

**AXG Mining Ltd**  
(ASX: **AXC**)

**ASX Announcement**  
29 October 2014



**NOTICE OF MEETING/PROXY FORM**

AXG Mining Limited ("AXG Mining" or "the Company") wishes to advise that the attached Notice of Annual General Meeting/Proxy Form has been despatched to shareholders today, 29<sup>th</sup> October 2014.

For and on behalf of the Board

Mr Robert Downey  
**Chairman**

**AXG MINING LIMITED**  
**ACN 092 304 965**

**NOTICE OF ANNUAL GENERAL MEETING**  
**AND**  
**EXPLANATORY MEMORANDUM**

**IMPORTANT INFORMATION**

*This is an important document that should be read in its entirety.  
If you do not understand it you should consult your professional advisers without delay.*

*If you wish to discuss any aspect of this document with the Company please contact  
Mr Keith Bowker on telephone (+61 8) 9481 0544.*

The Annual Report is available online at [www.asx.com.au](http://www.asx.com.au) (ASX Code: AXC)

**AXG MINING LIMITED**  
**ACN 092 304 964**

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Annual General Meeting of the Shareholders of AXG Mining Limited will be held at Victoria Hotel, 226 Hay Street, Western Australia at 6.00pm (WST) on 28 November 2014 to conduct the following business and to consider, and if thought fit, to pass the following Resolutions.

**AGENDA**

**ORDINARY BUSINESS**

**FINANCIAL & OTHER REPORTS**

To receive and consider the annual report for the year ended 30 June 2014 and the accompanying Directors' Report, Directors' Declaration, and Auditor's Report.

**RESOLUTION 1 – ADOPTION OF THE REMUNERATION REPORT**

To consider, and if thought fit, to pass with or without amendment, the following resolution as an **advisory resolution**:

*"That the Remuneration Report that forms part of the Directors' Report for the financial year ended 30 June 2014, be adopted."*

The Remuneration Report is set out in the Directors' Report in the Annual Report. Please note that the vote on this Resolution is advisory only and does not bind the Directors or the Company.

**Voting Exclusion**

In accordance with sections 250R and 250BD of the Corporations Act 2001, the Company will disregard any votes cast on this Resolution by any Key Management Personnel ("**KMP**") and a closely related party of a KMP. However, the Company need not disregard a vote if it is cast by a KMP or a closely related party of a KMP as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by a chairperson of the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides, or it is cast by a chairperson of the Meeting as proxy for a person who is entitled to vote, the proxy is undirected and the proxy form authorises the chairperson to vote the proxy on this Resolution.

KMPs and their closely related parties will commit an offence under the Corporations Act if they vote in relation to this Resolution in breach of the voting restrictions.

**RESOLUTION 2 – RE-ELECTION OF MR GUY LE PAGE**

To consider, and if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

*"That Mr Guy Le Page, having retired in accordance with clause 13.2 of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company with immediate effect."*

### RESOLUTION 3 – RE-ELECTION OF MR ROBERT DOWNEY

To consider, and if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

*“That Mr Robert Downey, having retired in accordance with clause 13.5 of the Company’s Constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company with immediate effect.”*

### RESOLUTION 4 – RE-ELECTION OF MR DEAN GOODWIN

To consider, and if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

*“That Mr Dean Goodwin, having retired in accordance with clause 13.5 of the Company’s Constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company with immediate effect.”*

### RESOLUTION 5 – APPROVAL OF ISSUE OF SECURITIES TO XTL ENERGY INTERNATIONAL LIMITED

To consider, and if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of Listing Rule 7.1, and for all other purposes, Shareholders approve the allotment and issue of 14,285,714 Shares to XTL Energy International Limited in consideration of the option to acquire EL63/1617 on the terms and conditions set out in the Explanatory Memorandum.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if this Resolution is passed, and any associates of such a person. However, the Company need not disregard a vote if it is cast by a person as a 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 10% PLACEMENT FACILITY

To consider, and if thought fit, to pass with or without amendment, the following resolution as a **special resolution**:

*“That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed by Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person (and any associates of such person) who may participate in the 10% Placement Facility and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this Resolution is passed. However, the Company need not disregard a vote if it is cast by a person as a 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 – CHANGE OF COMPANY NAME TO “MOUNT RIDLEY MINES LIMITED”**

To consider, and if thought fit, pass the following resolution as a **special resolution**:

*“That, with immediate effect, the name of the Company be changed to “Mount Ridley Mines Limited”.*

## **RESOLUTION 8 – APPOINTMENT OF AUDITOR**

To consider, and if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of section 327B(1) of the Corporations Act, and for all other purposes, the Company appoints HLB Mann Judd (having consented in writing to act as the auditor of the Company) as auditor of the Company.*

**Short Explanation:** The Company's current auditor, Somes Cooke, has notified the Company that it has applied to ASIC to resign as auditor with effect from the date of the Meeting. Section 327B(1) of the Corporations Act provides a public company must appoint an auditor to fill any vacancy in the office of auditor at each annual general meeting. If ASIC consents to the resignation of Somes Cooke effective as at the date of the Meeting, the Company proposes that HLB Mann Judd be appointed as auditor.

**DATED THIS 27<sup>th</sup> DAY OF OCTOBER 2014**

**BY ORDER OF THE BOARD**



**KEITH BOWKER  
COMPANY SECRETARY**

### **Notes:**

### **Definitions**

Terms which are used in this Notice and which are defined in Section 10 of the Explanatory Memorandum have the meanings ascribed to them therein.

### **Note**

If you have recently changed your address or if there is any error in the name and address used for this notice please notify the Company Secretary. In the case of a corporation, notification is to be signed by a director or company secretary.

### **Proxies**

A Shareholder who is entitled to vote at this Meeting has a right to appoint a proxy and should use the proxy form enclosed with this notice. The proxy need not be a Shareholder of the Company and can be an individual or a body corporate.

A body corporate appointed as a Shareholder's proxy may appoint a representative to exercise any of the powers the body may exercise as a proxy at the Meeting. The representative should bring to the Meeting evidence of this appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

A Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointment

does not specify the proportion or number of the Shareholder's votes each proxy may exercise, section 249X of the Corporations Act will take effect so that each proxy may exercise half of the votes (ignoring fractions).

A proxy's authority to speak and vote for a Shareholder at the meeting is suspended if the Shareholder is present at the meeting.

The proxy form must be signed and dated by the Shareholder or the Shareholder's attorney. Joint Shareholders must each sign.

Proxy forms and the original or a certified copy of the power of attorney (if the proxy form is signed by an attorney) must be received:

- at PO Box 964, West Perth, WA, 6872; or
- on facsimile number (+61 8) 9481 0655,

not later than 6 pm (WST) on 26 November 2014.

Pursuant to regulation 7.11.37 of the Corporations Regulations, the Board has determined that the shareholding of each Shareholder for the purposes of ascertaining the voting entitlements for the Meeting will be as it appears in the share register at 6 pm (WST) on 27 November 2014.

### **Bodies Corporate**

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of a company's shareholders. The appointment may be a standing one.

Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution.

The representative should bring to the Meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

**AXG MINING LIMITED**  
**ACN 092 304 964**

**EXPLANATORY MEMORANDUM**

This Explanatory Memorandum forms part of a Notice convening the Annual General Meeting of Shareholders of AXG Mining Limited to be held at Victoria Hotel, 226 Hay Street, Western Australia at 6.00pm (WST) on 28 November 2014. This Explanatory Memorandum is to assist Shareholders in understanding the background to and the legal and other implications of the Notice and the reasons for the Resolutions proposed. Certain terms used in the Notice and Explanatory Memorandum are defined in Section 10.

**1. FINANCIAL AND OTHER REPORTS**

As required by section 317 of the Corporations Act, the annual report for the year ended 30 June 2014 and the accompanying Directors' Report, Directors' Declaration and Auditor's Report will be laid before the Meeting.

Neither the Corporations Act nor the Company's Constitution requires a vote on the reports. However, Shareholders will have an opportunity to ask questions about the reports at the Annual General Meeting. Shareholders will also be given a reasonable opportunity to ask the Auditor questions about the Auditor's Report and audit conduct. Written questions may be submitted 5 business days prior to the Meeting addressed to the Chairman and sent to the Company's registered office, about the management of the Company, or addressed to the Company's auditor and sent to the Company's registered office about audit conduct, accounting policies used by the Company and auditor independence. General questions about the management of the Company will also be taken.

**2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT**

As required by the Corporations Act, the Board is presenting the Remuneration Report to Shareholders for consideration and adoption by a non-binding vote. The Remuneration Report contains:

- information about Board Policy for determining the nature and amount of remuneration of the Company's Directors and senior executives;
- a description of the relationship between remuneration policy and the Company's performance;
- a summary of performance conditions, including a summary of why they were chosen and how performance is measured against them; and
- remuneration details for each executive and non-executive Directors, and Key Management Personnel.

The Remuneration Report, which is part of the 2014 Annual Report, has been sent to Shareholders (except those who have made an election not to receive the Annual Report). Copies of the 2014 Annual Report are available by contacting the Company's Share Registry or visiting the following web site ([www.asx.com.au](http://www.asx.com.au)) (ASX Code: AXC).

The Meeting presents an opportunity to discuss the Remuneration Report for Shareholders who are interested in doing so. The vote on this Resolution is advisory only and does not bind the Directors or the Company.

Shareholders are informed that under recent reforms to the Corporations Act, if 25% or more of the vote on this Resolution are against adopting the Remuneration Report, the Company will be required to consider and report to Shareholders in the next Remuneration Report on what action is proposed to be (if any) or has been taken in response to Shareholder concerns, and if no action is proposed to be taken, the Board's reasons for this.

Shareholders also need to be aware that as a result of the legislation which became effective on 1 July 2011 a "two strikes" process will apply to the results of voting in relation to this Resolution. This means that if the resolution proposing adoption of the Remuneration Report receives a "no" vote of over 25% of votes cast by those attending in person or by proxy and permitted to vote, at two successive annual general meetings, then at the Company's 2015 annual general meeting, an extra resolution must be put to the meeting proposing that

another general meeting should be held within 90 days of the second annual general meeting. A simple majority of over 50% of the votes cast at the 2015 annual general meeting is required to pass this extra resolution. If the resolution is passed, within 90 days another general meeting must be held at which all the Directors, except the Managing Director and any new Directors appointed since the date of the 2015 annual general meeting, will be required to resign and offer themselves for re-election. These provisions are colloquially referred to as the “two strikes rule” and the “spill resolution” to be put to the “spill meeting”.

If at the spill meeting, the resolutions are all passed against re-electing the relevant Directors, the legislation includes a mechanism to ensure the Board continues with the statutory required minimum of 3 Directors. After the Managing Director, the remaining two positions will be filled by the Directors whose re-election resolutions at the spill meeting received the highest percentage of votes in favour of re-election. If the number of votes is the same for two Directors, the Managing Director and any other Director whose re-election has been confirmed at this spill meeting, can choose who is to become the third Director, with such appointment to be confirmed by shareholders at the 2016 annual general meeting. The ramifications of this mechanism being invoked include that the Company would not be in compliance with its corporate governance policies as a result of not having three independent directors on the Company’s audit committee or any other committees requiring independent directors.

Furthermore, depending on the outcome of voting at the subsequent annual general meeting, Shareholders may be obliged to consider a resolution to requiring the full Board (excluding the Managing Director) to seek re-election.

The Chairman intends to vote all available proxies in favour of adopting the Remuneration Report. If the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the proxy form the Shareholder is considered to have provided the Chairman with express authorisation for the Chairman to vote the proxy in accordance with the Chairman’s intentions.

### **3. RESOLUTION 2 - RE-ELECTION OF MR GUY LE PAGE AS A DIRECTOR**

Resolution 2 deals with the re-election of Mr Guy Le Page who retires in accordance with clause 13.2 of the Company’s Constitution and Listing Rule 14.4, and being eligible, has offered himself for re-election.

Mr Le Page is currently a Director & Corporate Adviser of RM Corporate Finance specialising in resources. He is actively involved in a range of corporate initiatives from mergers and acquisitions, initial public offerings to valuations, consulting and corporate advisory roles.

Mr Le Page was Head of Research at Morgan Stockbroking Limited (Perth) prior to joining Tolhurst Noall as a Corporate Advisor in July of 1998. As Head of Research, Mr Le Page was responsible for the supervision of all Industrial and Resources Research. As a Resources Analyst, Mr Le Page published detailed research on various mineral exploration and mining companies listed on the Australian Securities Exchange. The majority of this research involved valuations of both exploration and production assets.

Prior to entering the stockbroking industry, he spent 10 years as an exploration and mining geologist in Australia, Canada and the United States. His experience spans gold and base metal exploration and mining geology, and he has acted as a consultant to private and public companies. This professional experience included the production of both technical and valuation reports for resource companies.

Mr Le Page holds a Bachelor of Arts, a Bachelor of Science and a Masters. Degree in Business Administration from the University of Adelaide, a Bachelor of Applied Science (Hons) from the Curtin University of Technology and a Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia.

All the Directors except for Mr Le Page recommend that Shareholders vote in favour of Resolution 2.

The Chairman intends to vote all available proxies in favour of Resolution 2.



#### **4. RESOLUTION 3 - RE-ELECTION OF MR ROBERT DOWNEY AS A DIRECTOR**

Resolution 3 deals with the re-election of Mr Robert Downey who retires in accordance with clause 13.5 of the Company's Constitution and Listing Rule 14.4, and being eligible, has offered himself for re-election.

Mr Downey is a barrister and solicitor of the Supreme Court of Western Australia. He commenced work with Phillips Fox in the areas of energy, corporate law and mining. In 2001 he joined law firm Blakiston & Crabb specialized in advising oil and gas and mining companies in relation a range of legal issues, including IPO.s, mergers and acquisitions and general AIM, ASX and ASX Listing Rule advice.

Mr Downey established an independent corporate advisory firm during 2005 and was involved with the IPO listings of various mining and oil and gas companies on ASX and at the same time held directorships of a number of these companies.

Mr Downey is the founding executive director of Instinct Energy Ltd (since April 2010) and is a director of Minrex Resources NL. In October 2012, Mr. Downey in conjunction with two former colleagues established Thompson Downey Cooper and now specializes as a corporate resource lawyer.

All the Directors except for Mr Downey recommend that Shareholders vote in favour of Resolution 3.

The Chairman intends to vote all available proxies in favour of Resolution 3.

#### **5. RESOLUTION 4 - RE-ELECTION OF MR DEAN GOODWIN AS A DIRECTOR**

Resolution 4 deals with the re-election of Mr Dean Goodwin who retires in accordance with clause 13.5 of the Company's Constitution and Listing Rule 14.4, and being eligible, has offered himself for re-election.

Mr Goodwin is a geologist with over 25 years exploration experience which has included acting as Head of Geology at Focus Minerals Limited and a six year period as Managing Director of Barra Resources Ltd (2004-2010).

Mr Goodwin also spent 6 years as an exploration geologist with Western mining Corporation Ltd and was involved discovering the Intrepid, Redoubtable & Santa Anna gold deposits at Lake Lefroy with WMC. Whilst with WMC he worked closely with the nickel exploration team.

In 1994, he joined Resolute Ltd as Senior Exploration Geologist, spending 5 years in Kalgoorlie managing exploration for Chalice, Higginsville, Bullabulling and Bulong projects. In 1999, Mr. Goodwin was appointed as Senior Exploration Geologist with LionOre Limited and whilst at the Bounty Gold Mine operations, he was responsible for the discovery of several small gold deposits. More recently, he has been working as an independent contract geologist exploring for nickel sulphides throughout Western Australia.

Mr Goodwin qualifies as Competent Person as defined in the 2004 Edition of the .Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

All the Directors except for Mr Goodwin recommend that Shareholders vote in favour of Resolution 4.

The Chairman intends to vote all available proxies in favour of Resolution 4.

## **6. RESOLUTION 5 – APPROVAL OF ISSUE OF SECURITIES TO XTL ENERGY INTERNATIONAL LIMITED**

### **6.1 Background**

The Company proposes to issue a total of 14,285,714 Shares to XTL Energy International Ltd or their nominees, in consideration of the exercise of the option to acquire EL63/1617.

The tenement is adjacent to the existing two tenements held by the Company in the Fraser Range which the Company considers prospective for nickel. Resolution 5 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of up to 14,285,714 Shares to XTL Energy International Ltd (or their nominees) as consideration for the exercise of the option to acquire EL63/1617 by the Company.

The Company is currently reviewing recent data acquired by geophysical surveys and anticipates that it will soon be exercising its option to acquire this tenement and according Shareholder approval is sought to issue the Shares subject to the exercise of the option and acquisition of the tenement.

### **6.2 Listing Rules Chapter 7**

Listing Rule 7.1 provides, subject to certain exceptions, that Shareholder approval is required for any issue of securities by a listed company, where the securities proposed to be issued represent more than 15% of the company's ordinary securities then on issue.

By approving the issue of Shares the subject of Resolution 5, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

In the event that Shareholder approval is not obtained for the issue of the Shares the subject to Resolution 5, those Shares will be nonetheless issued to the extent permissible under the Company's 15% annual placement capacity, thereby reducing the capacity for the Company to issue further securities without first having to seek Shareholder approval.

Resolution 5 is an ordinary resolution.

### **6.3 Technical Information Required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the approval of the proposed issue of the Shares the subject of Resolution 5:

- (a) A maximum of 14,285,714 Shares are proposed to be issued;
- (b) The Shares are to be issued to XTL Energy International Limited.
- (c) The Shares are all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- (d) The Shares will be issued as soon as practicable after the Meeting, and in any event, within 3 months of the date of the Meeting.
- (e) It is anticipated that all of the Shares will be issued on the same date;
- (f) The Shares are being issued in consideration of the exercise of the option to acquire EL63/1617, and as such, no funds will be raised from the issue thereof.

The Chairman intends to vote all available proxies in favour of Resolution 5.

## **7. RESOLUTION 6 – APPROVAL OF 10% PLACEMENT FACILITY**

### **7.1 General**

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the Annual General Meeting (“**10% Placement Facility**”). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 7.2(c) below).

The primary purpose for the 10% Placement Facility is to enable the Company to raise additional capital without additional regulatory impediments and to pursue possible future investment opportunities that may arise.

The Directors of the Company believe that Resolution 6 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

### **7.2 Description of Listing Rule 7.1A**

#### **(a) Shareholder approval**

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

#### **(b) Equity Securities**

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue one class of quoted Equity Securities, being Shares (having the ASX code AXC).

#### **(c) Formula for calculating 10% Placement Facility**

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

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

**A** is the number of shares on issue 12 months before the date of issue or agreement:

- (A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (B) plus the number of partly paid shares that became fully paid in the 12 months;
- (C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an

- issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (D) less the number of fully paid shares cancelled in the 12 months.

*Note that A is has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.*

- 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 date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

**(d) Listing Rule 7.1 and Listing Rule 7.1A**

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 574,237,316 Shares and has a capacity to issue:

- (i) 86,135,597 Equity Securities under Listing Rule 7.1; and
- (ii) 57,423,731 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 7.1 (c) above).

**(e) Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days 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.

**(f) 10% Placement Period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX ("**10% Placement Period**").

### 5.3 Listing Rule 7.1A

The effect of Resolution 6 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 6 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

### 7.4 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days, on which trades in those securities 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 6 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in Table A (below). There is 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 or the Equity Securities are issued as part of consideration for the acquisition of a new asset.

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

Table A shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

**TABLE A**

| Variable "A" in Listing Rule 7.1A.2                                  |                            | Dilution                                |                        |   |
|--|----------------------------|---|------------------------|---|
|  |                            | \$0.0095<br>50% decrease in issue price | \$0.019<br>Issue price | \$0.038<br>100% increase in issue price |
| <b>Current Variable "A"</b><br>574,237,316 Shares                    | <b>10% voting dilution</b> | 57,423,316 Shares                       | 57,423,316 Shares      | 57,423,316 Shares                       |
|  | <b>Funds raised</b>        | \$545,525                               | \$1,091,050            | \$2,182,101                             |
| <b>50% Increase in current Variable "A"</b><br>861,355,974 Shares    | <b>10% voting dilution</b> | 86,135,597 Shares                       | 86,135,597 Shares      | 86,135,597 Shares                       |
|  | <b>Funds raised</b>        | \$818,288                               | \$1,636,576            | \$3,273,152                             |
| <b>100% Increase in current Variable "A"</b><br>1,148,474,632 Shares | <b>10% voting dilution</b> | 114,847,463 Shares                      | 114,847,463 Shares     | 114,847,463 Shares                      |
|  | <b>Funds raised</b>        | \$1,091,050                             | \$2,182,101            | \$4,364,203                             |

**The table has been prepared on the following assumptions:**

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) No Options (including any Options under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities.
- (iii) 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 at 10%.
- (iv) 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.
- (v) The table shows only the effect of the issue of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes the issue of Listed Options, it is assumed that those Listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- (vii) The Issue Price is \$0.19, being the closing price of Shares on ASX on 22 October 2014.
- (viii) The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or without approval under Listing Rule 7.1.
- (ix) The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or without approval under Listing Rule 7.1, and the total number of Shares on issue and approved or deemed approved at the date hereof for the purpose of Listing Rule 7.1 is 574,237,316.

- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 6 for the issue of the Equity Securities will cease to be valid in the event that Shareholders

approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking)).

(d) The Company may seek to issue the Equity Securities for the following purposes:

- (i) non-cash consideration for the acquisition of the new assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
- (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expense associated with such acquisition), continued exploration and feasibility study expenditure on the Company's current assets and/or general working capital.

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

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new assets or investments.

(e) The Company has obtained Shareholder approval under Listing Rule 7.1A at its 2013 Annual General Meeting.

The Company issued has issued 9,113,900 Equity Securities under Listing Rule 7.1A during the preceding 12 months. During the preceding 12 month period a total of 688,273,865 Equity Securities Shares were issued (being 407,020,909 Shares and 281,252,956 Options), which based on the number of Equity Securities on issue 12 months before the date of the Meeting comprise 372% of the Company's Equity Securities. Information relating to the issue of Equity Securities in the preceding 12 months is set out in the table below.

| Date of Schedule 3B | Number of Equity Securities                   | Class of Equity Securities and summary of terms  | Names of recipients or basis on which recipients determined  | Issue price of Equity Securities and discount to Market Price <sup>1</sup> on the trading day prior to the issue   | <p>If issued for cash – the total consideration, what it was spent on and the intended use of any remaining funds</p> <p>If issued for non-cash consideration – a description of the consideration and the current value of the consideration</p>                         |
|---------------------|---|--|--|--|---|
| 27/11/2013          | (a) 5,735,604 Shares<br>(b) 2,867,802 Options | (a) Fully paid ordinary shares<br>(b) Options exercisable for \$0.021 on or before 31/12/16                  | Those persons who converted convertible notes as approved by Shareholders of 4 October 2013  | Deemed issue price of \$0.0052. Market price on date prior to issue was \$0.005  | The Shares and Options were issued upon conversion of convertible notes with a face value of \$30,000, and as such, no cash was raised from the issue of securities. The current value of the Shares is \$103,240.  |
| 17/12/2014          | (a) 4,383,889 Shares<br>(b) 2,191,946 Options | (a) Fully paid ordinary shares<br>(b) Options exercisable for \$0.021 on or before 31/12/16                  | Those persons who converted convertible notes as approved by Shareholders of 4 October 2013  | Deemed issue price of \$0.0046. Market price on date prior to issue was \$0.004  | The Shares and Options were issued upon conversion of convertible notes with a face value of \$20,000, and as such, no cash was raised from the issue of securities. The current value of the Shares is \$78,910.   |
| 2/4/2014            | 35,714,285                                    | Fully paid ordinary shares   | Issued in consideration for the exercise of the option over tenement EL63/1547.  | Deemed issue price of \$0.014. Market price on date prior to issue was \$0.005.  | The value of the Shares on the issue date was (based on the deemed issue price) \$500,000. The current value of the Shares is \$642,857.  |
| 22/9/2014           | (a) 358,800,714<br>(b) 275,000,000            | (a) Fully paid ordinary shares<br>(b) Options exercisable at \$0.0125 on or before 31 August 2019            | (a) 250,000,000 issued at \$0.002 as part of placement<br>(a) 108,800,714 issued at a deemed issue price of \$0.004<br>(b) 250,000,000 Free attaching option as part of placement<br>(b) 25,000,000 options issued pursuant to approval obtained on 8/9/2014 | (a) 250,000,000 Shares issued for an issue price of \$0.002.<br>(a) 108,800,714 Shares issued at deemed price of \$0.004 for nil consideration.<br>(b) 250,000,000 Options issued as free attaching option as part of placement.<br>(b) 25,000,000 Options issued for nil cash consideration as approved on 8/9/2014.<br>The closing market price of Shares on 19/9/2014 was \$0.013 | A total of \$500,000 was raised from the issues. None of the funds raised have yet been expended. All funds raised from the issues will be used towards further exploration on the Fraser Range Project, payments to existing creditors and for working capital purposes. |
| 16/10/2014          | (a) 2,386,417<br>(b) 1,193,208                | (a) Fully paid ordinary shares<br>(b) Unlisted Options exercisable at \$0.021 on or before 31 December 2016. | Those persons who converted convertible notes as approved by Shareholders of 4 October 2013  | Deemed issue price of \$0.0085. Market price on date prior to issue was \$0.017.   | The Shares and Options were issued upon conversion of convertible notes with a face value of \$20,370, and as such, no cash was raised from the issue of securities. The current value of the Shares is \$42,955.   |



- (f) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

The Board believes that the Additional 10% Placement Facility is beneficial for the Company as it will give the Company the flexibility to issue further securities representing up to 10% of the Company's share capital during the next 12 months. Accordingly, the Board unanimously recommends that Shareholders approve Resolution 6.

The Chairman intends to vote all available proxies in favour of Resolution 6.

#### **8. RESOLUTION 7 – CHANGE OF COMPANY NAME TO “MOUNT RIDLEY MINES LIMITED”**

The new name proposed to be adopted under Resolution 7 is “Mount Ridley Mines Limited”. The Directors believe that the new name more accurately reflects the proposed future operations of the Company.

Resolution 7 is a special resolution and the Chairman intends to vote all available proxies in favour of Resolution 7.

#### **9. RESOLUTION 8 - APPOINTMENT OF AUDITOR**

The Company's current auditor, Somes Cooke, has notified the Company that it has applied to ASIC to resign as auditor of the Company.

If ASIC consents to the resignation of Somes Cooke as auditor of the Company, and that consent takes effect as at the date of the Meeting, the Company proposes that HLB Mann Judd be appointed as auditor.

MBE Finance Pty Ltd, being a Shareholder of the Company, has nominated that HLB Mann Judd be appointed as auditor. A copy of this notification is attached as Annexure A to this Notice. Under section 328B(3) of the Corporations Act, a copy of this nomination has been sent to HLB Mann Judd and Somes Cooke and is attached to this Notice.

HLB Mann Judd has consented in writing to act as the Company's auditor.

If ASIC does not consent to the resignation of Somes Cooke at the date of the Meeting, this Resolution 8 will not be proposed at the Meeting.

## 9. DEFINITIONS

In this Notice and Explanatory Memorandum:

**“10% Placement Facility”** has the meaning given to it in Section 7.1;

**“10% Placement Period”** has the meaning given to it in Section 7.2(f);

**“ASIC”** means the Australian Securities and Investments Commission;

**“ASX”** means ASX Limited ACN 008 624 691;

**“Board”** means the board of Directors;

**“Business Day”** has the meaning given to it in the Listing Rules;

**“Chairman”** means the chairman of the Board;

**“Company”** means AXG Mining Limited (ACN 092 304 964);

**“Constitution”** means the constitution of the Company;

**“Corporations Act”** means the Corporations Act 2001 (Cth);

**“Director”** means a director of the Company;

**“Equity Securities”** has the same meaning as in the Listing Rules;

**“Explanatory Memorandum”** means this Explanatory Memorandum;

**“Listing Rules”** means the official listing rules of the ASX;

**“Notice”** and **“Notice of Meeting”** means the notice of meeting to which this Explanatory Memorandum is attached;

**“Official List”** means the official list of ASX;

**“Option”** means an option to acquire one Share and **“Optionholder”** has a corresponding meaning;

**“Resolution”** means a resolution set out in this Notice;

**“Schedule”** means a schedule to this Notice and Explanatory Memorandum;

**“Section”** means a section of this Explanatory Memorandum;

**“Share”** means an ordinary fully paid ordinary share in the capital of the Company and **“Shareholder”** has a corresponding meaning;

**“Trading Day”** has the meaning ascribed to that term in the Listing Rules;

**“VWAP”** has the meaning ascribed to the term “volume weighted average market price” in the Listing Rules;

**“WST”** means Western Standard Time.

## ANNEXURE A

**Mr Keith Bowker**  
Company Secretary  
AXG Mining Limited  
PO Box 964  
West Perth WA 6872

Dear Sir

MBE Finance Pty Ltd (Hillsden Family A/c), being a member of AXG Mining Limited, hereby nominates HLB Mann Judd of Level 4, 130 Stirling Street Perth WA 6000, for appointment as auditors of AXG Mining Limited at the company's Annual General Meeting to be held on or about 28 November 2014 or any adjournment thereof.

Please distribute copies of this notice of nomination as required by Section 328(3) of the Corporations Act.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'P Fromson', is written above a horizontal line.

---

Paul Fromson  
Sole Director  
MBE Finance Pty Ltd

**AXG MINING LIMITED**  
**ACN 092 304 965**  
**PROXY FORM**

The Secretary  
AXG Mining Limited  
PO Box 964  
West Perth WA 6872

Fax Number: (+61 8) 9481 0655

I/We \_\_\_\_\_

of \_\_\_\_\_

being a shareholder/(s) of AXG Mining Limited hereby appoint \_\_\_\_\_

of \_\_\_\_\_

or failing him/her \_\_\_\_\_

of \_\_\_\_\_

or failing him/her the Chairman as my/our proxy to vote for me/us and on my/our behalf at the General Meeting of the Company to be held at Victoria Hotel, 226 Hay Street, Western Australia at 6.00pm (WST) on 28 November 2014, and at any adjournment thereof in respect of [ ]% of my/our shares or, failing any number being specified, **ALL** of my/our shares in the Company. If two proxies are appointed, the proportion of voting rights this proxy is authorised to exercise is [ ]%. (An additional proxy form will be supplied by the Company on request.)

If you wish to indicate how your proxy is to vote, please tick the appropriate places below. If no indication is given on a Resolution, the proxy may abstain or vote at his or her discretion.

I/we direct my/our proxy to vote as indicated below:

|              |   | FOR                      | AGAINST                  | ABSTAIN                  |
|--------------|---|--------------------------|--------------------------|--------------------------|
| Resolution 1 | Adoption of the Remuneration Report                                 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2 | Re-election of Mr Guy Le Page as a Director                         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3 | Re-election of Mr Robert Downey as a Director                       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 4 | Re-election of Mr Dean Goodwin as a Director                        | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 5 | Approval of issue of securities to XTL Energy International Limited | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 6 | Approval of 10% Placement Capacity                                  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 7 | Change of name to "Mount Ridley Mines Limited"                      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 8 | Appointment of auditor  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Proxies given by a natural person must be signed by each appointing shareholder or the shareholder's attorney duly authorised in writing. Proxies given by companies must be executed in accordance with section 127 of the Corporations Act or signed by the appointor's attorney duly authorised in writing.

**THE CHAIRMAN INTENDS TO VOTE ALL UNDIRECTED PROXIES IN FAVOUR OF EACH RESOLUTION EVEN IF THAT RESOLUTION IS CONNECTED DIRECTLY OR INDIRECTLY WITH THE REMUNERATION OF A MEMBER OF KEY MANAGEMENT PERSONNEL.**

As witness my/our hand/s this                      day of    2014

**If a natural person:**

SIGNED by:

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Signature

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Signature (if joint holder)

**If a company:**

Executed in accordance with section 127 of the  
Corporations Act

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Signature of Director

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Signature of Director / Secretary