

## Axiom Secures \$8.2m Funding Package

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### HIGHLIGHTS

- **\$7.5m investment agreement (with the capacity to increase up to \$17.1m)**
  - **Additional \$700,000 raised via Private Placement**
  - **Current convertible note holders convert debt to equity**
  - **The funding provides platform for development over the next 24 months**
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Axiom Mining Limited (“Axiom” or “the Company”) is pleased to announce the execution of a funding agreement with Bergen Global Opportunity Fund, LP (“Bergen”), a New York institutional investor managed by Bergen Asset Management, LLC (“Bergen Asset Management”). This investment will underwrite Axiom’s operations including funding litigation and exploration in Solomon Islands as well as advancing exploration in Vietnam and North Queensland.

The agreement with Bergen provides Axiom with \$300,000 per month in capital over the next 24 months in exchange for shares in the Company. This can be increased to up to \$700,000 per month. Bergen has also subscribed to an interest free \$300,000 convertible security with a 24 month term, for a total investment of \$600,000 on execution. The key aspects of the Bergen agreement are set out on the next pages.

Separate to Bergen’s funding, the Company has also raised \$700,000 through a private placement of shares (the “Private Placement”) to sophisticated investors at \$0.03, bringing the total raised immediately to \$1.3m.

Additionally, the current convertible note holders have agreed to voluntarily convert the Company’s convertible debt of \$2.9m to equity, further enhancing Axiom’s balance sheet (the “Conversion”).

Axiom’s CEO, Mr Ryan Mount said “The security of continual funding and the conversion of the current debt to equity enables the Company to focus on its operations. 2012 is shaping up to be a huge year for Axiom and this capital now brings more certainty to the execution of our business plan.”

Bergen Asset Management’s Managing Director, Mr Eugene Tablis said “Axiom presented us with a rare opportunity to invest in commodity development projects in the frontier markets of Solomon Islands and Vietnam while having the benefit of an experienced Australian management team and the security of an equity stake in an ASX listed company. We look forward to seeing Axiom progress its unique projects.”



## KEY ASPECTS OF THE BERGEN AGREEMENT

### 1. Certainty of access to funding

The agreement provides the Company with certainty of access to funding in a difficult capital markets environment over the next 24 months. Subject to certain conditions, including the completion of the Private Placement and the Conversion, the investment will be made as follows:

- \$300,000 to \$700,000 in monthly share purchases for up to 24 months (\$300,000 per month, which can be increased to up to \$700,000 by mutual consent); and
- \$600,000 invested on execution of the agreement (\$300,000 is the first tranche of the monthly share purchases, and the balance of \$300,000 is invested by way of a 24 month interest free unsecured convertible security (the "Convertible").

The regularity and size of the tranches provide certainty of funding to Axiom and enable its management to focus on Axiom's development. Axiom expects that the settlement of the first tranche of the investment to occur this week.

### 2. Minimising dilution

Bergen will acquire ordinary shares in the Company in its monthly equity investments at a purchase price equal to 90% of the average of three consecutive daily volume-weighted average prices (VWAPs) of the Company's CHESSE Depository Interests (CDIs) during a specified period immediately prior to the date of the issuance of the ordinary shares.

The Convertible is convertible into the Company's ordinary shares at one of two conversion prices determined at the election of Bergen and comprising either 130% of the average of the VWAPs of the Company's CDIs during the 20 trading days before the execution of the Agreement or 90% of the average of three consecutive VWAPs of the Company's CDIs during a specified period immediately prior to the date of conversion.

This allows the Company to potentially issue new shares at prices that are linked to the prices prevailing at the time (that is potentially at a premium to the current share price) and minimise the dilution for its shareholders.

### 3. Additional safeguards

The Company has additional safeguards against dilution in that it can opt not to issue shares, and terminate the agreement with the investor if the price at which the Company would be issuing the shares to Bergen were to be lower than a specified floor price.

The terms of the agreement do not permit for equity securities to be issued, and there is no agreement to issue equity securities under the agreement, if shareholder approval is first required under the Listing Rules. The settlement of the first tranche will not require such approval.





#### **4. Interest free investment and focus on capital appreciation**

Bergen's return on investment depends on the Company's share price appreciation and, consequently, the Convertible accrues no interest.

#### **5. Options priced at a premium**

Following the next scheduled Annual General Meeting (AGM) of the Company, provided that the Company has sufficient 15% capacity following that AGM, Bergen will be granted 10 million options to acquire ordinary shares in the Company at an exercise price of 130% of the average of the VWAPs of the Company's CDIs for the 20 trading days immediately prior to the date of the agreement and an expiry date that is 30 months following the date of their grant, which maximises Bergen's interests in the Company's share price appreciation.

#### **6. No financial ratio covenants**

The investment is not subject to any financial covenants other than the Company securing it against 10 million ordinary shares, and does not prevent the Company from raising additional funding.

#### **7. Other**

Bergen will receive a commencement fee of \$100,000 in connection with its investment in the Company, to be satisfied by way of issuance of 3,571,429 shares in the Company.

#### **8. Validation of the business model by a US institutional investor**

The Company believes an investment by a US institution validates the Company's business model and raises its profile in the international financial markets.

**ENDS**

#### **About Axiom Mining Limited**

*Axiom Mining Limited is an advanced mineral exploration company with an 80% interest in the world class Isabel Island nickel deposit in the Solomon Islands, gold and silver projects in Vietnam and 100% owned highly prospective gold, silver and copper tenements in Chillagoe, North Queensland, in Australia. The company is listed on the ASX and operates in Australia, Solomon Islands and Vietnam.*

*For more information on Axiom Mining and details of our Solomon Islands, Vietnamese and Australian projects, please refer to the company website at: [www.axiom-mining.com](http://www.axiom-mining.com).*

#### **Disclaimer**

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

