



**axiom**  
Build. Share. Protect.

**Axiom Mining Limited**  
ARBN 119 698 770

## **PROSPECTUS**

This Prospectus has been prepared to withdraw the Entitlement Offer made on 21 February 2019, to offer Attaching Options to subscribers for Placement Shares and for the purposes of section 708A(11) of the Corporations Act 2001 (Cth) to remove any trading restrictions on the sale of securities issued prior to the Cleansing Offer Closing Date.

This Prospectus is a transaction-specific prospectus issued in accordance with section 713 of the *Corporations Act 2001* (Cth). This is an important document that should be read in its entirety. If, after reading this Prospectus, you have any questions about the securities being offered under this Prospectus, you should contact your stockbroker, accountant or other professional adviser.

**An investment in the Company should be considered as speculative.**

## TABLE OF CONTENTS

<b>1</b>	<b>Offer of Attaching Options – Placement announced 10 May 2019.....</b>	<b>2</b>
<b>2</b>	<b>Cleansing of proposed issues of Axiom shares .....</b>	<b>4</b>
<b>3</b>	<b>Capital structure.....</b>	<b>7</b>
<b>4</b>	<b>Effect of Relevant Transactions on the Company.....</b>	<b>8</b>
<b>5</b>	<b>Risk factors.....</b>	<b>12</b>
<b>6</b>	<b>Rights attaching to Axiom securities and Conversion Share calculation .....</b>	<b>22</b>
<b>7</b>	<b>Additional Information .....</b>	<b>28</b>
<b>8</b>	<b>Glossary .....</b>	<b>33</b>
	<b>Corporate Directory .....</b>	<b>35</b>

## IMPORTANT INFORMATION

This Prospectus is dated 10 May 2019 and was lodged with ASIC on that date.

Neither ASIC nor ASX takes any responsibility for the content of this Prospectus or the merits of the investment to which it relates. No securities will be issued on the basis of this Prospectus after the expiry date, which is 13 months after the date of the Original Prospectus.

This is a Prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) of the Company and an offer of options to acquire continuously quoted securities and has been prepared in accordance with section 713 of the Corporations Act. Accordingly, this Prospectus does not contain the same level of disclosure as an initial public offer prospectus. In preparing this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and professional advisers to whom investors may consult.

No exposure period applies to this Prospectus by operation of ASIC Corporations (Exposure Period) Instrument 2016/74. No person is authorised to give any information or make any representation in connection with any offer which is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by the Company or the Directors.

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an invitation. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on, and observe, any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No person is authorised to give any information or make any representation in connection with the Offers described in this Prospectus. Any information or representation which is not contained in this Prospectus or disclosed by the Company pursuant to its continuous disclosure obligations may not be relied upon as having been authorised by the Company in connection with the issue of this Prospectus.

You should read this Prospectus in its entirety before deciding to invest in the Company and, in particular, in considering the prospects of the Company, you should consider the risk factors that could affect the Company's financial performance. You should consider these factors in the light of your personal circumstances (including financial and taxation issues). The key risk factors that should be considered by potential investors are outlined in section of this Prospectus. If you have any questions, you should seek professional advice from your stockbroker, accountant or other professional adviser before deciding to invest in the Company.

Various risks may affect the future operating and financial performance of the Company and the value of an investment in the Company. Some of these risks are listed in section 5 of this Prospectus. The potential tax effects of participating in the offers will vary between investors. All investors should satisfy themselves of any possible tax consequences by consulting their own professional tax advisers.

Certain terms and abbreviations used in this Prospectus have defined meanings as set out in the glossary in Section 8. All financial amounts shown in this Prospectus are expressed in Australian dollars unless otherwise stated.

## 1 Offer of Attaching Options – Placement announced 10 May 2019

---

### 1.1 Background – Placement

On 10 May 2019, Axiom announced that it had completed a placement of up to 32,990,000 Axiom Shares at an issue price of \$0.04 per share (**Placement**) to investors to whom no disclosure was required (each a **Placee**) including a placement to Axiom Managing Director, Mr Ryan Mount, of a total of 18,750,000 Axiom Shares, subject to shareholder approval.

Axiom also announced its intention to offer to each Placee (including the Managing Director, subject to shareholder approval) an entitlement to receive one Attaching Option for every one Placement Share subscribed for by the Placee in the Placement.

### 1.2 Offer of Attaching Options

Axiom now offers to each Placee (including the Managing Director) an entitlement without further consideration to subscribe for the grant to it of one Attaching Option for every one Placement Share subscribed for by the Placee in the Placement.

The Managing Director's entitlement to Attaching Options is subject to and conditional on shareholder approval and Axiom will not grant any Attaching Options to the Managing Director until the required shareholder approval is obtained. Axiom intends to seek shareholder approval for the grant of Attaching Options to the Managing Director as soon as practicable.

### 1.3 No ASX quotation of Attaching Options

The Attaching Options will not be listed on ASX and no application will be made for official quotation of Attaching Options.

### 1.4 Attaching Options Offer Timetable

Action	Date
Lodge Prospectus with ASIC and ASX	Friday, 10 May 2019
Attaching Options Offer Opening Date	Friday, 10 May 2019
Attaching Options Offer Closing Date	Friday, 31 May 2019

The above dates are indicative only and may be subject to change. The Company reserves the right to vary these dates, including the closing date, without prior notice but subject to any applicable requirements of the Corporations Act or the Listing Rules. This may include extending the closing date or closing the Attaching Options Offer early, either generally or in particular cases.

### 1.5 Acceptance of Attaching Options Offer

Axiom will provide an Attaching Options Offer acceptance form to each Placee. A Placee may only accept the Attaching Options Offer made to the Placee by returning that acceptance form which accompanies this Prospectus to Axiom by email, delivery or by mail to Axiom in accordance with the instructions on the acceptance form by no later than the Attaching Options Offer closing date.

---

<sup>1</sup> Comprising 2,500,000 Axiom shares at \$0.04 per share (and 2,500,000 Attaching Options) to raise \$100,000 in new cash and 6,250,000 Axiom Shares (and 6,250,000 Attaching Options) in satisfaction of \$250,000 of accrued but unpaid remuneration owing by Axiom to the Managing Director.

## 1.6 **Grant of Attaching Options**

Attaching Options will be granted as soon as practicable after acceptance of the Attaching Options Offer and in any event within 7 days after acceptance of the Attaching Options Offer.

In the case of the Managing Director, Attaching Options will be granted as soon as practicable after his acceptance of the Attaching Options Offer and shareholder approval is obtained and in any event within 7 days after his acceptance of the Attaching Options Offer and shareholder approval is obtained.

Axiom will issue an option certificate to each Placee to whom Attaching Options are granted.

## 1.7 **Use of Funds**

No funds will be raised from the Attaching Options Offer. Funds raised from the exercise of any Attaching Options will be used to fund production costs, debt retirement and/or working capital purposes.

## 1.8 **No cooling off rights**

Cooling off rights do not apply to an investment in Attaching Options. Placees cannot withdraw their acceptance, except where permitted by law.

## 1.9 **ASIC Instrument 2016/80**

As the Attaching Options will be issued under this Prospectus and the exercise of Attaching Options will not involve any further offer, *ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80* should apply to exempt from disclosure under section 707 of the Corporations Act 2001 the sale of Axiom Shares issued on exercise of the Attaching Options.

## 2 Cleansing of proposed issues of Axiom shares

---

### 2.1 Proposed issue of Axiom Shares

The Company anticipates the potential need to issue the following Axiom Shares:

(a) **Placement Shares**

Up to 32,990,000 Placement Shares – as announced on 10 May 2019.

(b) **Conversion Shares**

Conversion Shares on conversion of 1,185,566 Convertible Notes outstanding to MEF I, L.P. The Convertible Notes were issued without disclosure under Chapter 6D of the Corporations Act, in reliance on an exemption under section 708 of the Corporations Act. Under the terms of the Convertible Note Agreements, the Convertible Notes are convertible at any time by the holder and the number of Axiom Shares to be issued on the conversion of the Convertible Notes is calculated in accordance with the formula set out in section 6.5 (**Conversion Shares**).

### 2.2 Secondary trading

Issued Axiom Shares must be freely tradable (i.e. are not subject to the secondary trading restrictions in the Corporations Act) as a condition of grant of quotation on ASX and, if they are Conversion Shares, as a requirement of the Convertible Note Agreements. Accordingly, the Company may either issue a cleansing notice under section 708A(5) of the Corporations Act or a prospectus for the purposes of section 708A(11) of the Corporations Act. The Company is unable to issue a cleansing notice under section 708A(5) of the Corporations Act as its securities have been suspended from trading on ASX for more than 5 trading days in the last 12 months.

Section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body and
- (b) either:
  - (i) a prospectus is lodged with the ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
  - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

### 2.3 Effect of this Prospectus

This prospectus meets the requirements of section 708A(11)(b)(iii) and the effect of this Prospectus will be to remove any trading restrictions that may have attached to Axiom Shares issued by the Company without disclosure under Chapter 6D of the Corporations Act prior to the Cleansing Offer Closing Date and facilitate secondary trading of Placement Shares and Conversion Shares. No capital will be raised under the Cleansing Offer.

### 2.4 Details of the Cleansing Offer

By this Prospectus, the Company is making an invitation to apply for 2 Axiom Shares at an issue price of \$0.04 to raise \$0.08 before expenses of the Cleansing Offer. The Cleansing Offer is open to persons by invitation from the Company only. An Application Form will only be provided to these persons.

## 2.5 Timetable

Action	Date
Lodge Prospectus with ASIC and ASX	Friday, 10 May 2019
Opening Date	Friday, 10 May 2019
Cleansing Offer Closing Date	30 June 2019

The above dates are indicative only and may be subject to change. The Company reserves the right to vary these dates, including the Cleansing Offer Closing Date, without prior notice but subject to any applicable requirements of the Corporations Act or the Listing Rules. This may include extending the Cleansing Offer or closing the Cleansing Offer early, either generally or in particular cases or withdrawing the Cleansing Offer. No cooling-off rights apply to applications submitted under the Cleansing Offer. The commencement of quotation of the Shares is subject to confirmation from ASX.

## 2.6 Applications

You can only apply for the Axiom Shares under the Cleansing Offer using the Application Form which accompanies a paper copy of this Prospectus. Applications can only be made by persons who are invited to do so by the Company.

Application Forms must be delivered or mailed together with a cheque in Australian paid in Australian currency, drawn on an Australian branch of an Australian financial institution and made payable to 'Axiom Mining Limited' and crossed 'Not Negotiable', to:

Axiom Mining Limited  
C/- Computershare Investor Services Pty Ltd  
GPO Box 505  
Melbourne VIC 3001  
Australia

by no later than 5pm (Sydney time) on 30 June 2019.

## 2.7 Allotment

If the Company decide to issue Axiom Shares under this Prospectus, allotment and issue of those Axiom Shares will only be made once the application money has been received and ASX has granted permission for quotation of the Axiom Shares.

If permission is granted, the Axiom Shares will be allotted as soon as practicable after the Cleansing Offer Closing Date. The Directors will decide the recipients of the Shares in their absolute discretion and the Directors reserve the right to reject any application or to allocate any applicant fewer Axiom Shares than the number applied for.

## 2.8 Use of Funds

After paying the expenses of the Cleansing Offer, no funds will be raised from the Cleansing Offer.

## 2.9 ASX quotation

The Company will make an application to ASX within 7 days following the date of this prospectus for official quotation of the Axiom Shares to be offered pursuant to this Prospectus. If official quotation of any Axiom Shares issued under the Cleansing Offer is not granted by ASX within three months after the date of this Prospectus (or any longer period permitted by law), the Cleansing Offer will be cancelled and application money will be returned (without interest) to applicants as soon as practicable. The fact that ASX may grant official quotation to the Axiom Shares issued under the Cleansing Offer is not to be taken in any way as an indication of the merits of the Company or the securities being offered under the Cleansing Offer.

## 2.10 **Overseas investors**

This Prospectus does not constitute an offer of securities in any jurisdiction where, or to any person to whom, it would not be lawful to issue the Prospectus or make the Cleansing Offer. No action has been taken to register or qualify the Axiom Shares or the Cleansing Offer or otherwise to permit an offering of securities to any jurisdiction outside Australia.

## 2.11 **Ranking of Axiom Shares**

Axiom Shares issued under the Cleansing Offer will rank equally with existing Axiom Shares.

## 2.12 **No cooling off rights**

Cooling off rights do not apply to an investment in Axiom Shares. You cannot withdraw your application or payment once it has been accepted, except as allowed by law.

## 2.13 **Withdrawal of Cleansing Offer**

The Board reserves the right to withdraw all or part of the Cleansing Offer at any time before the issue of new Axiom Shares, in which case the Company will refund application money without payment of interest.

## 2.14 **CHESS**

Under CHESS, participating applicants will not receive a certificate but will receive a statement of their holding of Axiom Shares. If you are broker sponsored and you receive Axiom Shares under the Cleansing Offer, ASX Settlement will send you a CHESS statement. The CHESS statement will set out the number of Axiom Shares issued under this Prospectus, provide details of your holder identification number and the participant identification number of the sponsor. If you are registered in the issuer sponsored sub register, your statement will be despatched by the Registry and will contain the number of Axiom Shares issued to you under this Prospectus and your security holder reference number.

## 2.15 **Risks**

Investors should carefully read the section on risk factors in section 5 of the Prospectus. An investment in Axiom Shares involves various risks, a number of which are specific to the Company and the industry in which it operates. An investment in securities issued under this Prospectus should be regarded as speculative.

## 2.16 **Offer use of funds**

After paying the expenses of the Cleansing Offer, no funds will be raised from the Cleansing Offer.

### 3 Capital structure

#### 3.1 Axiom Options

On the date of this Prospectus, the Company has following unlisted Axiom Options on issue.

Exercise Price	Expiry Date	Number of Axiom Options
\$0.20	30 June 2019	23,030,835
\$0.16	7 May 2020	1,000,000
\$0.30	30 March 2026	30,305,561
\$0.40	30 March 2026	30,305,561
\$0.50	30 March 2026	30,305,561
\$0.60	30 March 2026	30,305,561
\$0.20	30 March 2027	20,000,000
\$0.30	30 March 2027	20,000,000
\$0.40	30 March 2027	20,000,000
\$0.50	30 March 2027	20,000,000
<b>Total*</b>		<b>225,253,079</b>

\* Excluding up to 32,990,000 Attaching Options.

#### 3.2 Performance rights

On the date of this Prospectus, the Company has the following unlisted performance rights on issue:

Exercise Price	Expiry Date	Number of performance rights
-	28/08/2019	2,400,000
-	28/08/2020	2,400,000
-	09/03/2021	100,000
-	30/07/2021	350,000
<b>Total</b>		<b>5,250,000</b>

#### 3.3 Convertible Notes

There are 1,185,566 Convertible Notes outstanding to MEF I, L.P.

#### 3.4 Market price of Axiom Shares

The highest and lowest market sale price of the Axiom Shares on ASX during the three calendar months immediately preceding the date of issue of this Prospectus and the last market price on the last day of trading before lodgement is set out below:

3 month high	3 month low	Last market sale price on 18 April 2019
\$0.088	\$0.048	\$0.048

## 4 Effect of Relevant Transactions on the Company

---

### 4.1 Principal effects

The principal effects on the Company of the withdrawal of the Entitlement Offer, the Placement, the grant of Attaching Options, the conversion of all outstanding Convertible Notes and the issue of Conversion Shares and Shares under the Cleansing Offer (**Relevant Transactions**) after making the Full Issue Assumptions are:

- (a) the Company will not issue any Axiom Shares or Axiom Options under the Entitlement Offer and will refund Application Monies received under the Entitlement Offer;
- (b) the Company will issue up to 32,990,000 Placement Shares and up to 32,990,000 Attaching Options;
- (c) the Company's cash will be increased by \$876,000 (before Transaction Costs);
- (d) the Company's debt will be reduced by \$443,600;
- (e) 1,185,566 Convertible Notes are converted, the Company's Convertible Note liability will be reduced by \$1,913,126 and 47,828,154 Conversion Shares will be issued;
- (f) the Company's cash funds will decrease by approximately \$75,000 (being the estimated Transaction Costs);
- (g) the total number of Shares on issue will be 582,917,208;
- (h) the secondary trading sale restrictions on the Axiom Shares issued during the period the Cleansing Offer is open under this Prospectus will be removed; and
- (i) the net funds raised will be used to meet current expenditure and past expenditure incurred in and prior to the March quarter on mine development and operations focussed on the first shipment of nickel ore from its San Jorge project, as well as part of the anticipated operational expenditure and working capital requirements in the June quarter – see market announcement on 10 May 2019.

### 4.2 Effect of the Relevant Transactions on capital structure

The following table sets out the Company's current capital structure and its fully diluted capital structure immediately after the Relevant Transactions, assuming that:

- (a) the Relevant Transactions are completed;
- (b) the conversion of all outstanding Convertible Notes will result in the issue of 47,828,154 Conversion Shares<sup>2</sup>;
- (c) no Axiom Options are exercised prior to the Cleansing Offer Closing Date; and
- (d) no new Axiom Shares are issued before the issue date.

---

<sup>2</sup> Assuming total Convertible Note face value of US\$1,349,520, RBA exchange rate of AUD1.00: USD0.7054 (on 1 May 2019) and Conversion Price of \$0.04 based on the Issue Price of shares in a Placement (see ASX release on 10 May 2019). See examples of calculation of Conversion Shares in section 6.5. The actual number of Conversion Shares will differ from the assumption if the assumed values are different on the date of conversion.

In this section 1, these assumptions are called the **Full Issue Assumptions**.

<b>Axiom Share capital</b>	
Axiom Shares on issue at the date of this Prospectus	501,401,291
Unlisted Shares	697,763
Plus: Placement Shares	32,990,000
Plus: Conversion Shares	47,828,154
<b>Total issued share capital on completion of Relevant Transactions (undiluted)</b>	<b>582,917,208</b>
Axiom Options on issue	225,253,079
Performance rights on issue	5,250,000
Plus: Attaching Options	32,990,000
<b>Total issued share capital on completion of the Relevant Transactions (fully diluted)</b>	<b>846,410,287</b>

The Company's actual position on the Cleansing Offer Closing Date may differ from the positions illustrated in the pro-forma capital structure table above, for example, if shareholder approval is not granted to issue Placement Shares and Attaching Options to the Managing Director or if the assumptions used in calculating the number of Conversion Shares are not the same as the actual values.

#### 4.3 Effect on Shareholdings

Axiom Shareholders who do not participate in the Relevant Transactions will be diluted. The following table sets out the potential effect of the Relevant Transactions on the shareholdings in the Company immediately following the successful completion of the Relevant Transactions based on the Full Issue Assumptions.

<b>Share capital – fully subscribed (undiluted)</b>	<b>Number</b>	<b>%</b>
Axiom Shares on issue at the date of this Prospectus	501,401,291	86.1
Unlisted Shares on issue as at the date of this Prospectus	697,763	0.1
Plus: Placement Shares	32,990,000	5.3
Plus: Conversion Shares	47,828,154	8.2
<b>Total issued share capital on completion of the Relevant Transactions (undiluted)</b>	<b>582,917,208</b>	<b>100.0</b>

<b>Share capital – full subscription (fully diluted)</b>	<b>Number</b>	<b>%</b>
Axiom Shares on issue at the date of this Prospectus	501,401,291	59.3
Unlisted Shares on issue as at the date of this Prospectus	697,763	0.1
Plus: Placement Shares	32,990,000	3.8
Plus: Conversion Shares	47,828,154	5.7
<b>Total issued share capital on completion of the Relevant Transactions (undiluted)</b>	<b>582,917,208</b>	<b>68.9</b>
Existing Axiom Options	225,253,079	26.7
Existing performance rights	5,250,000	0.6
Plus: Attaching Options	32,990,000	3.8
<b>Total convertible securities on completion of the Relevant Transactions</b>	<b>263,493,079</b>	<b>31.1</b>
<b>Fully diluted share capital on completion of the Relevant Transactions</b>	<b>846,410,287</b>	<b>100.0</b>

The Managing Director's relevant interest in Axiom Shares could increase from 0.50% to 1.50% based on the Full Issue Assumptions if shareholders approve his participation in the Placement and his entitlement to Attaching Options.

#### 4.4 **Effect on control of the Company**

The Relevant Transactions are not expected to have a material effect on the control of the Company.

#### 4.5 **Effect on financial position**

##### (a) **General**

The general effect of the Relevant Transactions on the Company's financial position if they are successfully completed will be to:

- (i) increase the Company's cash by \$876,000 (before Transaction Costs);
- (ii) reduce debt by \$443,600; and
- (iii) reduce convertible note liability by \$1,913,126 from the conversion of all outstanding Convertible Notes.

##### (b) **Pro-forma balance sheet – basis of preparation**

To illustrate the effect of the Relevant Transactions on the Company, the following pro-forma consolidated balance sheet of the Company has been prepared based on the audited balance sheet of the Company as at 30 September 2018.

The pro-forma balance sheet has been prepared on the basis of accounting policies normally adopted by the Company. The financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by the Applicable Accounting Standards.

The table below is the audited balance sheet of the Company as at 30 September 2018 adjusted to reflect the following pro-forma transactions:

- (i) \$876,000 was received under the Placement from the issue of 32,990,000 Axiom Shares;
- (ii) Trade and Other Payables reduced by \$443,600;
- (iii) 1,185,566 Convertible Notes having a total face value of \$1,913,126 were converted into 47,828,154 Conversion Shares having a total issue price equal to the total face value;
- (iv) no Axiom Shares were issued pursuant to the exercise of existing options on or before the Issue Date; and
- (v) payment of approximately \$75,000 representing the Transaction Costs.

<b>Pro-forma balance sheet as at 30 September 2018 assuming Relevant Transactions completed</b>			
	<b>Pro-forma prior to completion (AUD)</b>	<b>Adjustments (AUD)</b>	<b>Pro-forma on completion (AUD)</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash & Cash Equivalents	200	876	1,076
Trade & Other Receivables	297		297
Prepayments	49		49
<b>Total Current Assets</b>	<b>546</b>		<b>1,422</b>
<b>NON-CURRENT ASSETS</b>			
Property, Plant & Equipment	517		517
Mineral exploration expenditure	8,710		8,710
<b>Total Non-current Assets</b>	<b>9,227</b>		<b>9,227</b>
<b>TOTAL ASSETS</b>	<b>9,773</b>		<b>10,649</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade & Other Payables	3,525	(369)	3,156
Borrowings	2,335	(1,913)	422
Employee Benefits	-		-
<b>Total Current Liabilities</b>	<b>5,860</b>		<b>3,578</b>
<b>NON-CURRENT LIABILITIES</b>			
Other payables	42		42
Lease liabilities	-		-
Employee benefits	-		-
<b>Total Non-current liabilities</b>	<b>42</b>		<b>42</b>
<b>TOTAL LIABILITIES</b>	<b>5,902</b>		<b>3,620</b>
<b>NET ASSETS</b>	<b>3,871</b>		<b>7,029</b>
<b>EQUITY</b>			
Issued Capital	121,247	3,233	124,480
Reserves			
Accumulated losses	(111,808)	(75)	(111,883)
<b>Total equity attributable to owners of the Company</b>	<b>9,439</b>		<b>12,597</b>
<b>Non-controlling interests</b>	<b>(5,568)</b>		<b>(5,568)</b>
<b>TOTAL EQUITY</b>	<b>3,871</b>		<b>7,029</b>

#### 4.6 Management discussion and analysis of pro-forma balance sheet

The pro-forma balance sheet is not a forecast. The actual financial position of the Company on completion of the Relevant Transactions will differ from the position illustrated in the pro-forma capital structure and pro-forma balance sheet due to net expenditure during the period between 30 September 2018 and the date when the Relevant Transactions are completed.

## 5 Risk factors

---

### 5.1 General

There are a number of factors, both specific to the Company and of a general nature, which may affect the future operating and financial performance of the Company, its products, the industry in which it operates and the outcome of an investment in the Company. There can be no guarantee that the Company will achieve its stated objectives or that forward-looking statements will be realised.

This section describes certain, but not all, risks associated with an investment in the Company. Each of the risks set out below could, if it eventuates, have a material adverse impact on the Company's performance, profits and the value of Axiom Shares.

Before deciding to invest in the Company, potential investors should read the entire Prospectus and the risk factors that could affect the financial performance of the Company.

You should carefully consider these factors in light of your personal circumstances and seek professional advice from your accountant, stockbroker or other professional adviser before deciding whether to invest.

### 5.2 Specific risk factors

In addition to the general risks set out in section 5.1, the Directors believe that there are a number of specific factors that should be taken into account before investors decide whether or not to apply for Axiom Shares. Each of these factors could have a materially adverse impact on the Company, its expansion plans, operating and product strategies and its financial performance and position.

These include:

#### (a) Regulatory and title risk

The Company's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consents, conditions of operation including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters.

The Company requires permits from regulatory authorities for its exploration, development, production and rehabilitation activities.

#### (i) Kolosori – Isabel Nickel project – Solomon Islands

On 20 December 2018, the Company advised that its Prospecting Licence application for the Kolosori tenement was not successful. The Company has re-applied for the Prospecting Licence and requested a review of the decision.

The Company understands that prospecting licence/s in respect of the Kolosori tenement have been issued to one or two other parties not associated with the Company (see announcement on 6 February 2019).

There is a risk that the review and further application may not take place or be successful. If this occurs, the Company will not be able to continue its exploration and development of the Kolosori tenement. The Company is considering a claim for judicial review of this matter in the High Court.

(ii) **Tenement D – Isabel Nickel project – Solomon Islands**

On 30 August 2018, the Company was issued a Letter of Intent for a Prospecting Licence by the Solomon Islands Minister for Mines (**LOI**) over the 145km<sup>2</sup> area surrounding the Kolosori tenement, referred to as Tenement D. The Company announced on 22 November 2018 that it had submitted landowner agreements for its Prospecting Licence application. On 20 December 2018 and 30 January 2019, the Company advised that the MMERE has requested that the Company obtain further consents from landowners in nearby areas prior to the grant of a Prospecting Licence (see ASX announcement dated 22 March 2019). The Company has commenced securing these additional consents.

There is a risk that this application may not be successful. If the Company is unsuccessful in obtaining a Prospecting Licence, it will not be able to develop Tenement D.

(iii) **San Jorge tenement – Isabel Nickel project – Solomon Islands**

On 20 September 2018, the Company's subsidiary, Axiom KB Limited, was formally granted a Mining Lease over the San Jorge tenement by the Minister of Mines on behalf of the Solomon Islands Government. The Mining Lease has been issued for a term of 25 years for the extraction, export and sale of nickel ore and other associated commodities. Axiom KB Limited's development consent dated 22 May 2018 was appealed by a local Solomon Islands environmental group on 19 June 2018 to the Environmental Advisory Committee who may by majority decision either confirm the decision to grant the development consent or substitute its own decision. The appeal has not been progressed since it was lodged and under local laws, the lodging of the appeal does not operate in any way to affect the grant of the development consent<sup>3</sup>.

(iv) **Additional Prospecting Licence applications – Isabel Nickel project – Solomon Islands**

The Company has applied for Prospecting Licences over:

- (A) an area of 52km<sup>2</sup> immediately south and west of its existing San Jorge Mining Lease; and
- (B) an area of 40km<sup>2</sup> in an area known as Jejevo, which lies north west of Tenement D,

(together the **Additional Tenements**).

The Company is seeking judicial review of the Prospecting Licence applications in respect of the Additional Tenements on the grounds that the MMERE appear to have failed to present the applications to the Minerals Board for formal consideration.

The Company understands that licence/s in respect of both these areas have been issued to one or two other parties not associated with Axiom. There is a risk that the judicial review of Axiom's Prospecting Licence applications may not be successful, and even if successful that the applications may not be granted. If the Company is unsuccessful in obtaining these Prospecting Licences, it will not be able to develop the Additional Tenements.

---

<sup>3</sup> Section 32(6) of *The Environment Act 1998* (Solomon Islands).

Obtaining the necessary permits can be a time consuming process and there is a risk that the Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with such permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operations or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities, suspension of the Company's activities or forfeiture of one or more of its tenements.

(b) **Going concern risk**

The Company's 2018 Full Year Statutory Accounts contain a 'going concern' note. The Directors are of the opinion that Axiom and its subsidiaries (**Axiom Group**) will have sufficient working capital to finance its operations and to meet its financial obligations in the future as and when they fall due in the foreseeable future after taking into consideration the following:

- (i) as at 31 March 2019, the Axiom Group had cash and cash equivalents of \$212,000;
- (ii) in the 6 months to 31 March 2019, Axiom has demonstrated its ability to secure funding by securing \$4,852,000 of net cash from financing activities;
- (iii) Axiom's first shipment of nickel ore is expected for delivery in the June quarter which will, if achieved, provide cash inflow from the net sale proceeds;
- (iv) the Company continues to have the ability to raise additional funds by undertaking various capital raising initiatives (including the recently announced Placement);
- (v) the Axiom Group has the ability to farm out all or part of its exploration projects;
- (vi) the Axiom Group has the ability to sell particular exploration projects;
- (vii) the Axiom Group has the ability to renew pending exploration applications based on previous experience; and
- (viii) the Axiom Group announced on 1 March 2019 that it had executed the Traxys Terms Sheet for the provision of senior project finance and offtake of production.

In the event that the Company is not successful in raising further equity or is unable to undertake any of the initiatives listed above, there is significant uncertainty as to whether the Company can continue as a going concern, which is likely to have a material adverse effect on the Company's activities.

(c) **Funding risk**

The Company currently operates on a negative cash operating basis in that its operating expenses exceed its revenue. Under the Placement, \$776,000 (before costs) have been raised but the raising of \$100,000 cash from the Managing Director is subject to shareholder approval. There is no guarantee that shareholder approval will be obtained and that this additional amount will be received by the Company. Even if it is successfully completed, the monies raised under the Placement alone will not be adequate or sufficient to fund all of Axiom's stated objectives or meet the current funding requirements of the Company.

There is also a risk that the Company does not achieve its first shipment of nickel ore or that it is delayed, with the result that the net proceeds of sale are either not received or delayed.

Unless and until the Company develops or acquires income producing assets, it will be dependent upon the Company's cash reserves, and its ability to obtain future equity or debt funding to support exploration, evaluation and development of the properties in which it has an interest. The Company's ability to raise further equity or debt or to divest part of its interest in a project, and the terms of such transactions, will vary according to a number of factors, including the Company's ability to operate the San Jorge project on a positive cash flow basis by producing, delivering and selling regular shipments of product, the success of the Company's exploration results and the continued development of the Company's projects, stock market conditions and prices for minerals in world markets.

The Company may exhaust its current cash reserves and still require further capital, in which case, neither the Company nor the Directors can provide any assurance that if further funding is required, such funding can be raised on terms favourable to the Company (or at all). Additional equity funding will dilute existing Shareholders.

If the Company is unable to obtain additional funding as required, the Company may be required to delay or indefinitely postpone exploration, development or production on the Company's properties and/or reduce the scope of its operations, which may affect the Company's ability to continue as a going concern.

(d) **Exploration, development, mining and processing risks**

The mineral tenements of the Company are at various stages of exploration and development. The business of minerals exploration, project development and production involves significant risks by its very nature. It depends on, amongst other things, the successful exploration, identification, appraisal and development of commercially viable mineral reserves, security of tenure, the availability of adequate funding, satisfactory performance of mining operations, weather conditions, availability and cost of consumables, plant and equipment and skilled labour when required, favourable industrial relations and competent management.

Profitability and asset values can be affected by unforeseen changes in operating circumstances, mineral reserves and geotechnical considerations.

There can be no assurance that exploration of the Company's current tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic mineral deposit. Even if an apparently viable deposit is identified, there can be no assurance that the technical, financial and regulatory hurdles can be cleared and profitable, commercial production achieved.

The success of the Company will also depend upon the Company being able to maintain title to its tenements and obtaining all required approvals for its activities. In the event that exploration programs prove to be unsuccessful, this outcome could lead to a diminution in the value of the tenements, a reduction in the base reserves of the Company and possible relinquishment of the tenements.

Outcomes of the exploration program outlined in this Prospectus and/or the Company's announcements will affect the future performance of the Company and Axiom Shares.

Whilst the Company has announced its intentions and goals with regard to the application of its current cash reserves, there is no certainty that this expenditure will result in the Company's mining concessions becoming a viable, saleable or identifiable resource.

(e) **Offtake risk**

The Company does not have any definitive offtake agreements in place in relation to its San Jorge operations. On 1 March 2019, the Company announced that it had executed a terms sheet with global metals and commodity marketing group, Traxys for senior debt finance of up to US\$10.5 million and off-take sales arrangements for nickel ore. Financial close is subject to Traxys' confirmatory due diligence and entering into definitive agreements. There can be no guarantee that the Company will be able to finalise and enter into any such agreements. If the Company is unable to secure

adequate off-take arrangements, it could have a materially adverse effect on the Company.

(f) **Solomon Islands in-country risk**

The Company's operations are substantially located in the Solomon Islands. The Company will be subject to the risks associated in operating in foreign emerging countries. These risks include economic, social or political instability or change, hyperinflation, or changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, export duties, repatriation of income or return of capital, environmental protection, labour relations and government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents.

The Company is also subject to the regulatory framework in the Solomon Islands and the exercise of discretions by regulatory authorities. There is a risk that the regulatory authorities do not exercise these discretions in favour of the Company and required permissions, approvals or consents are not obtained, and if obtained, maintained. Failing to secure the necessary regulatory approvals may delay or prevent the Company's operations and its ability to earn revenue.

Changes, if any, in mining or investment policies or shifts in political attitude in the Solomon Islands may adversely affect the operations or profitability of the Company. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, foreign currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

Outcomes in courts in the Solomon Islands may be less predictable than in Australia, which could affect the enforceability of contracts entered into by the Company or its subsidiaries in the Solomon Islands.

Any material adverse changes in government policies, legislation, political, legal and social environments in the Solomon Islands or any other country that the Company has economic interests in that affect mineral exploration activities, may affect the viability and profitability of the Company.

(g) **Operating risks**

The operations of the Company may be affected by various factors, including:

- (i) failure to locate or identify mineral deposits;
- (ii) failure to achieve predicted grades in exploration;
- (iii) mining operational and technical difficulties encountered;
- (iv) mining difficulties in commissioning and operating plant and equipment;
- (v) mechanical failure or plant breakdown;
- (vi) unanticipated metallurgical problems which may affect extraction costs adverse weather conditions industrial and environmental accidents industrial disputes; and
- (vii) unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given in light of the above factors that the Company will achieve commercial viability through successful exploration and/or mining of its projects.

(h) **Production risks**

Operations such as design and construction of efficient mining and processing facilities, competent operation and managerial performance and efficient transport and marketing services are required to be successful for the Company to generate sufficient profit to make distributions or return capital on Axiom Shares. In particular, production can be hampered by force majeure circumstances, engineering difficulties, cost overruns, errors in ore resource estimation, inconsistent recovery rates and other unforeseen events. In the event the Company proceeds to development of economic deposits, production may be affected by these matters.

(i) **Access to land**

There is a substantial level of regulation and restriction on the ability of exploration and mining companies to have access to land in the Solomon Islands and Australia.

Inability to access, or significant delays experienced in accessing privately owned freehold, communal, state or leasehold land may be caused by weather, deference to landholders' activities such as cropping, harvesting and other factors and may impact on the Company's activities.

(j) **Cultural heritage**

Delays may be experienced if evidence of cultural heritage exists on any land to which the Company requires access.

When exercising a right or permission for access to any land, it may be an offence to disturb physical evidence of human occupation of prehistoric or historic significance without statutory permission. This restriction applies to any activity including minerals exploration and production.

The Company has not undertaken the comprehensive research, investigations or enquiries which would be necessary to enable it to form an opinion with certainty as to whether any such evidence exists on any land covered by the Company's wholly-owned or optioned tenements.

(k) **Environmental risks**

The Company's projects are subject to Solomon Islands Government, Queensland and Federal Australian Government regulations regarding environmental matters.

Development of any mineral resources will be dependent on the Company's projects meeting environmental guidelines and gaining approvals from the relevant governmental authorities.

As with all exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws.

There are also environmental risks that are inherent to the Company's activities, such as accidental spills, leakages or other unforeseen circumstances, which could expose the Company to extensive liability against which it has not insured or cannot insure, including those risks in respect of past mining or other activities for which it was not responsible.

Environmental regulations are likely to evolve in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance and more stringent environmental assessments of proposed projects. Environmental regulations could impact upon the viability of the Company's projects. The cost and complexity of complying with applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable mineral deposits.

The Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities and could lead to forfeiture of its tenements. The Company is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

There can be no assurance that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Company's business and financial condition.

Changes to legislative requirements including changes to income tax laws introduced to reduce emissions caused by greenhouse gases may have an adverse effect on current and future exploration and mining operations. The introduction of a carbon price mechanism in any of the jurisdictions in which the Company operates may increase the cost structure of the Company.

(l) **Exploration and appraisal expenditure**

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. Exploration and appraisal is a process subject to unforeseen contingencies. Exploration programs must be flexible enough to respond to the results obtained.

By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual scope, costs and timetables of exploration programs may differ substantially from these estimates and assumptions. No assurance can be given that the costs estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability and returns to Shareholders.

Financial failure, or default by any future alliance or joint venture partner of the Company, may require the Company to face unplanned expenditure or risk forfeiting relevant tenements.

(m) **Key personnel risk**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. If any member of the senior management team ceases their engagement with the Company there may be a detrimental impact on the Company's prospects.

In addition, the ability of the Company to achieve its objectives depends on the retention of key external contractors who constitute its technical panel and provide technical expertise. If the Company cannot secure external technical expertise (for example to carry out drilling) or if the services of the present technical panel cease to become available to the Company, this unavailability may affect the Company's ability to achieve its objectives either fully or within the timeframes and the budget the Company has set.

Whilst the ability of the Company to achieve its objectives may be affected by the matters mentioned above, the Directors believe that appropriately skilled and experienced professionals would be available to provide services to the Company at market levels of remuneration in the event key external contractors cease to be available.

(n) **Commodity price volatility and exchange rate risk**

Assuming the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks.

Commodity prices fluctuate and are affected by a number of factors beyond the control of the Company including supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

In addition, international prices for various commodities are subject to a number of international factors including world inflation, geo-political events, central bank transactions, exchange rates as well as supply and demand factors. The price of commodities in Australian dollars will influence returns on the Company's projects, subject to any hedging contracts the Company may take out in relation to future production.

(o) **Volatility in the market price of Axiom Shares**

Although the Company is listed on the ASX, there is no assurance that an active trading market for its Axiom Shares will be sustained. There is also no assurance that the market price for the Axiom Shares will not decline.

The market price of the Company's Axiom Shares may be subject to significant fluctuations due to various external factors and events, including the liquidity of the Axiom Shares in the market, any difference between the Company's actual financial or operating results and broader market-wide fluctuations.

Furthermore, any stock market volatility and weakness could result in the market price of the Axiom Shares decreasing so that they trade at prices significantly below the issue price, regardless of the Company's operating performance.

(p) **Negative publicity may adversely affect the Axiom Share price**

Any negative publicity or announcement relating to the Company, any of its substantial Shareholders or key personnel may adversely affect the stock performance of the Company, whether or not this is justifiable. Examples of this negative publicity or announcement may include adverse articles in international newspapers (whether factually correct or not), involvement in legal or insolvency proceedings, failed attempts in takeovers, joint ventures or other business transactions.

(q) **Insurance risk**

The Company maintains insurance coverage that is substantially consistent with industry practice. However, there is no guarantee that such insurance or any future necessary coverage will be available to the Company at economically viable premiums (if at all) or that, in the event of a claim, the level of insurance carried by the Company now or in the future will be adequate, or that a liability or other claim would not materially and adversely affect the Company's business.

(r) **Dividends**

There is no guarantee as to future earnings of the Company or that the Company will be profitable at any time in the future and there is no guarantee that the Company will be in a financial position to pay dividends at any time in the future.

(s) **Foreign jurisdiction risk**

As the Company is incorporated in Hong Kong, changes in Hong Kong laws may have an adverse effect on non-Hong Kong holders of Shares. Laws and regulations in Hong Kong may provide Shareholders with fewer rights than under the Corporations Act.

5.3 **General risk factors**

(a) **Axiom Share (and underlying Share) market risk**

On completion of the Cleansing Offer, Axiom Shares may trade on ASX at higher or lower prices than the offer price. Investors who decide to sell their Axiom Shares after the Cleansing Offer may not receive the amount of their original investment. There can be no guarantee that the price of new Axiom Shares will increase after listing. The price at which the new Axiom Shares trade on ASX may be affected by the financial performance of the Company and by external factors over which the Directors and the Company have no control.

These factors include movements on international share and commodity markets, local interest rates and exchange rates, domestic and international economic conditions, government taxation, market supply and demand and other legal, regulatory or policy changes.

(b) **Dependence on general economic conditions**

The operating and financial performance of the Company is influenced by a variety of general economic and business conditions, including levels of consumer spending, inflation, interest rates and exchange rates, access to debt and capital markets and government fiscal, monetary and regulatory policies.

A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have a material adverse impact on the Company's business or financial condition. Changes to laws and regulations or accounting standards which apply to the Company from time to time could adversely impact on the Company's earnings and financial performance.

(c) **Wars, terrorism, political and environmental events**

Events may occur within or outside Australia that could impact upon the world economy, the market for minerals, the operations of the Company and the price of Axiom Shares. These events include war, acts of terrorism, civil disturbances, political intervention and natural events such as earthquakes, floods, fires and poor weather affecting roadways, mining and transport of minerals. The Company only has a limited ability to insure against some of these risks.

(d) **Safety**

Safety is a fundamental risk for any exploration and production company in regards to personal injury, damage to property and equipment and other losses. The occurrence of any of these risks could result in legal proceedings against the Company and substantial losses to the Company due to injury or loss of life, damage or destruction of property, regulatory investigation, and penalties or suspension of operations. Damage occurring to third parties as a result of such risks may give rise to claims against the Company.

(e) **Issue of additional securities**

In certain circumstances, the Directors may issue equity securities without any vote or action by Shareholders. If the Company were to issue any equity securities the percentage ownership of existing Shareholders may be reduced and diluted.

(f) **Tax risk**

Any change to the rate of company income tax in jurisdictions in which the Company operates will impact on shareholder returns, as will any change to the rates of income tax applying to individuals or trusts. Any change to the tax arrangements between Australia and other jurisdictions could have an adverse impact on future earnings and the level of dividend franking.

(g) **Litigation**

The Company may in the ordinary course of business become involved in litigation and disputes. Any such litigation or dispute could involve significant economic costs and damage to relationships with stakeholders. Such outcomes may have an adverse impact on the Company's business, reputation and financial performance.

(h) **Legislative and regulatory changes**

Legislative or regulatory changes, including property or environmental regulations or regulatory changes in relation to products sold by the Company, could have an adverse impact on the Company.

## 6 Rights attaching to Axiom securities and Conversion Share calculation

---

### 6.1 Axiom Shares

The securities being offered under the Cleansing Offer are Axiom Shares. Each Axiom Share represents a beneficial interest in one Share. The Axiom Shares will be newly issued.

(a) **What are Axiom Shares?**

An Axiom Share is a CHESSE Depository Interest which represents a beneficial interest in one Share in the Company (**CDI**).

(b) **What is a CDI?**

The ASX uses an electronic system, called CHESSE, for the clearance and settlement of trades on the ASX. Axiom Mining Limited is incorporated in Hong Kong, which does not recognise the CHESSE system of holding securities or electronic transfers of legal title to Shares. To enable companies such as Axiom to have their securities cleared and settled electronically through CHESSE depository interests called CDIs are issued.

Each Axiom Share represents one underlying Share. Axiom Shares are traded in a manner similar to shares of Australian companies listed on the ASX.

(c) **What is the principal difference between holding Axiom Shares and holding Shares?**

The principal difference between holding Axiom Shares and holding the underlying Shares is that a holder of Axiom Shares (**Holder**) will hold a beneficial interest in Shares but not the legal title. The legal title to the Shares will be instead held by a depository, CDN, which is a wholly-owned subsidiary of the ASX, CDN is an approved general participant of ASX Settlement.

CDN will not receive any fees from investors for acting as the Depository for the CDIs.

### 6.2 Rights attaching to Axiom Shares

The relationship between the Company, CDN and a Holder is governed in part by the Listing Rules and the ASX Settlement Operating Rules. The Listing Rules and the ASX Settlement Operating Rules have the force of the law under the Corporations Act.

(a) **Title**

The Holder holds the beneficial title to the Shares underlying the Axiom Shares while CDN holds the legal title. Holders receive all direct economic and other benefits of the Shares. CDN may not dispose of any of the Shares unless authorised by the ASX Settlement Operating Rules, and is not able to create any interest that is inconsistent with the beneficial title held by the Holders.

(b) **Ratio**

Each Axiom Share represents a beneficial interest in one Share.

(c) **Conversion**

A Holder may either leave their holdings in the form of Axiom Shares (so that legal title remains in the name of CDN) or convert the Axiom Shares to Shares and hold legal title in their own right.

Holders can convert their ASX listed Axiom Shares to Shares in the following ways:

- (i) for Axiom Shares held through the issuer sponsored sub-register, by contacting the Registry directly to obtain the applicable conversion request form; or

- (ii) for Axiom Shares held on the CHESSE sponsored sub-register, by contacting their controlling participant (usually a stockbroker) who will liaise with the Registry.

The Registry will then arrange for the transfer of Shares from CDN to the former Holder and a new Statement of Account Holding will be issued. The Shares will be registered in the name of the holder on Axiom's Share Register and trading on the ASX will no longer be possible.

The ASX Settlement Operating Rules require the conversion process to be completed within three business days of receipt of the conversion request.

A holder of Shares can convert their holdings to Axiom Shares by contacting the Registry and completing the relevant form. The underlying Shares will then be transferred to CDN and a holding statement for the Axiom Shares will be issued to the Holder. No trading in the Axiom Shares on the ASX can take place until the transfer process is complete.

(d) **Shareholder meetings and voting**

As Holders do not appear on the Company's register, they are not entitled to vote personally at Shareholder meetings. However the ASX Settlement and Operating Rules require the Company to send notices of Shareholder meetings to each Holder at the address recorded on the Axiom Share register if any Shareholder meeting is convened. This notice must include a form permitting the Holder to direct CDN to cast proxy votes according to the wishes of the Holder for whom it holds Shares. The Company is obliged to collect and process these directions. CDN is required to vote in accordance with the instructions it receives from Holders.

If a Holder wishes to vote in person at a meeting of Shareholders (whether on a show of hands or on a poll), they will first need to convert their Axiom Shares into Shares.

(e) **Dividends and other entitlements**

The ASX Settlement Operating Rules ensure that Holders have the right to receive dividends, rights issues and bonus issues. Where a dividend or any other cash distribution is made in a currency other than Australian dollars, the Company's Australian registry (acting as CDN's agent) will convert the dividend or distribution into Australian dollars. The payment will then be made to Holders in Australian dollars in accordance with each Holder's entitlement.

(f) **Takeovers**

If any takeover bid is made in respect of any of the Shares of which CDN is the registered holder, CDN is prohibited from accepting the offer made under the takeover bid except to the extent that acceptance is authorised by the relevant Holder in accordance with the ASX Settlement Operating Rules.

If a Holder instructs it to do so, CDN must ensure that the offeror processes the takeover acceptance.

### 6.3 **Rights attaching to Shares**

(a) **General**

Full details of the rights and liabilities attaching to Shares are set out in the Company's Articles of Association, a copy of which can be inspected, free of charge, at the Company's registered office during normal business hours.

The following is a broad summary of the rights, privileges and restrictions attaching to all Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders.

(b) **General meetings**

Notice of every general meeting is to be given to every Shareholder, other than those Shareholders who, under the provisions of the Company's Articles of Association or the conditions of issue of the Shares held by them, are not entitled to receive the notice of meeting (at present there are no such restrictions). The failure of a Shareholder to receive a notice of meeting does not invalidate the proceedings at that meeting.

No business may be transacted at any meeting of Shareholders unless a quorum of Shareholders is present.

Shareholders are entitled to be present in person or by proxy or, in the case of a Shareholder which is a body corporate, by a corporate representative and are entitled to vote at general meetings of the Company.

(c) **Voting rights**

Subject to any special rights or restrictions as to voting attached to any Shares (at present there are none), at meetings of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy or, in the case of a Shareholder which is a body corporate, by a corporate representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy or corporate representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy or representative, have one vote.

Where there are two or more joint holders of the Shares and more than one of them is present at a meeting and tenders a vote in respect of the Share (whether in person or by proxy), the Company will count only the vote cast by the Shareholder whose name appears before the other(s) in the Company's register of Shareholders.

(d) **Dividend rights**

Subject to the rights of holders of shares issued with special, preferential or qualified rights (at present there are none), the profits of the Company which the Company in general meeting determines following a recommendation of Directors to distribute by way of dividend are divisible among the holders of Shares in proportion to the amounts paid up on the Shares held by them.

(e) **Rights on winding up**

On a winding up of the Company, all assets that may be legally distributed among members will be divided up as between members or different classes of members as the liquidator determines.

(f) **Transfer of Shares**

Subject to the Articles of Association, the *Companies Ordinance (Chapter 622)* (Hong Kong), the Corporations Act, the ASX Settlement Operating Rules, the Listing Rules and any other laws, Shares are freely transferable.

(g) **Future increases in Capital**

The current authorised share capital of the Company is 8,000,000,000 Shares. Any increase in the capital of the Company requires an ordinary resolution of Shareholders. Subject to that requirement, the allotment and issue of any Shares is under the control of the Directors.

Subject to restrictions on the allotment of Shares to Directors or their associates, the Listing Rules, the Articles of Association, the *Companies Ordinance (Chapter 622)* (Hong Kong) and the Corporations Act, the Directors may allot and issue Shares on such terms and conditions as they see fit.

(h) **Variation of rights**

The Company may, with the sanction of a special resolution passed at a meeting of Shareholders, vary or abrogate the rights attaching to Shares. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of the issue of the shares of that class), whether or not the Company is being wound up may be varied or abrogated with the consent in writing of the holders of three quarters in nominal value of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

6.4 **Rights attaching to Attaching Options**

(a) **Entitlement**

Subject to and conditional upon any adjustment in accordance with these conditions, each Attaching Option entitles the holder to subscribe for one Axiom Share upon payment of the relevant Exercise Price.

(b) **Exercise Price**

The exercise price for each Attaching Option is \$0.10 (**Exercise Price**).

(c) **Exercise Period**

The Attaching Options are exercisable at any time on or before 5:00pm (Sydney time) on 30 April 2021 (**Exercise Date**). Attaching Options not exercised by the relevant Exercise Date lapse.

(d) **Manner of exercise of Attaching Options**

Each Placement Option may be exercised by notice in writing addressed to the Company's registered office. The minimum number of Attaching Options that may be exercised at any one time is an amount equal to \$500. Payment of the Exercise Price for each Placement Option must accompany each notice of exercise of the Attaching Options (as applicable). All cheques must be payable to the Company and be crossed 'not negotiable'.

(e) **Ranking of Axiom Shares**

Axiom Shares issued on the exercise of Attaching Options will, subject to the Articles of Association of the Company, rank equally with all existing Axiom Shares on and from the date of issue in respect of all entitlement offers, bonus share issues and dividends which have a record date for determining entitlements on or after the date of issue of those Axiom Shares.

(f) **Timing and issue of Axiom Shares**

The Company will, as soon as practicable (and not later than 15 days) after the Company receives a valid exercise notice from the Optionholder, and in accordance with the Corporations Act and the Listing Rules, allot the number of Axiom Shares in the Company so subscribed for by the Optionholder. In the case of fractions (if any), the number of Axiom Shares issued will be rounded down to the next lower whole number and the exercise price will be rounded up to the next highest cent.

(g) **Attaching Options transferrable**

Attaching Options may be transferred in the same manner as Axiom Shares and may be exercised by any other person or body corporate.

(h) **Participation in new issues**

There are no participating rights or entitlements inherent in the Attaching Options to participate in any new issues of capital which may be offered or made by the Company to its shareholders from time to time prior unless and until the Attaching Options are exercised.

(i) **Adjustment for bonus issues of Axiom Shares**

If there is a bonus issue to the holders of Axiom Shares, the number of securities over which each Placement Option is exercisable will be increased by the number of Shares which the Optionholder would have received if the Attaching Options had been exercised before the record date for the bonus issue.

(j) **Pro-rata issues**

If there is a pro-rata issue (except a bonus issue) to the holders of the Axiom Shares, the exercise price of the Attaching Options shall be reduced according to the following formula:

$$O' = O - \frac{E[P - (S + D)]}{N + 1}$$

Where:

$O'$  = the new exercise price of each Placement Option

$O$  = the old exercise price of each Placement Option

$E$  = the number of Axiom Shares into which each Placement Option is exercisable

$P$  = the average market price per Axiom Share (weighted by reference to volume) of the Shares during the 5 trading days ending on the day before the ex-rights or ex-entitlements date

$S$  = the subscription price for an Axiom Share under the pro rata issue

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

$N$  = the number of Axiom Shares with rights or entitlements that must be held to receive a right to one new Axiom Share.

(k) **Reconstructions**

If the Company reorganises its capital in any way while any Attaching Options are on issue, the number of Attaching Options will be reorganised in accordance with the Listing Rules so that the Optionholder will not receive a benefit that the existing holders of Axiom Shares do not receive and in addition will be changed to the extent necessary to comply with the Listing Rules applicable to the particular reorganisation of capital at the time.

(l) **Conversion of Attaching Options into Options**

Holders of Attaching Options may at any time request to convert their Attaching Options into Options (with the same terms and conditions as a Placement Option) by contacting the Registry.

(m) **Listing Rules**

If and to the extent any of the preceding terms and conditions are inconsistent with the Listing Rules, such rules will prevail in all respects to the extent of the inconsistency.

## 6.5 Calculation of Conversion Shares

Upon receipt of a conversion notice, the Company must convert the Convertible Notes into the number of Axiom Shares calculated in accordance with the following formula:

$$A = (N \times V) / CP$$

Where:

- A means the number of Conversion Shares;
- N means the number of Convertible Notes specified in the conversion notice;
- V means the face value of the Convertible Notes specified in the conversion notice (converted at the Exchange Rate at the conversion date); and
- CP means the conversion price being the lower of:
  - the Floor Price; and
  - a price equal to 90% of the average of the 2 lowest daily VWAPs over the 5 trading day period on which trading in Axiom Shares occurred on ASX immediately prior to the conversion date (**Conversion Price**).

The Exchange Rate is the spot rate of exchange of US dollars into Australian dollars displayed at or about 11.00am (New York time) for that day on the Reserve Bank of Australia website.

The Floor Price is the lower of:

- A\$0.18 under the Convertible Note Agreement dated 16 June 2017 and \$0.20 under the Convertible Note Agreement dated 20 November 2018; and
- if Axiom issues shares for a price below A\$0.07 per Axiom Share, the lowest price at which any such Axiom Shares are issued (excluding the issue price of Axiom Shares on conversion of the Convertible Notes).

The table below shows a worked example for illustrative purposes, of the number of Axiom Shares to be issued on conversion of all of the 1,185,566 outstanding Convertible Notes, assuming a total Convertible Note face value of US\$1,349,520, RBA exchange rate of AUD1.00: USD0.7054<sup>4</sup> and Conversion Price of \$0.04<sup>5</sup>, with variances in the exchange rate and conversion price at the time of conversion.

The actual number of Conversion Shares will differ from the table:

<b>Potential Conversion Shares on conversion of all outstanding Convertible Notes</b>			
<b>Exchange Rate</b>	<b>50% decrease in Conversion Price \$0.02</b>	<b>Conversion Price at time of conversion \$0.04</b>	<b>50% increase in Conversion Price \$0.06</b>
A\$ = US\$0.529 (25% decrease in exchange rate at conversion)	127,553,800	63,776,900	42,517,933
A\$ = US\$0.7054 (Assumed exchange rate at conversion)	95,656,308	47,828,154	31,885,436
A\$ = US\$0.8817 (25% increase in exchange rate at conversion)	76,529,386	38,264,693	25,509,795

<sup>4</sup> Rate on 1 May 2019.

<sup>5</sup> Conversion Price is assumed at the same price included in a Placement as announced in a Funding Update released to ASX on 10 May 2019.

## **7 Additional Information**

---

### **7.1 Prospectus availability**

Shareholders can obtain a copy of this Prospectus during the Cleansing Offer Period on the Company's website at <http://www.axiom-mining.com/irm/content/asx-announcements.aspx?RID=8> or by contacting the Registry by phone on 1300 850 505 (overseas callers on +61 3 9415 4000) during the Cleansing Offer Period. If you access the electronic version of this Prospectus, you should ensure that you download and read the entire Prospectus.

The electronic version of this Prospectus on the Company's website will not include a personalised Application Form. You will only be entitled to accept the Cleansing Offer by completing and returning a personalised Application Form. The Cleansing Offer is open to persons by invitation from the Company only. An Application Form will only be provided to these persons.

The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to a hard copy of this Prospectus or a complete and unaltered electronic version of this Prospectus.

### **7.2 Continuous disclosure and inspection of documents**

The Company is a disclosing entity for the purpose of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or value of the securities in the Company.

Having taken such precautions and having made all enquiries as are reasonable, the Company believes that it has complied with the general and specific disclosure requirements of the Corporations Act and Listing Rules, which require the Company to notify ASX of information about specific events or matters as they arise, for the purpose of ASX making that information available to the market conducted by ASX.

This Prospectus is issued under section 713 of the Corporations Act. This section enables disclosing entities to issue a prospectus in relation to securities in a class which has been continuously quoted by ASX at all times during the 12 months before the date of the Prospectus. Apart from prescribed matters, this Prospectus need only contain information relating to the terms and conditions of the Offer, the effect of the Offer on the Company and the rights and liabilities attaching to the new Axiom Shares. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the Company. Accordingly, this Prospectus does not contain the same level of disclosure as an initial public offer prospectus.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC.

The Company will make available a copy of each of the following documents, free of charge, to any person who asks for it during the Cleansing Offer Period:

- (a) The annual financial report for the year ended 30 September 2018 (being the annual financial report most recently lodged with ASIC in relation to the Company before the issue of this Prospectus), a copy of which was lodged with ASX on 11 March 2019. A copy of the 2018 Annual Report is available at <https://www.asx.com.au/asx/share-price-research/company/AVQ>.

- (b) The report for the half-year ended 31 March 2018 lodged with ASX on 14 June 2018. A copy of the 31 March 2018 Half Year Financial Report is available at <https://www.asx.com.au/asx/share-price-research/company/AVQ>.
- (c) Any continuous disclosure notices given by the Company after the lodgement with ASIC of the annual financial report referred to above and before the lodgement with ASIC of a copy of this Prospectus. These include the following announcements:

<b>Date lodged</b>	<b>Announcement</b>
11 March 2019	Despatch of Prospectus
14 March 2019	Response to ASX Query Letter
20 March 2019	Appendix 3B
22 March 2019	Isabel Nickel Project Update
25 March 2019	Entitlement Offer Update - ASIC Interim Stop Order
29 March 2019	Results of 2019 Annual General Meeting
01 April 2019	Suspension of AVQNB from Official Quotation
10 April 2019	Retirement of Non-Executive Director
15 April 2019	Response to ASX Appendix 3Z Query
23 April 2019	Trading Halt
24 April 2019	San Jorge Nickel Mine Update
26 April 2019	Voluntary Suspension
30 April 2019	Quarterly Cashflow Report
2 May 2019	Quarterly Activities Report
3 May 2019	Additions to the nickel mining team
10 May 2019	Funding Update

This Prospectus contains details specific to the Attaching Options Offer and the Cleansing Offer. If Placees or other potential investors require any further information in relation to the Company, the Directors recommend that those persons take advantage of the ability to inspect or obtain copies of the documents referred to above.

### 7.3 Interests of Directors

Except as disclosed in this Prospectus, no Director:

- (a) holds or has held in the last two years before the lodgement of this Prospectus with ASIC any interest in:
- (i) the formation or promotion of the Company; or
  - (ii) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer under this Prospectus; or
  - (iii) the Offer under this Prospectus, or
- (b) has been paid or has agreed to be paid or has received or has agreed to receive any benefits:
- (i) to induce them to become or to qualify as a Director; or
  - (ii) for services rendered by them in connection with the formation or promotion of the Company or the Offer under this Prospectus.

## 7.4 Remuneration

Mr Ryan Mount is engaged under contract as the Executive Director and Chief Executive Officer of the Company and is entitled to receive remuneration and benefits under that contract. Messrs Markoff and Gray are entitled to receive non-executive director fees.

The total maximum remuneration of non-executive Directors is initially set out in Article 87 of the Company's Articles of Association and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Articles of Association, the *Companies Ordinance (Chapter 622)* (Hong Kong) and the Listing Rules, as applicable. The determination of non-executive Directors specified in the Company's Articles of Association is US\$300,000 per annum.

Directors' remuneration for the last two years was as follows:

Director	Salary and fees (\$)		Other (\$)		Total (\$)	
	2018	2017	2018	2017	2018	2017
Ryan Mount	750,000	750,000	196,037	168,360	946,037	918,360
Jeremy Gray	60,000	60,000	-	-	60,000	60,000
Jeffrey Markoff*	-	-	-	-	-	-

\* appointed 26 September 2018

Directors are entitled to be reimbursed for their reasonable expenses incurred in connection with the affairs of the Company. Directors may also be entitled to participate in equity based remuneration schemes. Shareholders must approve the framework for any equity based compensation schemes and if a recommendation is made for a director to participate in an equity scheme, that participation must be specifically approved by Shareholders.

The Company also pays premiums to insure all of the Directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct whilst acting in the capacity as Director.

## 7.5 Shareholdings and option holdings of Directors

The Directors are not required under the Company's Articles of Association to hold any Shares in the Company. The following table sets out the relevant interests in Axiom Shares and Axiom Options held by each Director as at the date of this Prospectus:

Director	Axiom Shares held directly	Axiom Shares held indirectly	Axiom Options held (directly and indirectly)	Performance Rights (directly and indirectly)
Ryan Mount*	2,936,509	48,522	4,944,448	4,800,000
Jeremy Gray	47,750	555,556	2,222,224	Nil
Jeffrey Markoff	Nil	46,222,223	170,888,892	Nil

\* Not including Axiom Shares issued under the Placement or Attaching Options

## 7.6 Other disclosure

Axiom non-executive director, Mr Jeremy Gray, was managing director of Orinoco Gold Limited (Administrators Appointed) from 21 December 2017 until 21 January 2019. Pursuant to a resolution of Orinoco directors, Orinoco entered into voluntary administration on 6 April 2019. As at 31 December 2018, Orinoco's balance sheet disclosed negative equity of \$16.5 million. The first creditors meeting was held on 17 April 2019 and the meeting ratified the appointment of the administrators and elected to appoint a Committee of Creditors. Orinoco has advised that updates regarding the administration will be provided to ASX's market announcements platform in the first instance.

## 7.7 Disclosure of interests of advisers

Except as set out in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus:

- (a) has any interest, or has had any interest during the last two years, in the formation or promotion of the Company, or in property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offers; or
- (b) has been paid, or has agreed to be paid, any amount and has received or has agreed to receive any benefit that has been given, or agreed to be given, in connection with the services provided by the person in connection with the formation or promotion of the Company, or the Offers.

## 7.8 Taxation

Taxation implications will vary depending upon the specific circumstances of individual Shareholders. It is the responsibility of all investors to satisfy themselves of the particular tax consequences that apply to them, by consulting their own professional financial and taxation advisers. Neither the Company nor any of its officers, employees or agents, nor its taxation or other advisers accepts any liability or responsibility in respect of taxation consequences connected with the Offers.

## 7.9 Privacy

You may provide personal information to the Company and the Registry. The Company and the Registry collect, hold and use your personal information in order to service your needs as a Shareholder and/or Optionholder, provide facilities and services that you request and carry out appropriate administration.

Company and tax laws require some of the information to be collected. The Company and the Registry may disclose your personal information for purposes related to your shareholding or optionholding to their agents and service providers including those listed below or as otherwise authorised under the *Privacy Act 1988* (Cth):

- (a) the Registry for ongoing administration of the register; and
- (b) printers and mailing houses for the purposes of preparation and distribution of Shareholder and Optionholder information and for handling of mail.

Under the *Privacy Act 1988* (Cth), you may request access to your personal information held by (or on behalf of) the Company or the Registry. You can request access to your personal information by telephoning or writing to the Company through the Registry on 1300 850 505 (overseas callers on +61 3 9415 4000) or email at [privacy@computershare.com.au](mailto:privacy@computershare.com.au).

## 7.10 Consents and disclaimers

None of the persons named below has authorised or caused the issue of this Prospectus or made any statement that is included in this Prospectus, or any statement on which a statement made in this Prospectus is based, except as stated below. Each of the persons named below expressly disclaims and takes no responsibility for any statements or omissions from this Prospectus. This applies to the maximum extent permitted by law and does not apply to any matter to the extent to which consent is given below.

## 7.11 Consents to be named

The Company's Hong Kong legal advisors, auditors and share registry are named for information purposes only and have not been involved in the preparation of any part of this Prospectus and have not consented to being named in this Prospectus.

## 7.12 **Future performance and forward looking statements**

This Prospectus may contain forward looking statements with respect to the financial condition, results of operations, projects and business of Axiom. These forward looking statements involve known and unknown risks, uncertainties and other factors which are subject to change without notice.

Axiom gives no assurance that the anticipated results, performance or achievements expressed or implied in those forward looking statements will be achieved or that actual outcomes will not differ materially from these statements. Except as required by law, and only to the extent so required, no person warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Offer.

## 7.13 **Past performance**

Past Axiom Share price performance provides no guarantee or guidance as to future Axiom Share price performance. Past performance information given in this Prospectus is provided for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance. The historical information in this Prospectus is, or is based upon, information that has been released to the market. For further information, please see past announcements released to the ASX.

## 7.14 **Transaction Costs**

The estimated costs of the Relevant Transactions, including advisory and legal fees, as well as printing, advertising and other expenses are currently estimated to be approximately \$75,000.

## 7.15 **Governing law**

This Prospectus and the contracts that arise from applications for Axiom Shares are governed by the laws of Queensland and each applicant submits to the exclusive jurisdiction of the courts of Queensland.

## 7.16 **Electronic prospectus**

This Prospectus is available to persons by invitation from the Company in electronic form at [www.axiom-mining.com](http://www.axiom-mining.com). The Offers contained in this Prospectus in electronic form is available only to persons accessing and downloading or printing the electronic copy of the Prospectus within Australia and is not available to persons in any other jurisdictions without the prior approval of the Company. Persons in Australia having received a copy of this Prospectus in its electronic form may, before the Cleansing Offer Closing Date, obtain a paper copy of this Prospectus (free of charge) by telephoning the Registry on 1300 850 505 (overseas callers on +61 3 9415 4000), at any time from 8:30 am to 5:30 pm (Sydney time) Monday to Friday during the Cleansing Offer Period.

## 7.17 **Enquiries**

If you are uncertain about any aspect of this Prospectus, including whether either Offer is a suitable investment for you, you should seek professional advice from your stockbroker, lawyer, accountant or other professional adviser.

## 7.18 **Expiry date**

No Axiom Shares will be offered on the basis of this Prospectus later than 13 months after the date of this Prospectus.

## 7.19 **Consent to lodgement**

This Prospectus is issued by the Company. Each Director has consented to the lodgement of this Prospectus with ASIC as required by section 720 of the Corporations Act.

**Additional Tenements** has the meaning given in section 5.2(a)(iv).

**Applicable Accounting Standards** means the accounting standards applicable to Axiom, being Hong Kong Financial Reporting Standards (which include Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations), issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance.

**Application Form** means an application form provided by the Company in respect of the Cleansing Offer.

**Application Money** means monies received from the Existing Applicants under the Entitlement Offer.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited ABN 98 008 624 691 or, as the context requires, the securities market operated by ASX Limited.

**ASX Settlement** means ASX Settlement Pty Limited.

**ASX Settlement Operating Rules** mean settlement rules of the ASX Settlement (as amended from time to time),

**Attaching Option** means an option to subscribe for one Axiom Share on the terms and conditions set out in section 6.4 of this Prospectus.

**Attaching Options Offer** means the offer of Attaching Options to each Placee made under section 1.2 of this Prospectus.

**Axiom** or **Company** means Axiom Mining Limited ARBN 119 698 770.

**Axiom Option** means a CDI representing a unit of beneficial ownership in an Option registered in the name of CDN.

**Axiom Shares** means a CDI representing a unit of beneficial ownership in a Share registered in the name of CDN.

**Axiom Shareholder** means a holder of Axiom Shares.

**Board** and **Board of Directors** means the Directors of the Company acting as a board.

**CDI** means a CHESS Depository Instrument.

**CDN** means CHESS Depository Nominees Pty Limited ACN 071 346 506, an entity registered in Australia (Financial Services Licence Number 254514).

**CHESS** means the Clearing House Electronic Sub-Register System of share transfers operated by ASX Settlement.

**Cleansing Offer** means the offer of Axiom Shares made under section 2.4 of this Prospectus.

**Cleansing Offer Period** means the period from 10 May 2019 until the date on which the Cleansing Offer closes, being 5.00pm Sydney time on 30 June 2019 or such other date as Directors determine in accordance with this Prospectus.

**Cleansing Offer Closing Date** means the date on which the Cleansing Offer closes, being 5.00pm Sydney time on Monday, 21 May 2019 or such other date as Directors determine in accordance with this Prospectus.

**Conversion Shares** means Axiom Shares to be issued on conversion of Convertible Notes outstanding to MEF I, L.P in accordance with the Convertible Note Agreements.

**Convertible Note** means a convertible note issued under the Convertible Note Agreements.

**Convertible Note Agreements** means Convertible Note Agreements between Axiom and MEF I, L.P dated 16 June 2017 and 26 November 2018.

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

**Director** means each director of the Company at the date of this Prospectus.

**Dollars, \$ and A\$** means Australian dollars unless otherwise indicated.

**Entitlement Offer** means the pro rata, non renounceable entitlement offer contained in the Original Prospectus for 1 Axiom Share for every 10 Axiom Shares held on the record date, plus attaching options, at an offer price of \$0.10 per Axiom Share.

**Existing Applicants** means eligible shareholders under the Entitlement Offer who, before the date of this Prospectus, lodged applications for Axiom Shares and Axiom Options offered under the Original Prospectus.

**Listing Rules** means the listing rules of ASX as in force from time to time.

**MMERE** means the Solomon Islands Ministry of Mines, Energy and Rural Electrification.

**Offers** means the Attaching Options Offer and the Cleansing Offer.

**Option** means an option to subscribe for unissued Shares or Axiom Shares, as the context requires.

**Optionholder** means a holder of an Option or an Axiom Option, as the context requires.

**Original Prospectus** means the prospectus dated 21 February 2019 and lodged with ASIC on that date.

**Placee** has the meaning in section 1.1 of this Prospectus.

**Placement** has the meaning in section 1.1 of this Prospectus.

**Placement Share** means an Axiom Share issued under the Placement.

**Prospectus** means this document (including any electronic form of this Prospectus), and any supplementary or replacement prospectus in relation to this document.

**Registry** means Computershare Investor Services Pty Ltd.

**Register** means the Company's register of Shareholders or Optionholders, as the context requires.

**Relevant Transactions** has the meaning given in section 4.1.

**Shares** means fully paid ordinary shares in the capital of the Company.

**Shareholder** means a holder of a Share or an Axiom Share, as the context requires.

**Supplementary Prospectus** means the supplementary prospectus dated 8 March 2019 and lodged with ASIC on that date.

**Transaction Costs** means the costs referred to in section 7.14.

**Traxys** means Traxys Europe S.A.

**Traxys Terms Sheet** means the terms sheet between the Company and Traxys dated 1 March 2019 for senior debt finance of up to US\$10.5 million and off-take sales arrangements for nickel ore.

References to time are references to Sydney time.

## **Corporate Directory**

### **Directors and senior management**

Ryan Mount – Executive Director and Chief Executive Officer  
Jeremy Gray – Non Executive Director  
Jeffrey Markoff – Non Executive Director

### **Company Secretary**

Boacoh Secretarial Limited  
2303-7 Dominion Centre  
43-59 Queens Road East  
Hong Kong

### **Local Agent**

Mr Brent Hofman  
Level 6, 15 Astor Terrace  
Brisbane, QLD, 4000  
Australia

### **Registered office – Australia**

Level 6, 15 Astor Terrace  
Brisbane Qld 4000  
Australia  
Telephone: +61 7 3319 4100  
Facsimile: +61 7 3252 7577

### **Registered Office – Hong Kong**

2303-7 Dominion Centre  
43-59 Queens Road East  
Hong Kong

### **Website**

<http://www.axiom-mining.com>

### **Share Registry**

Computershare Investor Services Pty Ltd  
Level 1, 200 Mary Street  
Brisbane QLD 4000  
Australia  
Phone: 1300 850 505  
Overseas callers: +61 3 9415 4000  
Facsimile: +61 3 9473 2500

### **Auditor – Hong Kong**

Zenith CPA Limited  
Certified Public Accountants  
10/F China Hong Kong Tower  
8-12 Hennessey Road  
Wanchai  
Hong Kong

### **Auditor – Australia**

Hall Chadwick  
Chartered Accountants  
Level 40, 2 Park Street  
Sydney NSW 2000  
Australia

### **Principal place of business**

Ngossi, Honiara,  
Solomon Islands