

## Appendix 5B

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

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

### Name of entity

AXIOM MINING LIMITED

### ARBN

119 698 770

### Month ended ("current month")

31 December 2019

Consolidated statement of cash flows	Current month \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	(58)
(c) production	-	(144)
(d) staff costs (all departments)	-	(299)
(e) administration and corporate costs	(2)	(242)
1.3 Dividends received (see note 3)		
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	(2)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(2)</b>	<b>(745)</b>

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

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	<sup>(1)</sup> 743
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	-	<b>743</b>

(1) \$743,000 was received as unsecured loans from unrelated parties as part of on-going capital raising activity in the month of October.

Consolidated statement of cash flows		Current month \$A'000	Year to date (3 months) \$A'000
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	27	27
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2)	(745)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	743
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>25</b>	<b>25</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the month (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current month \$A'000	Previous month \$A'000
5.1	Bank balances	1	3
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Term Deposit)	24	24
<b>5.5</b>	<b>Cash and cash equivalents at end of month (should equal item 4.6 above)</b>	<b>25</b>	<b>27</b>

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

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

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at month end \$A'000	Amount drawn at month end \$A'000
8.1 Loan facilities	(1), (2) (3) (4) (5) 2,595	2,595
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after month end, include details of those facilities as well.		

- (1) Includes a Deed of Agreement for an unsecured loan to Overseas Shipping, Trading & Investments for up to \$344,000 with a 5% interest rate. Loan is not due for repayment until called upon.

(2) \$353,000 was received as a subscription in a placement, subject to shareholder ratification at an EGM, by the issue of shares on the same terms as an entitlement offer planned by the Company being for every one placement share issued, to subscribe for attaching options. In September 2019 this amount was converted into registered shares at \$0.01.

(3) \$467,000 (June 2019) and \$358,000 (July 2019) was received as part of an \$825,000 unsecured loan. Subject in part by shareholder ratification and / or approval, this amount can be repaid by the issue of shares at the same price as an entitlement offer planned by the Company however for every one placement share issued, it will subscribe to four attaching option. In September 2019, approximately 54% of this loan has been converted into shares at \$0.01 with the balance to be converted in shares subject to shareholder approval at an EGM.

(4) A secured loan for \$300,000 has been provided in August 2019 as part of a financing transaction involving two private equity resource investors currently engaged in due diligence with the Company. The financier has agreed to convert the loan to shares with attaching options, subject to shareholder approval at an EGM. The loan has an interest rate of 8% and is repayable in August 2020. (see ASX release 22 August 2019)

(5) In the month of September 2019, the company has received \$30,000 and a further \$743,000 in October 2019 by way of subscriptions as unsecured loans ranging from \$10,000 to \$150,000 from a number of unrelated parties. Subject to shareholder approval, these amounts can be repaid by the issue of shares with attaching options. If the shares and options are not issued within a reasonable period of time, the monies received will be repayable in cash. This loan is subjected to a 50% interest over 2 months.

(6) For reference purposes only, a terms sheet with Traxys Europe S.A. ('Traxys') announced on 1 March 2019 for a finance facility up to US\$10.5 million (approx. AU\$14.8 million) remains on foot and has not been withdrawn. It remains however highly conditional including being subject to continuing due diligence and final documentation and there is no guarantee that these conditions will be satisfied.

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<b>9. Estimated cash outflows for next month <sup>(1) &amp; (2)</sup></b>		<b>\$A'000</b>
9.1	Exploration and evaluation	-
9.2	Development	-
9.3	Production	-
9.4	Staff costs (all departments)	10
9.5	Administration	5
9.6	Title and permitting	-
9.7	Interest paid	-
<b>9.8</b>	<b>Total estimated cash outflows</b>	<b>15</b>

Notes:

- (1) January expenditure is subject to availability of funding. Sources of funding for January and the following months will include proceeds from a financing transaction announced on 22 August 2019 with the final amount and structure of the transaction incomplete and subject to due diligence, subscriptions for additional loans from unrelated parties including part or all of the outstanding balance of funds at reporting date from the October 2019 unsecured loans expected in February 2020, on-going and continual negotiation of supplier credit terms, a potential new entitlement offer to shareholders, and net proceeds from first shipment and potential project finance facility subject to receiving regulatory permits.
- (2) The Company will not commit to new mining, development or exploration costs unless funding has been secured or there are reasonable prospects of securing funding. In October 2019 the Company was advised its Foreign Business Certificate has been cancelled and immediately ceased all mining operations and as a result development of operating costs will be significantly reduced going forward. Axiom has been able to continue to negotiate and secure improved supplier terms of payment and or raise additional funding as required.

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

**Compliance statement**

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

Sign here:  .....  
Local Agent

Date: 3 February 2020

Print name: Brent Hofman

**Notes**

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