

Axiom Mining Limited

ARBN 119 698 770

Meeting Documentation

Notice of Extraordinary General Meeting Explanatory Statement

Date of Meeting
15 October 2015

Time of Meeting
10:00 am

Place of Meeting
Christie Conference Centre
Shogun Room
Level 2
320 Adelaide Street
Brisbane QLD 4000

ARBN 119 698 770

Notice of Extraordinary General Meeting

An Extraordinary General Meeting of Axiom Mining Limited ARBN 119 698 770 will be held at Christie Conference Centre, Shogun Room, Level 2, 320 Adelaide Street, Brisbane QLD 4000 on Thursday, 15 October 2015 at 10:00 am.

The business to be considered at the Extraordinary General Meeting is set out below.

This Notice of Meeting should be read in its entirety in conjunction with the accompanying Explanatory Statement, which contains information in relation to the following Resolutions. If you are in any doubt as to how you should vote on the proposals set out in this Notice of Meeting, you should consult your financial or other professional adviser.

Special Business

To consider and, if thought fit, to pass the following special resolutions:

RESOLUTIONS RELATING TO THE COMPANY'S ARTICLES OF ASSOCIATION

Special Business

To consider and, if thought fit, to pass the following special resolutions

RESOLUTIONS RELATING TO THE COMPANY'S ARTICLES OF ASSOCIATION

Resolution 1 – Amendments to the Company's Articles to insert Takeover Provisions

That, having received a waiver of ASX Listing Rule 15.15, for the purposes of Section 90(3) of the Companies Ordinance (Chapter 622) (Hong Kong) and for all other purposes, the Company's Articles of Association be amended in the manner set out in the Annexure A and referred to in section 3 of the Explanatory Statement to this Notice of Meeting.

Resolution 2 – Renewal of Proportional Takeover Approval provisions

That the proportional takeover provisions contained in Article 180 of the Articles of Association of the Company and referred to in section 4 of this Explanatory Statement be renewed for a period of 3 years from the date of this special resolution.

RESOLUTION RELATING TO APPOINTMENT OF HONG KONG AUDITORS

Resolution 3 – Appointment of new Hong Kong Auditors

That Zenith CPA Limited, Certified Public Accountant of 10/F, China Hong Kong Tower, 8-12 Hennessy Road Wanchai, Hong Kong be appointed as auditors of the Company, with such appointment to take effect from the close of the meeting, to hold office until the conclusion of the next Annual General Meeting of the Company and that the Board of Directors of the Company be authorised to fix their remuneration.

Ordinary Business

To consider and, if thought fit, to pass the following ordinary resolutions:

RESOLUTIONS RELATING TO SHARE ISSUES TO PROFESSIONAL AND/OR SOPHISTICATED INVESTORS

Resolution 4 – Ratification of issue of 4,298,331 Shares to professional and/or sophisticated investors on 28 May 2015

That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, the Company approves and ratifies the issue of 4,298,331 fully paid Shares to professional and/or sophisticated investors as set out in section 12.1 of the Explanatory Statement.

Voting exclusion statement for Resolution 4: The Company will disregard any votes cast on this Resolution by the allottees described in section 12.1 of the Explanatory Statement and any of their Associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 5 – Ratification of issue of 2,460,078 Shares to professional and/or sophisticated investors on 1 June 2015

That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, the Company approves and ratifies the issue of 2,460,078 fully paid Shares to professional and/or sophisticated investors as set out in section 12.2 of the Explanatory Statement.

Voting exclusion statement for Resolution 5: The Company will disregard any votes cast on this Resolution by the allottees described in section 12.2 of the Explanatory Statement and any of their Associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 6 – Ratification of issue of 900,000 Shares to professional and/or sophisticated investors on 2 June 2015

That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, the Company approves and ratifies the issue of 900,000 fully paid Shares to professional and/or sophisticated investors as set out in section 12.3 of the Explanatory Statement.

Voting exclusion statement for Resolution 6: The Company will disregard any votes cast on this Resolution by the allottees described in section 12.3 of the Explanatory Statement and any of their Associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 7 – Ratification of issue of 2,429,056 Shares to professional and/or sophisticated investors on 16 June 2015

That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, the Company approves and ratifies the issue of 2,429,056 fully paid Shares to professional and/or sophisticated investors as set out in section 12.4 of the Explanatory Statement.

Voting exclusion statement for Resolution 7: The Company will disregard any votes cast on this Resolution by the allottees described in section 12.4 of the Explanatory Statement and any of their Associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTIONS RELATING TO ISSUES OF CONVERTIBLE NOTES AND ATTACHING OPTIONS TO PROFESSIONAL AND/OR SOPHISTICATED INVESTORS

Resolution 8 – Ratification of issue of 5 Convertible Notes to professional and/or sophisticated investors on 2 June 2015 and approval of issue of Shares on conversion of Convertible Notes

That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, the Company approves and ratifies the issue of the 5 Convertible Notes to professional and/or sophisticated investors and approves the Directors to issue such number of fully paid Shares on conversion of such Convertible Notes calculated in accordance with and on the terms and conditions set out in section 12.5 of the Explanatory Statement.

Voting exclusion statement for Resolution 8: The Company will disregard any votes cast on this Resolution by the allottees described in section 12.5 of the Explanatory Statement and any of their Associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 9 – Ratification of issue of 2,000,000 Options to professional and/or sophisticated investors on 2 June 2015 and approval of issue of Shares on exercise of Options

That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, the Company approves and ratifies the issue of 2,000,000 Options to professional and/or sophisticated investors and approves the Directors to issue 2,000,000 Shares on exercise of those Options on the terms and conditions set out in section 12.6 of the Explanatory Statement.

Voting exclusion statement for Resolution 9: The Company will disregard any votes cast on this Resolution by the allottees described in section 12.6 of the Explanatory Statement and any of their Associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 10 – Ratification of issue of 333,333 Shares to a professional and/or sophisticated investor on 16 June 2015 on conversion of Convertible Notes

That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, the Company approves and ratifies the issue of 333,333 fully paid Shares on conversion of Convertible Notes to a professional and/or sophisticated investor as set out in section 12.7 of the Explanatory Statement.

Voting exclusion statement for Resolution 10: The Company will disregard any votes cast on this Resolution by the allottee described in section 12.7 of the Explanatory Statement and any of his Associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance

with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 11 – Ratification of issue of 66,666 Options to a professional and/or sophisticated investor on 13 July 2015 and approval of issue of Shares on exercise of Options

That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, the Company approves the issue of 66,666 Options to a professional and sophisticated investor and approves the Directors to issue 66,666 Shares on exercise of those Options on the terms and conditions set out in section 12.8 of the Explanatory Statement.

Voting exclusion statement for Resolution 11: The Company will disregard any votes cast on this Resolution by the allottee described in section 12.8 of the Explanatory Statement and any of their Associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 12 – Approval of issue of 22,158,548 Options

“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, the Company approves the issue of 22,158,548 Options to professional and sophisticated investors as set out in section 12.9 of the Explanatory Statement and approves the Directors to issue 22,158,548 Shares on exercise of those Options on the terms and conditions set out in section 12.9 of the Explanatory Statement.”

Voting exclusion statement for Resolution 12: The Company will disregard any votes cast on this Resolution by the allottees described in section 12.9 of the Explanatory Statement and a person who might obtain a benefit (except a benefit solely in the capacity of a holder of Shares, if the resolution is passed) and any of their Associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 13 – Approval of issue of 1,309,523 Options to Neil Gardyne Investments Pty Ltd

“That, subject to Shareholders approving Resolution 13, for the purposes of ASX Listing Rule 10.11 and for all other purposes, the Company approves the issue of 1,309,523 Options to Neil Gardyne Investments Pty Ltd (which company, for the purpose of ASX Listing Rule 19.12 is treated as a related party) on the terms and conditions set out in section 12.10 of the Explanatory Statement.”

Voting exclusion statement for Resolution 13: The Company will disregard any votes cast on this Resolution by Neil Gardyne Investments Pty Ltd and any of their Associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTIONS RELATING TO THE ISSUE OF SECURITIES TO A DIRECTOR

Resolution 14 – Approval of Issue of 150,000 Performance Rights to Mr Jeremy Gray

That for the purposes of Listing Rule 10.14 and for all other purposes, the Company approves the granting of 150,000 Performance Rights under the Director and Executive Performance Rights Plan to Mr Jeremy Gray on the terms and conditions set out in sections 11 and 12.11 of the Explanatory Statement .

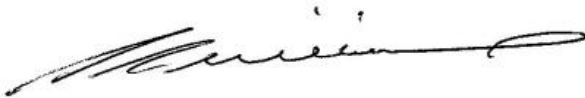
Voting exclusion statement for Resolution 14: The Company will disregard any votes cast on this Resolution by any Director who is eligible to participate in the Director and Executive Performance Rights Plan and any of their Associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Other Business

To transact any other business that might be legally brought before the Extraordinary General Meeting.

Dated 10 September 2015

By order of the board



Stephen Williams
Chairman

Proxies

The Explanatory Statement and all attachments are important documents. They should be read carefully.

If you have any questions regarding the matters set out in this Explanatory Statement or the preceding Notice of Meeting, please contact the Company, your accountant or investment adviser.

The Board has determined that for the purpose of this Extraordinary General Meeting, Shareholders will be taken to be the persons recorded on the Company's register of Shareholders by 10.00am (Brisbane time) on 13 October 2015.

Venue

The Extraordinary General Meeting of the Shareholders of Axiom Mining Limited (**Axiom or Company**) will be held at:

Christie Conference Centre, Shogun Room, Level 2, 320 Adelaide Street, Brisbane QLD 4000

Commencing at 10:00am (Brisbane time) on 15 October 2015.

How to Vote

You may vote by attending the meeting in person, by proxy or authorised representative.

Voting in Person

To vote in person attend the meeting on the date and place as set out above. The meeting will commence at 10:00am (Brisbane time).

Voting by Proxy

To vote by proxy, please complete and sign the Proxy Form enclosed with this Notice of Meeting, so that it is received no later than 10:00am (Brisbane time) on 13 October 2015. Proxy forms received later than this time will be invalid.

Hand deliveries: Boardroom Pty Ltd
Level 12,
225 George Street
Sydney NSW 2000

Postal address: Boardroom Pty Ltd
GPO Box 3993
Sydney NSW 2001

Alternatively you can fax your proxy form so that it is received no later than 10:00am (Brisbane time) on 13 October 2015 on the fax number listed below.

Fax Number: +61 2 9290 9655

Your Proxy Form is enclosed

This is an important document. Please read it carefully. If you are unable to attend the Extraordinary General Meeting please complete the enclosed Proxy Form and return it in accordance with the instructions set out on that form.

Explanatory Statement

1. Introduction

This Explanatory Statement has been prepared for Shareholders of Axiom Mining Limited ARBN 119 698 770 (**Company** or **AVQ**) in connection with the business to be transacted at the Extraordinary General Meeting of the Company to be held at 10:00am on 15 October 2015 at Christie Conference Centre, Shogun Room, Level 2, 320 Adelaide Street, Brisbane QLD 4000, and contains important explanatory and other information for Shareholders in relation to the Resolutions set out in the attached Notice of Meeting.

The Directors recommend Shareholders read this Explanatory Statement carefully in full before making any decision in relation to the Resolutions.

The Directors encourage all Shareholders to attend the Extraordinary General Meeting and vote in person or by proxy to ensure that they have a say in protecting their investment in the Company.

Directors recommend that Shareholders vote in favour of Resolutions 1 to 13.

The Managing Director, Mr Ryan Mount recommends that Shareholders vote in favour of Resolution 14.

If you are in doubt about what to do in relation to the Resolutions, you should consult your financial or other professional adviser.

2. Reasons for Resolutions

The Company is required to comply with the ASX Listing Rules with respect to all Resolutions.

The relevant ASX Listing Rules for which each of the Resolutions is required to be passed is set out in the body of that Resolution. The effect of each relevant provision of the ASX Listing Rules is as follows.

(a) ASX Listing Rule 7.1

ASX Listing Rule 7.1 requires the prior approval of Shareholders if a company proposes to issue or agrees to issue in any 12 month period Equity Securities exceeding 15% of its securities on issue at the commencement of the 12 month period.

(b) ASX Listing Rule 7.4

ASX Listing Rule 7.4 provides that a company may approve an issue of securities made without approval under ASX Listing Rule 7.1 subsequently to the issue of those securities provided that the issue did not breach ASX Listing Rule 7.1.

(c) ASX Listing Rule 10.11.1

ASX Listing Rule 10.11.1 requires the prior approval of Shareholders for the issue of securities to a related party, which includes a Director of the Company.

(d) ASX Listing Rule 10.14

ASX Listing Rule 10.14 requires the prior approval of Shareholders for the acquisition of securities by a related party (which includes a Director of the Company) under an employee incentive scheme.

(e) ASX Listing Rule 15.15

ASX Listing Rule 15.15 provides that a foreign company's constitution must not include provisions relating to takeovers or substantial shareholdings.

None of the Resolutions are inter-conditional. Accordingly, if Shareholders do not approve one of the Resolutions, other Resolutions may still be approved by Shareholders.

Resolutions 1 to 3 are special resolutions, which require approval by 75% of Shareholders present at the meeting, either in person or by proxy. Resolutions 4 to 14 are ordinary resolutions, which require approval by 50% of Shareholders present at the meeting, either in person or by proxy.

3. Amendments to the Company's Articles to insert Takeover Provisions (Resolution 1)

3.1 Background

The Company is incorporated in Hong Kong and listed on the ASX.

As a company incorporated in Hong Kong, the takeover protection mechanisms available to shareholders in companies incorporated in Australia in Chapter 6 of the Australian Corporations Act do not apply to the Company. The Company has obtained legal advice from its Hong Kong solicitors that the Hong Kong Takeovers Code will not apply to the Company. Further, the Company has obtained a ruling from the Securities and Futures Commission in Hong Kong that confirms that the Company is not considered to be 'a public company in Hong Kong' for the purposes of the Takeovers and Mergers and Share Buy-backs Codes.

The Board has recently assessed the takeover protection afforded to all Shareholders under the existing Articles of Association and has determined that it would be prudent to adopt a comprehensive takeover regime to ensure, as far as is possible, fair treatment to all Shareholders in the event of takeover or a change in control of the Company. Currently, the only takeover protections for Shareholders are set out in Article 180 of the Articles of Association of the Company, which Article deals with proportional takeovers and is discussed in more detail in Section 4 below.

In the absence of a takeover regime, a person may gain control of the Company without making an equal offer to all Shareholders. Shareholders may not be given the opportunity to participate in any offer or the benefits of any such offer. Shareholders may not even be aware of any attempt by a person to acquire control of the Company.

Resolution 1 proposes an amendment to the Company's Articles of Association to provide that Chapter 6 of the Corporations Act (as amended) will apply as if the Company were an ASX listed company incorporated in Australia.

The proposed provisions seek to ensure that Chapter 6 of the Corporations Act (as amended) must be complied with if a person seeks to acquire a substantial interest in or control of the Company. The provisions to be inserted in the

Company's Articles of Association are set out in Annexure A to this Explanatory Statement (**Takeovers Provisions**).

3.2 Advantages and Disadvantages of the Takeovers Provisions

The potential advantages and disadvantages of incorporating the takeover regime contained in the Takeovers Provisions are as follows:

Advantages

(a) The Takeovers Provisions provide a regulated environment within which changes of control of the Company can occur

The adoption of the Takeovers Provisions will require acquisitions of Substantial Holdings in or control of the Company to be conducted in accordance with the principles applicable to takeovers regulated by the Australian Corporations Act, namely, that:

- (a) the acquisition of control over the Company takes place in an efficient, competitive and informed market;
 - (b) each Shareholder, the Company and the Board:
 - (i) know the identity of any person who proposes to acquire a substantial interest in the Company;
 - (ii) have a reasonable time to consider a proposal to acquire a substantial interest in the Company; and
 - (ii) are given sufficient information to enable them to assess the merits of a proposal to acquire a substantial interest in the Company; and
 - (d) as far as practicable, Shareholders have a reasonable and equal opportunity to participate in any benefits accruing to Shareholders through any proposal under which a person would acquire a substantial interest in the Company.
- (b) The Takeovers Provisions aim to ensure that all Shareholders can participate in any transaction which involves a change of control of the Company**

The absence of existing provisions regulating the acquisition of Shares in the Company in the Company's Articles of Association or otherwise applying to the Company means that a person could discretely seek "creeping" control, execute a "dawn raid" or target a few major Shareholders and gain effective or actual control of the Company.

In the absence of adequate takeover protection provisions, many Shareholders may receive no benefit from a person obtaining control of the Company.

The main safeguard provided for shareholders under the takeovers regime in Chapter 6 of the Corporations Act is to ensure, as far as is practicable, that all shareholders have a reasonable and equal opportunity to participate in any benefits accruing through any proposal to acquire control of a company.

Chapter 6 provides this protection by ensuring that an acquisition of an interest in 20% or more of the Company's issued capital proceeds only in accordance with permitted acquisition methods (e.g. through a compulsory offer for all Shares).

(c) The Takeovers Provisions aim to ensure that all Shareholders can share in any control premium payable by a person acquiring control

The control of a company usually confers certain benefits on a person having that control. The nature and extent of the benefit depends on the level of control the person holds. By obtaining effective control, a person may have significant influence over the financial and operating decisions of the Company and may be in a position to replace the Board.

Accordingly, the consideration payable to acquire control will usually be more than the market value of a parcel of shares which does not provide control. The difference between the fair value for a share which does not provide control and the price an acquirer will pay to obtain control is the "control premium".

By adopting Chapter 6, the provisions of which prescribe the circumstances and manner in which a person can acquire control in the Company, the Takeovers Provisions aim to ensure, so far as is practicable, that all Shareholders share in any premium for control which is to be paid.

(d) The Takeovers Provisions adopt a regime which is familiar to investors in Australian companies

The Takeovers Provisions adopt Chapter 6 of the Australian Corporations Act with necessary amendments. As the Company's sole listing is on ASX, its Shareholders are expected to be familiar with the regulatory environment in Australia and so are likely to be generally familiar with the Corporations Act's takeover regime. In addition, over 96.7% of the Company's Shares are held by persons with a registered address in Australia.

Accordingly, the adoption of the Takeovers Provisions should provide greater certainty for Shareholders and potential bidders as to the manner in which control can pass and the process and role of all participants in the process, including the Company, the bidder, Shareholders and ASX.

(e) The Takeovers Provisions facilitate the maintenance of an informed market

The provisions of Chapter 6 are designed to ensure that Shareholders and market participants are given all information by a bidder that is material to the making of a decision by a Shareholder regarding whether or not to accept an offer for their Shares.

In addition, the substantial shareholder notification obligations in Chapter 6 which will also be adopted under the Takeovers Provisions require Shareholders to notify ASX and the Company of the acquisition of relevant interests in Shares of 5% or more so as to inform Shareholders of persons who hold or are acquiring Substantial Holdings in the Company.

(f) Opportunity for competing bids / competitive tension

The regulated procedures for a person to acquire a controlling interest in the Company under Chapter 6 of the Corporations Act allow a period of time for potential competing bidders to assess the proposed offer and, if appropriate, make a competing offer for the Company.

In the absence of an appropriate takeover regime, control in the Company can pass before a potential competing bidder is aware that there is an opportunity to make a competing offer. Competitive tension between bidders may result in Shareholders receiving a higher offer for their Shares.

(g) The Board has flexibility to facilitate transactions in the interests of all Shareholders

The discretions provided to the Board under the Takeovers Provisions enable a transaction supported by the Board to be implemented in a streamlined manner. In addition, the Takeovers Provisions provide the flexibility for a bid which is not supported by the Board to still proceed so that Shareholders ultimately decide whether a change of control in the Company is desirable.

Disadvantages

(a) No external regulator to apply and exercise discretions

Although the Company proposes to adopt Chapter 6, because the Company is registered in Hong Kong, the Takeovers Provisions will not be regulated by ASIC and the Takeovers Panel.

The Takeovers Provisions instead provide that the Board has certain discretions to vary the application of the relevant rules (provided that the underlying principles on which the Takeovers Provisions are based are complied with). In addition, before any remedies can be exercised by the Company against a bidder, they must be approved by a court of competent jurisdiction or, subject to obtaining any necessary waiver from ASX, by a senior independent lawyer experienced in mergers and acquisitions in Australia.

These matters are considered by the Board to be an acceptable consequence of ensuring the protections and advantages of the Takeovers Provisions are available to all Shareholders.

(b) Impediment to acquisition of control for individual Shareholders

The Takeovers Provisions will make it more difficult for individual Shareholders to acquire control of the Company without making an offer to all Shareholders and paying an appropriate control premium. While this may be a disadvantage of the proposal for certain Shareholders, the Board considers that it is in the best interests of all Shareholders as a whole.

(c) Increase in compliance costs

The Takeovers Provisions will impose additional compliance costs on the Company and Shareholders seeking to acquire a Substantial Holding in or control of the Company. In addition, the requirement for external approval before any remedies can be exercised by the Board for failure to comply with the Takeovers Provisions will impose an additional cost burden on the Company.

These costs are considered by the Board to be an acceptable consequence of ensuring the protections and advantages of the Takeovers Provisions are available to all Shareholders.

(d) Impact of acquisition of control in the Company

If the Takeovers Provisions are approved and incorporated into the Articles of Association of the Company, they may discourage persons seeking to acquire control of the Company by not extending the offer to all Shareholders (or otherwise acquiring the Shares in a permitted manner). While this may be a disadvantage of the proposal for certain Shareholders, the Board considers that it is in the best interests of all Shareholders as a whole.

3.3 Effect of the Takeovers Provisions

The following is a summary of the effects of the Takeovers Provisions. This summary is not exhaustive. For a comprehensive understanding of the Takeovers Provisions, Shareholders should refer to Annexure A which sets out the Takeovers Provisions in full.

(a) Prohibition on acquiring more than 20%

The Takeovers Provisions provide that no person may hold a Share if it resulted from the acquisition of a Relevant Interest which would be prohibited under section 606 of the Corporations Act if the Company was a company incorporated in Australia and listed on the ASX.

Subject to certain exceptions (set out in section 611 of the Corporations Act), section 606 of the Corporations Act provides that a person is prohibited from acquiring a Relevant Interest if, because of the acquisition, the person's or someone else's Voting Power in the Company either increases:

- (a) from 20% or below to more than 20%; or
- (b) from a starting point that is above 20% and below 90%
(Prohibition).

If Resolution 1 is approved, the Prohibition will have effect from the date of adoption of the amendments set out Annexure A and will apply to any acquisition of a Relevant Interest after that date.

Acquisitions or holdings which breach this Prohibition do not cause such acquisitions or holdings to be invalid.

Chapter 6 provides that subject to certain exclusions as set out in section 609 of the Corporations Act, a person has a Relevant Interest if the person has any interest in Shares that causes or permits the person to:

- (a) exercise or control the exercise of voting rights on Shares; or
- (b) dispose of or control the disposal of Share,

including inter alia, the legal or beneficial ownership of a Share and an interest under an option agreement to acquire a Share and irrespective of whether that power or influence is direct or indirect.

Section 610 of the Corporations Act provides that a person's Voting Power in the Company is calculated as follows:

$$\frac{\text{Person's and associates' votes}}{\text{Total votes in the Company}} \times 100$$

where:

"Person's and associates' votes" is defined as the total number of votes attached to all the Shares (if any) in which that person or an associate directly or indirectly has a Relevant Interest.

"Total votes in the Company" is the total number of votes attached to all Shares.

A person, holding or acquiring a Relevant Interest shall, together with their affiliated companies be considered as one person in respect of such a Relevant Interest and will be jointly and severally liable for each other's obligations under the Takeovers Provisions.

(b) Relevant Interest Exclusions

The Takeovers Provisions specify that the Prohibition does not apply if:

- (a) any of the exceptions in section 611 of the Corporations Act would have applied to the acquisition of the Relevant Interest if the Company were incorporated in Australia and listed on the ASX; or
- (b) the Board, applying the Corporations Act and relevant policy exempts the person from the Prohibition or modifies the application of the Prohibition to that person.

Under section 611 of the Corporations Act, a person does not have a Relevant Interest, if the Relevant Interest arises merely because:

- (a) of a mortgage, charge or other security taken for the purpose of a transaction entered into by the person if:
 - (i) the mortgage, charge or security is taken or acquired in the ordinary course of the person's business and on ordinary commercial terms; and
 - (ii) the person whose property is subject to the charge or security is not an associate of the person;
- (b) that person acquires a Relevant Interest solely as a nominee or trustee for a person who may direct the nominee or trustee as to the exercise of any power relating to the Relevant Interest;
- (c) that person is a person licensed to conduct a financial services business and holds Shares on behalf of someone else in the ordinary course of that financial services business;
- (d) the Company has entered into an agreement to buy back the person's Shares;
- (e) the person has been appointed to vote as a proxy or representative on Shares if:
 - (i) the appointment is for one meeting of the Company only; and
 - (ii) neither the person nor any Associate gives valuable consideration for such appointment;
- (f) the person holds:
 - (i) a market traded option (as that term is defined in the Corporations Act) over the Shares; or
 - (ii) a right to acquire a Relevant Interest given by a (futures) agreement,

(this paragraph (f) stops applying to any Relevant Interest when the obligation to make or take delivery of the Shares arises);
- (g) an agreement exists if the agreement:
 - (i) is conditional on a resolution under section 611, Item 7 being passed; or

- (ii) does not confer any control over, or power to substantially influence, the exercise of Voting Power attached to the Shares; and
 - (iii) does not restrict the disposal of the Shares for more than 3 months from the date when the agreement was entered into;
- (h) the Company's Articles of Association or other applicable law gives all Shareholders pre-emptive rights on the transfer of Shares provided that all Shareholders of the Company have pre-emptive rights on the same terms;
- (i) the person is a director of a legal entity having a Relevant Interest; or
- (j) the person holds Shares as a custodian or depository in order to enable the Shares of the Company to be traded on a stock market of a securities exchange.

(c) Exceptions to the Prohibition

Various exceptions to the Prohibition are set out in Section 611 of Chapter 6 of the Corporations Act adopted by the Takeovers Provisions.

In particular, the acquisition of a Relevant Interest in the Company's Shares which results in a Shareholder having Voting Power in more than 20% of the Company (or any increase in Voting Power from a starting position of more than 20% and less than 90%) will not contravene the Prohibition where:

- (a) the holding or acquisition results from acceptances of offers under a takeover bid which complies with section 612 of the Corporations Act (**Takeover Bid**);
- (b) the holding or acquisition occurs on-market during the currency of a Takeover Bid if:
 - (i) the acquisition is by or on behalf of a bidder under a Takeover Bid;
 - (ii) the acquisition occurs during the bid period in respect of the Takeover Bid;
 - (iii) the bid is for all of the Shares or a specified proportion of the Shares; and
 - (iv) the bid is unconditional or conditional only on the happening of an event referred to in section 652C(1) or (2) of the Corporations Act;
- (c) the acquisition results from the acceptance of an offer under a Takeover Bid if the Shares are included in the consideration for offers under the bid;
- (d) the holding or acquisition results from the exercise of a person of a power, or appointment as a receiver or receiver and manager under a mortgage, charge or other security if:
 - (i) the person's ordinary business includes the provision of financial accommodation by any means; and
 - (ii) the person took or acquired the security in the ordinary course of business of the provision of financial

accommodation by any means and on ordinary commercial terms;

- (e) the holding or acquisition is approved by a general meeting if:
 - (i) no votes are cast in favour of the resolution by the person proposing to make the acquisition or from whom the acquisition is to be made and their associates; and
 - (ii) the Shareholders are given all information known to the person proposing to make the acquisition or its associates, or known to the Company, that was material to the decision on how to vote on the resolution.

ASIC policy in respect to the proposals made under this provision is that the independent directors either commission an independent expert's report or undertake a detailed examination of the proposal themselves to prepare a report containing information of no lesser quality than shareholders would have received from an independent expert. Although the Company may decide that to satisfy the requirements of this exception, it may commission an independent expert's report, it is not expressly obliged to do so under the Takeovers Provisions;

- (f) the holding or acquisition arises in the following circumstances:
 - (i) throughout the six months before the acquisition, a person has had Voting Power in the Company of at least 19%; and
 - (ii) the acquisition results in a person's Voting Power increasing by no more than 3% in a 6 month period;
- (g) the holding or acquisition is the result of a pro-rata offer of Shares to Shareholders which includes the holding or acquisition by a person as an underwriter or a sub-underwriter to the pro-rata offer.
- (h) the holding or acquisition results from an issue of shares in the Company to existing holders of Shares under a dividend reinvestment plan or bonus share plan, if the plan is available to all Shareholders;
- (i) the holding or acquisition results from an issue under a prospectus to a person as underwriter or sub-underwriter to the issue where the prospectus discloses the effect or range of possible effects that the issue would have on the number of Shares in which that person would have a Relevant Interest or on the voting rights of the person;
- (j) the holding or acquisition results from the acceptance of offers by the Company for the securities of another body corporate listed on the stock market of a securities exchange; or
- (k) the holding or acquisition results from an acquisition by operation of law including by way of a compromise, arrangement or amalgamation.

(d) Takeover Bid principles

Parts 6.4 to 6.6 of Chapter 6 of the Corporations Act, which are to be adopted by the Takeovers Provisions sets out the terms on which any takeover bid must be made, including:

- (a) an offer must be an offer to acquire all the securities in the same class or a specified proportion of the securities (which proportion must be the same for all holders of securities) (section 618(1));
- (b) a person who holds one or more parcels of securities as trustee or nominee for, or otherwise on account of, another person may accept the offer as if a separate offer had been made in relation to:
 - (i) each of those parcels; and
 - (ii) any parcel they hold in its own right,(section 653B);
- (c) all of the offers must be the same, although certain exceptions are allowed, for example, for different accrued dividends, the fact that some securities may remain partly paid or any additional cash amount offered in satisfaction of fractions of securities that would otherwise be offered (section 619);
- (d) the consideration offered for securities must be at least equal to consideration directly or indirectly provided, or agreed to be provided, by the bidder during the 4 months prior to the first day of the period of the offer (section 621(3));
- (e) the person making a Takeover Bid must not, directly or indirectly during the period of the offer, give or agree to give a benefit to a Shareholder if the benefit is likely to induce the Shareholder to accept the offer or dispose of securities and the benefit is not offered to all Shareholders (section 623).
- (f) the offer must start on the date the first offer is made and must last for at least 1 month and not more than 12 months. If, within the last 7 days of the period of the offer, the offers are varied to improve the consideration offered (including by offering an alternative form of consideration) or the bidder's Relevant Interest (whether held directly or indirectly) increases to more than 50% of the issued and outstanding Share capital of the Company, the offer period must be extended for a further 14 days from the happening of that event (section 624);
- (g) the offers must not contain certain conditions which include:
 - (i) maximum acceptance conditions (section 626);
 - (ii) conditions which discriminate between Shareholders (section 627); and
 - (iii) conditions in respect of which their fulfilment depends on the opinion, belief or other state of mind of the bidder or the happening of an event that is in the sole control of the bidder or a person associated with the bidder (section 629).
- (h) the offers may only be varied by improving the consideration offered or extending the period of offer. The terms of the unaccepted offers must be varied in the same way. Any person who has already accepted an offer must be entitled to the improved consideration and, in the case of an addition of a new form of consideration, be entitled to make a fresh election (sections 650A and 650B);

- (i) a bidder making an unconditional offer may extend the period of the offer at any time before the end of the offer. A bidder making an offer that is still subject to conditions may only extend the offer period at least 7 days before the end of the period of the offer unless during that 7 day period, another person announces a bid for securities or improves the consideration offered under another bid for securities (section 650C);
- (j) every offer must be in writing and have the same date which is the day the first offer is made (section 620);
- (k) the bidder must, at the same time as it gives its offer to holders of securities, also give a document to those holders setting out all information required by section 636, including all information known to the bidder that is material to the making of a decision by a holder of securities whether or not to accept the offer. This document must also be given to the Company and ASX at least 14 days before it is given to these holders (Section 633(1)); and
- (l) the bidder must also update or correct this document by a supplementary document if, for example, the bidder becomes aware that a statement in the document is misleading or deceptive or a new circumstance has arisen which needs to be disclosed (section 643). The bidder must give the supplementary document to the Company and give a copy to ASX which must be dated the date that the supplementary document is given to ASX (section 647).

(e) Notification of Substantial Holdings

Under section 671B of the Corporations Act, which is to be adopted by Article 179B of the Takeovers Provisions, a person is required to notify the Company and the ASX of the information set out below within 2 business days of them being aware of the following circumstances:

- (a) the person (together with its associates) begins, or ceases to have, a Substantial Holding; or
- (b) a movement of at least 1% in the person's Substantial Holding.

If a person makes a takeover bid, the person must also notify the Company and ASX (of the information set out below) by 9:30am on the next trading day after they become aware of these circumstances.

The following information is required to be provided:

- (a) the person's name and address;
- (b) details of their Relevant Interest;
- (c) details of any relevant agreement through which they would have a Relevant Interest;
- (d) the name of each associate who has a Relevant Interest in the Shares in the Company together with details of:
 - (i) the nature of their association with the associate;
 - (ii) the Relevant Interest of the associate; and
 - (iii) any relevant agreement through which the associate has the Relevant Interest;

- (e) if the information is given because of a movement in the shareholding - the size and date of that movement; and
- (f) any other information that the person or the Company may deem relevant.

For those Shareholders who currently have a Substantial Holding, the first notice should be lodged within 2 business days after the Takeovers Provisions are adopted.

(f) Tracing beneficial ownership of Shares

Under sections 672A and 672B of the Corporations Act, adopted by Article 179B of the Takeovers Provisions, the Company has the power to give a notice to a Shareholder requiring the Shareholder to disclose:

- (a) full details of the Shareholder's Relevant Interest and the circumstances that give rise to that Relevant Interest;
- (b) the name and address of each other person who has a Relevant Interest in any of the Shares together with full details of:
 - (i) the nature and extent of that Relevant Interest; and
 - (ii) the circumstances that give rise to that Relevant Interest; and
- (c) the name and address of each person who has given the holder or the persons referred to in paragraph (b) above instructions about:
 - (i) the acquisition or disposal of;
 - (ii) the exercise of any voting or other rights attached to; or
 - (iii) any other matter relating to, the Shares or interests together with full details of those instructions.

A matter referred to in paragraph (b) or (c) above need only to be disclosed to the extent to which it is known to the person required to make that disclosure. The Company may require a Shareholder to give to the Company or to procure that any persons referred to in paragraph (b) or (c) above disclose, within two business days of receiving such notice, a statement setting out details in paragraphs (a) to (c) above.

(g) Enforcement and Remedies

Under the Takeovers Provisions, the Board will be empowered to cause the Company to exercise any one or more of the following remedies if the Prohibition, the Substantial Holding provisions and/or the provisions regarding the disclosure of beneficial interests have been breached and the breach is continuing:

- (a) (in the case of a breach of the Prohibition only) require, by notice in writing, the person to make a takeover bid in accordance with the provisions of Chapter 6 as they apply to the Company pursuant to the Takeovers Provisions;
- (b) (in the case of a breach of the Prohibition only) require, by notice in writing, the Shareholder to dispose of all or part of the Shares held in breach of the Prohibition within the time specified in the notice;

- (c) disregard the exercise by such person of all or part of their voting rights; or
- (c) suspend the person from the right to receive all or part of the dividends or other distributions.

A Shareholder will not have a claim against the Company and the Board arising from the exercise of these remedies if the action was taken in good faith.

Judgment from court

The Company may exercise the remedies set out above if it first obtains a judgment from a court of competent jurisdiction in New South Wales to the effect that a breach of the relevant Article(s) has occurred and is continuing.

Procedure in relation to obtaining legal advice

Alternatively, these remedies may also be exercised without having recourse to the courts if certain procedures described in relation to obtaining legal advice are followed. These procedures are subject to any necessary approvals, consents or waivers required under the ASX Listing Rules.

The Board may cause the Company to exercise the remedies described above if it first obtains advice from, and acts in accordance with, the advice of an advisor who must either be:

- (a) a Senior Counsel practising at the New South Wales bar in the commercial field of at least 5 years standing as a Senior Counsel; or
- (b) a senior partner experienced in Australian mergers and acquisitions of a major Australian commercial law firm.

The advisor must be independent of (and not associated with) the Company and any other interested party and not have a material personal interest in the matter.

The President of the Takeovers Panel nominates the advisor. If he or she is unwilling or unable to make the nomination, a member of the Panel will make the nomination. If that person is also unwilling or unable to make the nomination, the advisor will be nominated by the President for the time being of the New South Wales Law Society.

The advisor will be instructed to, amongst other things:

- (a) advise whether any breach of the Prohibition, the Substantial Holding provisions and/or the provisions regarding the disclosure of beneficial interests has occurred;
- (b) have regard to the purposes of the Takeovers Provisions, and to the extent applicable, Australian case law, published ASIC and Panel rulings, policy and guidelines in interpreting those provisions and giving this advice;
- (c) give the Company and any person that would be aggrieved by the exercise of the Company's powers the opportunity, with their legal advisors, to make submissions to the advisor, prior to the advisor providing the advice; and
- (e) provide his or her advice as soon as possible.

The Company is obliged to provide any assistance or information it may possess, which is reasonably required by the advisor to give the advice. The Company is also responsible for paying the advisor's fees and expenses and must also

indemnify the advisor for any loss or liability he or she may incur in connection with providing the advice, except as a result of his or her negligence or wilful default.

The Company will provide a copy of the advice to a person who has breached or alleged to have breached the Prohibition, the Substantial Holding provisions and/or the provisions regarding the disclosure of beneficial interests.

The Company must include any other terms and conditions in the appointment of the advisor which the nominator specifies.

If the Company has obtained the requisite judgment from a court of competent jurisdiction in New South Wales or has complied with the above procedure for obtaining legal advice, and has given a Shareholder a notice requiring them to dispose of all or part of the Shares held in breach of the Prohibition, then the Company may cause the Shares referred to in the notice to be sold on the ASX.

Upon delivery to the Company of relevant Share certificates (if any) for cancellation, the net proceeds of sale of the relevant Shares (after deducting the expenses of the sale) must be paid to the Shareholder whose Shares were sold. If the Shareholder does not deliver the relevant Share certificates (if any), the Company may sue the Shareholder in detinue for recovery of the Share certificates and the Shareholder is not entitled to deny or dispute the Company's ownership and right of possession of any Share certificate in any legal action.

The Company may require any Shareholder to provide the Company any information or evidence as the Company may consider likely to be of assistance in determining whether that person is eligible to remain a Shareholder with respect to all their Shares.

3.4 Other Material Information

ASX Listing Rules

The Company has sought and obtained from ASX a conditional waiver from ASX Listing Rule 15.15 pursuant to which the Company is permitted by ASX to adopt the Takeovers Provisions.

ASX's waiver of ASX Listing Rule 15.15 permits the Articles of Association of the Company to include provisions which are modelled on the takeover and substantial shareholder provisions of the Australian Corporations Act and sanctions or penalties (**Sanctions**) which entitle the Company or any other party to enforce the Takeovers Provisions, conditional upon:

- the Company not exercising the Sanctions other than in accordance with the ruling of a competent court;
- if the Company becomes subject to a law of any jurisdiction which applies so as to regulate the acquisition of control, and the conduct of any takeover of the Company, the Company shall consult promptly with ASX. If ASX considers that amendment to the Takeovers Provisions or the Sanctions is required, and such amendment is not made to the satisfaction of ASX, the waiver shall cease to apply; and
- the Company must outline in its annual report, the takeover framework which it has adopted into its Articles of Association.

Existing Substantial Shareholders

So far as is known to the Company, the beneficial shareholders of the Company with Substantial Holdings as of the latest date practicable before finalising this Notice of Meeting are as follows:

Beneficial Holders*	Shareholding	Relevant Interest (%)
National Nominees Limited	18,743,122	7.2
Anitua Limited	16,666,666	6.4

* Based on notices lodged with the Company and responses to tracing notices provided to the Company. Holdings may have changed since the date the information was received by the Company.

4. Renewal of Proportional Takeover Approval provisions (Resolution 2)

4.1 Background

Resolution 2 proposes to renew Article 180 of the Articles of Association of the Company. Article 180 has the effect that transfers of shares acquired under a proportional takeover bid will not be registered unless a resolution approving the bid is passed by holders of bid class securities.

Article 180 will only apply to proportional offers, that is, to takeover offers for less than 100% of each holder's holding and will have no application to takeover bids under which an offer is made for all of the securities in a class of securities.

4.2 Effect of the Renewal of Article 180

If Article 180 is renewed and a proportional takeover bid is made for securities of the Company, the Directors must call a meeting to vote on a resolution to approve that bid. Each security holder affected will be entitled to vote (except for the bidder and persons associated with the bidder, who may not vote). Approval of the bid will require a simple majority of the votes cast.

The meeting must be held at least 15 days before offers close under the bid, so that holders should know the result of the voting before they have to make up their minds whether or not to accept for their own securities.

Article 180.11 contains a 'sunset clause' which provides that Article 180 will cease to operate after 3 years unless members resolve by special resolution to further renew them in accordance with the statutory procedure.

4.3 Current acquisition proposals

As at the day on which this Explanatory Statement is prepared, none of the directors of the Company are aware of a proposal by a person to acquire, or to increase the extent of, a substantial interest in the Company.

4.4 Advantages of Renewal of Article 180 for Shareholders

1. The proposal would enable Shareholders to act in a cohesive manner and thereby avoid the coercion of Shareholders that arises where they believe the offer to be inadequate, but nevertheless accept through fear that other Shareholders will accept.
2. The proposal would also obviate Shareholders being coerced into accepting a 'front-end loaded bid'. Such bids were described by the Companies and Securities Law Review Committee in its report on partial takeover bids as follows:

“Experience of takeovers in overseas jurisdictions, particularly the USA, indicates that bidders may engage in what is known as “coercive front-end loaded” bids whereby they make a partial bid at a high premium for minimum effective control of a company and simultaneously indicate their intention to mount a subsequent follow-up bid for the remaining shares at a much reduced price. This puts pressure on shareholders to accept the initial bid in order to maximise their returns.”

3. The proposal would enable Shareholders, by combining together, to veto a change of control that would lock them into a minority position.
4. The existence of the plebiscite machinery in the Articles of Association would make it more probable that any takeover bid will be a full bid for the entire Shareholding of each Shareholder, so that Shareholders may have the opportunity of disposing of all their Shares rather than disposing of a proportion only.
5. If a proportional takeover bid should be made, the existence of the plebiscite machinery will make it more probable that a bidder will set its offer price at a level that will be attractive to the Shareholders who vote.

4.5 Disadvantages of the Renewal of Article 180 for shareholders

1. By placing obstacles in the way of proportional takeover bids, the proposal may tend to discourage proportional takeover bids, thus reducing the opportunity for Shareholders to sell a portion of their holding.
2. It is possible (though, in the opinion of the Board, unlikely) that the existence of the provisions might have an adverse effect on the market value of the Shares by making a proportional takeover bid less likely and thereby reducing any takeover speculation element in the Share price.
3. An individual Shareholder who wishes to accept a proportional takeover bid will be unable to sell to the bidder unless a majority of Shareholders favour the proportional takeover bid.

4.6 Advantages and disadvantages of the Renewal of Article 180 for the Directors

If the Directors consider that a proportional takeover bid should be opposed, they will be assisted in preventing the bidder from securing control of the Company if the bidder needs a majority of the votes cast by the independent Shareholders before it can succeed.

On the other hand, under the proposal, if a proportional takeover bid is commenced, the Directors must call a meeting to seek the Shareholders’ views, even in circumstances where the Directors believe that the bid should be accepted.

At present it is only the Directors who express on behalf of the Company any formal view on the adequacy or otherwise of a takeover bid. Under the plebiscite machinery the most effective view on a proportional takeover bid will become the view expressed by the vote of the shareholders themselves at the meeting.

4.7 Reasons for proposing the resolution

The reasons why the Board has proposed that the Articles of Association should continue to provide for a shareholder plebiscite on proportional takeover bids are set out above.

The Directors consider that these advantages greatly outweigh the disadvantages referred to above and are of the view that the Shareholders should have the power to prevent the control of the Company from passing to a bidder without it making a bid for all the Shares. They believe that the plebiscite procedure is the best procedure available to Shareholders to ensure that they are not virtually forced to accept a proportional offer even though they do not wish the bidder to obtain control of the Company.

4.8 Advantages and disadvantages of Article 180 for the Directors and Shareholders during the period Article 180 was previously in effect

While proportional takeover provisions have been in effect under the Company's Articles of Association, no takeover bids for the Company have been made, either proportional or otherwise. Accordingly, there are no actual examples against which the advantages or disadvantages of the existing proportional takeover provisions, that is, Article 180 of the existing Articles of Association could be reviewed for the Directors and Shareholders. The Directors are not aware of any potential takeover bid that was discouraged by Article 180.

5. Appointment of new Hong Kong auditors (Resolution 3)

At an Extraordinary General Meeting of the Company held on 30 January 2015 the members approved a resolution appointing Zenith CPA Limited as the Company's Hong Kong auditor.

This appointment terminated at the Annual General Meeting of the Company held on 31 March 2015.

The Company has received a written consent to act as auditor of the Company from Zenith CPA Limited, Certified Public Accountant, attached as Annexure D. The Company proposes that Zenith CPA Limited be appointed as Hong Kong auditor of the Company and the Shareholders are asked to authorise the appointment and for the directors to fix their remuneration.

If Resolution 3 is passed by members, the appointment of Zenith CPA Limited will take effect from completion of the Extraordinary General Meeting and continue until the next Annual General Meeting of the Company.

6. Issue of Shares for working capital (Resolutions 4 to 7)

The Company has identified a number of key professional and/or sophisticated investors whom have expressed an interest in investing in the Company and whom are prepared to offer funding to the Company as required.

The Company has issued Shares, for working capital purposes, including in connection with a number of private placements.

The Shares were issued on the following dates:

- on 28 May 2015, 4,298,331 fully paid Shares were issued (see ASX Announcement dated 22 May 2015 for further details in relation to this placement);

- on 1 June 2015, 2,460,078 fully paid Shares were issued (see ASX Announcement dated 22 May 2015 for further details in relation to this placement);
- on 2 June 2015, 900,000 fully paid Shares were issued (see ASX Announcement dated 22 May 2015 for further details in relation to this placement); and
- on 16 June 2015, 2,429,056 fully paid Shares were issued (see ASX Announcement dated 22 May 2015 for further details in relation to this placement).

The Company is seeking subsequent Shareholder approval under Resolutions 4 to 7 for the issue of Shares pursuant to ASX Listing Rule 7.4 to refresh the Company's capacity to issue up to 15% of its issued Shares, if required, in the next 12 months without the need to obtain Shareholder approval.

The allottees of the Shares were professional and/or sophisticated investors (as the case may be) for the purposes of section 708(8) or 708(11) of the Corporations Act (as applicable) and did not acquire the Shares with the purpose of selling or transferring all or any of them or granting, issuing or transferring interests in or options over them, except where disclosure to investors is not required under sections 708 or 708A of the Corporations Act.

7. Convertible Note Agreements (Resolutions 8 to 10)

As announced to the ASX on 22 May 2015, the Company has raised \$1 million through the issue of Convertible Notes, pursuant to a number of Convertible Note Agreements.

The Convertible Notes were issued on the following terms:

- each Convertible Note has a term of 18 months and can be converted at any time by the Noteholder;
- a coupon rate of 8% per annum applies to the Convertible Notes, which must be paid quarterly;
- a conversion price of \$0.30 applies to each Convertible Note; and
- for every \$5.00 worth of Convertible Notes, the Noteholder will be entitled to 10 free attaching Options, with an exercise price of \$0.30, expiring 12 months from the date of issue.

Resolution 8 seeks subsequent Shareholder approval for the issue of 5 Convertible Notes and the issue of 3,000,000 Shares, being the maximum number of Shares that may be issued on conversion of the Convertible Notes (on the basis that 1 Convertible Note worth \$100,000 has already been converted into 333,333 Shares as contemplated by Resolution 10).

Resolution 9 seeks subsequent Shareholder approval for the issue of 2,000,000 Options attaching to the Convertible Notes and the issue of 2,000,000 Shares being the maximum number of Shares that may be issued on exercise of the Options.

During the period between the date of issue of the Convertible Notes and the date of this Explanatory Statement, one Noteholder converted 1 Convertible Note worth \$100,000 into 333,333 Shares. Resolution 10 seeks subsequent Shareholder approval for the issue of 333,333 Shares issued on the conversion of the Convertible Note by that Noteholder.

The allottees of the Shares issued on conversion of the Convertible Notes and exercise of the Options will be professional and/or sophisticated investors (as the case may be) for the purposes of section 708(8) or 708(11) of the Corporations Act (as applicable) and did not acquire (or in the case of the Shares to be issued by the Company, the Company understands that the investors will not acquire) the Convertible Notes, Shares and Options with the purpose of selling or transferring all or any of them or granting, issuing or transferring interests in or options over them, except where disclosure to investors is not required under sections 708 or 708A of the Corporations Act.

A summary of the key terms and conditions of the terms of:

- the Convertible Note Agreements is set out in Annexure B; and
- the Options is set out in Annexure C.

8. Issue of Options to a Professional and/or Sophisticated Investor (Resolution 11)

The Company is seeking subsequent Shareholder approval under Resolution 11 for the issue of 66,666 Options to a professional and/or sophisticated investor pursuant to ASX Listing Rule 7.4, so that such Shares and the issue of 66,666 Shares, being the maximum number of Shares that may be issued on exercise of the Options, so that such Options and Shares issued on exercise of the Options are not taken into account in determining the Company's capacity to issue up to 15% of its issued Shares, if required, in the next 12 months without the need to obtain Shareholder approval.

The Company issued Shares and attaching Options for working capital purposes, in several private placements to a number of key professional and/or sophisticated investors supporting the Company in April, June and September 2014.

All of the Options which were issued had an exercise price of \$0.30 (pre-consolidation) and were exercisable on or before 31 March 2015.

At the Company's Annual General Meeting held on 31 March 2015 (**AGM**) Shareholders approved the issue of 357,900,015 Options (pre-consolidation) to the same professional and/or sophisticated investors who received the Options referred to above.

As noted in the Explanatory Statement to the Notice of Meeting for the AGM:

- on 27 October 2014, SMM Solomon Limited filed a notice of appeal in the Solomon Islands Court of Appeal in response to the judgement delivered in favour of Axiom KB Limited in the High Court case 258/11 between Sumitomo and others v Axiom KB Limited, the Solomon Islands Government and others (High Court Proceedings);
- the Board selected an expiry date for the Options of 31 March 2015 on the basis that it was expected that any appeal lodged by SMM Solomon Limited as a result of the successful judgement obtained by the Company in the High Court Proceedings would be resolved by that date; and
- ASX Listing Rule 6.23.3 prohibits the Company from extending the period for exercise of any options.

The allottee of the Options the subject of Resolution 11, also received Options which expired on 31 March 2015.

The allottee was inadvertently not included in the Options approved by Shareholders under Resolution 4 at the AGM.

The allottee has been issued with new Options on the same terms conditions as the Options referred to above but with an expiry date of 30 September 2015 to fulfil the initial intent of the Board that the investors receiving Options with an expiry date of 31 March 2015 should be given an opportunity to exercise the Options by the new expiry date of 30 September 2015..

The allottee of the Options is a professional and/or sophisticated investor (as the case may be) for the purposes of section 708(8) or 708(11) of the Corporations Act (as applicable) and did not acquire (or in the case of Shares to be issued by the Company on exercise of the Options, the Company understands that the investor will not acquire) the Options with the purpose of selling or transferring all or any of them or granting, issuing or transferring interests in or options over them, except where disclosure to investors is not required under sections 708 or 708A of the Corporations Act.

9. Issue of Options to Sophisticated and Professional Investors (Resolution 12)

The Company is seeking Shareholder approval under Resolution 12 for the issue of 22,158,548 Options to sophisticated and professional investors pursuant to ASX Listing Rule 7.1, so that such Options and Shares issued on exercise of those Options are not taken into account in determining the Company's capacity to issue up to 15% of its issued Shares, if required, in the next 12 months without the need to obtain Shareholder approval. If Shareholders approve the issue of the Options under ASX Listing Rule 7.1, the issue of 22,158,548 Shares on exercise of the Options will be excluded from the calculation of the 15% limit under ASX Listing Rule 7.2, Exception 4.

The Company issued Shares and attaching Options for working capital purposes, in several private placements to a number of key professional and sophisticated investors supporting the Company in April, June and September 2014.

At an Annual General Meeting of the Company held on 31 March 2014, Shareholders approved the issue of the following Shares and Options to sophisticated and professional investors for the purposes of ASX Listing Rule 7.1:

- 89,285,175 (pre-consolidation) Shares and attaching Note Options (Resolution 20);
- 95,088,050 (pre-consolidation) Note Options (Resolution 21); and
- 50,257,144 (pre-consolidation) Note Options (Resolution 22).

All of the Options which were approved have an exercise price of \$0.30 and expired on 31 March 2015. The Options were issued on 9 April 2014, following the Annual General Meeting.

The Shares and Options approved pursuant to Resolution 20 related to a capital raising of \$1.25 million in which investors were issued 1,250 Convertible Notes with a face value of \$1,000. The Notes converted at a price of \$0.014 within 5 Business Days of the Company obtaining all necessary approvals to the conversion, including shareholder approval at the 2014 Annual General Meeting. On conversion, each investor received 1 Share and 1 free attaching Note Option.

The Note Options approved by Shareholders pursuant to Resolution 21 related to the non-renounceable rights issue completed by the Company on 25 November 2013. Pursuant to an agreement with certain investors dated 12 November 2013, the Company agreed to pay a fee of 95,088,050 Note Options to various

investors who agreed to take up shortfall under the rights issue.

The Note Options approved by Shareholders pursuant to Resolution 22 related to a private placement to sophisticated and professional investors conducted by the Company.

At an Extraordinary General Meeting of the Company held on 30 January 2015, Shareholders approved the issue of 149,000,008 fully paid Shares and 149,000,008 attaching Options exercisable at \$0.02 and expiring on 31 March 2015 to sophisticated and professional investors for the purposes of ASX Listing Rule 7.4 (Resolution 1). The Shares and Options were issued by the Company on 9 April 2014. None of the Options referred to above have been exercised.

As announced to the ASX on 27 October 2014, SMM Solomon Limited filed a notice of appeal in the Solomon Islands Court of Appeal in response to the judgement delivered in favour of Axiom KB Limited in the High Court case 258/11 between Sumitomo and others v Axiom KB Limited, the Solomon Islands Government and others (**Proceedings**).

On 13 February 2015, the Company announced that the appeal had been listed for hearing commencing on 26 May 2015.

At the Annual General Meeting of the Company held on 31 March 2015, Shareholders approved the issue of 357,900,015 (pre-consolidation) Options exercisable at \$0.02 and expiring on 30 September 2015 to sophisticated and professional investors for the purposes of ASX Listing Rule 7.1 (Resolution 4) which Options were issued in substitution for the various Options which expired on 31 March 2015 referred to above. 1,768,093 (post-consolidation) Options have been exercised by investors since the date on which the Options were issued pursuant to that approval.

As with the earlier Options, the Board selected an expiry date for the Options approved at the AGM of 30 September 2015 on the basis that it was expected that any appeal lodged by SMM Solomon Limited as a result of the successful judgement obtained by the Company in the Proceedings would be resolved by that date.

ASX Listing Rule 6.23.3 prohibits the Company from extending the period for exercise of any options. Accordingly, the Board has determined that it is reasonable that those professional and sophisticated investors who have not exercised their Options on or prior to the 30 September 2015 expiry date should be issued with new Options on the same terms and conditions as the Options referred to above but with an expiry date of 15 December 2015 to fulfil the initial intent of the Board that those investors should be given an opportunity to exercise the Options once the appeal is decided and the Proceedings are finally resolved. It is proposed that the new Options will be issued after the current Options lapse on 30 September 2015.

In the event that a decision in relation to the appeal is handed down prior to the date of the Extraordinary General Meeting, the Board intends to withdraw Resolution 12 from the business of the Extraordinary General Meeting.

The allottees of the Options will be sophisticated or professional investors (as the case may be) for the purposes of section 708(8) or 708(11) of the Corporations Act (as applicable) and the Company understands that the investors will not acquire the Options with the purpose of selling or transferring all or any of them or granting, issuing or transferring interests in or options over them, except where disclosure to investors is not required under sections 708 or 708A of the Corporations Act.

10. Issue of Options to a Related Party (Resolution 13)

Neil Gardyne Investments Pty Ltd is, for the purposes of ASX Listing Rule 19.12, a related party of the Company in that Mr Neil Mount, father of the Director, Mr Ryan Mount, is the sole director and secretary of this company.

As noted in the 29 December 2014 announcement, ASX required Neil Gardyne Investments Pty Ltd to sell all of the Shares and the Company to cancel the Options issued to it in breach of ASX Listing Rule 10.11 by 13 January 2015. All of the Options held by Neil Gardyne Investments Pty Ltd were cancelled by the Company on 30 December 2014.

The Options that were cancelled were issued on the same terms and conditions as the Options issued to sophisticated and professional investors referred to in Resolution 12 and also would have expired on 31 March 2015.

At the AGM held on 31 March 2015, Shareholders approved the issue of 19,642,858 (pre-consolidation) Options exercisable at \$0.02 and expiring on 30 September 2015 to Neil Gardyne Investments Pty Ltd for the purposes of ASX Listing Rule 10.11 (Resolution 5).

As with the earlier Options, the Board selected an expiry date for the Options approved at the AGM of 30 September 2015 on the basis that it was expected that any appeal lodged by SMM Solomon Limited as a result of the successful judgement obtained by the Company in the Proceedings would be resolved by that date.

ASX Listing Rule 6.23.3 prohibits the Company from extending the period for exercise of any options. Accordingly, the Board has determined that it is reasonable that in the event that Neil Gardyne Investments Pty Ltd has not exercised its Options on or prior to the 30 September 2015 expiry date it should be issued with new Options on the same terms and conditions as the Options referred to above but with an expiry date of 15 December 2015 to fulfil the initial intent of the Board that Neil Gardyne Investments Pty Ltd should be given an opportunity to exercise the Options once the appeal is decided and the Proceedings are finally resolved. It is proposed that the new Options will be issued after the current Options lapse on 30 September 2015.

In the event that a decision in relation to the appeal is handed down prior to the date of the Extraordinary General Meeting, the Board will withdraw Resolution 13 from the business of the Extraordinary General Meeting.

If Shareholders approve the issue of Options to Neil Gardyne Investments Pty Ltd under ASX Listing Rule 10.11, Shareholder approval under ASX Listing Rule 7.1 is not required and the issue of 1,309,523 (post-consolidation) Shares on exercise of the Options will be excluded from the calculation of the 15% limit under ASX Listing Rule 7.2, Exception 4.

11. Issue of Performance Rights to Mr Jeremy Gray (Resolution 14)

Mr Jeremy Gray was appointed a non-executive director of the Company on 27 July 2015.

Mr Jeremy Gray is a mining investment professional with over 20 years of experience in global resource capital markets as a Mining Equity Analyst, Mining Portfolio Manager and Investment Banker.

Mr Gray was recently the Global Head of Basic Materials at Standard Chartered Bank Plc. Prior to that he was the Head of Metals and Mining Research at Morgan Stanley in London. Mr Gray was also the Head of Mining Research at Credit Suisse in London as well as prior to that being part of their Australian

mining research team. During his career in Europe he was consistently ranked in the top three in equity market research surveys.

Mr Gray is currently a Director and a Managing Partner of Chancery Asset Management, and holds an Honours degree in Finance from Melbourne University.

Mr Gray's fixed Director's fees are \$60,000.00 per annum effective from the date on which Mr Gray was appointed.

Subject to Shareholder approval, Mr Gray is to be granted Performance Rights under the Director and Executive Performance Rights Plan on the following terms.

Mr Gray is to be issued 150,000 Performance Rights which will vest immediately on satisfaction of the condition set out below.

Performance Rights Terms

The issue of the Performance Rights by the Company is conditional upon Shareholders approving the issue of the Performance Rights for the purposes of Listing Rule 10.14.

The Company may cancel the Performance Rights pro-rata, in the event that a change of control event (as defined under the Director and Executive Performance Rights Plan) occurs.

The Performance Rights will be issued at an exercise price of \$0.50, may not be exercised before 31 December 2015 and will have an expiry date of 30 June 2017.

Subject to vesting and exercise, each Right entitles Mr Gray to one Share. The maximum number of Performance Rights and hence the maximum number of Shares that may be issued to Mr Gray subject to vesting and exercise is 150,000 Shares.

The Performance Rights will lapse if not exercised or forfeited before the expiry date of the Performance Rights.

Once the Performance Rights become exercisable, the Performance Rights may be exercised at any time prior to either their lapsing or being forfeited but subject to the following restrictions on the transfer of the issued Shares:

- (a) 20% of the issued Shares may be sold immediately;
- (b) 15% of the issued Shares are restricted from transfer for 3 months;
- (c) 15% of the issued Shares are restricted from transfer for 6 months; and
- (d) the balance of the issued Shares are restricted from transfer whilst Mr Gray remains a Director of the Company.

The Performance Rights are subject to such other terms and conditions in relation to participation in Share issues and bonus issues, takeover of the Company and other matters in accordance with the Director and Executive Performance Rights Plan and the invitation provided to Mr Gray in connection with the Performance Rights.

The Board is satisfied that the number of Performance Rights to be issued to Mr Gray will align his incentives with the economic interests of shareholders.

The persons who hold securities under the Director and Executive Performance Rights Plan since it was last approved by Shareholders at a meeting held on 22 April 2013, the number of securities received by those persons and the acquisition price for each security are set out below:

Holder Name	Issued Performance Rights	Performance Rights Issue Date	Issued Shares on Exercise of Performance Rights	Share Issue Date	Exercise Price	Acquisition Price
Mr Ryan Mount	2,400,000 STI 9,600,000 LTI (post consolidation)	31 March 2015	N/A	N/A	Nil	Nil
Mr Stephen Williams	833,332 (post consolidation)	22 April 2013 and 30 July 2010	N/A	N/A	Nil	Nil

Messrs Mount and Williams are the only persons entitled and currently participating in the Director and Executive Performance Rights Plan. Mr Gray will be eligible to participate in the Director and Executive Performance Rights Plan if Resolution 14 is approved.

Details of any Shares that have been issued to Mr Gray under the Director and Executive Performance Rights Plan will be published in each Annual Report of the Company relating to the period in which those Shares have been issued together with a statement that approval for the issue of such Shares was obtained under ASX Listing Rule 10.14.

Any additional Directors who become entitled to participate in the Director and Executive Performance Rights Plan after Resolution 14 is approved and who are not named in this or any previous Notice of Meeting will not participate until approval is obtained under ASX Listing Rule 10.14.

If approved, the Performance Rights will be issued to Mr Gray not later than the date which is twelve months after the date of the meeting.

If all the Performance Rights to be granted to Mr Gray are approved, vesting occurs and the Performance Rights are exercised, then Mr Gray (and his Associates) would hold 0.1% of the issued capital of the Company.

12. Information for the purposes of the ASX Listing Rules

12.1 Information for the purpose of ASX Listing Rule 7.4 (Resolution 4)

The following information is provided for the purpose of ASX Listing Rule 7.4.

(a) Number of securities issued

4,298,331 Shares

(b) Issue price of securities

\$0.30 per Share (total amount raised being \$1,289,499.30.)

(c) Terms of the securities

The Shares will be fully paid and will rank pari passu in all respects with the Company's other Shares on issue.

- (d)** Allottees
- 21 professional and/or sophisticated investors identified by the Company.
- The allottees under Resolution 4 were not related parties of the Company.
- (e)** Intended use of funds raised
- The funds raised from the issue of the Shares will be applied for general working capital purposes.
- (f)** Issue date
- 28 May 2015.
- (g)** Voting exclusion statement
- Refer to the Notice of Meeting for details of the voting exclusion statement for the Resolution.

12.2 Information for the purpose of ASX Listing Rule 7.4 (Resolution 5)

The following information is provided for the purpose of ASX Listing Rule 7.4.

- (a)** Number of securities issued
- 2,460,078 Shares
- (b)** Issue price of securities
- \$0.30 per Share (total amount raised being \$738,023.40).
- (c)** Terms of the securities
- The Shares will be fully paid and will rank pari passu in all respects with the Company's other Shares on issue.
- (d)** Allottees
- 7 professional and/or sophisticated investors identified by the Company.
- The allottees under Resolution 5 were not related parties of the Company.
- (e)** Intended use of funds raised
- The funds raised from the issue of the Shares will be applied for general working capital purposes.
- (f)** Issue date
- 1 June 2015.
- (g)** Voting exclusion statement
- Refer to the Notice of Meeting for details of the voting exclusion statement for the Resolution.

12.3 Information for the purpose of ASX Listing Rule 7.4 (Resolution 6)

The following information is provided for the purpose of ASX Listing Rule 7.4.

- (a)** Number of securities issued

900,000 Shares
- (b)** Issue price of securities

\$0.30 per Share (total amount raised being \$270,000).
- (c)** Terms of the securities

The Shares will be fully paid and will rank pari passu in all respects with the Company's other Shares on issue.
- (d)** Allottees

2 professional and/or sophisticated investors identified by the Company.

The allottees under Resolution 6 were not related parties of the Company.
- (e)** Intended use of funds raised

The funds raised from the issue of the Shares will be applied for general working capital purposes.
- (f)** Issue date

2 June 2015.
- (g)** Voting exclusion statement

Refer to the Notice of Meeting for details of the voting exclusion statement for the Resolution.

12.4 Information for the purpose of ASX Listing Rule 7.4 (Resolution 7)

The following information is provided for the purpose of ASX Listing Rule 7.4.

- (a)** Number of securities issued

2,429,056 Shares
- (b)** Issue price of securities

\$0.30 per Share (total amount raised being \$728,716.80).
- (c)** Terms of the securities

The Shares will be fully paid and will rank pari passu in all respects with the Company's other Shares on issue.
- (d)** Allottees

3 professional and/or sophisticated investors identified by the Company.

The allottees under Resolution 7 were not related parties of the Company.

(e) Intended use of funds raised

The funds raised from the issue of the Shares will be applied for general working capital purposes.

(f) Issue date

16 June 2015.

(g) Voting exclusion statement

Refer to the Notice of Meeting for details of the voting exclusion statement for the Resolution.

12.5 Information for the purpose of ASX Listing Rule 7.4 (Resolution 8)

The following information is provided for the purpose of ASX Listing Rule 7.4.

(a) The number of securities issued or to be issued

5 Convertible Notes.

If Shareholders approve Resolution 8, the issue of 3,000,000 Shares on conversion of the Convertible Notes will be excluded from the calculation of the 15% limit under ASX Listing Rule 7.1.

(b) Issue price of securities

The Convertible Notes have the following face values:

- two Convertible Notes have a face value of \$100,000;
- one Convertible Note have a face value of \$50,000;
- one Convertible Note have a face value of \$500,000; and
- one Convertible Note have a face value of \$150,000,

(total amount raised being \$900,000).

(c) Terms of securities

Refer to Annexure B for the terms and conditions of the Convertible Notes.

The Shares issued upon conversion of the Convertible Notes will be fully paid and will rank pari passu in all respects with the Company's other Shares on issue.

(d) Allottees

5 professional and/or sophisticated investors identified by the Company.

The allottees under Resolution 8 were not related parties of the Company.

- (e) Intended use of funds raised
The funds raised from the issue of the Convertible Notes will be for general working capital purposes.
- (f) Issue date
2 June 2015.
- (g) Voting exclusion statement
Refer to the Notice of Meeting for details of the voting exclusion statement for the Resolution.

12.6 Information for the purpose of ASX Listing Rule 7.4 (Resolution 9)

The following information is provided for the purpose of ASX Listing Rule 7.4.

- (a) The number of securities issued or to be issued
2,000,000 Options.
If Shareholders approve Resolution 9, the issue of 2,000,000 Shares on exercise of the Options will be excluded from the calculation of the 15% limit under ASX Listing Rule 7.1.
- (b) Issue price of securities
The Options were issued for nil consideration and attached to the Convertible Notes referred to in Resolution 8.
- (c) Terms of the securities
The Options have an exercise price of \$0.30 per Share and expire on 2 June 2016 and will not be quoted. Refer to Annexure C for the terms and conditions of the Options.
The Shares to be issued on exercise of the Options will be fully paid and will rank pari passu in all respects with the Company's other Shares on issue.
- (d) Allottees
6 professional and/or sophisticated investors identified by the Company.
The allottees under Resolution 9 were not related parties of the Company.
- (e) Intended use of funds raised
- (f) No funds were raised from the issue of the Options. Issue date
2 June 2015.
- (g) Voting exclusion statement
Refer to the Notice of Meeting for details of the voting exclusion statement for the Resolution.

12.7 Information for the purpose of ASX Listing Rule 7.4 (Resolution 10)

The following information is provided for the purpose of ASX Listing Rule 7.4.

- (a)** Number of securities issued

333,333 Shares
- (b)** Issue price of securities

\$0.30 per Share.
- (c)** Terms of the securities

The Shares will be fully paid and will rank pari passu in all respects with the Company's other Shares on issue.
- (d)** Allottees

A professional and/or sophisticated investor identified by the Company.

The allottee under Resolution 10 was not a related party of the Company.
- (e)** Intended use of funds raised

No funds were raised from the issue of the Shares.
- (f)** Issue date

16 June 2015.
- (g)** Voting exclusion statement

Refer to the Notice of Meeting for details of the voting exclusion statement for the Resolution.

12.8 Information for the purpose of ASX Listing Rule 7.4 (Resolution 11)

The following information is provided for the purpose of ASX Listing Rule 7.4.

- (a)** Number of securities issued

66,666 Options.

If Shareholders approve Resolution 11, the issue of 66,666 Shares on exercise of the Options will be excluded from the calculation of the 15% limit under ASX Listing Rule 7.1.
- (b)** Issue price of securities

The Options will be issued for nil consideration
- (c)** Allottees

A professional and/or sophisticated investor identified by the Company.

The allottee under Resolution 11 is not a related party of the Company.

- (d) Terms of the securities
- The Options have an exercise price of \$0.30 per Share and expire on 30 September 2015 and will not be quoted. Refer to Annexure C for the terms and conditions of the Options.
- The Shares to be issued on exercise of the Options will be fully paid and will rank pari passu in all respects with the Company's other Shares on issue.
- (e) Intended use of funds raised
- No funds will be raised from the issue of the Options. The Options will be issued to the investor in substitution for Options which expired on 31 March 2015.
- (f) Issue date (if applicable)
- 13 July 2015.
- (g) Voting exclusion statement
- Refer to the Notice of Meeting for details of the voting exclusion statement for the Resolution.

12.9 Information for the purpose of ASX Listing Rule 7.1 (Resolution 12)

The following information is provided for the purpose of ASX Listing Rule 7.1.

- (a) Maximum number of securities to be issued
- 22,158,548 Options.
- If Shareholders approve Resolution 12, the issue of 22,158,548 Shares on exercise of the Options will be excluded from the calculation of the 15% limit under ASX Listing Rule 7.2, Exception 4.
- (b) Issue price of securities
- The Options will be issued for nil consideration
- (c) Allottees
- 59 sophisticated and professional investors identified by the Company.
- The allottees under Resolution 12 are not related parties of the Company.
- (d) Terms of the securities
- The Options have an exercise price of \$0.30 per Share and expire on 15 December 2015 and will not be quoted. Refer to the Annexure for the terms and conditions of the Options.
- The Shares to be issued on exercise of the Options will be fully paid and will rank pari passu in all respects with the Company's other Shares on issue.

- (e) Intended use of funds raised
No funds will be raised from the issue of the Options. The Options will be issued to the relevant investors in substitution for Options which are to expire on 30 September 2015.
- (f) Issue date (if applicable)
The Options will be issued on or before 15 December 2015.
- (g) Date of Allotment (if applicable)
The Options will be issued within three months of the Extraordinary General Meeting.
- (h) Voting exclusion statement
Refer to the Notice of Meeting for details of the voting exclusion statement for the Resolution.

12.10 Information for the purpose of ASX Listing Rule 10.11.1 (Resolution 13)

The following information is provided for the purpose of ASX Listing Rule 10.11.1.

- (a) The maximum number of securities to be issued
1,309,523 Options.
If Shareholders approve Resolution 13 the issue of 1,309,523 Shares on exercise of the Options will be excluded from the calculation of the 15% limit under ASX Listing Rule 7.2, Exception 4.
- (b) Issue price of Shares
The Options will be issued for nil consideration.
- (c) Terms of the securities
The Options have an exercise price of \$0.30 per Share and expire on 15 December 2015 and will not be quoted. Refer to the Annexure for the terms and conditions of the Options.
The Shares to be issued on exercise of the Options will be fully paid and will rank pari passu in all respects with the Company's other Shares on issue.
- (d) Allottee
Neil Gardyne Investments Pty Ltd.
- (e) Issue Date and Date of Allotment
If approved, the Options will be allotted and issued immediately after the date of the meeting, but in any event not later than the date being one month after the date of the meeting.
- (f) Intended use of funds raised
No funds will be raised from the issue of the Options. The Options will be issued to the relevant investors in substitution for Options which are to expire on 30 September 2015.

- (g) Voting exclusion statement

Refer to the Notice of Meeting for details of the voting exclusion statement for the Resolution.

12.11 Information for the purpose of ASX Listing Rule 10.14 (Resolution 14)

The following information is provided for the purpose of ASX Listing Rule 10.14.

- (a) Maximum number of securities to be issued

150,000 Performance Rights

If Shareholders approve Resolution 14, the issue of 150,000 Shares on exercise of the Performance Rights will be excluded from the calculation of the 15% limit under ASX Listing Rule 7.2, Exception 4.

- (b) Date by which securities will be issued and allotted

The Performance Rights will be issued not later than the date which is twelve months after the date of this Meeting.

- (c) Issue price of securities

The Performance Rights will be issued for nil consideration.

The Shares will be issued at an exercise price of \$0.50 per Performance Right.

- (d) The following persons are currently entitled to participate in the Director and Executive Performance Rights Plan

Mr Stephen Ray Williams

Mr Ryan Mount

- (e) Participants who have received Securities under the Director and Executive Performance Rights Plan

Section 11 includes a table setting out the persons who have received securities under the Director and Executive Performance Rights Plan since it was last approved by Shareholders at a meeting held on 22 April 2013.

- (f) Allottee

Mr Jeremy Gray.

- (g) Loans

The Company will not be providing any loan to Mr Gray in connection with the issue of the Performance Rights.

- (h) Terms of the securities

The Performance Rights will be issued for nil consideration, have an exercise price of \$0.50 per Performance Right and expire on the dates and at the times referred to in Section 11 of this Explanatory Statement.

The Shares to be issued on exercise of the Performance Rights will be fully paid and will rank pari passu in all respects with the Company's other Shares on issue.

(i) Intended use of funds raised

The funds raised from the exercise of the Performance Rights will be applied towards working capital and used to ensure operational readiness for the recommencement of further exploration and future mining activities on Isabel Island, Solomon Islands and for general working capital purposes.

(j) Voting exclusion statement

Refer to the Notice of Meeting for details of the voting exclusion statement for the Resolution.

13. Glossary

In the Notice of Meeting and this Explanatory Statement the following defined terms have the following meanings:

Associate has the meaning given to it by Division 2 of Part 1.2 of the Corporations Act.

ASX means Australian Securities Exchange.

ASX Listing Rules means the Listing Rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of ASX Settlement Pty Ltd.

Axiom CDI means a CDI in respect of an Axiom Share.

Axiom Share means an ordinary share in the capital of the Company that is fully paid or credited as fully paid (as the case may be).

Board means the board of Directors of the Company.

Business Day has the meaning given to that term in the ASX Listing Rules.

CDI means a CHESS Depository Interest, within the meaning of the ASX Settlement Operating Rules.

CDN means CHESS Depository Nominees Pty Limited ARBN 75 071 345 506 or such other entity that is the Company's CHESS Depository Nominee with respect to Axiom Shares.

Company or **Axiom** means Axiom Mining Limited ABN 81 119 698 770.

Convertible Note Agreements means each Convertible Note Agreement entered into between the Company and a Noteholder.

Convertible Notes means the convertible notes issued under the terms of the Convertible Note Agreements.

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

Director and Executive Performance Rights Plan means the Director and Executive Performance Rights Plan approved by Shareholders and established at the extraordinary general meeting of the Company on 22 April 2013.

Directors means each of the Directors of the Company being Stephen Williams, Ryan Mount and Jeremy Gray.

Dollar or **\$** means the lawful currency of the Commonwealth of Australia.

Equity Securities means includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Extraordinary General Meeting means the extraordinary general meeting convened by the Notice of Meeting.

Noteholders means the investors who have agreed to subscribe for Convertible Notes in the Company under the Convertible Note Agreements.

Notice of Meeting means the notice of meeting that accompanies this Explanatory Statement.

Option means an option to purchase a Share.

Performance Right means each right under the Director and Executive Performance Rights Plan to acquire a Share.

Proceedings means the appeal filed by SMM Solomon Limited in the Solomon Islands Court of Appeal in response to the judgement delivered in favour of Axiom KB Limited in the High Court case 258/11 between Sumitomo and others v Axiom KB Limited, the Solomon Islands Government and others;

Relevant Interest has a meaning given by sections 608 and 609 of the Corporations Act;

Resolutions means the resolutions set out in the Notice of Meeting and **Resolution** means any of them.

Share means an Axiom Share issued (or to be issued) to CDN and an Axiom CDI issued (or to be issued) by CDN in respect of such Axiom Share.

Shareholder means a registered holder of Shares in the Company.

Substantial Holding has the meaning given to that term in the Corporations Act.

Trading Day has the meaning given to that term in the ASX Listing Rules.

Voting Power has the meaning given in section 610 of the Corporations Act.

Annexure A

Proposed Amendments to Articles of Association of Axiom Mining Limited

- A. Article 2.1.5 is amended by:
1. inserting the following definitions after the definition of “Articles”:

“ASIC” means the Australian Securities and Investments Commission;” and

“Associates” has the meaning given in sections 12 and 15 of the Corporations Act as if the reference to an Associate in these Articles occurred in a provision of Chapter 6 of the Corporations Act;”;

“ASX” means the Australian Securities Exchange;” and

“Australian Policy” means any policy or guidance issued by ASIC or the Panel in relation to Chapter 6 of the Corporations Act;”.
 2. inserting the following definition after the definition of “communication”:

“Corporations Act” means the *Corporations Act 2001* (Commonwealth of Australia and includes any regulations made under that statute and any exemption from or modification to that statute (including those made by ASIC under section 655A of that statute) which would apply to the Company if it were a Listed Company incorporated in Australia;”.
 3. inserting the following definition after the definition of “holder”:

“Listed Company” has the same meaning as “listed company” when used in section 606 of the Corporations Act;”.
 4. inserting the following definition after the definition of “paid up”:

“Panel” means the Australian Takeovers Panel established under the Australian Securities and Investment Commission Act 2001 (Commonwealth of Australia) or any successor or replacement entity;”.
 5. inserting the following definition after the definition of “relevant system”:

“Relevant Interest” has the meaning given in sections 608 and 609 of the Corporations Act;”.
 6. inserting the following definitions after the definition of “Statutes”:

“Takeover Bid” has the meaning given in section 9 of the Corporations Act;” and

“Voting Share” is a share that carries any voting rights in addition to the following rights:

 - (a) a right to vote while a dividend (or part of a dividend) in respect of a share is unpaid;
 - (b) a right to vote on a proposal to reduce the Company’s share capital;’
 - (c) a right to vote on a resolution to approve the terms of a buy-back agreement;

- (d) a right to vote on a proposal that affects the rights attached to the share;
- (e) a right to vote on a proposal to wind up the Company; and
- (f) a right to vote on a proposal for the disposal of the whole of the Company's property, business and undertaking;".

B. The following provisions are inserted as new Articles 179A, 179B, 179C and 179D:

"179A. Limitations on the right to hold Voting Shares

179A.1 The purpose of Articles 179A, 179B, 179C and 179D is to ensure that:

- (a) the acquisition of control over Voting Shares takes place in an efficient, competitive and informed market;
- (b) each member and the directors:
 - (i) know the identity of any person who proposes to acquire a substantial interest in the Company;
 - (ii) have a reasonable time to consider a proposal to acquire a substantial interest in the Company; and
 - (ii) are given sufficient information to enable them to assess the merits of a proposal to acquire a substantial interest in the Company; and
- (d) as far as practicable, members holding the relevant class of Voting Shares have a reasonable and equal opportunity to participate in any benefits accruing to members through any proposal under which a person would acquire a substantial interest in the Company.

179A.2 In interpreting:

- (a) a provision of Articles 179A, 179B, 179C or 179D, a construction that would promote the purposes set out Article 179A.1 is to be preferred to a construction that would not promote that purpose; and
- (b) Chapter 6 of the Corporations Act, a construction that would promote the purposes or objects underlying Articles 179A, 179B, 179C, 179D or 180 and principles of relevant Australian Policy is to be preferred to a construction that would not promote those purposes or objects or those principles.

179A.3 No person may hold a Voting Share if it resulted from the acquisition of a Relevant Interest in that Voting Share which would be prohibited under section 606 of the Corporations Act if the Company was a Listed Company incorporated in Australia.

179A.4 The prohibition in Article 179A.3 does not apply if:

- (a) any of the exceptions in section 611 of the Corporations Act would have applied to the acquisition of the Relevant Interest referred to in Article 179A.3 if the Company were a Listed Company incorporated in Australia, having taken into account sections 612 to 615 of the Corporations Act; or
- (b) the directors, applying the Corporations Act and Australian Policy, exempt the person who will hold or holds the Voting Share or who acquires or will acquire the Relevant Interest from the prohibition in

Article 179A.3 or modify the application of Article 179A.3 to any such person.

179A.5 For the purposes of this Article 179A, Chapter 6 of the Corporations Act (as amended by Article 179A.6) applies to the Company as if it were a Listed Company incorporated in Australia and was the target where referred to in that Chapter, subject to the following:

- (a) any requirement for a document to be lodged with ASIC will be taken to be satisfied if the document is given to the ASX;
- (b) any reference to ASIC (not being a reference relating to the lodgement of documents) will be taken to be a reference to the directors;
- (c) references to the Panel will be taken to be references to the Supreme Court of New South Wales and any courts of appeal therefrom;
- (d) any Takeover Bid must be made in compliance with the provisions of Chapter 6 of the Corporations Act and Australian Policy as they apply to the Company pursuant to these Articles, except to the extent that any non-compliance is approved in writing by the directors.

179A.6 In applying Chapter 6 of the Corporations Act to the Company pursuant to Article 179A.5, Chapter 6 of the Corporations Act shall be amended as follows:

- (a) section 611 shall be amended by inserting the following provision as subsection 611, Item 16A:

“An acquisition that:

- (a) is consistent with the purposes set out in Article 179A.1;
- (b) conforms to the requirements of sections 618(1), 619, 620, 621, 623, 624, 626, 627, 629, 633(1), 636(1), 637, 643, 645, 647, 650A, 650B, 650C and 653B and any other provision of Chapter 6 of the Corporations Act that the directors reasonably require as they apply to the acquisition of the Relevant Interest in that Voting Share or Voting Shares; and
- (c) has received the prior approval of the Board.”

179A.7 For the purpose of Article 179A.3:

- (a) a person holding or acquiring a Relevant Interest shall, together with the person’s Associates, be considered as one person in relation to such Relevant Interest and each of them, to the extent that they hold one or more Voting Shares shall be jointly and severally liable for each other’s obligations under these Articles and the remedies referred to in Article 179A.8 may be imposed on each of them; and
- (b) if one or more persons pursuant to an agreement or a nominee or trustee arrangement act together for the purpose of:
 - (i) holding or acquiring a Relevant Interest; or
 - (ii) circumventing the prohibition referred to in Article 179A.3,

all of them shall be considered as one person in respect of such Relevant Interest or circumvention of the prohibition and each of those

persons, to the extent that they hold one or more Voting Shares shall be jointly and severally liable for each other's obligations under these Articles and the remedies referred to in Article 179A.8 may be imposed on each of them.

- 179A.8 If a breach by a person (**Defaulting Member**) of the provisions of Article 179A.3 has occurred and is continuing, then, subject to Article 179A.9, the directors, an officer of the Company or any other interested person aggrieved by a breach of the provisions of Article 179A.3 may cause the Company to exercise any one or more of the following remedies:
- (a) require, by notice in writing, the Defaulting Member to make a Takeover Bid in compliance with the provisions of Chapter 6 of the Corporations Act and Australian Policy as they apply to the Company pursuant to these Articles;
 - (b) require, by notice in writing, the Defaulting Member to dispose of all or part of the shares held in breach of Article 179A.3 within the time specified in the notice;
 - (c) suspend and disregard the exercise by the Defaulting Member of all or part of the voting rights arising from the shares; and
 - (d) suspend the Defaulting Member from the right to receive all or part of the dividends or other distributions arising from the shares held in breach of Article 179A.3.
- 179A.9 The Company may exercise the remedies referred to in Article 179A.8 if it first obtains judgement from a court of competent jurisdiction in the State of New South Wales that a breach of the prohibition in Article 179A.3 by the Defaulting Member has occurred and is continuing. The Company must act in accordance with such judgement including with respect to the remedies (if any) which the court requires or allows the Company to exercise.
- 179A.10 If the requirements of any notice pursuant to Article 179A.8 are not complied with by the Defaulting Member within the time specified in the notice, the Company must, as an irrevocable proxy of the Defaulting Member, without any further instrument, cause the shares the subject of the notice to be sold on the ASX or, if they are not quoted on the ASX, in accordance with these Articles.
- 179A.11 The Company:
- (a) may appoint a person as transferor to effect a transfer in respect of any shares sold in accordance with this Article 179A and to receive and give good discharge of the purchase money for such shares;
 - (b) may approve the transfer for registration notwithstanding that the share certificates (if any) may not have been delivered to the Company;
 - (c) may issue a new share certificate (if any) in which event the previous certificate(s) will be deemed cancelled;
 - (d) if the Defaulting Member delivers the relevant share certificates (if any) to the Company for cancellation, must pay the purchase money less the expenses of any sale made in accordance with 179A.11(a) to the Defaulting Member; and
 - (e) if the Defaulting Member does not deliver the relevant share certificates (if any) to the Company, may bring an action against the Defaulting Member for recovery of the share certificates and the Defaulting Member is not entitled to deny or dispute the Company's

ownership and right to possession of any share certificate the subject of any legal action taken by the Company in accordance with this Article.

- 179A.12 The Company may, by notice in writing, at any time require any member to provide to the Company any information or evidence (on oath or otherwise verified if the Company reasonably requires) as the Company considers is likely to be of assistance in determining whether that member is in breach of Article 179A.3 with respect to any of that member's shares.
- 179A.13 Where the directors exercise any power given to ASIC in Chapter 6 of the Corporations Act to consent to any matter, grant an exemption from or modification to any provision of Chapter 6 of the Corporations Act as it applies to the Company pursuant to these Articles the directors must act reasonably and in a timely manner in respect of any request for such consent, modifications or exemptions having regard to the purposes set out in Article 179A.1, the Corporations Act and Australian Policy.
- 179A.14 Despite any other provision in these Articles, the Company has no liability arising from any person holding shares in circumstances which would result in or have the effect of causing a breach of Article 179A.3.
- 179A.15 The Company, its directors and the members have no liability to any person arising from any action taken by the Company under Article 179A.8, provided that such action was taken in good faith. Members shall have no right of action against the directors or the Company for any loss or disadvantage incurred by them as a result, whether direct or indirect, of the directors and/or the Company exercising their powers pursuant to the provisions of this Article 179A.

179B. Relevant Interests in Shares

- 179B.1 Part 6C.1 and Part 6C.2 of the Corporations Act applies to the Company and is binding on and must be complied with by all members as if the Company was a Listed Company incorporated in Australia, provided that any references to ASIC will be taken to be references to the directors.
- 179B.2 If the requirements of any notice pursuant to Article 179B.1 are not complied with by the member within the time specified in Part 6C.1 or Part 6C.2 of the Corporations Act (as the case may be) the Company may:
- (a) suspend and disregard the exercise by the member in breach of Article 179B.1 of all or part of the voting rights arising from the shares; and
 - (d) suspend the member in breach of Article 179B.1 from the right to receive all or part of the dividends or other distributions arising from the member's shares.
- 179B.3 The Company may exercise the remedies referred to in Article 179B.2 if it first obtains judgement from a court of competent jurisdiction in the State of New South Wales that a breach of Article 179B.1 by a member has occurred and is continuing. The Company must act in accordance with such judgement including with respect to the remedies (if any) which the court requires or allows the Company to exercise.
- 179B.4 The Company may, by notice in writing, at any time require any member to provide to the Company any information or evidence (on oath or otherwise verified if the Company reasonably requires) as the Company considers is likely to be of assistance in determining whether that member is in breach of Article 179B.1 with respect to any of that member's shares.

179B.5 The Company, its directors and the members have no liability to any person arising from any action taken by the Company under Article 179B.2, provided that such action was taken in good faith. Members shall have no right of action against the directors or the Company for any loss or disadvantage incurred by them as a result, whether direct or indirect, of the directors and/or the Company exercising their powers pursuant to the provisions of this Article 179B.

179C. Appointment of Advisor

179C.1 Subject to any necessary approvals, consents or waivers required under the Listing Rules, in addition to exercising its rights under Articles 179A.8 and 179B.2, the Company may also exercise such remedies if it first obtains advice from, and acts in accordance with the advice of:

- (a) Senior Counsel in the commercial field of at least five (5) years standing as a Senior Counsel; or
- (b) a senior partner experienced in Australian mergers and acquisitions of a major Australian commercial law firm, and

in either case, being independent of (and not associated with) the Company or any other interested party and without a material personal interest in the matter.

179C.2 The advisor referred to in Article 179C.1 must be nominated by:

- (a) the President of the Panel; or
- (b) if that person is unwilling or unable to make the nomination, a member on the Panel; or
- (c) if that person is unwilling or unable to make the nomination, the President for the time being of the New South Wales Law Society.

179C.3 The advisor referred to in Article 179C.1 must *inter alia* be instructed to:

- (a) advise whether a breach of Article 179A.3 or 179B.1 (as applicable) has occurred;
- (b) have regard to the purposes in Article 179A.1 and to the extent applicable, Australian Policy in interpreting the relevant Articles and providing the advice;
- (c) give the Company and any person that would be aggrieved by the exercise of the Company's powers under Article 179A.8 or 179B.2 (as applicable) the opportunity, with their legal advisors to make submissions to the advisor, prior to the advisor providing advice to the Company; and
- (d) provide his or her advice as soon as possible.

179C.4 The Company shall:

- (a) provide any assistance or information it may possess, which is reasonably required by the advisor to provide his or her advice;
- (b) be responsible for paying the fees and expenses of the advisor;
- (c) include in the terms of the advisor's appointment an indemnity by the Company in favour of the advisor for any loss or liability he or she may incur in connection with providing the advice, except where such loss or liability occurs as a result of his or her negligence or wilful default;

- (d) provide a copy of the advice to the member who has breached or is alleged to have breached Article 179A.3 and/or 179B.1; and
- (e) include any other terms and conditions in the appointment of the advisor which the person nominating the advisor in accordance with Article 179C.2 specifies.

179D. Consultation with ASX

So long as the shares are quoted on the ASX, if the Company becomes subject to the law of any jurisdiction which applies so as to regulate the acquisition of control, and the conduct of any takeover of the Company:

- (a) the Company shall consult promptly with ASX to determine whether, in light of the application of such law:
 - (i) ASX requires any amendment to Articles 179A, 179B, 179C, 179D or 180 in order for the Articles to comply with the Listing Rules as then in force; or
 - (ii) any waiver of the Listing Rules permitting the inclusion of all or part of Articles 179A, 179B, 179C, 179D or 180 has ceased to have effect.
- (b) where:
 - (i) the Listing Rules require these Articles to contain a provision and it does not contain such a provision;
 - (ii) the Listing Rules require these Articles not to contain a provision and it contains such a provision; or
 - (iii) any provision of these Articles is or becomes inconsistent with the Listing Rules,

the Directors shall put to a general meeting a proposal to amend these Articles so as to make them, to the fullest extent permitted by applicable law, consistent with the Listing Rules.”

Annexure B

Term and Conditions of Convertible Notes

1. Each Convertible Note is unsecured and will not be quoted on the ASX.
2. Each Convertible Note may only be transferred to a related body corporate (as defined in the Corporations Act) of the Investor.
3. Each Convertible Note has a maturity date of one year and six months from the date of issue (**Expiry Date**). The face value of the Convertible Note will be repayable on the Expiry Date if not converted prior to that date.
4. For every \$5.00 worth of Convertible Notes, the Noteholder will be entitled to 10 free attaching Options on the terms set out in Annexure C.
5. Each Convertible Note bears interest at a coupon rate of 8% per annum (**Coupon Rate**) on the face value of the Convertible Note which interest will accrue from the date of issue until:
 - (a) the Convertible Note is repaid in full; or
 - (b) the date on which the Convertible Note is converted in accordance with the terms and conditions in the Convertible Note Agreement,and is payable quarterly.
7. If the Company does not pay interest when due and payable, interest will be payable on the interest payment due but unpaid, in addition to the face value of the Convertible Note, at the Coupon Rate from the date on which the interest payment was due until it is paid in full by the Company.
8. If any of the following occurs, the Noteholder may demand immediate repayment of the Convertible Note together with all accrued interest:
 - (a) the Company fails to issue Shares on conversion of the Convertible Note;
 - (b) the Company fails to perform any other obligation under the Convertible Note Agreement and the failure is not able to be remedied;
 - (c) the Company fails to perform any other obligation under the Convertible Note Agreement, the failure is able to be remedied and the Company does not remedy the failure within the period specified in the Convertible Note Agreement;
 - (d) an insolvency event occurs in relation to the Company, the Company is deregistered (or steps are taken to deregister the Company); or
 - (e) the Company ceases to carry on business.
9. Conversion will occur at the election of the Noteholder at any time prior to the Expiry Date. The number of Shares to be issued on conversion will be calculated by dividing the face value of the Convertible Note by an issue price of \$0.30 per Share.
10. Shares issued on conversion of the Convertible Notes will have the same terms and will rank equally in all respects with existing Shares in the Company. The Company must apply for official quotation by ASX of all Shares issued on conversion of a Convertible Note.
11. The number of Shares to be issued as a result of conversion of the Convertible Notes will be adjusted in the event of any reorganisation (including a consolidation, sub-division, reduction or return) in the manner provided by the ASX Listing Rules.

Annexure C

Terms of Options

1. Each Option entitles the holder the right to subscribe for one ordinary share in the capital of the Company for the relevant option exercise price.
2. Each Option which has not been exercised will expire at 5.00pm (Brisbane time) on the relevant date of expiry (**Expiry Date**). Each Option may be exercised at any time prior to the Expiry Date and Options not so exercised shall automatically expire on such date.
3. Each Share issued as a result of the exercise of any Option will, subject to the Constitution of the Company, rank equally in all respects with the then existing ordinary Shares on issue.
4. No Optionholder will be entitled to attend or vote at any meeting of the members of the Company unless they are, in addition to being an Optionholder, a member of the Company.
5. The Options are not transferable except that the holder may transfer an Option to any related body corporate (as defined in the Corporations Act) of the holder for the time being.
6. An Option may only be exercised by the Optionholder by lodging an exercise notice with the Company. The exercise of some Options shall not affect the Optionholder's right to exercise the other Options at a later time.
7. The Company will, as soon as practicable after the Optionholder validly exercises any Options, in accordance with the *Corporations Act 2001* (Cth) and the ASX Listing Rules, and not later than 2 business days after the exercise of the Option allot the number of Shares in the Company so subscribed for by the Optionholder.
8. An Optionholder shall have no rights to dividends in respect of the Options and shall have no interest in the Shares the subject of the Options unless and until those Options are exercised and the Shares issued.
9. If the Company reorganises its capital in any way while any Options are on issue, the number of Options will be reorganised in accordance with the ASX Listing Rules so that the Optionholder will not receive a benefit that the existing holders of Shares do not receive and in addition will be changed to the extent necessary to comply with the ASX Listing Rules applicable to the particular reorganisation of capital at the time.
10. There are no participating rights or entitlements inherent in the 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 to the Expiry Date unless and until the Options are exercised.
11. If there is a pro-rata issue (except a bonus issue) to the holders of the ordinary shares, the exercise price of the 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 Option

O = the old exercise price of each Option

E = the number of ordinary shares into which each Option is exercisable

P = the average market price per ordinary shares (weighted by reference to volume) of the ordinary shares during the 5 Trading Days ending on the day before the ex-rights or ex-entitlements date

- S = the subscription price for an ordinary share under the pro rata issue
- D = the dividend due but not yet paid on the ordinary shares (except those to be issued under the pro rata issue)
- N = the number of ordinary shares with rights or entitlements that must be held to receive a right to one new ordinary share.

12. If there is a bonus issue to the holders of ordinary shares, the number of securities over which each Option is exercisable will be increased by the number of ordinary shares which the Optionholder would have received if the Options had been exercised before the record date for the bonus issue.
13. If and to the extent any of the preceding terms and conditions are inconsistent with the ASX Listing Rules, such rules will prevail in all respects to the extent of the inconsistency.
14. These terms and conditions are governed by the laws of the State of New South Wales and the holders of the Options unconditionally submit to the jurisdiction of the courts of that State and courts of appeal from them.

Annexure D
Auditor Consent



ZENITH CPA LIMITED
诚丰会计师事务所有限公司

10/F, China Hong Kong Tower,
8-12 Hennessy Road,
Wanchai, Hong Kong
香港灣仔軒尼詩道 8-12 号
中港大厦 10 楼

Our Ref: BC/AC/A0006

2 July 2015

The Board of Directors
Axiom Mining Limited
Rooms 2303-07 Dominion Centre
43-59 Queen's Road East
Hong Kong
c/o
6/76 Doggett Street
Newstead, Brisbane
Australia

Dear Sirs,

RE : APPOINTMENT AS AUDITORS OF AXIOM MINGING LIMITED (the "Company")

We consent to accept the appointment as auditors of the Company according to the terms of the engagement letter issued to the Board of Directors dated 18 September 2014.

Yours faithfully,



Anitua Corporate Services
Anitua Ltd
PO Box 72, Lihir Island,
New Ireland Province,
Papua New Guinea
T +675 986 4633
F +675 986 4158
www.anitua.com.pg

**SPECIAL NOTICE/REQUISITION FOR CALLING AN EXTRAORDINARY GENERAL MEETING
FOR THE APPOINTMENT OF NEW AUDITORS**

To: The Board of Directors
Axiom Mining Limited
2303-7 Dominion Centre
43-59 Queen's Road East
Hong Kong

Date: 10 September 2015

Dear Sirs,

Re: Requisition for calling an Extraordinary General Meeting

I/We, the undersigned, being a Shareholder of Axiom Mining Limited (the "Company") holding 6.35% of the paid-up share capital of the Company hereby give you notice pursuant to Sections 396, 566 and 578 of the Companies Ordinance, Cap. 622, of our intention to propose the following resolution to be passed as an Ordinary Resolution at an Extraordinary General Meeting which will be held at Christie Conference Centre, Shogun Room, Level 2, 320 Adelaide Street, Brisbane QLD 4000 on Thursday 15 October 2015 at 10.00 am:

"That Zenith CPA Limited, Certified Public Accountant of 10/F, China Hong Kong Tower, 8-12 Hennessy Road Wanchai, Hong Kong be appointed as auditors of the Company, with such appointment to take effect from the close of this meeting, to hold office until the conclusion of the next Annual General meeting of the Company and that the board of directors of the Company be authorised to fix their remuneration."

Yours faithfully,

Signed:

Name of Requisitionist:

Colin Vale – Executive Director – Anitua Group

Address:

Block 116 Londolovit Plantation Road

Lihir Island New Ireland Province Papua New Guinea

No. of shares held:

16,666,666

Percentage of shareholding:

6.35%



All Correspondence to:

-  **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia
-  **By Fax:** +61 2 9290 9655
-  **Online:** www.boardroomlimited.com.au
-  **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 10.00 am AEST on 13 October 2015.**

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.




Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **10.00 am AEST on 13 October 2015.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

-  **By Fax** + 61 2 9290 9655
-  **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia
-  **In Person** Level 12, 225 George Street,
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Axiom Mining Limited

ARBN 119 698 770

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **Axiom Mining Limited** (Company) and entitled to attend and vote hereby appoint:

the **Chair of the Meeting (mark box)**

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Extraordinary General Meeting of the Company to be held at **Christie Conference Centre, Shogun Room, Level 2, 320 Adelaide Street, Brisbane QLD 4000 on 15 October 2015 at 10:00am AEST** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

The Chair of the Meeting intends to vote undirected proxies in favour of each of the items of business.

STEP 2 VOTING DIRECTIONS
 * If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

	FOR	AGAINST	ABSTAIN*		FOR	AGAINST	ABSTAIN*
Res 1 Amendments to the Company's Articles to insert Takeover Provisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 8 Ratification of issue of 5 Convertible Notes and approval of issue of Shares on conversion of Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 2 Renewal of Proportional Takeover Approval provisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 9 Ratification of issue of 2,000,000 Options and approval of issue of Shares on exercise of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 3 Appointment of new Hong Kong Auditors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 10 Ratification of issue of 333,333 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 4 Ratification of issue of 4,298,331 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 11 Ratification of issue of 66,666 Options and approval of issue of Shares on exercise of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 5 Ratification of issue of 2,460,078 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 12 Approval of issue of 22,158,548 Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 6 Ratification of issue of 900,000 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 13 Approval of issue of 1,309,523 Options to Neil Gardyne Investments Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 7 Ratification of issue of 2,429,056 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 14 Approval of Issue of 150,000 Performance Rights to Mr Jeremy Gray	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SHAREHOLDERS
 This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1 <div style="border: 1px solid black; height: 24px; margin: 5px 0;"></div> Sole Director and Sole Company Secretary	Securityholder 2 <div style="border: 1px solid black; height: 24px; margin: 5px 0;"></div> Director	Securityholder 3 <div style="border: 1px solid black; height: 24px; margin: 5px 0;"></div> Director / Company Secretary
--	--	--

Contact Name..... Contact Daytime Telephone..... Date / / 2015