

Axiom Mining Limited

ARBN 119 698 770

Meeting Documentation

Notice of Annual General Meeting Explanatory Statement

Date of Meeting

31 March 2015

Time of Meeting

10:00am AEDT

Place of Meeting

Kemp Strang
Level 17
175 Pitt Street,
Sydney NSW 2000

ARBN 119 698 770

Notice of Annual General Meeting

The Annual General Meeting of Axiom Mining Limited ARBN 119 698 770 will be held at Kemp Strang, Level 17, 175 Pitt Street, Sydney NSW 2000 on Tuesday, 31 March 2015 at 10:00 am AEDT.

The business to be considered at the Annual General Meeting is set out below.

This Notice of Meeting should be read in its entirety in conjunction with the accompanying Explanatory Statement, which contains information in relation to the following Resolutions. If you are in any doubt as to how you should vote on the proposals set out in this Notice of Meeting, you should consult your financial or other professional adviser.

Business

To consider and, if thought fit, to pass the following ordinary resolutions

Resolution 1 – Axiom Group Financial Statements

To receive and consider the financial statements and the reports of the Directors and Auditors for the Axiom Group for the year ended 30 September 2014. Those statements and reports have been filed on the ASX electronic filing system for Company Notices and are available on the Company's website at www.axiom-mining.com and from the Company's Hong Kong Registry.

Resolution 2 – Approval of remuneration report

To consider the Remuneration Report contained in the 2014 Annual Report for the Axiom Group, and if thought fit, pass the following non binding resolution:

"That the Remuneration Report for the 12 months to 30 September 2014 be adopted."

Voting exclusion statement for Resolution 2: The Company will disregard any votes cast on this Resolution by or on behalf of any member of key management personnel of the Company, details of whose remuneration are included in the Remuneration Report or any closely related party of such member. However, the Company need not disregard a 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.

Resolution 3 – Company Financial Statements

To receive and adopt the audited Financial Statements and the Reports of the Directors and Auditors for the Company for the year ended 30 September 2014 and if thought fit, pass the following ordinary resolution:

"That the audited Financial Statements and the Reports of the Directors and Auditors for the Company for the year ended 30 September 2014 be read and adopted."

Resolution 4 – Approval of issue of 357,900,015 Options

“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, the Company approves the issue of 357,900,015 Options to professional and sophisticated investors as set out in section 14.1 of the Explanatory Statement and approves the Directors to issue 357,900,015 Shares on exercise of those Options on the terms and conditions set out in section 14.1 of the Explanatory Statement.”

Voting exclusion statement for Resolution 4: The Company will disregard any votes cast on this Resolution by the allottees described in section 14.1 of the Explanatory Statement and a person who might obtain a benefit (except a benefit solely in the capacity of a holder of Shares, if the resolution is passed) and any of their Associates. However, the Company need not disregard a 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.

Resolution 5 – Approval of issue of 19,642,858 Options to Neil Gardyne Investments Pty Ltd

“That, subject to Shareholders approving Resolution 4, for the purposes of ASX Listing Rule 10.11 and for all other purposes, the Company approves the issue of 19,642,858 Options to Neil Gardyne Investments Pty Ltd (which company, for the purpose of ASX Listing Rule 19.12 is treated as a related party) on the terms and conditions set out in section 14.2 of the Explanatory Statement.”

Voting exclusion statement for Resolution 5: The Company will disregard any votes cast on this Resolution by Mr Ryan Mount, Neil Gardyne Investments Pty Ltd and any of their Associates. However, the Company need not disregard a 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.

Resolution 6 – Approval of Issue of 180,000,000 Performance Rights to Mr Ryan Mount

“That for the purposes of Listing Rule 10.14 and for all other purposes, the Company approves the granting of the 180,000,000 Rights under the Director and Executive Performance Rights Plan to Mr Ryan Mount on the terms and conditions set out in sections 8 and 14.3 of the Explanatory Statement.”

Voting exclusion statement for Resolution 6: The Company will disregard any votes cast on this Resolution by any Director who is eligible to participate in the Executive Performance Rights Plan and any of their Associates. However, the Company need not disregard a 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.

Resolution 7 - Ratification of issue of 250,000,000 Shares to Anitua Limited on 11 February 2015

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, the Company approves and ratifies the issue of 250,000,000 fully paid Shares to Anitua Limited as set out in section 14.3 of the Explanatory Statement.”

Voting exclusion statement for Resolution 7: The Company will disregard any votes cast on this Resolution by Anitua Limited and any of its Associates. However, the Company need not disregard a 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.

Resolution 8 - Approval of Consolidation of the Company's Issued Share Capital

"That, for the purposes of section 254H of the Corporations Act and for all other purposes, approval is given for the consolidation of the Company's issued capital on the following basis:

- (a) every 15 Shares be consolidated into 1 Share;
- (b) every 15 Options be consolidated into 1 Option and the exercise price of each Option to be amended in inverse proportion to this ratio in accordance with ASX Listing Rule 7.22.1;
- (c) every 15 Performance Rights be consolidated into 1 Performance Right,

with the consolidation taking effect on or about 15 April 2015, and where this consolidation results in a fraction of a Share, Option or Performance Right being held by a Shareholder, Optionholder or Performance Rights holder (as applicable), the Directors be authorised to round that fraction down to the nearest whole Share, Option or Performance Right."

Resolution 9 – General Mandate to issue and allot new Shares

"That, subject to any restrictions in the ASX Listing Rules in relation to issuing new capital (including ASX Listing Rules 7.1, 10.11 and 10.14), pursuant to section 57B of the Companies Ordinance, Hong Kong, Cap 32, a general mandate to the Directors to issue further unissued shares in the capital of the Company at any time to such persons, and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit be approved, and that such authority shall continue to be in force until the conclusion of the next General Meeting of the Company or the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier."

Resolution 10 - Increase in authorised share capital

That in accordance with the provisions of Article 41 of the Company's Articles of Association and for all other relevant purposes, the authorised Share capital of the Company be increased from 4 billion to 8 billion Shares.

To consider and, if thought fit, to pass the following special resolution

Resolution 11 – Approval of Additional 10% Placement Capacity

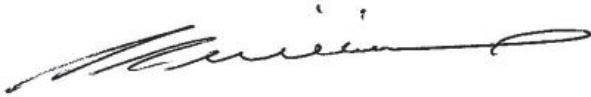
"That, for the purpose of ASX Listing Rule 7.1A and for all other purposes, the Company approves the issue of Equity Securities totalling up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement."

Voting exclusion statement for Resolution 11: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed and any of their Associates. However, the Company need not disregard a 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.

Other Business

To transact any other business that might be legally brought before the Annual General Meeting.

Dated 4 March 2015
By order of the board

A handwritten signature in black ink, appearing to read 'Stephen Williams', with a long, sweeping horizontal stroke extending to the right.

Stephen Williams
Chairman

Proxies

The Explanatory Statement and all attachments are important documents. They should be read carefully.

If you have any questions regarding the matters set out in this Explanatory Statement or the preceding Notice of Meeting, please contact the Company, your accountant or investment adviser.

The Board has determined that for the purpose of this Annual General Meeting, Shareholders will be taken to be the persons recorded on the Company's register of Shareholders by 7.00 pm (Sydney time) on 29 March 2015.

Venue

The Annual General Meeting of the Shareholders of Axiom Mining Limited (**Axiom or Company**) will be held at:

Kemp Strang, Level 17, 175 Pitt Street, Sydney NSW 2000

Commencing at 10:00am (Sydney time) on 31 March 2015.

How to Vote

You may vote by attending the meeting in person, by proxy or authorised representative.

Voting in Person

To vote in person attend the meeting on the date and place as set out above. The meeting will commence at 10:00am (Sydney time).

Voting by Proxy

To vote by proxy, please complete and sign the Proxy Form enclosed with this Notice of Meeting, so that it is received no later than 10:00am (Sydney time) on 29 March 2015. Proxy forms received later than this time will be invalid.

Hand deliveries:	Boardroom Pty Ltd	Postal address:	Boardroom Pty Ltd
	Level 7, 207 Kent Street		GPO Box 3993
	Sydney NSW 2000		Sydney NSW 2001

Alternatively you can fax your proxy form so that it is received no later than 10:00am (Sydney time) on 29 March 2015 on the fax number listed below.

Fax Number: +61 2 9290 9655

Your Proxy Form is enclosed

This is an important document. Please read it carefully. If you are unable to attend the Annual General Meeting please complete the enclosed Proxy Form and return it in accordance with the instructions set out on that form.

Explanatory Statement

1. Introduction

This Explanatory Statement has been prepared for Shareholders of Axiom Mining Limited ARBN 119 698 770 (**Company**) in connection with the business to be transacted at the Annual General Meeting of the Company to be held at 10:00am on Tuesday, 31 March 2015 at Kemp Strang, Level 17, 175 Pitt Street, Sydney NSW 2000, and contains important explanatory and other information for Shareholders in relation to the Resolutions set out in the attached Notice of Meeting.

The Directors recommend Shareholders read this Explanatory Statement carefully in full before making any decision in relation to the Resolutions.

The Directors encourage all Shareholders to attend the Annual General Meeting and vote in person or by proxy to ensure that they have a say in protecting their investment in the Company.

The Directors recommend that Shareholders vote in favour of Resolutions 1 to 4 and 7 to 11.

The Chairman recommends that non-associated Shareholders vote in favour of Resolution 5.

If you are in doubt about what to do in relation to the Resolutions, you should consult your financial or other professional adviser.

2. Reasons for Resolutions

The Company is required to comply with the ASX Listing Rules with respect to all Resolutions.

The relevant ASX Listing Rules for which each of the Resolutions is required to be passed is set out in the body of that Resolution. The effect of each relevant provision of the ASX Listing Rules is as follows.

(a) ASX Listing Rule 7.1

ASX Listing Rule 7.1 requires the prior approval of Shareholders if a company proposes to issue or agrees to issue in any 12 month period equity securities exceeding 15% of its securities on issue at the commencement of the 12 month period.

(b) ASX Listing Rule 7.4

ASX Listing Rule 7.4 provides that a company may approve an issue of securities made without approval under ASX Listing Rule 7.1 subsequently to the issue of those securities provided that the issue did not breach ASX Listing Rule 7.1.

(c) ASX Listing Rule 10.11.1

ASX Listing Rule 10.11.1 requires the prior approval of Shareholders for the issue of securities to a related party, which includes a Director

of the Company.

(d) ASX Listing Rule 10.14

ASX Listing Rule 10.14 requires the prior approval of Shareholders for the acquisition of securities by a related party (which includes a Director of the Company) under an employee incentive scheme.

The issue of Options referred to in Resolution 5 is subject to Shareholders approving Resolution 4. In the event that Shareholders do not approve Resolution 4, Resolution 5 will not proceed.

Resolutions 1 to 4 and 6 to 11 are not inter-conditional. Accordingly, if Shareholders do not approve one of these Resolutions, other Resolutions may still be approved by Shareholders.

Resolutions 1 to 10 are ordinary resolutions, which require approval by 50% of Shareholders present at a meeting, either in person or by proxy.

Resolution 11 is a special resolution, which requires approval by 75% of Shareholders present at the meeting, either in person or by proxy.

3. Adoption of Axiom Group Financial Statements (Resolution 1)

The audited financial statements and reports by the directors and the auditors for the Axiom Group for the year ended 30 September 2014 have been lodged on the Company's information page of the ASX Limited and also on the Company's website (www.axiom-mining.com). Shareholders will be asked to adopt these financial statements and reports and the Directors will give shareholders an opportunity to discuss their contents and ask any questions. A copy of the Annual Report for the Axiom Group is included with this Notice of Meeting.

4. Approval of Axiom Group Remuneration Report (Resolution 2)

Under sections 249L and 250R of the Corporations Act, public companies are required to meet disclosure requirements in respect of Director and executive remuneration, and to include a Remuneration Report in the Director's Report to Shareholders. The Remuneration Report for the 12 months ended 30 September 2014 is included in the 2014 Annual Report for the Axiom Group.

Further, the Corporations Act requires that adoption of the Remuneration Report be included as a resolution on which shareholders are given the opportunity to vote at the Annual General meeting.

The vote on this resolution is advisory only, and will not be binding on the Board. Notwithstanding the non-binding nature of the vote, the Board will take note of the outcome of the vote when considering future remuneration matters.

Under the Corporations Act, if at least 25% of the votes cast on the resolution at the Annual General Meeting are against adoption of the Remuneration Report, then:

- if comments are made on the report at the Annual General Meeting, the Axiom Group's remuneration report for the financial year ending 30 September 2015 will be required to include an explanation of the Board's proposed action in response or, if no action is proposed, the Board's reasons for this position; and
- if, at the Axiom Group's 2016 Annual General Meeting, at least 25% of the votes cast on the resolution for adoption of the remuneration report for the relevant financial year are against its adoption, the Company will

be required to put to shareholders a resolution proposing that a General Meeting (**Spill Meeting**) be called to consider the election of directors of the company (**Spill Resolution**). The Spill Meeting must be held within 90 days of the date of the 2016 Annual General Meeting. For a Spill Resolution to be passed, more than 50% of the votes cast on the resolution must be in favour of it. If a Spill Resolution is passed, all of the directors (other than any managing director) will cease to hold office immediately before the end of the Spill Meeting unless re-elected at that meeting.

Please note that the Chairman intends to vote any undirected proxies in favour of this resolution.

5. Approval of Company Financial Statements (Resolution 3)

The audited financial statements and reports by the directors and the auditors for the Company for the year ended 30 September 2014 have been lodged on the Company's information page of the ASX Limited and also on the Company's website (www.axiom-mining.com). Shareholders will be asked to resolve to adopt these financial statements and reports and the Directors will give shareholders an opportunity to discuss their contents and ask any questions. A copy of the Annual Report for the Company is included with this Notice of Meeting.

6. Issue of Options to Sophisticated and Professional Investors (Resolution 4)

The Company is seeking Shareholder approval under Resolution 4 for the issue of 357,900,015 Options to sophisticated and professional investors pursuant to ASX Listing Rule 7.1, so that such Options and Shares issued on exercise of those Options are not taken into account in determining the Company's capacity to issue up to 15% of its issued Shares, if required, in the next 12 months without the need to obtain Shareholder approval. If Shareholders approve the issue of the Options under ASX Listing Rule 7.1, the issue of 357,900,015 Shares on exercise of the Options will be excluded from the calculation of the 15% limit under ASX Listing Rule 7.2, Exception 4.

The Company issued Shares and attaching Options for working capital purposes, in several private placements to a number of key professional and sophisticated investors supporting the Company in April, June and September 2014.

At an Annual General Meeting of the Company held on 31 March 2014, Shareholders approved the issue of the following Shares and Options to sophisticated and professional investors for the purposes of ASX Listing Rule 7.1:

- 89,285,175 Shares and attaching Note Options (Resolution 20);
- 95,088,050 Note Options (Resolution 21); and
- 50,257,144 Note Options (Resolution 22).

All of the Options which were approved have an exercise price of \$0.02 and are exercisable on or before 31 March 2015. The Options were issued on 9 April 2014, following the Annual General Meeting.

The Shares and Options approved pursuant to Resolution 20 related to a capital raising of \$1.25 million in which investors were issued 1,250 Convertible Notes with a face value of \$1,000. The Notes converted at a price of \$0.014 within 5 Business Days of the Company obtaining all necessary approvals to the conversion, including shareholder approval at the 2014 Annual General Meeting. On conversion, each investor received 1 Share and 1 free attaching Note Option.

The Note Options approved by Shareholders pursuant to Resolution 21 related to the non-renounceable rights issue completed by the Company on 25 November 2013. Pursuant to an agreement with certain investors dated 12 November 2013, the Company agreed to pay a fee of 95,088,050 Note Options to various investors who agreed to take up shortfall under the rights issue.

The Note Options approved by Shareholders pursuant to Resolution 22 related to a private placement to sophisticated and professional investors conducted by the Company.

At an Extraordinary General Meeting of the Company held on 30 January 2015, Shareholders approved the issue of 149,000,008 fully paid Shares and 149,000,008 attaching Options exercisable at \$0.02 and expiring on 31 March 2015 to sophisticated and professional investors for the purposes of ASX Listing Rule 7.4 (Resolution 1). The Options approved by Shareholders pursuant to Resolution 1 related to a private placement to sophisticated and professional investors conducted by the Company. The Shares and Options were issued by the Company on 9 April 2014. None of the Options referred to above have been exercised.

As announced to the ASX on 27 October 2014, SMM Solomon Limited filed a notice of appeal in the Solomon Islands Court of Appeal in response to the judgement delivered in favour of Axiom KB Limited in the High Court case 258/11 between Sumitomo and others v Axiom KB Limited, the Solomon Islands Government and others (**Proceedings**).

On 13 February 2015, the Company announced that the appeal had been listed for hearing commencing on 26 May 2015.

The Board selected an expiry date for the Options of 31 March 2015 on the basis that it was expected that any appeal lodged by SMM Solomon Limited as a result of the successful judgement obtained by the Company in the Proceedings would be resolved by that date.

ASX Listing Rule 6.23.3 prohibits the Company from extending the period for exercise of any options. Accordingly, the Board has determined that it is reasonable that those professional and sophisticated investors who have Options expiring on 31 March 2015 should be issued with new Options on the same terms conditions as the Options referred to above but with an expiry date of 30 September 2015 to fulfil the initial intent of the Board that those investors should be given an opportunity to exercise the Options once the Appeal is decided and the Proceedings are finally resolved. It is proposed that the new Options will be issued after the current Options lapse on 31 March 2015.

The allottees of the Options will be sophisticated or professional investors (as the case may be) for the purposes of section 708(8) or 708(11) of the Corporations Act (as applicable) and the Company understands that the investors will not acquire the Options with the purpose of selling or transferring all or any of them or granting, issuing or transferring interests in or options over them, except where disclosure to investors is not required under sections 708 or 708A of the Corporations Act.

7. Issue of Options to a Related Party (Resolution 5)

As announced to the ASX on 29 December 2014, the Company inadvertently breached ASX Listing Rule 10.11 by issuing various Shares and Options to Neil Gardyne Investments Pty Ltd without the requisite shareholder approval.

Neil Gardyne Investments Pty Ltd is, for the purposes of ASX Listing Rule 19.12, a related party of the Company in that Mr Neil Mount, father of the Director, Mr Ryan Mount, is the sole director and secretary of this company.

As noted in the 29 December 2014 announcement, ASX required Neil Gardyne Investments Pty Ltd to sell all of the Shares and the Company to cancel the Options issued to it in breach of ASX Listing Rule 10.11 by 13 January 2015. As at 29 December 2014, 44,000,000 Shares held by Neil Gardyne Investments Pty Ltd had been sold. All of the Options held by Neil Gardyne Investments Pty Ltd were cancelled by the Company on 30 December 2014. Settlement of the sale of the remaining 3,077,497 Shares held by Neil Gardyne Investments Pty Ltd occurred on 15 and 16 January 2015.

Neil Gardyne Investments Pty Ltd incurred losses as a result of selling the Shares and the attaching 19,642,858 Options being cancelled. The Options that were cancelled were issued on the same terms and conditions as the Options issued to sophisticated and professional investors referred to in Resolution 4 and also would have expired on 31 March 2015.

Neither Neil Gardyne Investments Pty Ltd nor Mr Neil Mount had any influence over nor did they gain any advantage from the Company's inadvertent breach of ASX Listing Rule 10.11.

The Board has determined that, as the sale of the Shares and cancellation of the Options required by the ASX were caused by the Company's failure to comply with ASX Listing Rule 10.11 and was not due to any fault by Neil Gardyne Investments Pty Ltd, the Company should issue new Options to Neil Gardyne Investments Pty Ltd to help compensate for any inconvenience and losses incurred by it as a result of the sale of Shares and cancellation of the Options required by ASX. The new Options will be issued to Neil Gardyne Investments Pty Ltd on the same terms and conditions as the new Options referred to in Resolution 4 and will have the same expiry date.

If Shareholders approve the issue of Options to Neil Gardyne Investments Pty Ltd under ASX Listing Rule 10.11, Shareholder approval under ASX Listing Rule 7.1 is not required and the issue of 19,642,858 Shares on exercise of the Options will be excluded from the calculation of the 15% limit under ASX Listing Rule 7.2, Exception 4.

8. Issue of Performance Rights to Mr Ryan Mount (Resolution 6)

Mr Ryan Mount was appointed a non-executive director of the Company on 22 April 2009 and assumed the role of Chief Executive Officer and Managing Director of the Company on 22 June 2010.

Mr Mount has led Axiom for the past four and a half years, during which time he has secured key assets, consolidated operations in the Solomon Islands, Australia and Vietnam and assisted the Company to defend its rights to the Isabel Nickel Project.

With effect from 1 March 2015, Mr Mount was retained by the Company for a further five year term with a base salary for the first year of the term of \$750,000 per annum (exclusive of superannuation). In addition to his base salary, Mr Mount is provided with accommodation in the Solomon Islands.

Subject to Shareholder approval, Mr Mount is to be granted Performance Rights under the Director and Executive Performance Rights Plan on the following terms:

Short term incentive Rights:

Mr Mount is to be issued 36 million Rights (**STI Rights**) which Rights will vest immediately on satisfaction of the conditions set out below but will not be exercisable by Mr Mount until after the Appeal of the Proceedings has been completed and a decision handed down.

Long term incentive Rights:

Mr Mount is to be issued 144 million Rights (**LTI Rights**) which Rights will vest in tranches where the Company's Share price exceeds the following thresholds during the specified periods (each a **Performance Condition**):

Number of Rights Issued in each Tranche	Period	Price Threshold
36 million	1 March 2016 to 28 February 2017	2.3 cents
36 million	1 March 2017 to 28 February 2018	2.9 cents
36 million	1 March 2018 to 28 February 2019	3.7 cents
36 million	1 March 2019 to 28 February 2020.	4.6 cents

Once vested, the LTI Rights will be exercisable six months after the end of the relevant measurement period.

Rights Terms and Conditions

The issue of the Rights by the Company is conditional upon:

- (a) a services agreement being executed by the Company and Mr Mount; and
- (b) Shareholders approving the issue of the Rights for the purposes of Listing Rule 10.14.

The Company may cancel the Rights in the following circumstances:

- (a) in their entirety, in the event that, as a result of the Court's findings in the Appeal of the Proceedings, the Company is prevented from continuing exploration and subsequent mining activities in connection with the Isabel Nickel Project within 12 months after the Appeal decision is handed down; or
- (b) pro-rata, in the event that Mr Mount ceases to be employed by the Company before the end of the five year term (other than termination by the Company without cause or where a change of control event (as defined under the Director and Executive Performance Rights Plan) occurs.

Each tranche of Rights will be issued at a nil exercise price.

Subject to the satisfaction of the relevant Performance Conditions, vesting and exercise, each Right entitles Mr Mount to one Share. The maximum number of Rights and hence the maximum number of Shares that may be issued to Mr Mount, and in the case of the LTI Rights, subject to the satisfaction of the relevant Performance Conditions, vesting and exercise is 180,000,000 Shares.

The Rights will lapse if not exercised or forfeited before the date which is 12 months from:

- (a) the date of issue of the STI Rights; or
- (b) the satisfaction of the Performance Condition, in the case of the LTI Rights.

Once the Rights become exercisable, the Rights may be exercised at any time prior to either their lapsing or being forfeited but subject to the following restrictions on their transfer:

- (a) 20% may be sold immediately;
- (b) 15% restricted from transfer for 3 months;
- (c) 15% restricted from transfer for 6 months; and
- (d) the balance restricted from transfer whilst Mr Mount remains the Chief Executive Officer of the Company.

The Rights are subject to such other terms and conditions in relation to participation in share issues and bonus issues, takeover of the Company and other matters in accordance with the Director and Executive Performance Rights Plan and the invitation provided to Mr Mount in connection with the Rights.

If Resolution 6 is approved by Shareholders, 100,000,000 of the current Rights held by Mr Mount will be cancelled.

The Board is satisfied that the number of Rights and the relevant Performance Conditions which have been set for Mr Mount meet the criteria that will align his incentives with the economic interests of shareholders.

The persons who have received securities under the Director and Executive Performance Rights Plan since it was last approved by Shareholders at a meeting held on 22 April 2013, the number of securities received by those persons and the acquisition price for each security are set out below:

Holder Name	Issued Performance Rights	Performance Rights Issue Date	Issued Shares on Exercise of Rights	Share Issue Date	Exercise Price
Mr Ryan Mount	100,000,000	22/04/2013	N/A	N/A	Nil
Mr Stephen Williams	10,000,000	22/04/2013	N/A	N/A	Nil

Messrs Mount and Williams are the only persons currently entitled to participate in the Director and Executive Performance Rights Plan.

Details of any Shares that have been issued to Mr Mount under the Director and Executive Performance Rights Plan will be published in each Annual Report of the Company relating to the period in which those Shares have been issued together with a statement that approval for the issue of such Shares was obtained under ASX Listing Rule 10.14.

Any additional persons who become entitled to participate in the Director and Executive Performance Rights Plan after Resolution 6 is approved and who are not named in this or any previous Notice of Meeting will not participate until approval is obtained under ASX Listing Rule 10.14.

If approved and subject to the relevant conditions in relation to the Rights being

satisfied, all the Rights will be issued to Mr Mount not later than the date which is twelve months after the date of the meeting.

If all the Rights to be granted to Mr Mount are approved, the relevant Performance Conditions satisfied, vesting occurs and the Rights are exercised, then Mr Mount (and his Associates) would hold 7.8% of the issued capital of the Company.

9. Issue of Shares for working capital (Resolution 7)

As announced to the ASX on 30 December 2014, Anitua Limited has entered into a strategic partnership with the Company for the Isabel Nickel Project in the Solomon Islands. As part of that partnership, Anitua Limited provided the Company with an unsecured loan of \$5,000,000 which amount is repayable either in cash or in Shares at a price of \$0.02 per Share by no later than 7 July 2015.

On 13 February 2015, the Company announced that it had repaid the loan to Anitua Limited by the issue of 250,000,000 Shares.

The Company is seeking subsequent Shareholder approval under Resolution 7 for the issue of those Shares pursuant to ASX Listing Rule 7.4 to refresh the Company's capacity to issue up to 15% of its issued Shares, if required, in the next 12 months without the need to obtain Shareholder approval.

Anitua is a professional investor for the purposes of section 708(11) of the Corporations Act and did not acquire the Shares with the purpose of selling or transferring all or any of them or granting, issuing or transferring interests in or options over them, except where disclosure to investors is not required under sections 708 or 708A of the Corporations Act.

10. Consolidation of Capital (Resolution 8)

Background

Resolution 8 seeks Shareholder approval for the Company to undertake a consolidation of:

- the number of Shares on issue, on the basis that every 15 Shares be consolidated into 1 Share; and
- the number of Options on issue, on the basis of every 15 Options being consolidated into 1 Option and the exercise price of such Options being amended in inverse proportion to this ratio in accordance with ASX Listing Rule 7.22.1; and
- the number of Performance Rights on issue, on the basis of every 15 Performance Rights being consolidated into 1 Performance Right,

(together, the **Consolidation**).

The purpose of the Consolidation is to implement a more appropriate capital structure for the Company moving forward.

This section of the Explanatory Memorandum provides the information required by ASX Listing Rule 7.20 to be provided to Shareholders in relation to the Consolidation.

Legal Requirements

Section 254H of the Corporations Act enables a company to convert all or any of its securities into a smaller number of securities by a resolution passed at a

general meeting. The conversion proposed by Resolution 8 is permitted under section 254H of the Corporations Act.

The ASX Listing Rules also require that the number of Options on issue be consolidated in the same ratio as the ordinary capital and the exercise price amended in inverse proportion to that ratio.

The terms of the Performance Rights Plan adopted by the Company on 30 July 2010 and ASX Listing Rule 7.21 require that the number of Performance Rights on issue be consolidated in the same ratio as the ordinary capital. None of the Performance Rights that have been issued have an exercise price.

Fractional entitlements and taxation

Not all Shareholders, Optionholders and Performance Rights holders will hold that number of Shares, Options and Performance Rights which can be evenly divided by 15. Where a fractional entitlement occurs, the Directors will round that fraction down to the nearest whole Share, Option or Performance Right.

It is not considered that any taxation consequences will exist for Shareholders, Optionholders and Performance Rights holders arising from the Consolidation. However, Shareholders, Optionholders and Performance Rights holders are advised to seek their own tax advice on the effect of the Consolidation and neither the Company nor the Directors (or the Company's advisers) accept any responsibility for the individual taxation consequences arising from the Consolidation.

Holding certificates and option certificates

From the date of the Consolidation:

- (a) all holding statements for Shares will cease to have any effect, except as evidence of entitlement to a certain number of Shares on a post-Consolidation basis;
- (b) all certificates for unlisted Options (if any) will cease to have any effect, except as evidence of entitlement to a certain number of Options on a post-Consolidation basis;
- (c) all certificates for Performance Rights (if any) will cease to have any effect, except as evidence of entitlement to a certain number of Performance Rights on a post-Consolidation basis;
- (c) after the Consolidation becomes effective, the Company will arrange for new holding statements for Shares to be issued to Shareholders and new certificates for the Performance Rights to be issued to Performance Rights holders and to the extent required, new certificates for unlisted Options to be issued to Optionholders; and
- (d) it is the responsibility of each Shareholder, Optionholder and Performance Rights holder to check the number of Shares, Options or Performance Rights held prior to disposal or exercise (as the case may be).

Effect on capital structure

The effect which the Consolidation will have on the capital structure of the Company is as follows:

	Number of Shares	Number of Options	Number of Performance Rights
Balance at the date of Notice of Meeting	3,605,373,832	437,650,015	112,500,000
To be issued pursuant to Resolution 4	-	357,900,015	-
To be issued pursuant to Resolution 5	-	19,642,858	-
To be issued pursuant to Resolution 6	-	-	180,000.000
Post Consolidation	240,358,255	54,346,192	19,500,000

Timetable for the Consolidation

If approved by the Shareholders, the proposed Consolidation will take effect on 15 April 2015. The following is an indicative timetable (subject to change) of the key events:

Key Event	Indicative Date
General Meeting	31 March 2015
Notification to the ASX that the Consolidation is approved	31 March 2015
Last day for trading in pre-consolidated securities	1 April 2015
Trading in the consolidated securities on a deferred settlement basis commences	2 April 2015
Last day to register transfers on a pre-consolidation basis	8 April 2015
Registration of securities on a post-consolidation basis	9 April 2015
Despatch of new holding statements	
Deferred settlement trading ends	15 April 2015
Normal trading starts	16 April 2015

11. General mandate to issue and allot new Shares (Resolution 9)

Under the Hong Kong Companies Ordinance, Section 57B, companies are required to first obtain shareholder approval before issuing or allotting any new shares. It is general practice for Directors to be granted such approval from the shareholders at the Annual General Meeting to cover shares to be issued during

the next 12 months to fund the Company's ongoing activities and general working capital requirements so such issues may be made in a timely fashion.

The Company requests shareholders to renew their approval pursuant to Section 57B of the Companies Ordinance, Cap 32, to grant a general mandate to the Directors to issue further unissued shares in the capital of the Company at any time to such persons, and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, and that such authority shall continue to be in force until the conclusion of the next Annual General meeting of the Company or the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

Notwithstanding approval of Resolution 9, the Company remains subject to the restrictions in the ASX Listing Rules concerning issuing new capital including ASX Listing Rules 7.1, 10.11 and 10.14.

12. Increase in Authorised Share Capital (Resolution 10)

The current authorised Share capital of the Company is 4,000,000,000 Shares with a par value of US\$0.01. During the year the Company has issued Shares to a number of parties and in order to retain the ability to raise further capital when required, the Directors recommend that the authorised Share capital be increased to 8,000,000,000 Shares. Any such capital raising remains subject to ASX Listing Rules 7.1, 10.11 and 10.14.

13. Approval of Additional 10% Placement Capacity (Resolution 11)

Background

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of their issued share capital over a 12 month period after the Annual General Meeting at which a resolution for the purposes of Listing Rule 7.1A is passed by special resolution (**Additional 10% Placement Capacity**). The Additional 10% Placement Capacity is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An entity will be eligible to seek approval under Listing Rule 7.1A if:

- (a) the entity has a market capitalisation of \$300 million or less (excluding restricted securities and securities quoted on deferred settlement basis); and
- (b) the entity is not included in the S&P ASX 300 Index.

The Company is an eligible entity for the purposes of Listing Rule 7.1A.

Formula for calculating Additional 10% Placement Capacity

Listing Rule 7.1A.2 provides that an eligible entity which has obtained shareholder approval at an Annual General Meeting may issue or agree to issue, during the Additional Placement Period (as defined below), a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

- A is the number of fully paid ordinary shares on issue 12 months before the issue date or date of agreement to issue:
- plus the number of fully paid ordinary shares issued in the 12 months under an exception in Listing Rule 7.2;
 - plus the number of partly paid ordinary shares that became fully paid in the 12 months;
 - plus the number of fully paid ordinary shares issued in the 12 months with approval of holders of ordinary shares under Listing Rule 7.1 and 7.4;
 - less the number of fully paid ordinary shares cancelled in the 12 months.
- D is 10%.
- E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the issue date or date of agreement to issue that are not issued with the approval of shareholders under Listing Rules 7.1 or 7.4.

The Company is seeking approval to issue additional Equity Securities under the Additional 10% Placement Capacity. It is anticipated that funds raised by the issue of Equity Securities under the Additional 10% Placement Capacity would be applied towards the mining and development of the Isabel Nickel Project and to supplement the Company's general working capital. The Company may issue also Equity Securities for non-cash consideration to consultants or other parties for services rendered, may issue Equity Securities to third parties in converting debt to equity or in satisfaction of the performance of other obligations of the Axiom Group as the Company has previously.

Listing Rule 7.1A

The effect of Resolution 11 will be to permit the Company to issue the Equity Securities under Listing Rule 7.1A during the Additional Placement Period (as defined below) without using the Company's 15% placement capacity under Listing Rule 7.1.

Equity Securities issued under the Additional 10% Placement Capacity must be in the same class as an existing quoted class of Equity Securities of the Company. As at the date of this Notice the Company has Shares, Options and Performance Rights on issue.

The Company has 3,605,373,832 Shares on issue at the date of this Notice. Based on such number of Shares, 360,537,383 Equity Securities would be permitted to be issued in accordance with Listing Rule 7.1A if Shareholders approve Resolution 11. Shareholders should note that the calculation of the number of Equity Securities permitted to be issued under the Additional 10% Placement Capacity is a moving calculation and will be based on the formula set out in Listing Rule 7.1A at the time of issue of the Equity Securities. The table below demonstrates various examples as to the number of Equity Securities that may be issued under the Additional 10% Placement Capacity.

Specific Information required by Listing Rule 7.3A

The following information in relation to the Equity Securities to be issued is provided to Shareholders for the purposes of Listing Rule 7.3A:

- (a) the Equity Securities will be issued at an issue price of not less than 75% of the volume weighted average price for the Company's Equity Securities over the 15 Trading Days on which trades in that class were recorded immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) if Resolution 11 is approved by Shareholders and the Company issues Equity Securities under the Additional 10% Placement Capacity, the existing Shareholders' economic and voting interests in the Company will be diluted.

There is also a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders of the issue of the maximum number of Equity Securities under the Additional 10% Placement Capacity using variables for the number of ordinary securities for variable "A" (as defined in Listing Rule 7.1A) and the market price of Shares. It is noted that the variable "A" is based on the number of ordinary securities the Company has on issue at the time of the proposed issue of Equity Securities.

The table shows:

- (i) examples where variable "A" is at its current level and where variable "A" has increased by 50% and 100%;
- (ii) examples of where the issue price of ordinary securities is the current market price as at close of trade on 25 February 2015, being \$0.012, (current market price), where the issue price is halved, and where it is doubled; and
- (iii) the dilutionary effect will always be 10% if the maximum number of Equity Securities that may be issued under the Additional 10% Placement Capacity are issued.

Variable "A"	Number of Shares issued and funds raised under the Additional 10% Placement Capacity and dilution effect	Dilution		
		\$ 0.006 Issue Price at half the current market price	\$ 0.012 Issue Price at current market price	\$ 0.024 Issue Price at double the current market price
Current Variable A	Shares issued	360,537,383	360,537,383	360,537,383
	Funds raised	\$2,163,224	\$4,326,449	\$8,652,897
50% increase in current Variable A	Shares issued	540,806,075	540,806,075	540,806,075
	Funds raised	\$3,244,836	\$6,489,673	\$12,979,346
100% increase in current Variable A	Shares issued	721,074,766	721,074,766	721,074,766
	Funds raised	\$4,326,449	\$8,652,897	\$17,305,794

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

Note this table assumes:

- no Options or Performance Rights are exercised and before the date of the issue of the Equity Securities;
- the issue of Equity Securities under the Additional 10% Placement Capacity consists only of Shares;
- the current shares on issue are the Shares on issue as at 27 February 2015. Please note that if Resolution 7 is passed at this meeting, the number of Shares on issue (Variable A in the formula) and will be divided by 15;
- the Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity;
- the Company has not issued any Equity Securities in the 12 months prior to this Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1;
- the calculations above do not show the dilution to which any one particular Shareholder will be subject. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances;
- the 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%; and

- viii. the table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting;
- (c) approval of the Additional 10% Placement Capacity will be valid from the date of the Annual General Meeting and will expire on the earlier of:
 - (i) the date that is 12 months after the date of the Annual General Meeting; and
 - (ii) the date of the approval by Shareholders of a transaction under Listing Rule 11.1.2 (a significant change to that nature of scale of activities) or Listing Rule 11.2 (disposal of main undertaking),

(Additional Placement Period);
- (d) the Company may seek to issue the Equity Securities for the following purposes:
 - (i) cash consideration. If Equity Securities are issued for cash consideration, the Company intends to use the funds raised towards the mining and development of the Isabel Nickel Project and to supplement the Company's working capital; or
 - (ii) non-cash consideration. The Company may issue also Equity Securities for non-cash consideration to consultants or other parties for services rendered, may issue Equity Securities to third parties in converting debt to equity or in satisfaction of the performance of other obligations of the Axiom Group as the Company has previously. . If Equity Securities are issued for non-cash consideration, the Company will comply with Listing Rule 7.1A.3 in relation to such issue and will release the valuation of the non-cash consideration to the market.

The Company will comply with the disclosure obligations under Listing Rule 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

- (e) The Company's allocation policy for the issue of Equity Securities under the Additional 10% Placement Capacity will be determined having regard to purpose(s) of the issue(s) and the prevailing market conditions at the time of the proposed issue(s).

The identity of the allottees under the Additional 10% Placement Capacity will be determined on a case-by-case basis having regard to factors which may include the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, entitlements issues or other issues in which existing security holders can participate;
- (ii) the dilutionary effect of the proposed issue of the Equity Securities on existing Shareholders at the time of proposed issue of Equity Securities;

- (iii) the financial situation and solvency of the Company; and
- (iv) advice from professional advisers, including corporate, financial and broking advisers (if applicable).

The Company notes that:

- (i) any funds raised from the issue of Equity Securities under the Additional 10% Placement Capacity are likely to be applied towards the mining and development of the Isabel Nickel Project and to supplement the Company's general working capital. The Company may issue also Equity Securities for non-cash consideration to consultants or other parties for services rendered, may issue Equity Securities to third parties in converting debt to equity or in satisfaction of the performance of other obligations of the Axiom Group as the Company has previously;
- (ii) it is not possible to determine whether any existing Shareholders, or class of Shareholders, would be invited to apply for any Equity Securities to be issued under the Additional 10% Placement Capacity, or to determine the category of any new investors that may be invited to participate in such a fundraising;
- (iii) prior to undertaking any fundraising, the Board will have regard to whether it is in the Company's best interests to structure such a fundraising as an entitlements issue to all of the Company's existing Shareholders at that time; and
- (iv) the reason for undertaking any particular issue under the Additional 10% Placement Capacity would be announced at the time the Company sought to issue Equity Securities under that Additional 10% Placement Capacity.

At the date of this notice, the allottees under the Additional 10% Placement Capacity have not been determined. They may, however, include substantial Shareholders and/or new Shareholders who are not related parties (or their associates) of the Company. If the Company issues the Equity Securities for the settlement of liabilities of the Group, it is likely that the allottees under the Additional 10% Placement Capacity will be those parties to whom the liabilities are owed;

- (f) the Company has not previously obtained shareholder approval under Listing Rule 7.1A;
- (g) a voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not determined its allocation policy for the issue of Equity Securities under the Additional 10% Placement Capacity. The Company has not, and has not yet determined to approach, any particular existing security holders or an identifiable class of existing security holders to participate in an offer under the Additional 10% Placement Capacity, and therefore no Shareholder will be excluded from voting on Resolution 11.

14. Information for the purposes of the ASX Listing Rules

14.1 Information for the purpose of ASX Listing Rule 7.1 (Resolution 4)

The following information is provided for the purpose of ASX Listing Rule 7.1.

- (a) Maximum number of securities to be issued
- 357,900,015 Options.
- If Shareholders approve Resolution 4, the issue of 357,900,015 Shares on exercise of the Options will be excluded from the calculation of the 15% limit under ASX Listing Rule 7.2, Exception 4.
- (b) Issue price of securities
- The Options will be issued for nil consideration
- (c) Allottees
- 58 sophisticated and professional investors identified by the Company.
- The allottees under Resolution 4 are not related parties of the Company.
- (d) Terms of the securities
- The Options have an exercise price of \$0.02 per Share and expire on 30 September 2015 and will not be quoted. Refer to the Annexure for the terms and conditions of the Options.
- The Shares to be issued on exercise of the Options will be fully paid and will rank pari passu in all respects with the Company's other Shares on issue.
- (e) Intended use of funds raised
- No funds will be raised from the issue of the Options. The Options will be issued to the relevant investors in substitution for Options which are to expire on 31 March 2015.
- (f) Issue date (if applicable)
- The Options will be issued within three months of the Annual General Meeting.
- (g) Date of Allotment (if applicable)
- The Options will be issued within three months of the Annual General Meeting.
- (h) Voting exclusion statement
- Refer to the Notice of Meeting for details of the voting exclusion statement for the Resolution.

14.2 Information for the purpose of ASX Listing Rule 10.11.1 (Resolution 5)

The following information is provided for the purpose of ASX Listing Rule 10.11.1.

- (a) The maximum number of securities to be issued
- 19,642,858 Options.
- If Shareholders approve Resolution 5, the issue of 19,642,858 Shares on exercise of the Options will be excluded from the calculation of the 15% limit under ASX Listing Rule 7.2, Exception 4.
- (b) Issue price of Shares
- The Options will be issued for nil consideration.
- (c) Terms of the securities
- The Options have an exercise price of \$0.02 per Share and expire on 30 September 2015 and will not be quoted. Refer to the Annexure for the terms and conditions of the Options.
- The Shares to be issued on exercise of the Options will be fully paid and will rank pari passu in all respects with the Company's other Shares on issue.
- (d) Allottee
- Neil Gardyne Investments Pty Ltd.
- (e) Issue Date and Date of Allotment
- If approved, the Options will be allotted and issued immediately after the date of the meeting, but in any event not later than the date being one month after the date of the meeting.
- (f) Intended use of funds raised
- No funds will be raised from the issue of the Options. The Options will be issued to Neil Gardyne Investments Pty Ltd as compensation for losses suffered in selling securities and its Options being cancelled as required by the ASX in connection with a breach by the Company of ASX Listing Rule 10.11.
- (g) Voting exclusion statement
- Refer to the Notice of Meeting for details of the voting exclusion statement for the Resolution.

14.3 Information for the purpose of ASX Listing Rules 10.14 (Resolution 6)

The following information is provided for the purpose of ASX Listing Rules 10.14.

- (a) Maximum number of securities to be issued
- 180,000,000 Rights
- If Shareholders approve Resolution 6, the issue of 180,000,000 Shares on exercise of the Rights will be excluded from the calculation of the 15% limit under ASX Listing Rule 7.2, Exception 4.

- (b) Date by which securities will be issued and allotted
- The Rights will be issued not later than the date which is twelve months after the date of this Meeting.
- (c) Issue price of securities
- The Rights will be issued for nil consideration.
- The Shares will be issued at a nil exercise price.
- (d) The following persons are entitled to participate in the Director and Executive Performance Rights Plan
- The following persons are entitled to participate in the Director and Executive Performance Rights Plan:
- Mr Stephen Williams
- Mr Ryan Mount
- (e) Participants who have received Securities under the Director and Executive Performance Rights Plan
- Section 8 includes a table setting out the persons who have received securities under the Director and Executive Performance Rights Plan since it was last approved by Shareholders at a meeting held on 22 April 2013.
- (f) Allottee
- Mr Ryan Mount.
- (g) Loans
- The Company will not be providing any loan to Mr Mount in connection with the issue of the Rights.
- (h) Terms of the securities
- The Rights will be issued for nil consideration, have a nil exercise price and expire on the dates and at the times referred to in Section 8 of this Explanatory Statement.
- The Shares to be issued on exercise of the Rights will be fully paid and will rank pari passu in all respects with the Company's other Shares on issue.
- (i) Intended use of funds raised
- No funds will be raised by the issue.
- (j) Voting exclusion statement
- Refer to the Notice of Meeting for details of the voting exclusion statement for the Resolution.

14.4 Information for the purpose of ASX Listing Rule 7.4 (Resolution 7)

The following information is provided for the purpose of ASX Listing Rule 7.4.

- (a) Number of securities issued or to be issued
250,000,000 Shares
- (b) Issue price of securities
\$0.02 per Share.
- (c) Terms of the securities
The Shares will be fully paid and will rank pari passu in all respects with the Company's other Shares on issue.
- (d) Allottees
Anitua Limited. This company is not a related party of the Company.
- (e) Intended use of funds raised
The issue of Shares related to the repayment of a loan from Anitua Limited to the Company. The loan funds advanced by Anitua Limited have been used by the Company to ensure operational readiness for the recommencement of exploration activities on Isabel Island, Solomon Islands, to fund litigation proceedings in the Solomon Islands and for general working capital.
- (f) Issue date
13 February 2015.
- (g) Voting exclusion statement
Refer to the Notice of Meeting for details of the voting exclusion statement for the Resolution.

15. Glossary

In the Notice of Meeting and this Explanatory Statement the following defined terms have the following meanings:

Annual General Meeting means the annual general meeting convened by the Notice of Meeting.

Associate has the meaning given to it by Division 2 of Part 1.2 of the Corporations Act.

ASX means Australian Securities Exchange.

ASX Listing Rules means the Listing Rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of ASX Settlement Pty Ltd.

Axiom CDI means a CDI in respect of an Axiom Share.

Axiom Group means the Company, Axiom Vietnam JSC, Axiom Nickel Pty Ltd, Axiom Nickel (SI) Ltd, Axiom KB Ltd, Azzu Mining Ltd., Guadalcanal Resources Limited, Laos Resources Ltd., Ozmin Resources Pty Ltd, South Pacific Minerals

Limited, Vietnam Resources Corporation Pty Ltd., Vietnam Resources Corporation (VN Holdings) Pty Ltd., Vietnam Resources Corporation (QB) Pty Ltd. and VRC Quangtri Pty Ltd.

Axiom Share means an ordinary share in the capital of the Company that is fully paid or credited as fully paid (as the case may be).

Board means the board of Directors of the Company.

Business Day has the meaning given to that term in the ASX Listing Rules.

CDI means a CHESS Depositary Interest, within the meaning of the ASX Settlement Operating Rules.

CDN means CHESS Depositary Nominees Pty Limited ARBN 75 071 345 506 or such other entity that is the Company's CHESS Depositary Nominee with respect to Axiom Shares.

Company or **Axiom** means Axiom Mining Limited ABN 81 119 698 770.

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

Director and Executive Performance Rights Plan means the Director and Executive Performance Rights Plan approved by Shareholders and established at the extraordinary general meeting of the Company on 22 April 2013.

Directors means each of the Directors of the Company being Stephen Williams and Ryan Mount.

Dollar or **\$** means the lawful currency of the Commonwealth of Australia.

Equity Securities means includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Notice of Meeting means the notice of meeting that accompanies this Explanatory Statement.

Option means an option to purchase a Share.

Resolutions means the resolutions set out in the Notice of Meeting and **Resolution** means any of them.

Right means each right under the Director and Executive Performance Rights Plan to acquire a Share.

Share means an Axiom Share issued (or to be issued) to CDN and an Axiom CDI issued (or to be issued) by CDN in respect of such Axiom Share.

Shareholder means a registered holder of Shares in the Company.

Trading Day has the meaning given to that term in the ASX Listing Rules.

Annexure

Terms of Options

1. Each Option entitles the holder the right to subscribe for one ordinary share in the capital of the Company for the relevant option exercise price.
2. Each Option which has not been exercised will expire at 5.00pm (Sydney time) on the relevant date of expiry (**Expiry Date**). Each Option may be exercised at any time prior to the Expiry Date and Options not so exercised shall automatically expire on such date.
3. Each Share issued as a result of the exercise of any Option will, subject to the Constitution of the Company, rank equally in all respects with the then existing ordinary Shares on issue.
4. No Optionholder will be entitled to attend or vote at any meeting of the members of the Company unless they are, in addition to being an Optionholder, a member of the Company.
5. The Options are transferable.
6. An Option may only be exercised by the Optionholder by lodging an exercise notice with the Company. The exercise of some Options shall not affect the Optionholder's right to exercise the other Options at a later time.
7. The Company will, as soon as practicable after the Optionholder validly exercises any Options, and in accordance with the *Corporations Act 2001* (Cth) and the ASX Listing Rules, allot the number of Shares in the Company so subscribed for by the Optionholder.
8. An Optionholder shall have no rights to dividends in respect of the Options and shall have no interest in the Shares the subject of the Options unless and until those Options are exercised and the Shares issued.
9. If the Company reorganises its capital in any way while any Options are on issue, the number of Options will be reorganised in accordance with the ASX Listing Rules so that the Optionholder will not receive a benefit that the existing holders of Shares do not receive and in addition will be changed to the extent necessary to comply with the ASX Listing Rules applicable to the particular reorganisation of capital at the time.
10. There are no participating rights or entitlements inherent in the 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 to the Expiry Date unless and until the Options are exercised.
11. If there is a pro-rata issue (except a bonus issue) to the holders of the ordinary shares, the exercise price of the 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 Option |
| O | = | the old exercise price of each Option |
| E | = | the number of ordinary shares into which each Option is exercisable |
| P | = | the average market price per ordinary shares (weighted by reference to volume) of the ordinary shares during the 5 Trading Days ending on the day before the ex-rights or ex-entitlements date |

S = the subscription price for an ordinary share under the pro rata issue

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

N = the number of ordinary shares with rights or entitlements that must be held to receive a right to one new ordinary share.

12. If there is a bonus issue to the holders of ordinary shares, the number of securities over which each Option is exercisable will be increased by the number of ordinary shares which the Optionholder would have received if the Options had been exercised before the record date for the bonus issue.
13. If and to the extent any of the preceding terms and conditions are inconsistent with the ASX Listing Rules, such rules will prevail in all respects to the extent of the inconsistency.
14. These terms and conditions are governed by the laws of the State of New South Wales and the holders of the Options unconditionally submit to the jurisdiction of the courts of that State and courts of appeal from them.