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US\$10.5 million finance and nickel ore off-take with Traxys Europe S.A.

- **Terms sheet signed with Traxys Europe S.A. for senior debt facilities of up to US\$10.5 million and off-take sales arrangements for nickel ore from Axiom's San Jorge project**
- **Traxys is a global commodities trading firm and one of the top nickel traders in the world**
- **Senior debt facilities will fund capital expenditures and working capital to bring the San Jorge nickel mine into commercial production**
- **Off-take sales arrangements over all of Axiom's nickel ore production from its Solomon Islands projects for five years of production**
- **Traxys' marketing and distribution channel to accelerate Axiom's global exposure to existing nickel ore refineries and customers**
- **Financial close is subject to due diligence and entering into definitive agreements, expected to occur within the next 90 days**

Axiom Mining Limited ('Axiom' or the 'Company') is pleased to announce that it has executed a terms sheet with leading global metals and commodity trading group, Traxys Europe S.A. ('Traxys') for senior debt finance of up to US\$10.5 million and off-take sales arrangements for nickel ore from its Solomon Islands projects.

Axiom CEO Mr Ryan Mount said, "We conducted a competitive process for off-take and financing for our nickel projects. We are delighted with the outcome, both in relation to the financial terms but also the quality of the partner we have selected."

"We are extremely pleased to have secured a company with the capability, reputation and size of Traxys to join with us as a marketing and financial partner for the Solomon Islands' first nickel mine."

"Their extensive base metals trading, marketing and distribution expertise will ensure Axiom is well placed to access the best available markets for nickel laterite ore for commercial production over the life of the project."

Traxys Managing Director Mr Peter Koken said, "Our success as a bulk commodities global trader has its roots in long-term business relationships and innovative trading, financing and logistical solutions."

"Axiom has proven to be a company that uniquely understands how to operate in the region. We have spent significant time with management including a number of visits to Solomon Islands. We understand Axiom's strategy, have a high respect for their management and project teams, and we are encouraged by their ability to deliver under difficult conditions. We look forward to supporting the growth and development of Axiom's business — we are partnering with Axiom for the long term."

Key terms

Under the proposed financing:

- **Facility limits** – Traxys will provide up to US\$10.5 million comprising the following:
 - up to US\$7 million for capital expenditures required for starting the San Jorge mine, including the purchase of the barging fleet and mine equipment, repayable over a term of 48 months; and
 - up to US\$3.5 million for the working capital requirements for the project, repayable over a term of 24 months.
- **Closing conditions** – financial close is subject to due diligence and entering into definitive agreements expected to occur within the next 90 days
- **Options** - Axiom will grant a total of 60 million options to Traxys, expiring March 2027 in four equal tranches exercisable at \$0.20, \$0.30, \$0.40 and \$0.50 (AU\$)
- **Other** – the definitive agreements will contain provisions which are customarily found in senior debt financings of comparable size and type including provisions regarding drawdown conditions precedent, financial covenants, principal and interest amortisation, interest and fees (which Axiom considers are on favourable commercial terms), security, undertakings, representations and warranties and events of default.

Under the proposed off-take sales arrangements:

- **Off-take** – Traxys will have exclusive marketing rights to secure purchase contracts over all of Axiom's nickel ore production from its Solomon Islands projects for not less than five years of production and a minimum of at least 4.2 million wet metric tonnes of ore commencing on the first commercial production from the San Jorge nickel mine. First shipment is expected by 31 March 2019. Off-take may be extended to additional tenements acquired by Axiom, subject to the award of necessary mining permits and approvals.
- **Pricing** – Traxys will pay a purchase price which is based on the market price for the product. Axiom will pay shipping and insurance, and a commission to Traxys.
- **Payments** – Traxys will make a provisional payment upfront of a substantial proportion of the sales value of each shipment of ore once loaded on a vessel for transport to the customer, with the balance of each shipment paid after final weights and assays are agreed.
- **Other** – the definitive off-take sales agreement will contain provisions which are customarily found in commodity sales agreements including provisions regarding agreed product specifications, scheduling, loading and delivery of product, determination of weight and analysis and dispute resolution.

About Traxys

Traxys, headquartered in Luxembourg, is a physical commodity trader and merchant in the metals and natural resources sectors. Its financing, logistics, marketing, distribution, supply chain management and trading activities are conducted by over 430 employees, in over 20 offices worldwide, and its annual turnover is in excess of US\$7 billion.

Traxys' primary focus is the marketing and sourcing of base metals and concentrates, minor and alloying metals, industrial minerals and chemicals, and materials for steel mills and foundries, and the management of all parts of the supply chain, from producer to consumer, worldwide.

Traxys is a privately held company with its principal shareholders being global leading alternative asset manager The Carlyle Group (NASDAQ:CG), affiliates of Louis M. Bacon, the founder, Chairman, Chief Executive Officer and principal investment manager of Moore Management LP and Traxys management.

This announcement ends the Trading Halt of the Company's securities on the ASX.



For enquiries, please contact:

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About Axiom

Axiom Mining Limited focuses on tapping into the resource potential within the mineral-rich Pacific Rim. Through dedication to forging strong bonds and relationships with the local communities and governments where we operate, Axiom Mining has built a diversified portfolio of exploration tenements in the Asia-Pacific region. This includes a majority interest in the Isabel Nickel Project in the Solomon Islands and highly prospective gold, silver and copper tenements in North Queensland, Australia. The Company is listed on the ASX.

For more information on Axiom Mining, please visit www.axiom-mining.com

Disclaimer

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