

Appendix 5B

Mining exploration entity and oil and gas exploration entity monthly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

AXIOM MINING LIMITED

ARBN

119 698 770

Month ended ("current month")

31 August 2019

Consolidated statement of cash flows	Current month \$A'000	Year to date (11 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	-	(723)
(b) development	(24)	(2,203)
(c) production	(62)	(742)
(d) staff costs (all departments)	(75)	(2,514)
(e) administration and corporate costs	(161)	(1,440)
1.3 Dividends received (see note 3)		
1.4 Interest received	-	1
1.5 Interest and other costs of finance paid	-	(31)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)		110
1.9 Net cash from / (used in) operating activities	(322)	(7,542)

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Consolidated statement of cash flows		Current month \$A'000	Year to date (11 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	(36)
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	(36)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	2,420
3.2	Proceeds from convertible notes	-	1,000
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(131)
3.5	Proceeds from borrowings	⁽¹⁾ 300	⁽¹⁾ 4,194
3.6	Repayment of borrowings	-	(88)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	300	7,395

(1) Year to date total of \$4.19 million includes \$2 million of subscription money that was paid to the Company from an advance in December 2018 quarter from a Director which was later converted to shares following shareholder approval at an EGM on 8 February 2019. (See ASX releases dated 5 and 8 February 2019). \$100,000 from a director in a placement that was approved at EGM on 10 June 2019 (see ASX release 10 May 2019). A total of 1.478 million (300k in August 2019) was received as loans from unrelated parties as part of a potential capital raising announcement on the 27 May 2019 and on-going capital raising activity.

Consolidated statement of cash flows	Current month \$A'000	Year to date (11 months) \$A'000
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	51	212
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(322)	(7,542)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	(36)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	300	7,395
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	29	29

5. Reconciliation of cash and cash equivalents at the end of the month (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current month \$A'000	Previous month \$A'000
5.1 Bank balances	5	27
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (Term Deposit/ Bank Guarantee)	24	24
5.5 Cash and cash equivalents at end of month (should equal item 4.6 above)	29	51

6. Payments to directors of the entity and their associates	Current month \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	-
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

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7. Payments to related entities of the entity and their associates	Current month \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at month end \$A'000	Amount drawn at month end \$A'000
8.1 Loan facilities	(1), (2) (3) (4) 1,822	1,822
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after month end, include details of those facilities as well.		

- (1) Includes a Deed of Agreement for an unsecured loan to Overseas Shipping, Trading & Investments for up to \$344,000 with a 5% interest rate. Loan is not due for repayment until called upon.
- (2) \$353,000 was received as a subscription in a placement, subject to shareholder approval at an EGM, by the issue of shares on the same terms as an entitlement offer planned by the Company being for every one placement share issued, to subscribe for attaching options. After reporting period this amount was converted into registered shares at \$0.01.
- (3) \$467,000 (June 2019) and \$358,000 (July 2019) was received as part of an \$825,000 unsecured loan. Subject to shareholder approval, this amount can be repaid by the issue of shares at the same price as an entitlement offer planned by the Company however for every one placement share issued, it will subscribe to four attaching option. After reporting date, approximately 54% of this loan has been converted into shares at \$0.01 with the balance to be converted in shares subject shareholder approval at an EGM.
- (4) A secured loan for \$300,000 has been provided in August 2019 as part of a financing transaction involving two private equity resource investors currently engaged in due diligence with the Company. The loan has an interest rate of 8% and is repayable in August 2020. (see ASX release 22 August 2019)
- (5) During the month of September 2019, the company has received commitments / subscriptions of \$300,000 in unsecured loans from unrelated parties. Subject to shareholder approval, this amount can be repaid by the issue of shares with attaching option. If the shares and options are not issued within a reasonable period of time, the monies received will be repayable in cash. This loan is subjected to a 5% interest over 2 months.
- (6) For reference purposes only, a terms sheet with Traxys Europe S.A. ('Traxys') announced on 1 March 2019 for a finance facility up to US\$10.5 million (approx. AU\$14.8 million) remains on foot and has not been withdrawn. It remains however highly conditional including being subject to continuing due diligence and final documentation and there is no guarantee that these conditions will be satisfied.

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9. Estimated cash outflows for next month ⁽¹⁾		\$A'000
9.1	Exploration and evaluation	1
9.2	Development ^{(2) (3)}	4
9.3	Production ^{(2) (3)}	9
9.4	Staff costs (all departments)	13
9.5	Administration	3
9.6	Title and permitting	-
9.7	Interest paid	-
9.8	Total estimated cash outflows *	30


Notes:

- (1) September expenditure is subject to availability of funding. Sources of funding for September and the following months including proceeds from a financing transaction announced on 22 August 2019 with the final amount and structure of the transaction incomplete and subject to due diligence, subscriptions for additional loans from unrelated parties, improved supplier credit terms, a potential new entitlement offer to shareholders, and net proceeds from first shipment and potential project finance facility.
- (2) This includes cash outflows associated with both (a) mine development and production activities conducted in previous months, deferred until month of September and (b) activities conducted in September.
- (3) The Company will not commit to new development or exploration costs unless funding has been secured or there are reasonable prospects of securing funding. Axiom has been able to continue to secure improved supplier terms of payment and or raise additional funding required.

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of month	Interest at end of month
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Nil	-	-	-
10.2	Interests in mining tenements and petroleum tenements acquired or increased	Nil	-	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: 

Local Agent

Date: 30 September 2019

Print name: Brent Hofman

Notes

1. The Monthly report provides a basis for informing the market how the entity's activities have been financed for the past month and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this monthly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this monthly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.