

**AXG MINING LTD**

**ABN 93 092 304 964**

**NOTICE OF GENERAL MEETING**

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**TIME:** 11.00AM (WST)

**DATE:** 8 September 2014

**PLACE:** Level 1, 143 Hay Street  
SUBIACO WESTERN AUSTRALIA 6008  
AUSTRALIA

*This Notice of Meeting and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.*

*Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (08) 9429 2900.*

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**CONTENTS**

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|  |    |
|--|----|
| Notice of General Meeting (setting out the proposed Resolutions) | 3  |
| Explanatory Statement (explaining the proposed Resolutions)      | 9  |
| Glossary   | 27 |
| Schedule A – Terms and conditions of Options                     | 29 |
| Proxy Form   | 30 |

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**TIME AND PLACE OF MEETING AND HOW TO VOTE**

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**VENUE**

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The General Meeting of the Shareholders of AXG Mining Ltd which this Notice of Meeting relates to will be held at :

**TIME:** 11.00AM (WST)

**DATE:** 8 September 2014

**PLACE:** Level 1, 143 Hay Street  
SUBIACO WA 6008  
AUSTRALIA

YOUR VOTE IS IMPORTANT

The business of the General Meeting affects your shareholding and your vote is important.

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**VOTING IN PERSON**

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To vote in person, attend the General Meeting on the date and at the place set out above.

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**VOTING BY PROXY**

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To vote by proxy, please complete and sign the enclosed proxy form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member 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 the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this General Meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all 'directed' proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

***Proxy vote if appointment specifies way to vote***

Section 250BB (1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

***Transfer of non-chair proxy to chair in certain circumstances***

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting;
  - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

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## NOTICE OF GENERAL MEETING

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Notice is given that the General Meeting of Shareholders of AXG Mining Ltd will be held at:

**TIME:** 11.00AM (WST)

**DATE:** 8 September 2014

**PLACE:** Level 1, 143 Hay Street  
SUBIACO WESTERN AUSTRALIA 6008  
AUSTRALIA

The Explanatory Statement annexed to this Notice of Meeting provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and the proxy form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders at 11:00AM on 8 September 2014.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

### AGENDA

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#### 1. RESOLUTION 1 – SECTION 195 APPROVAL

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 195(4) of the Corporations Act and for all other purposes, the Directors are hereby approved and authorised to complete the transactions as contemplated in this Notice."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any of the Directors or Proposed Directors (or any of their associates). 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.

**Short Explanation:** Approval of Resolutions the various resolutions may result in the Directors or the Proposed Directors having a "material personal interest" in the Option Placement and/or the Share Placement and other matters referred to in this Notice. In the absence of this Resolution, the Directors may not be able to form a quorum at any meetings necessary to carry out various transactions contemplated by this Notice.

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#### 2. RESOLUTION 2 – PLACEMENT OF SHARES

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

*" That, in accordance with Listing Rule 7.1, and for all other purposes, approval is given for the Company to issue up to 250,000,000 Shares at an issue price of \$0.002 per Share along with one free attaching Option for every one Share issued to the Subscribers, on the terms and conditions in the Explanatory Memorandum."*

**Voting Exclusion:** The Company will disregard any votes cast on Resolution 2 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 Resolution 2 is passed and any associate of those persons. 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.

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**3. RESOLUTION 3 – ISSUE OF SHARES AND OPTIONS TO PROPOSED DIRECTOR – MR DEAN BARRY GOODWIN**

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 10.11, Chapter 2E of the Corporations Act and for all other purposes shareholders approve the issue of:*

- *4,000,000 ordinary fully paid Shares; and*
- *10,000,000 Options on the terms and conditions contained in Schedule A;*

*to Mr Dean Barry Goodwin, a proposed Director of the Company (or his nominee/s) as described on the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr Dean Barry Goodwin and any Associate of him. However, the Company need not disregard a vote if the vote 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 the vote 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.

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**4. RESOLUTION 4 – ISSUE OF OPTIONS TO PROPOSED DIRECTOR – MR ROBERT DOWNEY**

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 10.11 and Chapter 2E of the Corporations Act and for all other purposes shareholders approve the issue of 10,000,000 Options, on the terms and conditions contained in Schedule A, to Mr Robert Downey, a proposed Director of the Company (or his nominee/s) as described in the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr. Robert Downey and any Associate of him. However, the Company need not disregard a vote if the vote 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 the vote 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.

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**5. RESOLUTION 5 – PARTICIPATION OF PROPOSED DIRECTOR MR DEAN GOODWIN OR HIS ASSOCIATES IN A PLACEMENT**

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

*“That for the purposes of Chapter 2E of the Corporations Act and ASX Listing Rule 10.11 and for all other purposes, approval be given for the issue of up to 50,000,000 Shares and 50,000,000 free attaching Options to Dean Goodwin, his Associates or his nominees at an issue price of \$0.002 per Share and otherwise on the terms and conditions set out in the Explanatory Memorandum.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Ordinary Resolution by Dean Goodwin and any of his associates. However, the Company need not disregard a vote if (a) 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 (b) it is cast by the person chairing 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.

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**6. RESOLUTION 6 – PARTICIPATION OF PROPOSED DIRECTOR MR ROBERT DOWNEY OR HIS ASSOCIATES IN A PLACEMENT**

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

*“That for the purposes of Chapter 2E of the Corporations Act and ASX Listing Rule 10.11 and for all other purposes, approval be given for the issue of up to 10,000,000 Shares and 10,000,000 free attaching Options to Robert Downey, his associates or his nominees at an issue price of \$0.002 per Share and otherwise on the terms and conditions set out in the Explanatory Memorandum.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Ordinary Resolution by Robert Downey and any of his associates. However, the Company need not disregard a vote if (a) 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 (b) it is cast by the person chairing 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.

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**7. RESOLUTION 7 – APPROVAL OF ISSUE OF SHARES TO MR. GUY T LE PAGE (AND / OR NOMINEE) IN LIEU OF DIRECTORS FEES**

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

*“That, for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval is given for the Directors to allot and issue 7,500,000 Shares to G T Le Page (or his nominee) in lieu of Directors fees payable to Mr Guy T Le Page on the terms and conditions set out in the Explanatory Memorandum.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr. Guy T Le Page and any Associate of his. However, the Company need not disregard a vote if the vote 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 the vote 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.

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**8. RESOLUTION 8 – APPROVAL OF ISSUE OF SHARES TO MR. ROLAND H BERZINS (AND / OR NOMINEE) IN LIEU OF DIRECTORS FEES**

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

*“That, for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval is given for the Directors to allot and issue 6,072,500 Shares to R H Berzins (or his nominee) in lieu of Directors fees payable to Mr. Roland H Berzins on the terms and conditions set out in the Explanatory Memorandum.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr. Roland H Berzins and any Associate of him. However, the Company need not disregard a vote if the vote 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 the vote 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.

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**9. RESOLUTION 9 – APPROVAL OF ISSUE OF SHARES TO MR. GORDON A SKLENKA (AND / OR NOMINEE) IN LIEU OF DIRECTORS FEES**

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

*"That, for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval is given for the Directors to allot and issue 7,150,000 Shares to Mr. Gordon A Sklenka (or his nominee) in lieu of Directors fees payable to Mr. Gordon A Sklenka on the terms and conditions set out in the Explanatory Memorandum."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr. Gordon A Sklenka and any Associate of him. However, the Company need not disregard a vote if the vote 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 the vote 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.

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**10. RESOLUTION 10 – APPROVAL OF ISSUE OF SHARES TO XTL ENERGY INTERNATIONAL LTD**

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

*"That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the allotment and issue of 14,285,714 Shares to XTL Energy International Ltd as consideration for the exercise of the option to acquire EL63/1564 on the terms and conditions in the Explanatory Memorandum."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by XTL Energy International Ltd and any associates of XTL Energy International Ltd. 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.

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**11. RESOLUTION 11 – RATIFICATION OF PRIOR ISSUE OF SHARES TO XTL ENERGY LTD.**

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

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 21,428,571 Shares to XTL Energy International Ltd on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. 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.

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**12. RESOLUTION 12 – APPROVAL OF ISSUE OF SHARES TO EDWARDS MOTORS (AND / OR NOMINEE) IN PARTIAL REPAYMENT OF LOAN**

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

*"That, for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval is given for the Directors to allot and issue 13,542,500 Shares to Edwards Motors (or their nominee) in lieu of loans payable to Edwards Motors on the terms and conditions set out in the Explanatory Memorandum."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Edwards Motors and Roland Berzins and any Associate of theirs. However, the Company need not disregard a vote if the vote

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 the vote 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.

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**13. RESOLUTION 13 – ISSUE OF SECURITIES TO RM CORPORATE FINANCE IN RESPECT OF CORPORATE ADVISORY MANDATE**

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

*“That for the purposes of ASX Listing Rule 10.1, Chapter 2E of the Corporations Act and for all other purposes, approval is given for the Directors to issue and allot 37,500,000 Shares to RM Corporate Finance on the terms and conditions set out in the Explanatory Memorandum.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by RM Corporate Finance and Mr Guy Le Page and any Associate of theirs. 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.

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**14. RESOLUTION 14 – ISSUE OF OPTIONS TO PROPOSED SECRETARY – MR KEITH BOWKER**

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 10.11 and Chapter 2E of the Corporations Act and for all other purposes shareholders approve the issue of 5,000,000 Options, on the terms and conditions contained in Schedule A, to Mr Keith Bowker, the proposed Secretary of the Company (or his nominee/s) as described in the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr Keith Bowker and any Associate of him. However, the Company need not disregard a vote if the vote 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 the vote 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.

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**15. RESOLUTION 15 – APPROVAL TO ISSUE SHARES TO HALSTON EXPLORATION INC. (AND OR THEIR NOMINEE) IN SETTLEMENT OF OUTSTANDING CONTINGENCIES**

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 issue of 18,750,000 Shares to Halston Exploration Inc. (or their nominee), being an unrelated creditor of the Company, on the terms and conditions contained described in the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Halston Exploration Inc and any Associate of them. However, the Company need not disregard a vote if the vote 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 the vote 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.



**DATED: 7 August 2014**

**BY ORDER OF THE BOARD**

**ROLAND BERZINS  
COMPANY SECRETARY  
AXG MINING LTD**

## EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the General Meeting of AXG Mining Ltd to be held on 8 September 2014 at 11:00AM:

**PLACE:** Level 1, 143 Hay Street  
SUBIACO WESTERN AUSTRALIA 6008  
AUSTRALIA

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

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### 1. RESOLUTION 1 – SECTION 195 APPROVAL

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

All of the directors therefore, may have a material personal interest if they are issued shares in lieu of outstanding monies. In the absence of this resolution, the Directors may not be able to form a quorum at the directors meeting necessary to carry out the allotment of the shares.

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

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### 2. RESOLUTION 2 – PLACEMENT OF SHARES

#### 2.1 General

Resolution 2 seeks shareholder approval for the allotment and issue of up to 250,000,000 Shares at an issue price of \$0.002 per Share and 250,000,000 free attaching Options (**Placement**).

On 25 July 2014 the Company entered into a Subscription Agreement with the Subscribers for the placement of 250,000,000 Shares at an issue price of \$0.002 per Share, along with 250,000,000 Options on the basis of one free Option per one Share subscribed for exercisable at \$0.0125 per share with an expiry date of 31 August 2019. The Placement of Shares and the free attaching Options is subject to Shareholder approval.

Two of the Proposed Directors of the Company, Mr Dean Goodwin and Mr Robert Downey are Subscribers under the Subscription Agreement. Their proposed participation in the Placement, to the extent of 60,000,000 Shares and 60,000,000 Options in total, is the subject of Resolutions 5 and 6.

The terms and conditions of the free attaching Options are set out in Schedule A.

The Subscription Agreement contains a number of conditions precedent and completion of the Placement can only occur when these conditions precedent have been satisfied.

#### 2.2 Condition Precedent – Proposed Board Restructure

Notably the subscription agreements requires a significant change of the Board of Directors in that Mr Berzins and Mr Sklenka will resign and Mr Dean Goodwin and Mr Robert Downey will be appointed to the Board.

The proposed Board of AXG Mining Ltd will then consist of:

Mr Robert Downey – Non Executive Chairman

Mr Dean Goodwin – Managing Director

Ratification of the appointments of Mr Goodwin and Mr Downey will be sought at the upcoming AGM.

In view of their proposed appointments to the Board, shareholder approval is sought for the issue of Shares and Options to Mr Goodwin and options to Mr Downey and also for their participation in the Placement

The proposed directors both support the issue and ratification of shares contemplated by Resolutions 7 to 13 and Resolution 15 to reduce the liabilities of the company to a manageable level and to preserve the cash raised under the Placement for exploration on the Fraser Range tenements.

### **2.3 Conditions of Placement**

The Subscription Agreement contains a number of other conditions and completion of the Placement is subject to and conditional upon these conditions which are summarised below:

- (a) the Investor approving the list and quantum of existing creditors;
- (b) the termination of the RM Capital mandate and any associated contractual obligations including any tenancy arrangement;
- (c) the termination of the convertible note agreement and any associated contractual documents;
- (d) the Subscribers being satisfied with all legal, technical, financial and corporate due diligence on the Company;
- (e) all Resigning Directors executing deeds of release from all claims, including all financial claims, that they or any related body corporate (including any assets held on bare trust under which they have a beneficial interest) may have against the Company;
- (f) a binding agreement being entered into for an amount owing to Tribune/Rand;
- (g) a general meeting of shareholders being held and approving the Placement;
- (h) termination of all agreements with directors, including all employment agreements, consulting agreements and any other agreement that confers any benefit on any director including with any related body corporate or bare trust as well as release (and a plea in bar) extinguishing any financial liability of the Company or claims against the Company under any such agreement; and
- (i) the tenements held by the Company being in good standing and with no encumbrances and no outstanding royalties or Government charges;

### **2.4 ASX Listing Rule 7.1- Requirements for the Placement**

A summary of ASX Listing Rule 7.1 is set out in section 2.5 below.

The effect of Resolution 2 will be to allow the Company to issue the Placement Shares and Options without using the Company's 15% annual placement capacity set out in ASX Listing Rule 7.1.

ASX Listing Rule 7.1 provides that (subject to certain exceptions, none of which is relevant here) prior approval of Shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by the Company during the previous 12 months, exceed 15% of the number of shares on issue at the commencement of that 12 month period.

The effect of Resolution 2 will be to allow the Company to issue 250,000,000 Shares and 250,000,000 Options, along with one free Option per Share issued, without using the Company's 15% annual placement capacity set out in ASX Listing Rule 7.1 and the additional 10% annual capacity set out in Listing Rule 7.1A.

## **2.5 Technical information required by ASX Listing Rule 7.3**

For the purposes of ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) the maximum number of Shares to be issued pursuant to the Placement will be 250,000,000 and the maximum number of Options to be issued will be 250,000,000;
- (b) the Shares and Options will be issued and allotted no later than three months after the date of this Meeting or such later date as approved by ASX;
- (c) the issue price of the Shares will be \$0.002 per Share and the Options will be issued at nil consideration;
- (d) the allottees in respect of Resolution 2 are as set out below:
  - (i) Reliance Resources Pty Ltd as trustee of the Goodwin Enterprises Family Trust - 50,000,000 Shares and Options;
  - (ii) Skymist Enterprises Pty Ltd – 82,500,000 Shares and Options
  - (iii) Stella Downey – 10,000,000 Shares and Options;
  - (iv) MBE Finance Pty Ltd as trustee of the Hillsden Family Trust – 25,000,000 Shares and Options;
  - (v) Mount Street Investments Pty Ltd <The MJ Blake S/F Ac> - 82,500,000 Shares and Options;
- (e) the Shares allotted and issued will be fully paid ordinary Shares in the capital of the Company and will rank equally with the existing ordinary fully paid Shares on issue; and
- (f) the Company intends to use the funds raised by the Placement towards further exploration on its Fraser Range project in Western Australia, payment of creditors and for working capital purposes.
- (g) the Options issued will be in accordance with the terms and conditions in Schedule A.

## **2.6 Directors' Recommendation**

None of the existing Directors has a material personal interest in the subject matter of Resolution 2. The Board recommends Shareholders vote in favour of Resolution 2 as it will enable the Company to raise funds necessary to maintain its operations.

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## **3. RESOLUTION 3 – ISSUE OF SHARES AND OPTIONS TO PROPOSED DIRECTOR- MR DEAN BARRY GOODWIN**

### **3.1 General**

Resolution 3 seeks shareholder approval for the issue of 4,000,000 Shares and 10,000,000 Options to Mr Dean Barry Goodwin, a proposed Managing Director of the Company. The Shares and Options are proposed to be issued in connection with Mr Goodwin's proposed appointment as part of his remuneration package and in accordance with the terms of the Subscription Agreement.

The issue of these Shares and Options to Mr Goodwin is subject to and conditional upon Shareholder

approval and completion of the Placement and Mr Goodwin's appointment to the Board. Mr Goodwin does not currently have a relevant interest in any of the Company's Shares.

ASX Listing Rule 10.11 requires a company to obtain shareholder approval by ordinary resolution prior to the issue of equity securities (Shares and Options) to a related party of the company. For the purposes of Listing Rule 10.11, a related party includes a proposed Director of the Company.

ASX Listing Rule 7.2 states that approval pursuant to ASX Listing Rule 7.1 is not required if approval is being obtained pursuant to ASX Listing Rule 10.11. Accordingly, as shareholder approval is being sought under ASX Listing Rule 10.11, a further approval is not required under Listing Rule 7.1.

### **3.2 Technical Information Required by ASX Listing Rule 10.13**

For the purposes of ASX Listing Rule 10.13, the following information is provided in relation to the issue of securities in accordance with Listing Rule 10.11:

- (a) the maximum number of Shares to be issued pursuant to Resolution 3 will be 4,000,000, and the number of Options will be 10,000,000;
- (b) the Shares and Options will be issued and allotted no later than one month after the date of this Meeting;
- (c) the Shares will be issued at a deemed issue price of 0.002 cents per Share and the Options will be issued for nil consideration;
- (d) the allottee in respect of Resolution 3 is Dean Barry Goodwin or a nominee of Dean Barry Goodwin;
- (e) the Shares allotted and issued will be fully paid ordinary Shares in the capital of the Company and will rank equally with the existing ordinary fully paid Shares on issue, and the Options in accord with the terms and conditions in Schedule A; and
- (f) no funds will be raised from this issue; and
- (g) a voting exclusion statement applies to Resolution 3 on the terms set out in the Notice of General Meeting.

### **3.3 Chapter 2E of the Corporations Act – Related Party Transactions**

Under Chapter 2E of the Corporations Act, a public company cannot give a 'financial benefit' to a 'related party' unless one of the exceptions to the section applies or shareholders have in a general meeting approved the giving of that financial benefit to the related party.

Section 211 of the Corporations Act provides that one of the exceptions to the requirement to obtain shareholder approval for giving a financial benefit to a related party is where the benefit is given to the related party as an officer of the Company as remuneration and to give the remuneration would be reasonable given:

- The circumstances of the Company; and
- The related party's circumstances (including the responsibilities involved in the office or employment).

The Company considers the proposed issue of Shares and Options the subject of Resolution 3 is reasonable remuneration and, as such, falls within the exception set out in Section 211 of the Corporations Act. In reaching this view, the Company has considered the position and responsibilities of Mr. Goodwin, the need to attract suitably experienced and qualified officers to the Company, the Company's reliance on a limited number of executive personnel, the need for the Company to effectively incentivise Mr. Goodwin and the desirability of preserving cash resources within the Company.

The Options to be issued to Mr Goodwin and Mr Downey pursuant to Resolutions 3 and 4 have been independently valued.

Using the Black & Scholes option valuation model and based on the assumptions set out below, the Options were ascribed the following value:

|  |                  |
|--|------------------|
| <b>Assumptions:</b>                              |                  |
| Valuation date                                   | 28 July 2014     |
| Market price of Shares                           | \$0.0080         |
| Exercise price                                   | \$0.0125         |
| Expiry date (length of time from issue)          | 60 months        |
| Risk free interest rate                          | 2.45%            |
| Volatility                                       | 174%             |
| <b>Indicative value per Related Party Option</b> | <b>\$0.0075</b>  |
|  |                  |
| <b>Total Value of Related Party Options</b>      | <b>\$150,670</b> |
| Mr Dean Barry Goodwin                            | \$75,335         |
| Mr Robert Downey                                 | \$75,335         |

Note: The valuations noted above are not necessarily the market prices that the Options could be traded at and they are not automatically the market prices for taxation purposes.

#### **4. RESOLUTION 4 – ISSUE OF OPTIONS TO PROPOSED DIRECTOR- MR ROBERT DOWNEY**

##### **4.1 General**

Resolution 4 seeks shareholder approval for the issue of 10,000,000 Options to Mr Robert Downey a proposed Director and Chairman of the Company. The Options are proposed to be issued in connection with Mr Downey's proposed appointment as director and Chairman of the Company.

The issue of these Options to Mr Downey is subject to and conditional upon shareholder approval and completion of the Placement and Mr Downey's appointment to the Board in accordance with the terms of the Subscription Agreement. Mr Downey does not currently have a relevant interest in any of the Company's Shares.

ASX Listing Rule 10.11 requires a company to obtain Shareholder approval by ordinary resolution prior to the issue of equity securities (Shares and Options) to a related party of the company. For the purposes of Listing Rule 10.11, a related party includes a proposed Director of the Company.

ASX Listing Rule 7.2 states that approval pursuant to ASX Listing Rule 7.1 is not required if approval is being obtained pursuant to ASX Listing Rule 10.11. Accordingly, as Shareholder approval is being sought under ASX Listing Rule 10.11, a further approval is not required under Listing Rule 7.1.

##### **4.2 Technical Information Required by ASX Listing Rule 10.13**

For the purposes of ASX Listing Rule 10.13, the following information is provided in relation to the issue of securities in accordance with Listing Rule 10.11:

- (a) the maximum number of Options to be issued pursuant to Resolution 4 will 10,000,000;
- (b) the Options will be issued and allotted no later than one month after the date of this Meeting;

- (c) the Options will be issued for nil consideration; and
- (d) the allottee in respect of Resolution 4 is Robert Downey or a nominee of Robert Downey; and
- (e) the Options issued will be in accordance with the terms and conditions in Schedule A;
- (f) no funds will be raised from this issue; and
- (g) a voting exclusion statement applies to Resolution 4 on the terms set out in the Notice of General Meeting

#### 4.3 Chapter 2E of the Corporations Act – Related Party Transactions

Under Chapter 2E of the Corporations Act, a public company cannot give a ‘financial benefit’ to a ‘related party’ unless one of the exceptions to the section applies or shareholders have in a general meeting approved the giving of that financial benefit to the related party.

Section 211 of the Corporations Act provides that one of the exceptions to the requirement to obtain shareholder approval for giving a financial benefit to a related party is where the benefit is given to the related party as an officer of the Company as remuneration and to give the remuneration would be reasonable given:

- The circumstances of the Company; and
- The related party’s circumstances (including the responsibilities involved in the office or employment).

The Company considers the proposed issue of Options the subject of Resolution 4 is reasonable remuneration and, as such, falls within the exception set out in Section 211 of the Corporations Act. In reaching this view, the Company has considered the position and responsibilities of Mr Downey, the need to attract suitably experienced and qualified officers to the Company, the Company’s reliance on a limited number of executive personnel, the need for the Company to effectively incentivise Mr Downey and the desirability of preserving cash resources within the Company.

The Options to be issued to Mr Downey pursuant to Resolution 4 have been independently valued.

The value of the Options has been determined using the Black & Scholes option valuation model set out above in paragraph 3.3 of the Explanatory Memorandum.

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## 5 RESOLUTIONS 5 AND 6 – PARTICIPATION OF MR DEAN GOODWIN AND MR ROBERT DOWNEY OR THEIR ASSOCIATES IN A PLACEMENT

### 5.1 Background

On 25 July 2014, the Subscribers entered into entered into a binding commitment (subject to a number of conditions) with the Company to subscribe for a total of \$500,000 subject to Shareholder approval under the Placement (**Binding Commitment**). Mr Goodwin through his nominee will participate in the Placement with an investment of \$100,000 being 50,000,000 Shares (and 50,000,000 free attaching Options) and Mr Downey will participate in the Placement with an investment of \$20,000 being 10,000,000 Shares (and 10,000,000 free attaching Options).

Resolutions 5 and 6 therefore seek the approval of Shareholders for the issue and allotment of a total of 60,000,000 Shares and 60,000,000 free attaching Options (in aggregate) under the Placement to the proposed Directors of the Company, their Associates or their nominees as follows:

- (a) 50,000,000 Shares and 50,000,000 free attaching Options to Dean Goodwin, his Associates or his nominee (s) as part of the Placement.
- (b) 10,000,000 Shares and 10,000,000 free attaching Options to Robert Downey, his Associates or his nominee (s) as part of the Placement.

(together the **Recipients**)

The Shares are to be issued at the same price as the Placement. The free attaching Options will be issued for no consideration.

## 5.2 Listing Rule 10.11

ASX Listing Rule 10.11 requires shareholder approval to be obtained where any entity issues, or agrees to issue, securities to a related party of the entity. Dean Goodwin and Robert Downey are considered to be related parties as they are proposed directors of the Company. Accordingly, Resolutions 5 and 6 seeks Shareholder approval pursuant to Listing Rule 10.11 to enable Dean Goodwin and Robert Downey to participate in the Placement.

If shareholder approval is given under Listing Rule 10.11 pursuant to these Resolutions, approval is not required under Listing Rule 7.1.

## 5.3 Information Required Listing Rule 10.13

The Company provides the following additional information in accordance with Listing Rule 10.13:

- a. The related parties proposing to be entitled to participate in the Placement are Dean Goodwin and Robert Downey (or their respective nominees) and they are related parties by virtue of being proposed Directors.
- b. The maximum number of Shares and free attaching Options Robert Downey and Dean Goodwin may subscribe for is set out in paragraph 5.1 above.
- c. The Shares and free attaching Options may be issued progressively but no later than 1 month after the date of this General Meeting (or such later date as approved by ASX).
- d. The issue price will be \$0.002 per Share. The free attaching Options will be issued for no consideration.
- e. The Shares will be ranked as fully paid ordinary shares in the Company and shall rank equally with the Company's current issued ordinary fully paid shares.
- f. The Company intends to use the funds raised as additional working capital and investment capital for the Company in respect to the exploration of its Fraser Range tenements.
- g. A voting exclusion statement is included in this Notice of General Meeting.
- h. the Options issued will be in accordance with the terms and conditions in Schedule A

## 6. RESOLUTIONS 7,8 AND 9 – APPROVAL OF ISSUE OF SHARES TO THE DIRECTORS IN LIEU OF DIRECTORS' FEES

### 6.1 Shares to Directors

The Company proposes to grant a total of 20,722,500 Shares to Directors, or their nominees, for nil consideration in lieu of \$82,890 worth of outstanding Directors' fees payable as follows:

| Name         | Directors Fees (\$) | Number of Shares  | Avg Share Price Shares issued at (\$) <sup>1</sup> | Value of shares received at current Share Price (\$) |
|--------------|---------------------|-------------------|--|--|
| G T Le Page  | 30,000              | 7,500,000         | 0.004  | 30,000   |
| R H Berzins  | 24,290              | 6,072,500         | 0.004  | 24290  |
| G A Sklenka  | 28,600              | 7,150,000         | 0.004  | 28600  |
| <b>TOTAL</b> | <b>82,890</b>       | <b>20,722,500</b> | <b>0.004</b>                                       | <b>82,890</b>  |

**Table 1:** Particulars of Shares issued to Directors

**Notes:** The deemed issue price of the Shares is based on the closing price of the Company's share capital as at 30 June 2014.



## 6.2 Chapter 2E of the Corporations Act – Related Party Transactions

The issue of Shares to the Directors constitutes a grant of a financial benefit to a related party for the purposes of Chapter 2E of the Corporations Act. Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to a related party of the Company unless either:

- a) the giving of the financial benefit falls within one of the nominated exceptions to the relevant provisions of the Corporations Act; or
- b) prior shareholder approval is obtained to the giving of the financial benefit.

For the purposes of Chapter 2E, Messrs Le Page, Berzins and Sklenka are related parties of the Company by virtue of section 228(2) of the Corporations Act and the issue of Shares would constitute the giving of a financial benefit. As none of the exceptions set out in the Corporations Act apply, the grant of the Shares to the Directors requires Shareholder approval.

For the purpose of obtaining Shareholder approval, and in accordance with the requirements of Chapter 2E of the Corporations Act, and in particular section 219, the following information is provided to Shareholders to allow them to assess whether or not to approve the issue of the Shares to the Directors under Resolutions 7 to 9.

The Directors therefore consider it prudent to consider that each Director holds a “material personal interest” in the consideration of the matter and so a quorum cannot be formed to consider the matter at Board level. However, by reason of section 195(4) of the Corporations Act, the Directors are permitted in such instances to put the matter before shareholders to resolve. The Directors have accordingly exercised their right under section 195(4) of the Corporations Act and have resolved to place the proposed issue of the Shares to the Directors to Shareholders to consider, and if thought fit, approve.

### ***Identity of the related party to whom the proposed resolution would permit the financial benefit to be given.***

Subject to Shareholder approval, the issue of the Shares the subject of Resolutions 7 to 9 will be granted to Directors or their nominees within one month of the passing of these Resolutions. Messrs Le Page, Berzins and Sklenka are Directors of the Company and are therefore classified as related parties.

### ***Nature of, reasons and basis for the financial benefit***

The issue of the 20,722,500 Shares is in lieu of \$82,890 in accrued Directors’ fees payable to the Directors. Given the current financial position of the Company the Directors’ consider that the issue of Shares in lieu of director fees is a cost effective and efficient means for the Company to conserve cash but remunerate its Directors for their services. The deemed issue price of the Shares is based on the closing price of the Company’s share capital on 30 June 2014. The Directors’ consider this a fair and appropriate way to work out the number of Shares to be issued and the deemed issued price of the Shares to be issued to the Directors in lieu of Directors’ fees.

### ***Directors’ recommendations to members and reasons***

Resolutions 7 to 9 – All of the Directors have an interest in the outcome of Resolutions 7 to 9 and accordingly do not wish to make a recommendation. The Directors do however note that if Shareholders do not approve resolutions 7 to 9 then the Company will be required to pay the fees which will have a significant effect on the current working capital position of the Company.

### ***Dilution as a Result of Resolutions 7 to 9***

| Number of Shares                         |             |
|--|-------------|
| Shares currently on issue                | 213,050,185 |
| Resolutions 7 to 9 – Shares to be issued | 20,722,500  |

|                    |             |
|--------------------|-------------|
| New Total          | 233,772,685 |
| Dilutionary Effect | 9.73%       |

**Table 2:** Issued capital and dilutionary effect

| <b>Current Shareholdings of the Directors</b> |            |
|---|------------|
| <b>Name of Director Shareholding</b>          |            |
| GT Le Page                                    | 5,000,000  |
| R H Berzins                                   | 17,274,285 |
| G A Sklenka                                   | 29,927,145 |

**Table 3:** Directors and Shareholding in AXG Mining

**Share Price history**

Historical share price information for the last twelve months is as follows:

|                | <b>Price</b> | <b>Date</b> |
|----------------|--------------|-------------|
| <b>Highest</b> | \$0.007      | 28-Apr-14   |
| <b>Lowest</b>  | \$0.002      | 11-Jul-14   |
| <b>Last</b>    | \$0.002      | 11-Jul-14   |

**Table 4:** AXG Mining 12 month High, low and last sale price of Shares

**Any other information that is reasonably required by members to make a decision and that is known to the Company or any of its officers.**

(a) A voting exclusion statement is included in the Resolutions; and

(b) The Shares will be allotted and issued on a date which will be no later than 1 month after the date of the General Meeting.

**6.3 Listing Rule 10.11**

ASX Listing Rule 10.11 requires shareholder approval to be obtained where any entity issues, or agrees to issue, securities to a related party of the entity. Messrs Le Page, Berzins and Sklenka are considered to be related parties as they are directors of the Company. Accordingly, Resolutions 7 to 9 seeks Shareholder approval pursuant to Listing Rule 10.11 to enable Messrs Le Page, Berzins and Sklenka to be issued the Shares the subject of Resolutions 7 to 9.

If shareholder approval is given under Listing Rule 10.11 pursuant to these Resolutions, approval is not required under Listing Rule 7.1.

**6.4 Information Required Listing Rule 10.13**

The Company provides the following additional information in accordance with Listing Rule 10.13:

- The related parties proposing to be issued Shares are Messrs Le Page, Berzins and Sklenka (or their respective nominees) and they are related parties by virtue of being Directors.
- The maximum number of Shares to be issued to Messrs Le Page, Berzins and Sklenka are set out in paragraph 6.1 above.
- The Shares may be issued progressively but no later than 1 month after the date of this General Meeting (or such later date as approved by ASX).
- The deemed issue price will be \$0.004 per Share.

- e. The Shares will be ranked as fully paid ordinary shares in the Company and shall rank equally with the Company's current issued ordinary fully paid shares.
- f. No funds will be raised by the issue of the Shares. The Shares are being issued in lieu of \$82,890 worth of outstanding Directors' fees.
- g. A voting exclusion statement is included in this Notice of General Meeting.

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## **7. RESOLUTION 10 – APPROVAL OF ISSUE OF SHARES TO XTL ENERGY INTERNATIONAL LTD.**

The Company proposes to grant 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 EL63/1564.

### **7.1 General**

On 25 July 2014, the Company announced that it was exercising the option it held to acquire EL63/1564 located in the Fraser Range area in Western Australia. Resolution 5 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of up to 14,284,714 Shares each at a deemed issue price of \$0.004 per Share to XTL Energy International Ltd (or their nominees) as consideration for the exercise of the option to acquire EL63/1564 by the Company.

Resolution 10 is an ordinary resolution.

### **7.2 Listing Rule 7.1**

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 securities then on issue.

As the issue of the Shares to the consultants under Resolution 10 exceeds this 15% threshold and none of the exceptions in Listing Rule 7.2 apply, Shareholder approval is sought in accordance with Listing Rule 7.1.

The effect of Resolution 10 will be to allow the Company to issue 14,285,714 securities to XTL Energy International Ltd without using the Company's 15% annual placement capacity set out in ASX Listing Rule 7.1 and the additional 10% annual capacity set out in Listing Rule 7.1A.

### **7.3 Specific information required by Listing Rule 7.3**

For the purposes of the Shareholder approval of the issue of Shares to XTL Energy International Ltd and the requirements of Listing Rule 7.3, information is provided as follows:

- (a) The maximum number of Shares to be issued pursuant to Resolution 10 is 14,285,714 Shares.
- (b) The 14,285,714 Shares to be issued pursuant to Resolution 10 will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (c) The 14,285,714 Shares will be issued to XTL Energy International Ltd as consideration for the exercise of the option to acquire E63/1564.
- (d) The 14,285,714 Shares will be issued to XTL Energy International Ltd (or their nominees), who are not related parties or associates of related parties of the Company.
- (e) The 14,285,714 Shares will be fully paid ordinary shares in the capital of the Company and rank equally to in all respect with the Company's existing Shares on issue

- (f) The 14,285,714 Shares will be issued in consideration for the exercise of the option to acquire EL63/1564 and as such no funds will be raised from the issue of the Shares.
- (g) All of the 14,285,714 Shares will be allotted on the same date.

### ***Dilution as a Result of Resolution 10***

| <b>Number of Shares</b>              |             |
|--------------------------------------|-------------|
| Shares currently on issue            | 213,050,185 |
| Resolutions 10 – Shares to be issued | 14,285,714  |
| New Total                            | 227,335,899 |
| Dilutionary Effect                   | 6.71%       |

**Table 5:** Issued capital and dilutionary effect

A voting exclusion statement is included in the Notice.

## **8. RESOLUTION 11 – RATIFICATION OF PRIOR ISSUE OF SHARES TO XTL ENERGY INTERNATIONAL LTD**

### **8.1 General**

On 5<sup>th</sup> March 2014, the Company announced that it was exercising the option it held to acquire EL63/1547 located in the Fraser Range area in Western Australia. The Company issued 35,714,285 Shares at a deemed issue price of A\$0.004 per Share to XTL Energy International Ltd as per the option agreement (**Prior Issue**).

Part of the Prior Issue Shares were issued within the Company's 15% placement capacity on 2 April 2014, without the need for Shareholder approval. The Company issued 21,428,571 Prior Issue Shares under the 15% placement capacity.

Resolution 11 seeks Shareholder approval for the ratification of the issue of 21,428,571 Prior Issue Shares pursuant to Listing Rule 7.4.

### **8.2 Listing Rule 7.4**

Listing Rule 7.4 sets out an exception to Listing Rule 7.1. It provides that where a company in an general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with Shareholder approval for the purpose of Listing Rule 7.1.

The effect of Shareholders passing Resolution 11 by ratifying the issue of the Prior Issue Shares will be to restore the Company's ability to issue further securities, to the extent of 21,428,571 Shares, during the next 12 months.

Resolution 11 is an ordinary resolution.

### **8.3 Specific information required by Listing Rule 7.4**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Prior Issue Shares:

- (a) An amount of 21,428,571 Shares were issued on 2 April 2014.
- (b) The Prior Issue Shares were issued at a deemed issue price of \$0.004 per Share.
- (c) The Prior Issue Shares are all fully paid ordinary shares in the capital of the Company and rank equally to in all respect with the Company's existing Shares on issue.

- (d) The Prior Issue Shares have been allotted and issued to XTL Energy International Ltd who is not a related party or associate of a related party of the Company.
- (e) No funds were raised by the issue of the Prior Issue Shares by the Company as the Shares were issued in consideration for the exercise of the option by the Company to acquire EL63/1547.
- (f) A voting exclusion statement is included in the Notice.

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**9. RESOLUTION 12 – APPROVAL OF ISSUE OF SHARES TO EDWARDS MOTORS (AND / OR NOMINEE) IN LIEU OF LOAN**

The Company proposes to grant a total of 13,542,500 shares to Edwards Motors Pty Ltd or their nominees, for a deemed issue price of \$0.004 per Share in satisfaction of \$54,170 of outstanding loans payable by the Company.

**9.1 Chapter 2E of the Corporations Act – Related Party Transactions**

The issue of Shares to the creditors constitutes a grant of a financial benefit to a related party for the purposes of Chapter 2E of the Corporations Act. Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to a related party of the Company unless either:

- a) the giving of the financial benefit falls within one of the nominated exceptions to the relevant provisions of the Corporations Act; or
- b) prior shareholder approval is obtained to the giving of the financial benefit.

For the purposes of Chapter 2E, Edwards Motors Pty Ltd and nominee Mr R Berzins are related parties of the Company by virtue of section 228(2) of the Corporations Act and the issue of Shares would constitute the giving of a financial benefit. As none of the exceptions set out in the Corporations Act apply, the grant of the Shares to the creditors requires Shareholder approval.

For the purpose of obtaining Shareholder approval, and in accordance with the requirements of Chapter 2E of the Corporations Act, and in particular section 219, the following information is provided to Shareholders to allow them to assess whether or not to approve the issue of the Shares to the Directors under Resolution 12.

Mr R Berzins is a director of the Company. The Directors therefore consider it prudent to consider that whilst a Director holds a “material personal interest” in the consideration of the matter, a quorum can be formed to consider the matter at Board level. However, by reason of section 195(4) of the Corporations Act, the Directors are permitted in such instances to put the matter before shareholders to resolve. The Directors have accordingly exercised their right under section 195(4) of the Corporations Act and have resolved to place the proposed issue of the Shares to the Directors to Shareholders to consider, and if thought fit, approve.

***Identity of the related party to whom the proposed resolution would permit the financial benefit to be given.***

Subject to Shareholder approval, the issue of the Shares the subject of Resolution 12 will be granted to Edwards Motors Pty Ltd or their nominees within one month of the passing of these Resolutions. Mr R Berzins is a Director of the Company and is therefore classified as related parties.

***Nature of, reasons and basis for the financial benefit***

With regard to the issue of the 13,542,500 Shares in satisfaction of \$54,170 in loans payable to Edwards Motors, given the current financial position of the Company the Directors’ consider that the issue of Shares in satisfaction of loans is a cost effective and efficient means for the Company to conserve cash but repay its creditors for loans made to the Company.

The deemed issue price of the Shares is based on the closing price of the Company's share capital on 30 June 2014.

The Directors' consider this a fair and appropriate way to work out the number of Shares to be issued and the deemed issued price of the Shares to be issued to creditors to repay loans due by the Company.

***Directors' recommendations to members and reasons***

Mr Berzins has an interest in the outcome of Resolution 12 and accordingly does not wish to make a recommendation. The remaining Directors do however note that if Shareholders do not approve Resolution 7 then the Company will be required to pay the loan due which will have a significant effect on the current working capital position of the Company.

The remaining directors vote in favour of the resolution

***Dilution as a Result of Resolution 12***

| <b>Number of Shares</b>             |             |
|-------------------------------------|-------------|
| Shares currently on issue           | 213,050,185 |
| Resolution 12 – Shares to be issued | 13,542,500  |
| New Total                           | 226,592,685 |
| Dilutionary Effect                  | 6.36%       |

**Table 6:** Issued capital and dilutionary effect

***Current Shareholdings of the Directors***

**Name of Director Shareholding**

|             |            |
|-------------|------------|
| R H Berzins | 17,274,285 |
|-------------|------------|

***Share Price history***

Historical share price information for the last twelve months is as follows:

|                | <b>Price</b> | <b>Date</b> |
|----------------|--------------|-------------|
| <b>Highest</b> | \$0.007      | 28-Apr-14   |
| <b>Lowest</b>  | \$0.002      | 11-Jul-14   |
| <b>Last</b>    | \$0.002      | 11-Jul-14   |

**Table 7:** AXG Mining 12 month High, low and last sale price of Shares

***Any other information that is reasonably required by members to make a decision and that is known to the Company or any of its officers.***

(a) A voting exclusion statement is included in the Resolutions.

(b) The Shares will be allotted and issued on a date which will be no later than 1 month after the date of the General Meeting.

**9.2 Listing Rule 10.11**

ASX Listing Rule 10.11 requires shareholder approval to be obtained where any entity issues, or agrees to issue, securities to a related party of the entity. Edwards Motors Pty Ltd is an entity controlled by Mr R Berzins and as such is considered to be related party of the Company as Mr Berzins is a director of the Company. Accordingly, Resolution 12 seeks Shareholder approval pursuant to Listing Rule 10.11 to enable the Company to issue Shares to Edwards Motors Pty Ltd in consideration for past loans provided to the Company.

If shareholder approval is given under Listing Rule 10.11 pursuant to these Resolutions, approval is not required under Listing Rule 7.1.

#### **6.4 Information Required Listing Rule 10.13**

The Company provides the following additional information in accordance with Listing Rule 10.13:

- a. The related party proposing to be issued Shares is Edwards Motors Pty Ltd, an entity controlled by Mr Berzins and a related party of the Company by virtue of Mr Berzins being a Director of the Company.
- b. The maximum number of Shares Edwards Motors Pty Ltd will be issued is 13,542,500 Shares.
- c. The Shares may be issued progressively but no later than 1 month after the date of this General Meeting (or such later date as approved by ASX).
- d. The deemed issue price will be \$0.004 per Share.
- e. The Shares will be ranked as fully paid ordinary shares in the Company and shall rank equally with the Company's current issued ordinary fully paid shares.
- f. No funds will be raised by the issue of the Shares. The Shares are being issued in lieu of \$54,170 in loans payable to Edwards Motors Pty Ltd.
- g. A voting exclusion statement is included in this Notice of General Meeting.

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### **10. RESOLUTION 13 – ISSUE OF SECURITIES TO RM CORPORATE FINANCE IN RESPECT OF CORPORATE ADVISORY MANDATE**

#### **10.1 General**

Resolution 13 seeks shareholder approval for the issue of 37,500,000 Shares to RM Corporate Finance (or nominee) at a deemed issue price of \$0.004 per Share for a total value of \$150,000 in respect of a Corporate Advisory Mandate it has with the Company.

#### **10.2 Background**

On 1<sup>st</sup> August 2013 the Company entered into a Corporate Advisory and Capital Raising Mandate (Mandate) with RM Corporate Finance (RMCF). One of the conditions of the Mandate was that the Company would pay RMCF a monthly retainer of \$12,500 per month satisfied by the issue of Shares in the Company. The Issue of Shares was to be ratified by shareholders at the next General Meeting of shareholders of the Company or at the Annual General Meeting of shareholders of the Company. The issue of Shares is for 12 months of retainer under the Mandate.

ASX Listing Rule 10.11 requires a company to obtain shareholder approval by ordinary resolution prior to the issue of equity securities (Shares and Options) to a related party of the company. For the purposes of Listing Rule 10.11, a related party includes a Director or an Associate of a Director of the Company.

ASX Listing Rule 7.2 states that approval pursuant to ASX Listing Rule 7.1 is not required if approval is being obtained pursuant to ASX Listing Rule 10.11. Accordingly, as shareholder approval is being sought under ASX Listing Rule 10.11, a further approval is not required under Listing Rule 7.1.

#### **10.3 Technical Information Required by ASX Listing Rule 10.11**

For the purposes of ASX Listing Rule 10.13, the following information is provided in relation to the issue:

- (a) the maximum number of Shares to be issued to RM Corporate Finance pursuant to Resolution 13 will be 37,500,000 Shares. Mr G T Le Page, a director of the Company, is a principal of RM Corporate Finance and as such the issue of Shares to RM Corporate Finance is the provisions of a financial benefit to a related party of the Company.
- (b) the deemed issue price of the Shares is \$0.004.
- (c) the Shares will be issued and allotted no later than one months after the date of this Meeting;
- (d) the allottee in respect of Resolution 13 is RM Corporate Finance or a nominee of RM Corporate Finance;
- (e) the Shares allotted and issued will be fully paid ordinary Shares in the capital of the Company and will rank equally with the existing ordinary fully paid Shares on issue;
- (f) no funds will be raised from this issue as it is in respect of the fee for the Corporate Advisory Mandate.
- (g) A voting exclusion statement is included in this Notice of General Meeting.

#### **10.4 Chapter 2E of the Corporations Act – Related Party Transactions**

The issue of Shares to the creditors constitutes a grant of a financial benefit to a related party for the purposes of Chapter 2E of the Corporations Act. Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to a related party of the Company unless either:

- a) the giving of the financial benefit falls within one of the nominated exceptions to the relevant provisions of the Corporations Act; or
- b) prior shareholder approval is obtained to the giving of the financial benefit.

For the purposes of Chapter 2E, RM Corporate Finance and Mr G T Le Page are related parties of the Company by virtue of section 228(2) of the Corporations Act and the issue of Shares would constitute the giving of a financial benefit. As none of the exceptions set out in the Corporations Act apply, the grant of the Shares to the creditors requires Shareholder approval.

For the purpose of obtaining Shareholder approval, and in accordance with the requirements of Chapter 2E of the Corporations Act, and in particular section 219, the following information is provided to Shareholders to allow them to assess whether or not to approve the issue of the Shares and options to the Directors under Resolution 8.

Mr G Le Page is a director of the Company. The Directors therefore consider it prudent to consider that whilst a Director holds a “material personal interest” in the consideration of the matter, a quorum can be formed to consider the matter at Board level. However, by reason of section 195(4) of the Corporations Act, the Directors are permitted in such instances to put the matter before shareholders to resolve. The Directors have accordingly exercised their right under section 195(4) of the Corporations Act and have resolved to place the proposed issue of the Shares to the Directors to Shareholders to consider, and if thought fit, approve.

#### **10.5 Identity of the related party to whom the proposed resolution would permit the financial benefit to be given.**

Subject to Shareholder approval, the issue of the Shares the subject of Resolution 13 will be granted to Directors or their nominees within one month of the passing of these Resolutions. Mr G Le Page is a Director of the Company and is therefore classified as related parties.

#### **10.6 Nature of, reasons and basis for the financial benefit**

With regard to the issue of the 37,500,000 Shares in respect of the fee for the Corporate Advisory Mandate, given the current financial position of the Company the Directors’ consider that the issue of



Shares in lieu of fees is a cost effective and efficient means for the Company to conserve cash but repay its creditors.

The Directors' consider this a fair and appropriate way to work out the number of Shares to be issued and the deemed issued price of the Shares to be issued to RM Corporate Finance Pty Ltd.

## **10.7 Directors' recommendations to members and reasons**

Mr G Le Page has an interest in the outcome of Resolution 13 and accordingly does not wish to make a recommendation. The remaining Directors do however note that if Shareholders do not approve Resolution 13 then the Company will be required to pay the fees which will have a significant effect on the current working capital position of the Company.

The remaining directors vote in favour of the resolution

### ***Dilution as a Result of Resolution 13***

| <b>Number of Shares</b>             |             |
|-------------------------------------|-------------|
| Shares currently on issue           | 213,050,185 |
| Resolution 13 – Shares to be issued | 37,500,000  |
| New Total                           | 250,550,185 |
| Dilutionary Effect                  | 17.60%      |

**Table 8:** Issued capital and Dilutionary effect

### ***Current Shareholdings of the Directors***

#### **Name of Director Shareholding**

G T Le Page 5,000,000

### ***Share Price history***

Historical share price information for the last twelve months is as follows:

|                | <b>Price</b> | <b>Date</b> |
|----------------|--------------|-------------|
| <b>Highest</b> | \$0.007      | 28-Apr-14   |
| <b>Lowest</b>  | \$0.002      | 11-Jul-14   |
| <b>Last</b>    | \$0.002      | 11-Jul-14   |

**Table 9:** AXG Mining 12 month High, low and last sale price of Shares

***Any other information that is reasonably required by members to make a decision and that is known to the Company or any of its officers.***

(a) A voting exclusion statement is included in the Resolutions.

(b) The Shares will be allotted and issued on a date which will be no later than 1 month after the date of the General Meeting.

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## **11. RESOLUTION 14 – ISSUE OF OPTIONS TO PROPOSED SECRETARY- MR KEITH BOWKER**

### **11.1 General**

Resolution 14 seeks shareholder approval for the issue of 5,000,000 Options to Mr Keith Bowker a proposed Company Secretary of the Company. The Options are proposed to be issued in connection with Mr Bowker's proposed appointment as Company Secretary of the Company.

The issue of these Options to Mr Bowker is subject to and conditional upon shareholder approval and completion of the Placement and Mr Bowker's appointment in accordance with the terms of the Subscription Agreement. Mr Bowker does not currently have a relevant interest in any of the Company's Shares.

ASX Listing Rule 10.11 requires a company to obtain Shareholder approval by ordinary resolution prior to the issue of equity securities (Shares and Options) to a related party of the company. For the purposes of Listing Rule 10.11, a related party includes a Company Secretary of the Company.

ASX Listing Rule 7.2 states that approval pursuant to ASX Listing Rule 7.1 is not required if approval is being obtained pursuant to ASX Listing Rule 10.11. Accordingly, as Shareholder approval is being sought under ASX Listing Rule 10.11, a further approval is not required under Listing Rule 7.1.

## **11.2 Technical Information Required by ASX Listing Rule 10.13**

For the purposes of ASX Listing Rule 10.13, the following information is provided in relation to the issue of securities in accordance with Listing Rule 10.11:

- (a) the maximum number of Options to be issued pursuant to Resolution 14 will 5,000,000;
- (b) the Options will be issued and allotted no later than one month after the date of this Meeting;
- (c) the Options will be issued for nil consideration;
- (d) the allottee in respect of Resolution 14 is Keith Bowker or a nominee of Keith Bowker;
- (e) the Options issued will be in accordance with the terms and conditions in Schedule A;
- (f) no funds will be raised from this issue; and
- (g) a voting exclusion statement applies to Resolution 14 on the terms set out in the Notice of General Meeting

## **11.3 Chapter 2E of the Corporations Act – Related Party Transactions**

Under Chapter 2E of the Corporations Act, a public company cannot give a 'financial benefit' to a 'related party' unless one of the exceptions to the section applies or shareholders have in a general meeting approved the giving of that financial benefit to the related party.

Section 211 of the Corporations Act provides that one of the exceptions to the requirement to obtain shareholder approval for giving a financial benefit to a related party is where the benefit is given to the related party as an officer of the Company as remuneration and to give the remuneration would be reasonable given:

- The circumstances of the Company; and
- The related party's circumstances (including the responsibilities involved in the office or employment).

The Company considers the proposed issue of Options the subject of Resolution 14 is reasonable remuneration and, as such, falls within the exception set out in Section 211 of the Corporations Act. In reaching this view, the Company has considered the position and responsibilities of Mr Bowker, the need to attract suitably experienced and qualified officers to the Company, the Company's reliance on a limited number of executive personnel, the need for the Company to effectively incentivise Mr Bowker and the desirability of preserving cash resources within the Company.

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## **12. RESOLUTION 15 – APPROVAL OF ISSUE OF SHARES TO HALSON EXPLORATION INC. IN LIEU OF OUTSTANDING CONTINGENCIES**

### **12.1 General**

On 14<sup>th</sup> March 2012 AXG entered into a share sale agreement to acquire all the outstanding shares in Halston Exploration Inc. (“**Halston**”) a Canadian company that held the option to farm in to two exploration projects in southern Peru. As a part of the consideration, AXG agreed to reimburse prior expenditure and costs of US\$150,000 to certain parties associated with Halston. Post the acquisition of Halston, the board of AXG negotiated a deferral of this payment until the Company had sufficient funds to make the payment.

AXG has now negotiated a final settlement of this outstanding amount by making a payment of \$75,000 payable in Shares in the Company at a deemed price of \$0.004 per Share.

Resolution 15 seeks Shareholder approval, pursuant to Listing Rule 7.1, for the issue of 18,750,000 Shares each at a deemed issue price of \$0.004, to the following unrelated creditors of the Company, as follows:

- |     |                           |                       |
|-----|---------------------------|-----------------------|
| (a) | Wilura Group Limited      | 9,375,000 Shares: and |
| (b) | Pangolin Ventures Limited | 9,375,000 Shares      |

(collectively referred to as “**Halston Nominees**”) as full and final settlement for outstanding contingencies in respect of the Share Sale agreement entered into by the Company on 14<sup>th</sup> March 2012.

Resolution 15 is an ordinary resolution.

### **12.2 Listing Rule 7.1**

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 15 will be to allow the Company to issue Halston Exploration Shares as set out in section 12.1 above during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company’s 15% annual placement capacity.

### **12.3 Specific information required by Listing Rule 7.3**

For the purposes of the Shareholder approval of the issue of Shares to Halston Nominees and the requirements of Listing Rule 7.3, information is provided as follows:

- (a) The maximum number of Shares to be issued pursuant to Resolution 15 is 18,750,000 Shares.
- (b) The 18,750,000 Shares to be issued pursuant to Resolution 15 will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (c) The Shares be issued for nil cash consideration to the Halston Nominees who are not related parties of the Company, but rather as consideration and satisfaction for reimbursement of the expenditure incurred in developing the assets of the company;
- (d) The 18,750,000 Shares will be fully paid ordinary shares in the capital of the Company and rank equally to in all respect with the Company’s existing Shares on issue;
- (e) All of the 18,750,000 Shares will be allotted on the same date.

- (f) the 18,750,000 Shares will be issued as reimbursement of the expenditure incurred in developing the assets of the Company, the subject of the acquisition and as such no funds will be raised from the issue of the Shares.

A voting exclusion statement is included in the Notice

***Dilution as a Result of the Resolution 15***

|  | Number of Shares |
|--|------------------|
| Shares on Issue at 30 <sup>th</sup> June 2014 and to which no additional securities have been issued up to the date of this Notice of Meeting. | 213,050,185      |
| Resolution 15: Shares to be Issued   | 18,750,000       |
| New Total  | 231,800,185      |
| Dilution Effect  | 8.80%            |

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**GLOSSARY**

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**\$** means Australian dollars unless otherwise indicated.

**ASX** means ASX Limited (ACN 008 724 791).

**ASX Listing Rules** or **Listing Rules** means the Listing Rules of the ASX and any other rules of the ASX which are applicable while the entity is admitted to the Official List of the ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.

**Board** means the board of Directors.

**Corporate Advisory Mandate** means an agreement entered into by the Company with RM Corporate Finance for the provision of corporate advisory services for a period of 12 months on a monthly retainer of \$12,500 per month payable in Shares and Options.

**Company** or AXG means AXG Mining Ltd (ABN 93 092 304 964)

**Constitution** means the constitution of the Company.

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

**Director** means a director of the Company.

**Explanatory Statement** means the explanatory statement accompanying this Notice of Meeting.

**General Meeting** means the General Meeting of the Company to be held on 8 September 2014.

**Notice of Meeting** means this notice of meeting, including the Explanatory Statement and the Proxy Form.

**Option** means an option to acquire a Share in the Company under the terms and conditions outlined in Schedule A attached.

**Placement** has the meaning set out in Section 2.

**Rand** means Rand Mining Ltd ACN 004 669 658.

**Related Party** has the meaning given to it by Section 228 of the Corporations Act 2001(Cth).

**Resolution** means a resolution to be considered at the General Meeting as contained in the Notice of Meeting.

**Share** means an ordinary fully paid share in the capital of the Company.

**Shareholder** means a shareholder of the Company.

**Subscribers** means the subscribers under the Subscription Agreement listed in paragraph 2(d) of the Explanatory Memorandum.

**Subscription Agreement** means the subscription agreement dated 25 July 2014 between the Company and the Subscribers described paragraph 2.1 of the Explanatory Memorandum.

**Tribune** means Tribune Resources Ltd ACN 009 341 539.

**WST** means Western Standard Time as observed in Perth, Western Australia.

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## SCHEDULE A – TERMS AND CONDITIONS OF OPTIONS

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### Option Terms and Conditions

#### Exercise price \$0.0125: expiry date 31 August 2019:

- (a) Each Option entitles the holder to acquire one fully paid ordinary Share in the Company.
- (b) The options have an exercise price of \$0.0125 (Exercise Price) and will expire at 5.00pm WST 31 August 2019 (Expiry Date).
- (c) The Options are exercisable at any time on or prior to the Expiry Date.
- (d) The Options may be exercised by giving notice in writing to the Company (Notice of Exercise), together with payment of the sum of three tenths of a cent (\$0.0125) per Option exercised. The Options will lapse at 5.00pm WST 31 August 2019. Any Notice of Exercise received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.
- (e) The Options may be transferred by an instrument (duly stamped where necessary) in the form commonly used for transfer of Options at any time until 31 August 2019. This right is subject to any restrictions on the transfer of an Option that may be imposed by ASX in circumstances where the Company is listed on ASX.
- (f) Option holders shall be permitted to participate in new issues of securities on the prior exercise of options in which case the Option holders shall be afforded the period of at least nine (9) business days prior to and inclusive of the record date (to determine entitlements to the issue) to exercise the Option.
- (g) Shares issued on the exercise of Options will be issued not more than fourteen (14) days after receipt of a properly executed exercise notice and application moneys. Shares allotted pursuant to the exercise of an Option will rank equally with the then issued ordinary shares of the Company in all respects. If the Company is listed on ASX it will, pursuant to the exercise of an Option, apply to ASX for Quotation of the Shares issued as a result of the exercise, in accordance with the Corporations Act and the Listing Rules.
- (h) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the option holder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital at the time of the reconstruction.
- (i) If there is a bonus issue to shareholders, the number of shares over which the Option is exercisable may be increased by the number of shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.
- (j) In the event that a pro rata issue (except a bonus issue) is made to the holders of the underlying securities in the Company, the exercise price of the Options may be reduced in accordance with Listing Rule 6.22.2.
- (k) The Company will not apply for the Options to be listed and fully tradeable on the ASX.
- (l) Payment of the Exercise Price shall be in Australian currency made payable to the Company by electronic funds transfer or other means of payment acceptable to the Company. The application for shares on exercise of the Options with the appropriate remittance should be lodged with the Company in the manner provided in the Option certificate.

## PROXY FORM

### APPOINTMENT OF PROXY

AXG MINING LTD

ACN 092 304 964

### GENERAL MEETING

I/We

of

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint

Name of proxy

OR

☐

the Chair as my/our proxy

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at

**TIME:** 11.00 AM (WST)

**DATE:** 8 September 2014

**PLACE:** Level 1, 143 Hay Street  
West Perth, Western Australia, 6008  
Australia

and at any adjournment thereof.

**The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.**

|               |   | FOR                      | AGAINST                  | ABSTAIN                  |
|---------------|---|--------------------------|--------------------------|--------------------------|
| Resolution 1  | Section 195   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2  | Placement of Shares   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3  | Issue of Shares and Options to Dean Goodwin                       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 4  | Issue of Options to Robert Downey                                 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 5  | Participation in Placement – D Goodwin                            | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 6  | Participation in Placement – R Downey                             | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 7  | Approval of Shares to G T Le Page in Lieu of Directors Fees       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 8  | Approval of Shares to R H Berzins in in Lieu of Directors Fees    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 9  | Approval of Shares to G A Sklenka in in Lieu of Directors Fees    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 10 | Approval of Shares to XTL Energy International Ltd                | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 11 | Approval of Prior Issue of Shares to XTL Energy International Ltd | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 12 | Approval of issue of Shares to Edwards Motors                     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 13 | Approval of Shares to RM Corporate Finance                        | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 14 | Approval of Options to Mr Bowker                                  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 15 | Approval of Shares to Halston Exploration                         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

**Please note:** If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is \_\_\_\_\_%

**Signature of Shareholder(s):**

**Date:**

**Individual or Shareholder 1**

**Shareholder 2**

**Shareholder 3**

**Sole Director/Company Secretary**

**Director**

**Director/Company Secretary**

**Contact Name:** \_\_\_\_\_ **Contact Ph (daytime):** \_\_\_\_\_



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## Instructions for Completing 'Appointment of Proxy' Form

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1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
  - **(Individual):** Where the holding is in one name, the Shareholder must sign.
  - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
  - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
  - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) post to AXG Mining Ltd; PO Box 1922 West Perth WA 6872 or Level 1, 143 Hay Street, Subiaco, 6008;
  - (b) facsimile to the Company on facsimile number +61 8 9486 1066.

so that it is received not less than 48 hours prior to commencement of the Meeting.

**Proxy Forms received later than this time will be invalid.**