



Axiom Mining Limited
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16 May 2019

Issue of securities and Appendix 3B

Axiom Mining Limited advises that it has today granted 22,240,000 Attaching Options to investors who participated in the share placement announced on 10 May 2019 (**Placement**) and issued an additional 4,807,095 Axiom Shares¹.

The issued Axiom Shares comprised:

- 4,407,095 Axiom Shares to MEF I, L.P. after it converted 90,000 convertible notes yesterday having a face value of \$A155,284, at a conversion price of \$A0.035235 per Axiom Share²; and
- 400,000 Axiom Shares to unrelated third-party suppliers at an issue price of \$0.04 per Axiom Share in satisfaction of a total of \$16,000 of trade payables.

The suppliers will also separately be offered an entitlement to receive one Attaching Option for every one Axiom Share subscribed (totalling 400,000 Attaching Options if the entitlements are fully taken up). The Attaching Options will be on the same terms and conditions as the options granted as part of the Placement.³

No shareholder approval will be sought for the grant of options and issue of Axiom Shares which will be issued under the Company's current placement capacity under Listing Rule 7.1.

The share issues will reduce the Company's debt by \$16,000 but will not raise additional cash.

An Appendix 3B in relation to the security issues is attached.

For enquiries: contact@axiom-mining.com or telephone: +61 7 3319 4100

ENDS

About Axiom Mining Limited

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

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

Disclaimer

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

¹ An Axiom Share is a CHESS Depository Instrument representing a unit of beneficial ownership in a fully paid ordinary share in Axiom registered in the name of CHESS Depository Nominees Pty Limited ACN 071 346 506 (CDI) and an Attaching Option means an option to subscribe for an Axiom Share

² In accordance with the convertible note terms, the conversion price was 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. An exchange rate of A\$69.55:US\$1.00 was used to convert the US dollar denominated face value to Australian dollars.

³ Exercise price of \$0.10, expiring 30 April 2021.

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

AXIOM MINING LIMITED

ARBN

119 698 770

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1 +Class of +securities issued or to be issued

1. Options (Attaching)
2. Ordinary Shares
3. Ordinary Shares

2 Number of +securities issued or to be issued (if known) or maximum number which may be issued

1. 24,240,000
2. 4,407,095
3. 400,000

3 Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)

1. Attaching Options issued via a placement announced on 10 May 2019 with an exercise price of \$0.10 per option and expiry date of 30 April 2021.
2. Ordinary shares issued as a result of the conversion of 90,000 Convertible Notes (Notes) totalling \$155,284 at a conversion price of \$0.035235 per share. Shares issued pursuant to shareholder approval under resolution 3 at the Annual General Meeting (AGM) on 15 February 2018.
3. Ordinary shares issued to unrelated third-party suppliers at \$0.04 which represents the deemed price per share.

4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

1. Ordinary shares issued on the exercise of unlisted attaching options will rank pari passu with existing fully paid ordinary shares.
2. Conversion shares issued will rank pari passu with existing fully paid ordinary shares.
3. Ordinary shares issued will rank pari passu with existing fully paid ordinary shares.

5 Issue price or consideration

1. Nil
2. \$155,284:(face value of convertible notes)
3. \$0.04 per Ordinary share (deemed issue price)

<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<ol style="list-style-type: none"> 1. Unlisted Attaching Options issued as part of a share placement announced on 10 May 2019. 2. Ordinary shares are issued as partial conversion of Notes pursuant to the Agreement announced 16 June 2017 and further amended on 25 October 2017. Funds are used for exploration, development and mining activities in Solomon Islands and for general working capital requirements. 3. Shares issued to satisfy debt of \$16,000 to unrelated third party suppliers.
<p>6a Is the entity an *eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the *securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>29 March 2019</p>
<p>6c Number of *securities issued without security holder approval under rule 7.1</p>	<p>24,640,000</p>
<p>6d Number of *securities issued with security holder approval under rule 7.1A</p>	<p>Nil</p>
<p>6e Number of *securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)</p>	<p>Nil</p>
<p>6f Number of *securities issued under an exception in rule 7.2</p>	<p>4,407,095</p>

6g If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.

Nil

6h If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements

n/a

6i Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A - complete Annexure 1 and release to ASX Market Announcements

Under 7.1 - 26,967,229
Under 7.1A - 48,606,864

7 +Issue dates

Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.

Cross reference: item 33 of Appendix 3B.

16 May 2019

8 Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)

Number	+Class
530,448,386	Ordinary Shares (AVQ)

9 Number and ⁺class of all ⁺securities not quoted on ASX (including the ⁺securities in section 2 if applicable)

Number	⁺ Class
697,763	Unlisted Hong Kong Shares
	Unlisted Options:
23,030,835	Exercisable at 20 cents each Expiring 30.06.19
1,000,000	Exercisable at 16 cents each Expiring 7.05.20
24,240,000	Exercisable at 10 cents each Expiring 30 April 2021
30,305,561	Exercisable at 30 cents each expiring 30.3.26
30,305,561	Exercisable at 40 cents each expiring 30.3.26
30,305,561	Exercisable at 50 cents each expiring 30.3.26
30,305,561	Exercisable at 60 cents each expiring 30.3.26
20,000,000	Exercisable at 20 cents each expiring 30.3.27
20,000,000	Exercisable at 30 cents each expiring 30.3.27
20,000,000	Exercisable at 40 cents each expiring 30.3.27
20,000,000	Exercisable at 50 cents each expiring 30.3.27
249,493,079	Total Unlisted Options
	Unlisted Performance Rights:
	Vesting subject to performance conditions:
2,400,000	Expiry date 28.08.19
2,400,000	Expiry date 28.08.20
100,000	Expiry date 09.03.21
350,000	Expiry date 30.07.21
5,250,000	Total Performance Rights
	Convertible Notes: (In accordance with terms of Convertible Note Agreements of 16 June 2017 and 26 November 2018)
1,095,566	Convertible Notes not yet Converted
1,095,566	Total Convertible Notes

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	n/a
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Part 2 - Pro rata issue

11	Is security holder approval required?	No
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12	Is the issue renounceable or non-renounceable?	n/a
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13	Ratio in which the ⁺ securities will be offered	n/a
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14	⁺ Class of ⁺ securities to which the offer relates	n/a
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15	⁺ Record date to determine entitlements	n/a
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16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	n/a
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17	Policy for deciding entitlements in relation to fractions	n/a
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18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	n/a
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19	Closing date for receipt of acceptances or renunciations	n/a
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20	Names of any underwriters	n/a
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21	Amount of any underwriting fee or commission	n/a
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22	Names of any brokers to the issue	n/a
23	Fee or commission payable to the broker to the issue	n/a
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	n/a
25	If the issue is contingent on security holders' approval, the date of the meeting	n/a
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	n/a
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	n/a
28	Date rights trading will begin (if applicable)	n/a
29	Date rights trading will end (if applicable)	n/a
30	How do security holders sell their entitlements in full through a broker?	n/a
31	How do security holders sell part of their entitlements through a broker and accept for the balance?	n/a
32	How do security holders dispose of their entitlements (except by sale through a broker)?	n/a
33	⁺ Issue date	n/a

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of +securities
(tick one)

(a) +Securities described in Part 1

(b) All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories

37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought

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39 +Class of +securities for which quotation is sought

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40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

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41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

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	Number	+Class
42	Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	

Quotation agreement

1 +Quotation of our additional +securities is in ASX’s absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: Date: 16 May 2019
Local Agent

Print name: Brent Hofman

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	400,527,647
Add the following: <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 - • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval 105,120,547 • Number of partly paid +ordinary securities that became fully paid in that 12 month period - <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> - • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	-
“A”	505,648,194

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	75,847,229
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p>Note:</p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	48,880,000
“C”	48,880,000
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	75,847,229
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	48,880,000
Total [“A” x 0.15] – “C”	26,967,229 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	505,648,194
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	50,564,819
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	1,957,955
“E”	1,957,955

+ See chapter 19 for defined terms.

Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A	
"A" x 0.10 <i>Note: number must be same as shown in Step 2</i>	50,564,819
Subtract "E" <i>Note: number must be same as shown in Step 3</i>	1,957,955
Total ["A" x 0.10] – "E"	48,606,864 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.