion of the Offer, Axiom Shares may trade on ASX at higher or lower prices than the offer price. Investors who decide to sell their Axiom Shares after the Offer may not receive the amount of their original investment. There can be no guarantee that the price of new Axiom Shares will increase after listing. The price at which the new Axiom Shares trade on ASX may be affected by the financial performance of the Company and by external factors over which the Directors and the Company have no control.

These factors include movements on international share and commodity markets, local interest rates and exchange rates, domestic and international economic conditions, government taxation, market supply and demand and other legal, regulatory or policy changes.

(b) **Dependence on general economic conditions**

The operating and financial performance of the Company is influenced by a variety of general economic and business conditions, including levels of consumer spending, inflation, interest rates and exchange rates, access to debt and capital markets and government fiscal, monetary and regulatory policies.

A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have a material adverse impact on the Company's business or financial condition. Changes to laws and regulations or accounting standards which apply to the Company from time to time could adversely impact on the Company's earnings and financial performance.

(c) **Wars, terrorism, political and environmental events**

Events may occur within or outside Australia that could impact upon the world economy, the market for minerals, the operations of the Company and the price of Axiom Shares. These events include war, acts of terrorism, civil disturbances, political intervention and natural events such as earthquakes, floods, fires and poor weather affecting roadways, mining and transport of minerals. The Company only has a limited ability to insure against some of these risks.

(d) **Safety**

Safety is a fundamental risk for any exploration and production company in regards to personal injury, damage to property and equipment and other losses. The occurrence of any of these risks could result in legal proceedings against the Company and substantial losses to the Company due to injury or loss of life, damage or destruction of property, regulatory investigation, and penalties or suspension of operations. Damage occurring to third parties as a result of such risks may give rise to claims against the Company.

(e) **Issue of additional securities**

In certain circumstances, the Directors may issue equity securities without any vote or action by Shareholders. If the Company were to issue any equity securities the percentage ownership of existing Shareholders may be reduced and diluted.

(f) **Tax risk**

Any change to the rate of company income tax in jurisdictions in which the Company operates will impact on shareholder returns, as will any change to the rates of income tax applying to individuals or trusts. Any change to the tax arrangements between Australia and other jurisdictions could have an adverse impact on future earnings and the level of dividend franking.

(g) **Litigation**

The Company may in the ordinary course of business become involved in litigation and disputes. Any such litigation or dispute could involve significant economic costs and damage to relationships with stakeholders. Such outcomes may have an adverse impact on the Company's business, reputation and financial performance.

(h) **Legislative and regulatory changes**

Legislative or regulatory changes, including property or environmental regulations or regulatory changes in relation to products sold by the Company, could have an adverse impact on the Company.

## 6 Rights attaching to Axiom securities and Conversion Share calculation

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### 6.1 Axiom Shares

The securities being offered under the Offer are Axiom Shares. Each Axiom Share represents a beneficial interest in one Share. The Axiom Shares will be newly issued.

(a) **What are Axiom Shares?**

An Axiom Share is a CHES Depositary Interest which represents a beneficial interest in one Share in the Company (**CDI**).

(b) **What is a CDI?**

The ASX uses an electronic system, called CHES, for the clearance and settlement of trades on the ASX. Axiom Mining Limited is incorporated in Hong Kong, which does not recognise the CHES system of holding securities or electronic transfers of legal title to Shares. To enable companies such as Axiom to have their securities cleared and settled electronically through CHES depositary interests called CDIs are issued.

Each Axiom Share represents one underlying Share. Axiom Shares are traded in a manner similar to shares of Australian companies listed on the ASX.

(c) **What is the principal difference between holding Axiom Shares and holding Shares?**

The principal difference between holding Axiom Shares and holding the underlying Shares is that a holder of Axiom Shares (**Holder**) will hold a beneficial interest in Shares but not the legal title. The legal title to the Shares will be instead held by a depositary, CDN, which is a wholly-owned subsidiary of the ASX, CDN is an approved general participant of ASX Settlement.

CDN will not receive any fees from investors for acting as the Depositary for the CDIs.

### 6.2 Rights attaching to Axiom Shares

The relationship between the Company, CDN and a Holder is governed in part by the Listing Rules and the ASX Settlement Operating Rules. The Listing Rules and the ASX Settlement Operating Rules have the force of the law under the Corporations Act.

(a) **Title**

The Holder holds the beneficial title to the Shares underlying the Axiom Shares while CDN holds the legal title. Holders receive all direct economic and other benefits of the Shares. CDN may not dispose of any of the Shares unless authorised by the ASX Settlement Operating Rules, and is not able to create any interest that is inconsistent with the beneficial title held by the Holders.

(b) **Ratio**

Each Axiom Share represents a beneficial interest in one Share.

(c) **Conversion**

A Holder may either leave their holdings in the form of Axiom Shares (so that legal title remains in the name of CDN) or convert the Axiom Shares to Shares and hold legal title in their own right.

Holders can convert their ASX listed Axiom Shares to Shares in the following ways:

- (i) for Axiom Shares held through the issuer sponsored sub-register, by contacting the Registry directly to obtain the applicable conversion request form; or

- (ii) for Axiom Shares held on the CHESSE sponsored sub-register, by contacting their controlling participant (usually a stockbroker) who will liaise with the Registry.

The Registry will then arrange for the transfer of Shares from CDN to the former Holder and a new Statement of Account Holding will be issued. The Shares will be registered in the name of the holder on Axiom's Share Register and trading on the ASX will no longer be possible.

The ASX Settlement Operating Rules require the conversion process to be completed within three business days of receipt of the conversion request.

A holder of Shares can convert their holdings to Axiom Shares by contacting the Registry and completing the relevant form. The underlying Shares will then be transferred to CDN and a holding statement for the Axiom Shares will be issued to the Holder. No trading in the Axiom Shares on the ASX can take place until the transfer process is complete.

(d) **Shareholder meetings and voting**

As Holders do not appear on the Company's register, they are not entitled to vote personally at Shareholder meetings. However the ASX Settlement and Operating Rules require the Company to send notices of Shareholder meetings to each Holder at the address recorded on the Axiom Share register if any Shareholder meeting is convened. This notice must include a form permitting the Holder to direct CDN to cast proxy votes according to the wishes of the Holder for whom it holds Shares. The Company is obliged to collect and process these directions. CDN is required to vote in accordance with the instructions it receives from Holders.

If a Holder wishes to vote in person at a meeting of Shareholders (whether on a show of hands or on a poll), they will first need to convert their Axiom Shares into Shares.

(e) **Dividends and other entitlements**

The ASX Settlement Operating Rules ensure that Holders have the right to receive dividends, rights issues and bonus issues. Where a dividend or any other cash distribution is made in a currency other than Australian dollars, the Company's Australian registry (acting as CDN's agent) will convert the dividend or distribution into Australian dollars. The payment will then be made to Holders in Australian dollars in accordance with each Holder's entitlement.

(f) **Takeovers**

If any takeover bid is made in respect of any of the Shares of which CDN is the registered holder, CDN is prohibited from accepting the offer made under the takeover bid except to the extent that acceptance is authorised by the relevant Holder in accordance with the ASX Settlement Operating Rules.

If a Holder instructs it to do so, CDN must ensure that the offeror processes the takeover acceptance.

### 6.3 **Rights attaching to Shares**

(a) **General**

Full details of the rights and liabilities attaching to Shares are set out in the Company's Articles of Association, a copy of which can be inspected, free of charge, at the Company's registered office during normal business hours.

The following is a broad summary of the rights, privileges and restrictions attaching to all Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders.

(b) **General meetings**

Notice of every general meeting is to be given to every Shareholder, other than those Shareholders who, under the provisions of the Company's Articles of Association or the conditions of issue of the Shares held by them, are not entitled to receive the notice of meeting (at present there are no such restrictions). The failure of a Shareholder to receive a notice of meeting does not invalidate the proceedings at that meeting.

No business may be transacted at any meeting of Shareholders unless a quorum of Shareholders is present.

Shareholders are entitled to be present in person or by proxy or, in the case of a Shareholder which is a body corporate, by a corporate representative and are entitled to vote at general meetings of the Company.

(c) **Voting rights**

Subject to any special rights or restrictions as to voting attached to any Shares (at present there are none), at meetings of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy or, in the case of a Shareholder which is a body corporate, by a corporate representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy or corporate representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy or representative, have one vote.

Where there are two or more joint holders of the Shares and more than one of them is present at a meeting and tenders a vote in respect of the Share (whether in person or by proxy), the Company will count only the vote cast by the Shareholder whose name appears before the other(s) in the Company's register of Shareholders.

(d) **Dividend rights**

Subject to the rights of holders of shares issued with special, preferential or qualified rights (at present there are none), the profits of the Company which the Company in general meeting determines following a recommendation of Directors to distribute by way of dividend are divisible among the holders of Shares in proportion to the amounts paid up on the Shares held by them.

(e) **Rights on winding up**

On a winding up of the Company, all assets that may be legally distributed among members will be divided up as between members or different classes of members as the liquidator determines.

(f) **Transfer of Shares**

Subject to the Articles of Association, the *Companies Ordinance (Chapter 622)* (Hong Kong), the Corporations Act, the ASX Settlement Operating Rules, the Listing Rules and any other laws, Shares are freely transferable.

(g) **Future increases in Capital**

The current authorised share capital of the Company is 8,000,000,000 Shares. Any increase in the capital of the Company requires an ordinary resolution of Shareholders. Subject to that requirement, the allotment and issue of any Shares is under the control of the Directors.

Subject to restrictions on the allotment of Shares to Directors or their associates, the Listing Rules, the Articles of Association, the *Companies Ordinance (Chapter 622)* (Hong Kong) and the Corporations Act, the Directors may allot and issue Shares on such terms and conditions as they see fit.

(h) **Variation of rights**

The Company may, with the sanction of a special resolution passed at a meeting of Shareholders, vary or abrogate the rights attaching to Shares. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of the issue of the shares of that class), whether or not the Company is being wound up may be varied or abrogated with the consent in writing of the holders of three quarters in nominal value of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

6.4 **Rights attaching to Attaching Options**

(a) **Entitlement**

Subject to and conditional upon any adjustment in accordance with these conditions, each Attaching Option entitles the holder to subscribe for one Axiom Share upon payment of the relevant Exercise Price.

(b) **Exercise Price**

The exercise price for each Attaching Option is \$0.10 (**Exercise Price**).

(c) **Exercise Period**

The Attaching Options are exercisable at any time on or before 5:00pm (Sydney time) on 30 April 2021 (**Exercise Date**). Attaching Options not exercised by the relevant Exercise Date lapse.

(d) **Manner of exercise of Attaching Options**

Each Attaching Option may be exercised by notice in writing addressed to the Company's registered office. The minimum number of Attaching Options that may be exercised at any one time is an amount equal to \$500. Payment of the Exercise Price for each Attaching Option must accompany each notice of exercise of the Attaching Options (as applicable). All cheques must be payable to the Company and be crossed 'not negotiable'.

(e) **Ranking of Axiom Shares**

Axiom Shares issued on the exercise of Attaching Options will, subject to the Articles of Association of the Company, rank equally with all existing Axiom Shares on and from the date of issue in respect of all entitlement offers, bonus share issues and dividends which have a record date for determining entitlements on or after the date of issue of those Axiom Shares.

(f) **Timing and issue of Axiom Shares**

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 Listing Rules, allot the number of Axiom Shares in the Company so subscribed for by the Optionholder. In the case of fractions (if any), the number of Axiom 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.

(g) **Attaching Options transferrable**

Attaching Options may be transferred in the same manner as Axiom Shares and may be exercised by any other person or body corporate.



(h) **Participation in new issues**

There are no participating rights or entitlements inherent in the Attaching 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 unless and until the Attaching Options are exercised.

(i) **Adjustment for bonus issues of Axiom Shares**

If there is a bonus issue to the holders of Axiom Shares, the number of securities over which each Attaching Option is exercisable will be increased by the number of Shares which the Optionholder would have received if the Attaching Options had been exercised before the record date for the bonus issue.

(j) **Pro-rata issues**

If there is a pro-rata issue (except a bonus issue) to the holders of the Axiom Shares, the exercise price of the Attaching 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 Attaching Option

$O$  = the old exercise price of each Attaching Option

$E$  = the number of Axiom Shares into which each Attaching Option is exercisable

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

$S$  = the subscription price for an Axiom Share under the pro rata issue

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

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

(k) **Reconstructions**

If the Company reorganises its capital in any way while any Attaching Options are on issue, the number of Attaching Options will be reorganised in accordance with the Listing Rules so that the Optionholder will not receive a benefit that the existing holders of Axiom Shares do not receive and in addition will be changed to the extent necessary to comply with the Listing Rules applicable to the particular reorganisation of capital at the time.

(l) **Conversion of Attaching Options into Options**

Holders of Attaching Options may at any time request to convert their Attaching Options into Options (with the same terms and conditions as a Attaching Option) by contacting the Registry.

(m) **Listing Rules**

If and to the extent any of the preceding terms and conditions are inconsistent with the Listing Rules, such rules will prevail in all respects to the extent of the inconsistency.

## 6.5 Calculation of Conversion Shares

Upon receipt of a conversion notice, the Company must convert the Convertible Notes into the number of Axiom Shares calculated in accordance with the following formula:

$$A = (N \times V) / CP$$

Where:

- A means the number of Conversion Shares;
- N means the number of Convertible Notes specified in the conversion notice;
- V means the face value of the Convertible Notes specified in the conversion notice (converted at the Exchange Rate at the conversion date); and
- CP means the conversion price being the lower of:
  - the Floor Price; and
  - a price equal to 90% of the average of the 2 lowest daily VWAPs over the 5 trading day period on which trading in Axiom Shares occurred on ASX immediately prior to the conversion date (**Conversion Price**).

The Exchange Rate is the spot rate of exchange of US dollars into Australian dollars displayed at or about 11.00am (New York time) for that day on the Reserve Bank of Australia website.

The Floor Price is the lower of:

- A\$0.18 under the Convertible Note Agreement dated 16 June 2017 and \$0.20 under the Convertible Note Agreement dated 20 November 2018; and
- if Axiom issues shares for a price below A\$0.07 per Axiom Share, the lowest price at which any such Axiom Shares are issued (excluding the issue price of Axiom Shares on conversion of the Convertible Notes).

The table below shows a worked example for illustrative purposes, of the number of Axiom Shares to be issued on conversion of all of the 1,095,566 outstanding Convertible Notes, assuming a total Convertible Note face value of US\$1,241,519, RBA exchange rate of AUD1.00: USD0.6932<sup>12</sup> and Conversion Price of \$0.04<sup>13</sup>, with variances in the exchange rate and conversion price at the time of conversion.

The actual number of Conversion Shares will differ from the table:

<b>Potential Conversion Shares on conversion of all outstanding Convertible Notes</b>			
<b>Exchange Rate</b>	<b>50% decrease in Conversion Price \$0.02</b>	<b>Conversion Price at time of conversion \$0.04</b>	<b>50% increase in Conversion Price \$0.06</b>
A\$ = US\$0.5199 (25% decrease in exchange rate at conversion)	119,399,808	59,699,904	39,799,936
A\$ = US\$0.6932 (Assumed exchange rate at conversion)	89,549,856	44,774,928	29,849,952
A\$ = US\$0.8665 (25% increase in exchange rate at conversion)	71,639,885	35,819,942	23,879,962

<sup>12</sup> Rate on 15 May 2019.

<sup>13</sup> Conversion Price is assumed at the same price included in a Placement as announced in a Funding Update released to ASX on 10 May 2019.

## **7 Additional Information**

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### **7.1 Prospectus availability**

Shareholders can obtain a copy of this Prospectus during the Offer Period on the Company's website at <http://www.axiom-mining.com/irm/content/asx-announcements.aspx?RID=8> or by contacting the Registry by phone on 1300 850 505 (overseas callers on +61 3 9415 4000) during the Offer Period. If you access the electronic version of this Prospectus, you should ensure that you download and read the entire Prospectus.

The electronic version of this Prospectus on the Company's website will not include a personalised Entitlement and Acceptance Form. You will only be entitled to accept the Offer by completing and returning a personalised Entitlement and Acceptance Form.

The Corporations Act prohibits any person from passing the Entitlement and Acceptance Form on to another person unless it is attached to a hard copy of this Prospectus or a complete and unaltered electronic version of this Prospectus.

### **7.2 Continuous disclosure and inspection of documents**

The Company is a disclosing entity for the purpose of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or value of the securities in the Company.

Having taken such precautions and having made all enquiries as are reasonable, the Company believes that it has complied with the general and specific disclosure requirements of the Corporations Act and Listing Rules, which require the Company to notify ASX of information about specific events or matters as they arise, for the purpose of ASX making that information available to the market conducted by ASX.

This Prospectus is issued under section 713 of the Corporations Act. This section enables disclosing entities to issue a prospectus in relation to securities in a class which has been continuously quoted by ASX at all times during the 12 months before the date of the Prospectus. Apart from prescribed matters, this Prospectus need only contain information relating to the terms and conditions of the Offer, the effect of the Offer on the Company and the rights and liabilities attaching to the new Axiom Shares. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the Company. Accordingly, this Prospectus does not contain the same level of disclosure as an initial public offer prospectus.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC.

The Company will make available a copy of each of the following documents, free of charge, to any person who asks for it during the Offer Period:

- (a) The annual financial report for the year ended 30 September 2018 (being the annual financial report most recently lodged with ASIC in relation to the Company before the issue of this Prospectus), a copy of which was lodged with ASX on 11 March 2019. A copy of the 2018 Annual Report is available at <https://www.asx.com.au/asx/share-price-research/company/AVQ>.

- (b) The report for the half-year ended 31 March 2018 lodged with ASX on 14 June 2018. A copy of the 31 March 2018 Half Year Financial Report is available at <https://www.asx.com.au/asx/share-price-research/company/AVQ>.
- (c) Any continuous disclosure notices given by the Company after the lodgement with ASIC of the annual financial report referred to above and before the lodgement with ASIC of a copy of this Prospectus. These include the following announcements:

<b>Date lodged</b>	<b>Announcement</b>
11 March 2019	Despatch of Prospectus
14 March 2019	Response to ASX Query Letter
20 March 2019	Appendix 3B
22 March 2019	Isabel Nickel Project Update
25 March 2019	Entitlement Offer Update - ASIC Interim Stop Order
29 March 2019	Results of 2019 Annual General Meeting
01 April 2019	Suspension of AVQNB from Official Quotation
10 April 2019	Retirement of Non-Executive Director
15 April 2019	Response to ASX Appendix 3Z Query
23 April 2019	Trading Halt
24 April 2019	San Jorge Nickel Mine Update
26 April 2019	Voluntary Suspension
30 April 2019	Quarterly Cashflow Report
2 May 2019	Quarterly Activities Report
3 May 2019	Additions to the nickel mining team
10 May 2019	Funding Update
10 May 2019	Second Supplementary – Withdrawal of Entitlement Offer
10 May 2019	Cleansing Prospectus and Attaching Options Entitlement Offer
10 May 2019	Reinstatement to Official Quotation
13 May 2019	Appendix 3B
15 May 2019	Notice of Initial Substantial Holder
15 May 2019	Further drill results at San Jorge Island
16 May 2019	Issue of Securities Covering Letter and Appendix 3B
17 May 2019	Entitlement Offer and Update

This Prospectus contains details specific to the Offer and the Attaching Options Offer. If Subscribers or other potential investors require any further information in relation to the Company, the Directors recommend that those persons take advantage of the ability to inspect or obtain copies of the documents referred to above.

### 7.3 Interests of Directors

Except as disclosed in this Prospectus, no Director:

- (a) holds or has held in the last two years before the lodgement of this Prospectus with ASIC any interest in:
- (i) the formation or promotion of the Company; or

- (ii) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer under this Prospectus; or
  - (iii) the Offer under this Prospectus, or
- (b) has been paid or has agreed to be paid or has received or has agreed to receive any benefits:
- (i) to induce them to become or to qualify as a Director; or
  - (ii) for services rendered by them in connection with the formation or promotion of the Company or the Offer under this Prospectus.

#### 7.4 Remuneration

Mr Ryan Mount is engaged under contract as the Executive Director and Chief Executive Officer of the Company and is entitled to receive remuneration and benefits under that contract. Messrs Markoff and Gray are entitled to receive non-executive director fees.

The total maximum remuneration of non-executive Directors is initially set out in Article 87 of the Company's Articles of Association and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Articles of Association, the *Companies Ordinance (Chapter 622)* (Hong Kong) and the Listing Rules, as applicable. The determination of non-executive Directors specified in the Company's Articles of Association is US\$300,000 per annum.

Directors' remuneration for the last two years was as follows:

Director	Salary and fees (\$)		Other (\$)		Total (\$)	
	2018	2017	2018	2017	2018	2017
Ryan Mount	750,000	750,000	196,037	168,360	946,037	918,360
Jeremy Gray	60,000	60,000	-	-	60,000	60,000
Jeffrey Markoff*	-	-	-	-	-	-

\* appointed 26 September 2018

Directors are entitled to be reimbursed for their reasonable expenses incurred in connection with the affairs of the Company. Directors may also be entitled to participate in equity based remuneration schemes. Shareholders must approve the framework for any equity based compensation schemes and if a recommendation is made for a director to participate in an equity scheme, that participation must be specifically approved by Shareholders.

The Company also pays premiums to insure all of the Directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct whilst acting in the capacity as Director.

The Company announced on 10 May 2019 that as a cash conservation measure, the Board of Directors had resolved to defer payment of directors' fees for 2019 (including \$85,000 of accrued but unpaid fees) until key operational milestones are achieved such as the first shipment of nickel ore and completion of project financing and the Managing Director had volunteered to reduce his salary by 50% to \$375,000 per year until further long term and value adding objectives are achieved.

The precise operational milestones and the objectives that need to be achieved for the resumption of payment of Directors' fees and the payment of the Managing Director's remuneration at normal levels, have not yet been finally determined. However, the Board's intention is to link the achievement of important immediate value creating milestones with the remuneration of the Board and the Managing Director.

## 7.5 Shareholdings and option holdings of Directors

The Directors are not required under the Company's Articles of Association to hold any Shares in the Company. The following table sets out the relevant interests in Axiom Shares and Axiom Options held by each Director as at the date of this Prospectus:

Director	Axiom Shares held directly	Axiom Shares held indirectly	Axiom Options held (directly and indirectly)	Performance Rights (directly and indirectly)
Ryan Mount*	2,936,509	48,522	4,944,448	4,800,000
Jeremy Gray	47,750	555,556	2,222,224	Nil
Jeffrey Markoff	Nil	46,222,223	170,888,892	Nil

\* Not including Axiom Shares issued under the Placement or Attaching Options

## 7.6 Other disclosure

Axiom non-executive director, Mr Jeremy Gray, was managing director of Orinoco Gold Limited (Administrators Appointed) from 21 December 2017 until 21 January 2019. Pursuant to a resolution of Orinoco directors, Orinoco entered into voluntary administration on 6 April 2019. As at 31 December 2018, Orinoco's balance sheet disclosed negative equity of \$16.5 million. The first creditors meeting was held on 17 April 2019 and the meeting ratified the appointment of the administrators and elected to appoint a Committee of Creditors. Orinoco has advised that updates regarding the administration will be provided to ASX's market announcements platform in the first instance.

## 7.7 Disclosure of interests of advisers

Except as set out in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus:

- (a) has any interest, or has had any interest during the last two years, in the formation or promotion of the Company, or in property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offers; or
- (b) has been paid, or has agreed to be paid, any amount and has received or has agreed to receive any benefit that has been given, or agreed to be given, in connection with the services provided by the person in connection with the formation or promotion of the Company, or the Offers.

## 7.8 Taxation

Taxation implications will vary depending upon the specific circumstances of individual Shareholders. It is the responsibility of all investors to satisfy themselves of the particular tax consequences that apply to them, by consulting their own professional financial and taxation advisers. Neither the Company nor any of its officers, employees or agents, nor its taxation or other advisers accepts any liability or responsibility in respect of taxation consequences connected with the Offers.

## 7.9 Privacy

You may provide personal information to the Company and the Registry. The Company and the Registry collect, hold and use your personal information in order to service your needs as a Shareholder and/or Optionholder, provide facilities and services that you request and carry out appropriate administration.

Company and tax laws require some of the information to be collected. The Company and the Registry may disclose your personal information for purposes related to your shareholding or optionholding to their agents and service providers including those listed below or as otherwise authorised under the *Privacy Act 1988* (Cth):

- (a) the Registry for ongoing administration of the register; and

- (b) printers and mailing houses for the purposes of preparation and distribution of Shareholder and Optionholder information and for handling of mail.

Under the *Privacy Act 1988* (Cth), you may request access to your personal information held by (or on behalf of) the Company or the Registry. You can request access to your personal information by telephoning or writing to the Company through the Registry on 1300 850 505 (overseas callers on +61 3 9415 4000) or email at [privacy@computershare.com.au](mailto:privacy@computershare.com.au).

#### 7.10 **Consents and disclaimers**

None of the persons named below has authorised or caused the issue of this Prospectus or made any statement that is included in this Prospectus, or any statement on which a statement made in this Prospectus is based, except as stated below. Each of the persons named below expressly disclaims and takes no responsibility for any statements or omissions from this Prospectus. This applies to the maximum extent permitted by law and does not apply to any matter to the extent to which consent is given below.

#### 7.11 **Consents to be named**

The Company's Hong Kong legal advisors, auditors and share registry are named for information purposes only and have not been involved in the preparation of any part of this Prospectus and have not consented to being named in this Prospectus.

#### 7.12 **Future performance and forward looking statements**

This Prospectus may contain forward looking statements with respect to the financial condition, results of operations, projects and business of Axiom. These forward looking statements involve known and unknown risks, uncertainties and other factors which are subject to change without notice.

Axiom gives no assurance that the anticipated results, performance or achievements expressed or implied in those forward looking statements will be achieved or that actual outcomes will not differ materially from these statements. Except as required by law, and only to the extent so required, no person warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Offer.

#### 7.13 **Past performance**

Past Axiom Share price performance provides no guarantee or guidance as to future Axiom Share price performance. Past performance information given in this Prospectus is provided for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance. The historical information in this Prospectus is, or is based upon, information that has been released to the market. For further information, please see past announcements released to the ASX.

#### 7.14 **Transaction Costs**

The estimated costs of the Relevant Transactions, including advisory and legal fees, as well as printing, advertising and other expenses are currently estimated to be approximately \$35,000.

#### 7.15 **Governing law**

This Prospectus and the contracts that arise from applications for Axiom Shares are governed by the laws of Queensland and each applicant submits to the exclusive jurisdiction of the courts of Queensland.

**7.16 Electronic prospectus**

This Prospectus is available to persons by invitation from the Company in electronic form at [www.axiom-mining.com](http://www.axiom-mining.com). The Offers contained in this Prospectus in electronic form is available only to persons accessing and downloading or printing the electronic copy of the Prospectus within Australia and is not available to persons in any other jurisdictions without the prior approval of the Company. Persons in Australia having received a copy of this Prospectus in its electronic form may, before the Offer Closing Date, obtain a paper copy of this Prospectus (free of charge) by telephoning the Registry on 1300 850 505 (overseas callers on +61 3 9415 4000), at any time from 8:30 am to 5:30 pm (Sydney time) Monday to Friday during the Offer Period.

**7.17 Enquiries**

If you are uncertain about any aspect of this Prospectus, including whether either Offer is a suitable investment for you, you should seek professional advice from your stockbroker, lawyer, accountant or other professional adviser.

**7.18 Expiry date**

No Axiom Shares will be offered on the basis of this Prospectus later than 13 months after the date of this Prospectus.

**7.19 Consent to lodgement**

This Prospectus is issued by the Company. Each Director has consented to the lodgement of this Prospectus with ASIC as required by section 720 of the Corporations Act.



**Acceptance** means a valid Shareholder Entitlement and Acceptance Form to subscribe for New Axiom Shares and Attaching Options and, if applicable, Additional Axiom Shares under the Offer.

**Additional Axiom Shares** means Axiom Shares that Eligible Shareholders may apply for in excess of their Entitlement under section 2.5 of this Prospectus.

**Additional Tenements** has the meaning given in section 5.2(a)(iv).

**Applicable Accounting Standards** means the accounting standards applicable to Axiom, being Hong Kong Financial Reporting Standards (which include Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations), issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance.

**Application Money** means monies received from Eligible Shareholders in respect of their Acceptances or applications for Additional Axiom Shares.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited ABN 98 008 624 691 or, as the context requires, the securities market operated by ASX Limited.

**ASX Settlement** means ASX Settlement Pty Limited.

**ASX Settlement Operating Rules** mean settlement rules of the ASX Settlement (as amended from time to time),

**Attaching Option** means an option to subscribe for one Axiom Share on the terms and conditions set out in section 6.4 of this Prospectus.

**Attaching Options Offer** means the offer of Attaching Options to a Subscriber made under section 3.2 of this Prospectus.

**Axiom** means Axiom Mining Limited ARBN 119 698 770.

**Axiom Option** means a CDI representing a unit of beneficial ownership in an Option registered in the name of CDN.

**Axiom Shares** means a CDI representing a unit of beneficial ownership in a Share registered in the name of CDN.

**Axiom Shareholder** means a holder of Axiom Shares.

**Board** and **Board of Directors** means the Directors of the Company acting as a board.

**CDI** means a CHESS Depository Instrument.

**CDN** means CHESS Depository Nominees Pty Limited ACN 071 346 506, an entity registered in Australia (Financial Services Licence Number 254514).

**CHESS** means the Clearing House Electronic Sub-Register System of share transfers operated by ASX Settlement.

**Closing Date** means the date on which the Offer closes, being 5.00pm Sydney time on 5 June 2019 or such other date as Directors determine in accordance with this Prospectus.

**Company** means Axiom Mining Limited ARBN 119 698 770.

**Conversion Shares** means Axiom Shares to be issued on conversion of Convertible Notes outstanding to MEF I, L.P in accordance with the Convertible Note Agreements.

**Convertible Note** means a convertible note issued under the Convertible Note Agreements.

**Convertible Note Agreements** means Convertible Note Agreements between Axiom and MEF I, L.P dated 16 June 2017 and 26 November 2018.

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

**Director** means each director of the Company at the date of this Prospectus.

**Dollars, \$ and A\$** means Australian dollars unless otherwise indicated.

**Eligible Shareholder** means a Shareholder recorded on the Register at the Record Date who is not an Ineligible Shareholder.

**Entitlement and Acceptance Form** means the personalised entitlement and acceptance form to be used by Eligible Shareholders in connection with the Entitlement Offer, attached to or accompanying this Prospectus.

**Entitlement** means each Eligible Shareholder's right to subscribe for 1 New Axiom Share at the Offer Price for every 5 Shares recorded in their name on the Register on the Record Date and to receive the Attaching Options on a 4 for 1 basis.

**Entitlement Offer** means the renounceable pro-rata entitlement offer of Axiom Shares and Attaching Options to Eligible Shareholders contained in this Prospectus.

**Existing Applicant** means an Axiom Shareholder who applied for Axiom Shares under the entitlement offer made under a prospectus issued by the Company dated 21 February 2019.

**Ineligible Shareholder** means a Shareholder with an address in the Register outside of Australia and New Zealand.

**Listing Rules** means the listing rules of ASX as in force from time to time.

**Marketable Parcel** in relation to Attaching Options means a parcel of Axiom Options which if exercised in full, would result in a parcel of Axiom Shares which would not be less than \$500 based on the closing price on a trading platform of the Axiom Shares at the time of grant of the Attaching Options.

**MMERE** means the Solomon Islands Ministry of Mines, Energy and Rural Electrification.

**New Axiom Shares** means the Axiom Shares offered under the Offer.

**Offer** means the Entitlement Offer and the Shortfall Offer.

**Offer Period** means the period during which the Offer can be accepted.

**Offer Price** means \$0.04 per New Axiom Share.

**Option** means an option to subscribe for unissued Shares or Axiom Shares, as the context requires.

**Option holder** means a holder of an Option or an Axiom Option, as the context requires.

**Participating Shareholder** means an Eligible Shareholder who has accepted the Entitlement Offer by completing the Entitlement and Acceptance Form and returning it together with the applicable Application Money to the Registry.

**Placement** means the placement announced on 10 May 2019.

**Placement Share** means an Axiom Share issued under the Placement.

**Prospectus** means this document (including any electronic form of this Prospectus), and any supplementary or replacement prospectus in relation to this document.

**Record Date** means 7.00pm (Sydney time) on 23 May 2019.

**Refund Monies** means monies received from Existing Applicants in respect of the entitlement offer made under a prospectus issued by the Company dated 21 February 2019.

**Registry** means Computershare Investor Services Pty Ltd.

**Register** means the Company's register of Shareholders or Optionholders, as the context requires.

**Shares** means fully paid ordinary shares in the capital of the Company.

**Shareholder** means a holder of a Share or an Axiom Share, as the context requires.

**Shortfall Offer** means the invitations to subscribe for Shortfall Axiom Shares and Attaching Options contained in this Prospectus.

**Shortfall Axiom Shares** means New Axiom Shares available under the Entitlement Offer that are not subscribed for by Eligible Shareholders by the Closing Date.

**Subscriber** has the meaning given under 3.1.

References to time are references to Sydney time.

## Corporate Directory

### Directors and senior management

Ryan Mount – Executive Director and Chief Executive Officer  
Jeremy Gray – Non Executive Director  
Jeffrey Markoff – Non Executive Director

### Company Secretary

Boacoh Secretarial Limited  
2303-7 Dominion Centre  
43-59 Queens Road East  
Hong Kong

### Local Agent

Mr Brent Hofman  
Level 6, 15 Astor Terrace  
Brisbane, QLD, 4000  
Australia

### Registered office – Australia

Level 6, 15 Astor Terrace  
Brisbane Qld 4000  
Australia  
Telephone: +61 7 3319 4100  
Facsimile: +61 7 3252 7577

### Registered Office – Hong Kong

2303-7 Dominion Centre  
43-59 Queens Road East  
Hong Kong

### Website

<http://www.axiom-mining.com>

### Share Registry

Computershare Investor Services Pty Ltd  
Level 1, 200 Mary Street  
Brisbane QLD 4000  
Australia  
Phone: 1300 850 505  
Overseas callers: +61 3 9415 4000  
Facsimile: +61 3 9473 2500

### Auditor – Hong Kong

Zenith CPA Limited  
Certified Public Accountants  
10/F China Hong Kong Tower  
8-12 Hennessey Road  
Wanchai  
Hong Kong

### Auditor – Australia

Hall Chadwick  
Chartered Accountants  
Level 40, 2 Park Street  
Sydney NSW 2000  
Australia

### Principal place of business

Ngossi, Honiara,  
Solomon Islands