

AXG Mining Limited

ACN 092 304 964

NOTICE OF GENERAL MEETING

**A General Meeting of the Company will be held at
Suite 2, 16 Ord Street, West Perth, Western Australia
on 8 February 2011 at 10:30am (WST).**

This Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on (08) 9486 1122

ACTION REQUIRED BY SHAREHOLDERS

Review this document in detail and seek professional advice

This document contains important information about your investment in Shares and should be read in its entirety. We encourage you to seek advice from your financial advisers before making any decisions.

Vote on the resolutions

We strongly urge you to vote in person or by proxy at the General Meeting to be held at Suite 2, 16 Ord St, West Perth, Western Australia at 10.30am (WST) on 8 February 2011.

Voting in person

You may vote by attending the General Meeting to be held at Suite 2, 16 Ord St, West Perth, Perth, Western Australia at 10.30am (WST) on 8 February 2011.

If you are a corporate Shareholder and wish to appoint a representative to attend the General Meeting, you should ensure that your representative can provide appropriate evidence of his or her appointment.

You may appoint another person by power of attorney to attend the General Meeting and vote on your behalf. Appropriate evidence of the grant of the power of attorney must be received at the address below on or before 10.30am (WST) on 6 February 2011 (being 48 hours before the time of the General Meeting).

Voting by proxy

If you are unable to attend the General Meeting, you are encouraged to complete and return the proxy form attached to this Notice of Meeting.

A proxy form is enclosed with this document.

The instructions for completion of the proxy form are on the reverse side of the proxy form. The proxy form should be completed and returned to:

In person: Suite 2, 16 Ord St, West Perth, Perth, Western Australia 6005
By post: PO Box 1779, West Perth WA 6872
By fax: +61 (8) 9486 1011

A reply paid envelope is enclosed for proxy forms posted from within Australia. To be valid, your proxy form must be received at the above address on or before 10.30am (WST) on 6 February 2011, being 48 hours before the time of the General Meeting (**Proxy Deadline**).

A written proxy appointment must be signed by the Shareholder or the Shareholder's attorney. Where the appointment is signed by the appointor's attorney, a certified copy of the authority, or the authority itself, must be lodged with the Company in one of the above ways by the Proxy Deadline. If facsimile transmission is used, the authority must be certified.

Questions

If you have any questions concerning your shareholding, please contact AXG Mining Limited, on +61 (8) 9486 1122, or your stockbroker or financial adviser.

AXG MINING LIMITED
ACN 092 304 964

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Shareholders of AXG Mining Limited (**AXG** or the **Company**) will be held on 8 February 2011 commencing at 10.30am at Suite 2, 16 Ord Street West Perth, Western Australia 6005.

The Explanatory Statement that accompanies and forms part of this Notice of Meeting describes in more detail the matters to be considered.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered as Shareholders of the Company on 6 February 2011 at 5.00pm (WST).

AGENDA

1. Listing Rule 10.11 and Section 195 (4) Approval

To consider, and if thought fit pass as an ordinary resolution, the following:

"That for the purposes of ASX Listing Rule 10.11 and section 195(4) of the Corporations Act 2001 and pursuant to the prospectus dated 9 November 2010 for the offer of shares in the Company, the shareholders approve and authorise the directors of the Company to participate in the offer on the terms and conditions as set out in the Explanatory Memorandum."

Voting exclusion: The Company will disregard any votes cast on this resolution by Alex Bajada, Gordon Sklenka and Roland Berzins and their Associates. However the Company need not disregard any vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Proxy and Voting Entitlement Instructions are included on the Proxy Form accompanying this Notice of Meeting.

By order of the Board

Alex Bajada
Director
7th January 2011

Explanatory Statement

INTRODUCTION

This Explanatory Statement has been prepared for the information of Shareholders of AXG Mining Limited in connection with the business to be conducted at the General Meeting of Shareholders to be held at Suite 2, 16 Ord Street West Perth Western Australia on 8 February 2011 at 10.30am.

This Explanatory Statement forms part of and should be read in conjunction with the accompanying Notice of Meeting.

Shareholders should note that all the Directors approved the proposal to put the Resolution to Shareholders as outlined in the Notice of Meeting and to prepare this Explanatory Statement.

Resolution 1 – Listing Rule 10.11 and Section 195(4) approval

A Prospectus for the offer of one ordinary share for each share held was lodged with the Australian Securities Investment Commission on 9 November 2010.

Listing Rule 10.11

ASX listing rule 10.11 stipulates that an entity must not issue or agree to issue equity securities to Directors (related parties) without the approval of shareholders. Requirements for information to be included in the Notice are included under ASX listing rule 10.13.

Listing Rule 10.13

For the purposes of ASX listing rule 10.11 therefore;

1. Alex Bajada, Gordon Sklenka and Roland Berzins, being Directors of the Company, may participate in the uptake of shortfall shares, should a shortfall arise;
2. The maximum number of shares to be issued to the Directors from the shortfall will be 7,000,000 shares each, a total of up to 21,000,000 shares;
3. The shares will be issued no later than 9 February 2011 subject to shareholder approval being granted;
4. The shares will be issued at \$0.01 each to raise up to \$210,000, being the maximum participation of Directors of the Company in the shortfall, and will rank pari passu with existing fully paid ordinary shares;
5. The funds will be used to undertake soil sample analysis of the Company's Turkmenistan project, debt retirement and for working capital requirements.

Section 195(4)

Section 195 of the Corporations Act 2001 essentially provides that a Director of a public company may not vote or be present during meetings of Directors when matters in which that Director holds a “material personal interest” are being considered.

All of the Directors therefore, may have a material personal interest if they take up the maximum proposed amount of shortfall shares. In the absence of this resolution, the Directors may not be able to form a quorum at Directors’ meetings necessary to carry out the allotment of shortfall shares allotted to participants in the shortfall. The final allocations of shares pursuant to the offer will be decided by the Board.

The Directors have accordingly exercised their right under section 195(4) of the Corporations Act 2001 to put the issue to the Shareholders to resolve.

1. DEFINITIONS

ASX	means ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
ASX Listing Rules	means the official listing rules of ASX.
Board	means the board of Directors of the Company,
Company or AXG	means AXG Mining Limited ACN 092 304 964
Director	means a director of the Company.
Explanatory Statement	means this explanatory statement accompanying the Notice of Meeting.
General Meeting	means the general meeting of the Shareholders of the Company to be held by the Company at 16 Ord Street West Perth Western Australia on 8 February 2011 at 10:30am.
Notice of Meeting	means this notice of meeting and includes the Explanatory Statement and proxy form.
Resolution	means a resolution referred to in the Notice of Meeting.
Share	means a fully paid ordinary share in the capital of the Company and Shares has a corresponding meaning.
Shareholder	means the owner of a Share.
WST	means Western Standard Time.

In this Notice of Meeting, words importing the singular include the plural and vice versa.

Proxy Form

The Secretary
AXG Mining Limited
Suite 4, 16 Ord Street
WEST PERTH WA 6005

I/We (full name)

_____ of _____
being a member(s) of AXG Mining Limited, hereby appoint as my/our proxy

_____ of _____
or, failing him/her the Chairperson of the General Meeting to attend and vote for me/us at the General Meeting of the Company to be held at 10.30am on 8 February, 2011 and at an adjournment thereof in respect of _____% of my/our shares or, failing any number being specified, ALL of my/our shares in the Company.

The Chairman intends to vote all undirected proxies in favour of all resolutions.

RESOLUTIONS

		FOR	AGAINST	ABSTAIN
1	Listing Rule 10.11 and S195 (4) Approval	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If the member is an individual or joint holder:

Usual Signature

Dated this _____ day of

Usual Signature

2011

If the member is a Company:

Signed in accordance with the
Constitution of the company
the presence of:

Director/Sole Director

Dated this

Director/Secretary

day of

Sole Director and Sole Secretary

2011

INSTRUCTIONS AS TO VOTING

If the Chair of the General Meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect to the resolution, please place a mark in the box.

By marking this box, you acknowledge that the Chair of the General Meeting may exercise your proxy even if he has an interest in the outcome of the resolution and that votes cast by the Chair of the General Meeting other than as proxy holder will be disregarded because of that interest. The Chairman of the General Meeting intends to vote such proxies in favour of all resolutions.

If you do not mark the box, and you have not directed your proxy how to vote, the Chair will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

NOTES

1. A member entitled to attend and vote is entitled to appoint not more than two proxies.
2. Where more than one proxy is appointed and that appointment does not specify the proportion or number of the member's votes, each proxy may exercise half of the votes.
3. A proxy need not be a member of the Company.
4. A proxy is not entitled to vote unless the instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed is either deposited at the registered office of the Company (Suite 4, 16 Ord Street, West Perth, WA 6005) or sent by facsimile to that office on Fax: 08 9486 1011 to be received not less than 48 hours prior to the time of the General Meeting.
5. If the member is a company it must execute under its Common Seal or otherwise in accordance with its Constitution.