



Axiom Mining Limited

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19 April 2016

ASX Announcement

Loyalty Bonus Issue

Axiom Mining Limited has today lodged the attached prospectus and letter to shareholders, in respect of the Loyalty Bonus Offer announced to ASX on 15 February 2016 with the Australian Securities and Investments Commission.

A copy of the prospectus is also available at www.axiom-mining.com

The prospectus will be despatched to shareholders after the Record Date, which is Tuesday 26 April 2016.

ENDS

About Axiom Mining Limited

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

Disclaimer

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



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Dear Shareholder

AXIOM MINING LIMITED – LOYALTY BONUS ISSUE

On 15 February 2016, Axiom Mining Limited announced a proposed bonus issue of unlisted options to shareholders holding 125,000 or more fully paid Shares with registered addresses in Australia and New Zealand. Each Eligible Shareholder will receive one (1) loyalty bonus option for every eight (8) shares in the Company held at the record date.

The announcement specified that the record date would be at least 5 business days after the Annual General Meeting at which shareholder approval for the issue of the Loyalty Bonus Options would be sought. Shareholder approval was granted at the Annual General Meeting held on 31 March 2016 and the record date has now been determined as 5.00 pm on Tuesday 26 April 2016.

The Loyalty Bonus Options are to be issued free to Eligible Shareholders. No funds will be raised as a result of the Offer. Any funds raised by the exercise of the Loyalty Bonus Options will be used to fund the development of the Company's Solomon Islands Nickel Project and for the Company's general working capital requirements. Each Loyalty Bonus Option has an exercise price of \$0.45 per share and entitles the holder to subscribe for one fully paid share in the Company. The Loyalty Bonus Options may be exercised on or before 5.00 pm (AEST) on 31 March 2017.

The primary purpose of the Bonus Issue is to reward Eligible Shareholders for their loyalty to and support for the Company. Eligible Shareholders will have the opportunity to increase the number of shares they hold, by exercising each Loyalty Bonus Option for one fully paid ordinary Share at a fixed exercise price of \$0.45, which may be at a discount to the market price for Shares, depending on the market price of Shares during the exercise period.

The Bonus Issue is made under the attached transaction-specific prospectus. The Company lodged the Offer Document with the Australian Securities and Investments Commission on 19 April 2016.

The Loyalty Bonus Options will be allotted and issued as soon as practicable after the Record Date and otherwise in accordance with the ASX Listing Rules.

Eligible Shareholders will automatically be issued Loyalty Bonus Options based on their shareholding at the Record Date and are not required to take any action to receive Loyalty Bonus Options under the Bonus Issue.

For and on behalf of
Axiom Mining Limited

Robert Barraket
Non-Executive Chairman



Axiom Mining Limited (ARBN 119 698 770) (Company)

PROSPECTUS

For a bonus issue of one (1) Loyalty Bonus Option for every eight (8) Shares held by Eligible Shareholders holding 125,000 or more fully paid Shares in the Company.

The Loyalty Bonus Options are to be issued free to Eligible Shareholders. No funds will be raised as a result of the Offer.

ELIGIBLE SHAREHOLDERS ARE NOT REQUIRED TO TAKE ANY ACTION IN RELATION TO THE ISSUE OF BONUS OPTIONS PURSUANT TO THIS PROSPECTUS

Important Notice

This is an important document that you should read in its entirety. This Prospectus is a transaction-specific prospectus issued in accordance with Section 713 of the *Corporations Act*. If, after reading this Prospectus, you have any questions regarding the securities being offered under this Prospectus or any other matter, please contact your stockbroker, accountant or other professional adviser without delay.

The Loyalty Bonus Options offered pursuant to this Prospectus should be considered speculative.

The Offer is being extended to New Zealand investors under the mutual recognition regime applicable to offering financial products for issue in Australia and New Zealand. Any New Zealand investor considering this Prospectus should be aware that there are considerations particular to you. Some of them are referred to below under the heading 'WARNING STATEMENT FOR NEW ZEALAND SHAREHOLDERS' on page 2. A copy of this Prospectus and other documents relating to the Offer have been, or will be, lodged with the New Zealand Companies Office under the mutual recognition regime.

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This Prospectus is dated 19 April 2016 and was lodged with ASIC on that date. Neither the ASIC nor ASX take any responsibility for the contents of this Prospectus.

No Loyalty Bonus Options may be issued on the basis of this Prospectus after the expiry date of this Prospectus, which is thirteen (13) months after the date of this Prospectus.

In preparing this Prospectus, regard has been given to the fact that the ASX maintains a file containing publicly disclosed information about the Company, that the Company is a disclosing entity for the purposes of the *Corporations Act* and that certain matters may reasonably be expected to be known to investors and the professional advisers with whom potential investors may consult.

This Prospectus is a transaction specific prospectus for an offer of unlisted options to acquire continuously quoted securities issued pursuant to Section 713 of the *Corporations Act*. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company that has been notified to ASX and does not include all information that would be included in a prospectus for an initial public offering.

It is important that Shareholders read this document in its entirety. There are risks associated with an investment in the Company. The Loyalty Bonus Options to be issued under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or future value and should be considered highly speculative. Shareholders are directed to Section 3, which sets out certain key risks affecting the Company and the value of its securities. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Loyalty Bonus Options in the future. Shareholders should consider consulting their stockbroker, solicitor, accountant or other professional adviser regarding the issue of Loyalty Bonus Options pursuant to this Prospectus.

This Prospectus does not constitute an offer of securities in any place in which, or to any person to whom, it would not be lawful to make such an Offer. Where the Prospectus has been despatched to persons domiciled in a country other than Australia or New Zealand and where that country's securities code or legislation prohibits or restricts in any way the making of the offer, the Prospectus is provided for information purposes only. Any recipient of this Prospectus domiciled in a country outside of Australia or New Zealand should consult their professional advisers on the requisite formalities and restrictions that may apply to them.

This Prospectus may not be released or distributed in the United States. This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Loyalty Bonus Options have not been, and will not be, registered under the US Securities Act or the securities laws of any state of the United States, and may not be offered or sold in the United States, or to, or for the account or benefit of a US Person, except in a transaction exempt from the registration requirements of the US Securities Act and applicable United States state securities laws.

No person is authorised to give any information or to make any representation in relation to the Offer that is not contained in this Prospectus and any such information may not be relied upon as having been authorised by the Company in connection with this Prospectus.

As this is a bonus issue of Options, Eligible Shareholders are not required to apply for Loyalty Bonus Options, and, accordingly, there is no application form attached to this Prospectus.

Expressions used in this Prospectus with an upper case first letter have the defined meanings set out in Section 9 of this Prospectus. All amounts are in Australian dollars unless otherwise specified.

Any forward looking statements in this Prospectus are based on the Company's current expectations about future acts, events and circumstances. Such statements are subject to known and unknown risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward looking statements which, in return, could cause the Company's actual results or performance to differ materially from future results or performance expressed or implied by any forward looking statements in this Prospectus. These factors include, among other things, commercial and other risks associated with the meeting of objectives and other investment considerations, as well as other matters not yet known to the Company or not currently considered material by the Company.

Warning Statement for New Zealand

This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the *Corporations Act* and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the *Financial Markets Conduct Act 2013 (NZ)* and Part 9 of the *Financial Markets Conduct Regulations 2014 (NZ)*.

This offer and the content of this Prospectus are principally governed by Australian rather than New Zealand law. In the main, the *Corporations Act* and the regulations made under that Act set out how the offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The offer may involve a currency exchange risk. The Loyalty Bonus Options will be issued free of charge and the currency for the Shares issued on exercise of those Loyalty Bonus Options is not New Zealand dollars. The value of the Loyalty Bonus Options and the Shares issued on exercise of those Loyalty Bonus Options will go up or down according to changes in the exchange rate between Australian dollars and New Zealand dollars. These changes may be significant.

If you expect the Shares issued on exercise of the Loyalty Bonus Options to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the Shares issued on exercise of the Loyalty Bonus Options are able to be traded on the ASX and you wish to trade the Shares on the ASX, you will have to make arrangements for a participant in that market to sell the Shares on your behalf. The ASX does not operate in New Zealand. The way in which the ASX operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

Section 1: Timetable and Important Dates

Event	Date
Announce Bonus Issue	15 February 2016
Approval of Bonus Issue at Annual General Meeting	31 March 2016
Prospectus lodged with ASIC and ASX and lodgement of Appendix 3B with ASX	19 April 2016
Notice sent to Option holders	19 April 2016
Shares quoted on an ex-Loyalty Bonus Option entitlement basis	22 April 2016
Record Date for Loyalty Bonus Options	26 April 2016
Prospectus sent to shareholders	27 April 2016
Issue date	29 April 2016
Loyalty Bonus Options expire	31 March 2017

This timetable is indicative only and is subject to change. Subject to the Listing Rules, the Directors reserve the right to vary the dates for the Offer at their discretion and without prior notice, which may have a consequential effect on the anticipated date of issue of the Loyalty Bonus Options.

Section 2: Details of the Offer

2.1 Details of Offer

By this Prospectus the Company is making a pro-rata bonus issue of Loyalty Bonus Options to Eligible Shareholders on the basis of one (1) Loyalty Bonus Option for every eight (8) Shares held on the Record Date by Eligible Shareholders holding 125,000 or more fully paid Shares.

The Loyalty Bonus Options will be issued free of charge.

The Loyalty Bonus Options will be exercisable for one fully paid Share at \$0.45 each on or before 5.00 pm (AEST) on 31 March 2017.

The primary purpose of the Offer is to reward Eligible Shareholders holding 125,000 or more fully paid Shares for their loyalty to and support for the Company. Eligible Shareholders will have the opportunity to increase the number of Shares they hold, by exercising Loyalty Bonus Options for one fully paid ordinary Share at a fixed exercise price of \$0.45 each, which may be at a discount to the market price for Shares, depending on the market price of Shares during the exercise period.

Based on the capital structure of the Company as at the date of this Prospectus, approximately 27,848,670 Loyalty Bonus Options will be issued pursuant to this Offer.

In the calculation of individual Entitlements to Loyalty Bonus Options, fractions will be rounded down to the nearest whole number and the exercise price will be rounded up to the next highest cent.

The terms and conditions of the Loyalty Bonus Options are set out in Section 5 of this Prospectus.

All of the Shares issued upon future exercise of the Loyalty Bonus Options offered under this Prospectus will rank equally with the existing Shares on issue at the date of this Prospectus.

Other than Neil Gardyne Investments Pty Ltd, a Related Party of Mr Ryan Mount, and the Director, Mr Ryan Mount, whose participation in the Offer were approved at the Annual General Meeting of the Company held on 31 March 2016, no Related Party of the Company will be entitled to participate in the Offer.

Please refer to Section 5 for further information regarding the rights and liabilities attaching to the Shares.

2.2 No underwriting

The Offer is not underwritten.

2.3 Clearing House Electronic Sub-Register System (CHES) and issuer sponsorship

The Company will not be issuing Loyalty Bonus Option certificates to Eligible Shareholders. The Company operates an electronic CHES sub-register for those investors who have, or wish to have a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Holding statements (similar to a bank account statement) will be despatched to each Eligible Shareholder holding 125,000 or more Shares as soon as practicable after allotment.

The holding statements will set out the number of Loyalty Bonus Options allotted to them under this Prospectus and provide details of the Eligible Shareholder's Holder Identification Number

(HIN) or Security Holder Reference Number (SRN) and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

An updated holding statement will also be sent to Eligible Shareholders following the month in which the balance of the Eligible Shareholder's holding of the Loyalty Bonus Options changes, and/or as required by the Listing Rules or the *Corporations Act*.

2.4 Allotment and allocation

The Loyalty Bonus Options will be allotted and issued as soon as practicable after the Record Date and otherwise in accordance with the Listing Rules.

Holding statements or allotment advices for the Loyalty Bonus Options will be despatched to Eligible Shareholders as soon as possible.

No Loyalty Bonus Options will be allotted and issued on the basis of this Prospectus later than thirteen (13) months after the date of this Prospectus.

2.5 Brokerage and commission

No brokerage or stamp duty is payable on the issue of the Loyalty Bonus Options under the Offer.

2.6 ASX quotation

The Loyalty Bonus Options will not be quoted on the ASX. The Company may apply to ASX for quotation of the Loyalty Bonus Options if the Company achieves significant positive cash flow from the sale of nickel ore from the Solomon Islands Nickel Project. No application will be made for the Loyalty Bonus Options to be quoted on ASX without prior notification to all holders of Loyalty Bonus Options.

2.7 Non-renounceable

An Eligible Shareholder's Entitlement is non-renounceable. Accordingly, there will be no trading of rights on ASX and Eligible Shareholders will be unable to transfer their Entitlement to another party.

2.8 Use of funds of the Offer

As the Loyalty Bonus Options are being issued for no consideration, no funds will be raised as a result of the Offer.

If all Loyalty Bonus Options are exercised, the Company will receive approximately \$12,531,902 (based on the number of Loyalty Bonus Options to be issued under the Offer). There is no certainty that any Loyalty Bonus Options will be exercised and the proportion exercised will depend on the Share price relative to the exercise price during the exercise period.

It is currently intended that any funds raised by the exercise of the Loyalty Bonus Options will be used as follows:

- for the development of the Solomon Islands Nickel Project, and
- for the Company's general working capital requirements.

The application of funds will depend on when Loyalty Bonus Options are exercised and the Company's requirements at the relevant time.

2.9 Eligible shareholders

Each Shareholder with a registered address in Australia or New Zealand, who is registered as the holder of 125,000 or more Shares at 5.00pm AEST on 26 April 2016 is entitled to receive Loyalty Bonus Options in respect of the number of Shares for which that Shareholder is then registered as the holder.

The Company will not make the Offer to any Shareholders who have a registered address in a country other than Australia or New Zealand on the Record Date.

Other than Neil Gardyne Investments Pty Ltd, a Related Party of Mr Ryan Mount, and the Director, Mr Ryan Mount, whose participation in the Offer were approved at the Annual General Meeting of the Company held on 31 March 2016, no Related Party of the Company will be entitled to participate in the Offer.

This Prospectus does not constitute an offer to Excluded Shareholders and the Prospectus will not be sent to Excluded Shareholders.

2.10 Distribution of this prospectus

This Prospectus does not constitute an offer of securities in any place in which or to any person to whom it would not be lawful to make such an offer or to issue this Prospectus. Where the Prospectus has been despatched to persons domiciled in a country other than Australia or New Zealand and where the securities code or legislation of that country prohibits or restricts in any way the making of the Offer, the Prospectus is provided for information purposes only.

The distribution of this Prospectus in jurisdictions outside Australia or New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Shareholders who are resident in countries other than Australia or New Zealand should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and complied with. If a Shareholder has a registered address which is outside Australia or New Zealand, it is that Shareholder's responsibility to obtain all necessary approvals for the issue of the Loyalty Bonus Options pursuant to this Prospectus.

Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify the Shares the subject of this Prospectus or otherwise permit a public offering of the Loyalty Bonus Options in any jurisdiction outside Australia or New Zealand.

2.11 Taxation

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them by consulting their own professional tax advisers regarding the sale or exercise of the Loyalty Bonus Options. Taxation consequences will depend on particular circumstances. Neither the Company nor any of its officers accept any liability or responsibility in respect of the taxation consequences associated with the issue to, sale by or exercise of Loyalty Bonus Options by any Shareholder.

2.12 No prospective financial forecasts

The Company is currently an exploration company. Given the speculative nature of exploration, mineral development and production, there are significant uncertainties associated with forecasting future revenue. On this basis, the Directors consider that reliable forecasts cannot be prepared and accordingly, have not included forecasts in this Prospectus.

2.13 Prohibition on exceeding 20% voting power threshold

On 15 October 2015, Shareholders approved various amendments 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.

Shareholders must therefore have regard to and comply with the takeovers prohibition in Section 606 of the *Corporations Act* (that is, the 20% voting power threshold), when exercising Loyalty Bonus Options granted pursuant to this Prospectus.

If a Shareholder is at risk of breaching Section 606 as a result of the exercise of Loyalty Bonus Options, the Shareholder has the following options:

- sell its Bonus Options off market
- sell some or all of its Shares prior to exercising any Bonus Options it holds, or
- rely on another exemption from the takeovers prohibition in Section 611 (such as the 3% creep exemption).

If a Shareholder is at risk of exceeding the 20% voting power threshold in Section 606 or increasing its voting power from a position above 20% as a result of the acquisition of Shares on exercise of Loyalty Bonus Options, the Shareholder should seek professional advice before exercising the Loyalty Bonus Options.

2.14 Directors' discretion

The Directors may at any time decide to withdraw this Prospectus.

The Directors may make determinations in any manner they think fit in relation to any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the Offer whether generally or in relation to any particular Shareholder. Any determinations by the Board will be conclusive and binding on all Shareholders and other persons to whom the determination relates.

2.15 Enquiries

If you have any questions concerning the Offer, please contact the Company's Group Finance Manager on + 61 7 3319 4100 or contact your professional adviser.

2.16 Risk factors

An investment in the Company carries certain risks that may impact on the future profitability of the Company and the value of the Shares. The Loyalty Bonus Options on offer under this Prospectus should be considered speculative. Shareholders should read this Prospectus in its entirety and should consider all factors in light of their individual circumstances. The Directors recommend that Shareholders carefully consider this Prospectus and consult their professional advisers. The principal risk factors that could affect the financial and market performance of the Company and its business are detailed in Section 3 of this Prospectus.

Section 3: Risk Factors

3.1 Introduction

The Loyalty Bonus Options issued under this Prospectus are considered speculative due to the nature of the Company's business.

This Section identifies the areas the Directors regard as the major risks associated with an investment in the Company.

Shareholders should read the whole of this Prospectus in order to assess such risks and the manner in which the Company intends to operate before deciding whether to sell or exercise any Loyalty Bonus Options issued to them pursuant to this Prospectus.

There are numerous risks associated with investing in any form of business and with investing in the share market generally. There are also a range of specific risks associated with the Company's business including the inherent risks associated with minerals exploration, appraisal, development, production, transport and marketing.

Whilst some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, a number of these risk factors are largely beyond the control of the Company and its Directors. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends or return of capital on Shares.

The following list represents key risk factors of which the Directors are aware and which Shareholders should consider when determining whether to sell or exercise the Loyalty Bonus Options. This list is not exhaustive and should be read in conjunction with specific matters referred to in the Company's announcements and reports. The factors below and other factors not specifically referred to below may, in the future, materially affect the financial performance of the Company and the value of the Loyalty Bonus Options issued pursuant to this Prospectus. Shareholders should read this Prospectus in its entirety and seek professional advice if they require further information on material risks before deciding whether to sell or exercise any Loyalty Bonus Options.

3.2 Specific risks

a) Loyalty Bonus Options

i. Exercise Price

No guarantee can be given that the Share price will be greater than the exercise price of the Loyalty Bonus Options during the period up to expiry of the Loyalty Bonus Options on 31 March 2017. Accordingly, there is a risk that the Loyalty Bonus Options will be out of the money during the exercise period, which would affect the value of the Loyalty Bonus Options.

ii. Dilution

If Shareholders do not exercise their Loyalty Bonus Options, because they either sell those Loyalty Bonus Options off market or allow those Loyalty Bonus Options to expire without being exercised, and other Shareholders exercise their Loyalty Bonus Options, their shareholding will be diluted by up to a maximum of 10%.

iii. Taxation consequences

The exercise or sale of a Loyalty Bonus Option may have taxation consequences, depending on Shareholders' particular circumstances. Shareholders should seek their own taxation advice before exercising or selling a Loyalty Bonus Option.

b) Court proceedings

On 24 September 2014, the High Court of the Solomon Islands dismissed all claims by SMM Solomon Limited (SMM Solomon) in High Court case 258/11 between SMM Solomon and others v Axiom KB Limited¹, the Solomon Islands Government and others (**Proceedings**) and issued orders enabling the Company to recommence exploration activities on the Isabel nickel deposit.

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 judgment delivered in favour of Axiom KB Limited in the Proceedings.

The appeal was heard during the period commencing on 26 May 2015 and ending on 5 June 2015. The Court of Appeal delivered judgment on 21 March 2016. The Court of Appeal:

- held that the Kolosori tenement on which part of the Isabel nickel deposit is located remains customary land. As a result, the land register will be rectified to remove the registration of the perpetual estate over the land and Axiom KB Limited's lease and prospecting licence are invalid
- declined to hold that the Letter of Intent to grant a prospecting licence to SMM Solomon was valid because SMM Solomon held more than three prospecting licences over other areas and had not applied for a mining lease or commenced mining in any of those areas, and
- ordered Axiom KB Limited to pay the costs of the group of customary landowners that appealed from the High Court decision.

Axiom Nickel (SI) Ltd has prepared a new application for a prospecting licence. While the application is pending, Axiom will not be able to continue its prospecting activities at the Kolosori tenement.

There is a risk that this application may not be successful. If Axiom Nickel (SI) Ltd is ultimately unsuccessful in obtaining a prospecting licence, it will not be able to develop the Kolosori tenement.

c) Going concern risk

The Company's 2015 Annual Report contains a "going concern" note. The Company is reliant on raising additional funds and/or successfully exploiting its mineral assets to enable it to continue as a going concern and meet its planned exploration, administration and other commitments.

The Directors have determined that future equity raisings or debt financing arrangements will be required to assist the funding of the Company's activities to meet its objectives. There is no certainty that these raisings will be successfully completed to provide adequate working capital for the Company. In the event that the Company is not successful in raising further equity or obtaining debt financing, there is significant uncertainty as to whether the Company can continue as a going concern, which is likely to have a material adverse effect on the Company's activities.

d) Exploration, development, mining and processing risks

The mineral tenements of the Company are at various stages of exploration. The business of minerals exploration, project development and production involves significant risks by its very nature. It depends on, amongst other things, the successful exploration, identification, appraisal and development of commercially viable mineral reserves, security of tenure, the availability of adequate funding, satisfactory performance of mining operations, weather conditions,

¹The Company owns all the issued shares in Axiom Nickel (SI) Ltd, a Solomon Islands incorporated company that, in turn, owns 80% of Axiom KB Limited (also a Solomon Islands incorporated company).

Section 3: Risk Factors

continued

availability and cost of consumables, plant and equipment and skilled labour when required, favourable industrial relations and competent management.

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

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

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

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

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

e) Operating risks

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

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

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

f) Production risks

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

g) Access to land

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

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

h) Cultural heritage

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

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

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

i) Environmental risks

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

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

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

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

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

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

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

Section 3: Risk Factors

continued

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

j) Exploration and appraisal expenditure

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

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

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

k) Exploration targets and resource estimates

The Company has identified a number of exploration targets based on geological interpretations and data and historical drilling. Insufficient data exists to provide certainty of the mineralisation of the Company's projects.

Whilst the Company intends to undertake additional exploratory work with the aim of defining the relevant resources, no assurances can be given that additional exploration will result in the determination of the relevant resource. Even if a resource is identified, no assurance can be provided that it can be economically exploited.

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to an extent on interpretations, which may provide to be inaccurate. As further information becomes available through additional fieldwork and analysis, resource estimates are likely to change. These changes may result in alterations to the development and mining plans of the Company which may, in turn, adversely affect the Company's operations.

l) Regulatory risk

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

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

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

m) Funding

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

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

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

n) Key personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel.

If any member of the senior management team ceases their engagement with the Company there may be a detrimental impact on the Company's prospects.

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

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

o) Commodity price volatility and exchange rate risks

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

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

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

p) Volatility in the market price of Shares

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

Section 3: Risk Factors

continued

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

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

q) Negative publicity may adversely affect the Share Price

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

r) Insurance risks

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

3.3 General risks

a) General economic climate

Factors such as inflation, currency fluctuations, interest rates, legislative changes, political decisions and industrial disruption have an impact on operating costs and on metals prices.

The Company's future income, asset values and share price can be affected by these factors and, in particular, by the market price for any metals that the Company may produce and sell.

b) Share market conditions

The market price of and therefore returns from Shares will be influenced by international and domestic factors affecting conditions in equity and financial markets including the ASX. General political and economic conditions such as a recession or changes in political or economic policy in the markets in which the Company operates may also adversely affect the market price of Shares.

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance.

The share market has in the past and may in the future be affected by a number of factors including:

- general economic outlook
- commodity prices
- market confidence and changes in investor sentiment toward particular market sectors
- supply and demand for money and resulting changes in interest rates
- currency exchange rates, and
- terrorism and other hostilities.

c) Commodity prices may go down

The demand for, and price of, commodities is highly dependent on a variety of factors, including international supply and demand, the level of consumer product demand, weather conditions, the price and availability of alternative commodities, actions taken by governments and international cartels, and global economic and political developments. Commodity prices have fluctuated widely in recent years and may continue to fluctuate significantly in the future. Fluctuations in commodity prices and, in particular, a material decline in the price of commodities may have a materially adverse effect on the Company's business, financial condition and results of operations.

d) Sovereign risk

Any material adverse changes in government policies or legislation of any of the countries in which the Company may operate, for example, the relevant government discontinuing exploration or production activities, may affect the viability and profitability of the Company.

Changes in Australian and international government fiscal, monetary and regulatory policies may also affect the Company. The Company conducts its business in reliance upon current understandings of taxation legislation and policy and current Australian Accounting Standards.

e) General economic conditions

The operating and financial performance of the Company is influenced by a variety of general economic and business conditions, including inflation, interest rates, access to debt and capital markets, international economic conditions, significant acts of terrorism, hostilities, war, natural disasters and government fiscal, monetary and regulatory policies. Prolonged deterioration in general economic conditions may have an adverse impact on the Company's business or financial condition.

f) Foreign currency and exchange rate fluctuations

Revenue and expenditure of the Company may be domiciled in currencies other than Australian dollars and expose the Company to foreign exchange movements, which may have a positive or negative influence on the Australian dollar equivalent of such revenue and expenditure.

The Company will appropriately monitor and assess such risks and may from time to time implement measures, such as foreign exchange currency hedging, to assist manage these risks. However, the implementation of such measures may not eliminate all such risks and the measures themselves may expose the Company to related risks.

g) Global credit and investment markets

Global credit and investment markets have recently experienced a high degree of uncertainty and volatility. The factors which have led to this situation are outside the control of the Company and may continue for some time resulting in continued volatility and uncertainty in world stock markets (including ASX). The volatility may impact the price at which Shares trade, regardless of the operating performance of the Company and may affect the Company's ability to raise additional equity and/or debt to achieve its objectives, if required.

h) Speculative nature of investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of Loyalty Bonus Options to be issued under this Prospectus.

Therefore, Loyalty Bonus Options to be issued under this Prospectus (and any Shares issued on exercise of such Loyalty Bonus Options) carry no guarantee with respect to the payment of dividends, returns of capital or their market value.

Section 3: Risk Factors

continued

Shareholders should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to sell or exercise any Loyalty Bonus Options issued pursuant to this Prospectus.

4.1 Effect of the Offer

The principal effect of the Offer, assuming all Loyalty Bonus Options offered under the Prospectus are issued, will be to increase the number of Options on issue from 34,874,881 Options prior to the date of this Prospectus to approximately 62,723,551 Options following the completion of the Offer.

No funds will be raised through the issue of the Loyalty Bonus Options pursuant to this Prospectus, however, if all the Loyalty Bonus Options are exercised, the Company will receive approximately \$12,531,902.

The expenses of the Offer in excess of the funds raised under the Offer will be met by the Company's cash reserves.

4.2 Effect of issue on the financial position of the Company

The Loyalty Bonus Options to be issued pursuant to this Prospectus will be issued for nil consideration, and accordingly the issue of the Loyalty Bonus Options will not have a material impact on the Company's current financial position other than to decrease the Company's cash reserves by approximately \$34,306.00, being the estimated expenses of the Offer as set out in Section 7.7 of the Prospectus.

The Company will receive \$0.45 for each Loyalty Bonus Option exercised. If all the Loyalty Bonus Options issued pursuant to this Prospectus are exercised, the Company will receive approximately \$12,531,902 (based on the number of Loyalty Bonus Options to be issued). The likelihood of the Company raising additional capital through the exercise of the Loyalty Bonus Options is dependent on the market price of Shares from time to time until the Loyalty Bonus Options expire.

4.3 Effect of issue on the Company's capital structure

The effect of the Offer on the capital structure of the Company, assuming all Loyalty Bonus Options offered under the Prospectus are issued, is set out below:

Shares

	Number
Shares currently on issue	312,031,850 ordinary shares 700,429 unlisted Hong Kong Shares
Shares offered pursuant to the Offer	Nil
Total Shares on issue after completion of Offer	312,031,850 ordinary shares 700,429 unlisted Hong Kong Shares

Section 4: Effect of the Issue on the Company

continued

Options

	Number
Options currently on issue ¹	34,874,881 Options
Loyalty Bonus Options offered pursuant to the Offer (exercisable at \$0.45 on or before 31 March 2017) ²	27,848,670 Loyalty Bonus Options
Total Options on issue after completion of Offer	62,723,551 Options

Notes:

1. *Consisting of:*

- 22,358,548 unlisted options exercisable at 30 cents each expiring 30.09.2016
- 400,000 unlisted options exercisable at 35 cents each expiring 31.05.2016
- 3,000,000 unlisted options exercisable at 40 cents each expiring 31.05.2016
- 100,000 unlisted options exercisable at 50 cents each expiring 31.05.2016
- 4,500,000 unlisted options exercisable at 55 cents each expiring 31.05.2016
- 2,000,000 unlisted options exercisable at 30 cents each expiring 31.05.2016
- 883,333 unlisted options exercisable at 28.05 cents each expiring 10.02.2017
- 1,333,000 unlisted options exercisable at 30 cents each expiring 30.11.2017, and
- 300,000 unlisted options exercisable at 45 cents each expiring 30.03.2018.

2. *The Loyalty Bonus Options will be issued in accordance with the timetable set out on page 3 of this Prospectus and will not be quoted on ASX.*

Convertible Notes

	Number
Convertible notes currently on issue ¹	5 convertible notes
Convertible notes offered pursuant to the Offer	Nil
Total convertible notes on issue after completion of Offer	5 convertible notes

Notes:

1. *Consisting of five (5) Convertible Notes with a combined face value of \$900,000.*

Performance Rights

	Number
Performance Rights currently on issue ¹	900,000 performance rights
Performance Rights offered pursuant to the Offer	Nil
Total Performance Rights on issue after completion of Offer	900,000 performance rights

Note:

1. On the satisfaction of certain performance conditions, each performance right converts into one (1) Share. Refer to the Company's 2015 Annual Financial Report and the Notice of Meeting for the Annual General Meeting held on 31 March 2016 for a fulsome description of the terms and conditions of the performance rights.

If all Loyalty Bonus Options are exercised then, assuming no further Shares and no further Options are issued between the date of this Prospectus and the expiry date of the Loyalty Bonus Options and assuming that no Performance Rights convert:

- the total number of Options on issue will decrease by 27,848,670, and
- the number of Shares will increase from 312,031,850 ordinary shares and 700,429 unlisted Hong Kong Shares to 339,880,520 ordinary shares and 700,429 unlisted Hong Kong Shares.

4.4 Potential effect on control

As at the date of this Prospectus and based on publicly available information as at 7 April 2016, the relevant interests and voting power of the substantial shareholders of the Company are as follows:

Shareholder	Shares	% voting power
Ark Proprietary Limited	22,222,223	7.12%
Drake Private Investments	17,281,078	5.54%
Anitua Limited	16,666,666	5.34%
InCoR Holdings Plc	16,129,032	5.17%

Neither the Offer nor the exercise of Loyalty Bonus Options will have a material effect on the control of the Company, with the maximum dilution experienced by any Shareholder that fails to exercise its Loyalty Bonus Options being 8.18% of its existing Shareholding.

Section 5: Rights Attaching to Securities

5.1 Loyalty Bonus Options

The Loyalty Bonus Options will be granted on the following terms and conditions:

- a) each Loyalty Bonus Option entitles the holder to subscribe for one (1) Share in the Company upon payment of \$0.45 per Share
- b) the Loyalty Bonus Options will not be quoted on the ASX. No application will be made for the Loyalty Bonus Options to be quoted on ASX without prior notification to all holders of Loyalty Bonus Options
- c) the Loyalty Bonus Options are exercisable at any time on or before 5.00 pm (AEST) on 31 March 2017 (**Expiry Date**) by completing an option exercise form and delivering it to the Company's share registry together with payment for the number of Shares in respect of which the Loyalty Bonus Options are exercised and the holding statement for the relevant Loyalty Bonus Options
- d) the Loyalty Bonus Options may be exercisable in whole or in part. If the Loyalty Bonus Options are exercised in part, each option exercise form must be for not less than 1000 Shares and thereafter in multiples of 1000 Shares
- e) subject to the Listing Rules, the Loyalty Bonus Options are freely transferable in whole or in part at any time prior to the Expiry Date
- f) in the case of fractions (if any), the number of Shares issued will be rounded down to the next lower whole number and the exercise price will be rounded up to the next highest cent
- g) Loyalty Bonus Options not exercised by the Expiry Date will automatically lapse
- h) Shares issued upon exercise of the Loyalty Bonus Options will, subject to the Articles of Association of the Company, rank equally in all respects with the Company's then existing Shares (including as to dividends, entitlement to which is determined after allotment). The Company will apply to ASX for the Shares issued upon exercise of the Loyalty Bonus Options to be admitted to quotation
- i) Shares issued on exercise of the Loyalty Bonus Options will be issued not more than fifteen (15) days after receipt of a properly executed option exercise form which must be received by the Company by 5.00 pm (Sydney time) on the Expiry Date
- j) there are no participating rights or entitlements inherent in the Loyalty Bonus Options to participate in any new issues of securities which may be made or offered by the Company to its Shareholders from time to time prior to the Expiry Date unless and until the Loyalty Bonus Options are exercised. The Company will ensure that during the exercise period of the Loyalty Bonus Options, the Company will notify holders of the record date for the purposes of determining entitlements to any such issue in accordance with the applicable timetable set out in the Listing Rules
- k) in the event of a reconstruction (including a consolidation, subdivision, reduction or return) of the issued capital of the Company, all rights of a holder of Loyalty Bonus Options will be reconstructed in accordance with the Listing Rules, so that holders of Loyalty Bonus Options will not receive a benefit that the existing holders of Shares do not receive
- l) there will be no change to the exercise price of a Loyalty Bonus Option or the number of Shares over which a Loyalty Bonus Option is exercisable in the event of the Company making a pro-rata issue of Shares or other securities to holder of ordinary shares in the Company (other than a bonus issue), and

- m) if, during the exercise period of the Loyalty Bonus Options, there is a bonus issue of Shares to the holders of Shares in the Company, the number of Shares for which a Loyalty Bonus Option is exercisable will be increased by the number of Shares which the holder would have received if the Loyalty Bonus Option had been exercised before the record date of the bonus issue. The Company must give notice to each holder of Loyalty Bonus Options of any adjustment to the number, description or items of securities which are to be issued on exercise of a Loyalty Bonus Option or to the exercise price.

5.2 Rights attaching to Shares

The Shares issued upon exercise of the Loyalty Bonus Options will rank equally in all respects with the Company's existing Shares.

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

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

General meetings

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

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

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

Voting rights

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

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

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

Section 5: Rights Attaching to Securities

continued

Dividend rights

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

Rights on winding up

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

Transfer of Shares

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

Future increases in Capital

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

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

Variation of rights

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

6.1 Continuously disclosure and documents available for inspection

This is a Prospectus for the offer of Loyalty Bonus Options to acquire continuously quoted securities (within the meaning of the *Corporations Act*) and is issued as a transaction specific prospectus pursuant to Section 713 of the *Corporations Act*. Section 713 enables listed disclosing entities, such as the Company, to issue a prospectus for continuously quoted securities with modified disclosure requirements if they satisfy certain requirements.

The Shares to be issued on exercise of Loyalty Bonus Options issued under this Prospectus are in a class of shares that were Continuously Quoted Securities at all times in the three months before the issue of this Prospectus.

In general terms, a "transaction specific" prospectus is only required to contain information regarding the terms and conditions of the Offer and information reasonably necessary to make an informed assessment of:

- the effect if the Offer on the Company
- the rights and liabilities attaching to the Loyalty Bonus Options offered by the Company.

It is not necessary for the prospectus to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company that has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange.

Shareholders should therefore also have regard to the other publicly available information in relation to the Company before making any decision regarding whether or not to sell, or exercise its rights in respect of, any Loyalty Bonus Options issued pursuant to the Offer.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise, for the purpose of ASX making that information available to the securities exchange conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that information which is considered necessary to make this Prospectus complete.

6.2 Continuous reporting and disclosure obligations

The Company is listed on ASX and its Shares are quoted on ASX under the code "AVQ".

The Company is a "disclosing entity" (as defined in Section 111AC of the *Corporations Act*) for the purposes of Section 713 of the *Corporations Act* and is therefore subject to regular reporting and disclosure obligations. Specifically and like all companies listed on the ASX, the Company is required to continuously disclose to ASX any information of which it is or becomes aware concerning the Company and which a reasonable person would expect to have a material effect on the price or value of its Shares, subject to certain exceptions.

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

Section 6: Information Available to Investors

continued

The Company will provide to any person, on request and free of charge during the period between the date of issue of this Prospectus and the date of issue of the Loyalty Bonus Options as set out in the timetable on page 3, a copy of each of the following documents:

- the annual financial report of the Company for the financial year ended 30 September 2015, being the annual report of the Company's most recently lodged with ASIC before the issue of this Prospectus
- the half-year financial report of the Company for the half year ended 31 March 2015
- the Company's Articles of Association, and
- any documents used to notify ASX of information relating to the Company during the period from the lodgement of the annual financial report referred to above until lodgement of this Prospectus with ASIC, in accordance with the Listing Rules as referred to in Section 674(1) of the *Corporations Act*.

Details of documents lodged by the Company with ASX during the period commencing on the date of lodgement of the Company's latest annual financial report on 21 December 2015 and ending on the date of lodging this Prospectus are set out in the Annexure to this Prospectus.

The Company's is available on the ASX website at www.asx.com.au, using the Company's code AVQ. The announcements are also available through the Company's website www.axiom-mining.com

6.3 Company announcements

As at the date of this Prospectus, there is no information which has been not been disclosed under the continuous disclosure requirements of the Listing Rules because the Listing Rules expressly or impliedly exclude the information from disclosure, and which, in the Board's opinion, Shareholders or their professional advisers would reasonably require in order to assess the Company's assets and liabilities, financial position and prospects and the rights and liabilities attaching to the Loyalty Bonus Options. The Directors note, however, that the Company is investigating opportunities to raise additional equity funds to provide further working capital for the Company.

7.1 Market price of Shares

The highest and lowest recorded market sale prices of Shares quoted on ASX during the 3 month period immediately prior to the date of this Prospectus were \$0.38 on 21 March 2016 and \$0.14 on 14 and 15 April 2016 respectively.

The closing market sale price of Shares on ASX on the last day that trading took place in the Shares prior to the date of this Prospectus was \$0.155 on 18 April 2016.

7.2 Litigation

On 24 September 2014, the High Court of the Solomon Islands dismissed all of SMM Solomon's claims in High Court case 258/11 between SMM Solomon and others v Axiom KB Limited, the Solomon Islands Government and others (proceedings) and issued orders enabling the Company to recommence exploration activities on the Isabel nickel deposit.

As announced to the ASX on 27 October 2014, SMM Solomon 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 Proceedings.

The appeal was heard during the period commencing on 26 May 2015 and ending on 5 June 2015. The Court of Appeal delivered judgment on 21 March 2016 in the terms summarised in Section 3.2b) above.

In October 2015, Axiom KB Limited applied to the High Court to reopen High Court case 258/11 in order to find that SMM Solomon is in contempt of court for breaching orders made by the High Court, which prohibit SMM Solomon from interfering with the lawful business activities of Axiom KB Limited. The application has not been heard by the High Court of the Solomon Islands at the date of this Prospectus.

Other than the above litigation, the Directors are not aware of any material litigation, arbitration or proceedings threatened or actually commenced involving the Company or its subsidiaries as at the date of this Prospectus.

7.3 Interests of Directors

Except as set out in this Prospectus, no Director nor any entity in which a Director is a partner or director has or has had in the two years before the date of this Prospectus, any interest in:

- the formation or promotion of the Company
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer, or
- the Offer, and

no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) and no other benefit has been given or agreed to be given to any Director (or to any entity in which a Director is a partner or director) either to induce him to become, or to qualify as, a Director or otherwise for services rendered by him or by the entity in connection with the promotion or formation of the Company or the Offer.

continued

Security holdings

As at the date of this Prospectus, the Directors have a direct or indirect interests in the following securities of the Company:

Director	Number of Shares	Number of Options	Performance Rights	Loyalty Bonus Option Entitlement
Ryan Richard Mount	Indirect ⁽¹⁾ – 44,111 Ordinary Shares	Nil	Nil	Nil
Jeremy Robin Gray	Direct – 47,750 Ordinary Shares	Nil	Direct – 400,000 unlisted Performance Rights ²	Nil
Robert Lawrence Barraket	Nil	Nil	Direct – 500,000 unlisted Performance Rights ²	Nil

Notes:

- Shares beneficially held by Balclutha Investments Pty. Ltd.[†] as trustee for the Mount Family Trust, a company in which Ryan Mount is the sole director and shareholder.
- On the satisfaction of certain performance conditions, each performance right converts into 1 Share. Refer to the Company's 2015 Annual Financial Report and the Notice of Meeting for the Annual General Meeting held on 31 March 2016 for a fulsome description of the terms and conditions of these performance rights.

[†] Balclutha Investments Pty. Ltd. is currently deregistered, however, the Board understands that steps are being taken to reinstate this company to the register.

Remuneration

The remuneration of an executive Director is decided by the Board, without the relevant executive Director participating in that decision-making process.

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

The current Directors and their associated entities are currently, and have during the past two financial years been, entitled to the following remuneration or directors' fees:

Financial year ended 30 September 2014

Director	Primary salary (\$)	Non-monetary benefits (\$)	Director's fees (\$)	Post employment superannuation (\$)	Equity share based payments (\$)	Total (\$)
Stephen Ray Williams	0	0	50,000	4,656	39,205	93,681
Ryan Richard Mount	433,300	0	0	32,900	280,641	746,841

Financial Year ended 30 September 2015

Director	Primary salary (\$)	Non-monetary benefits (\$)	Director's fees (\$)	Post employment superannuation (\$)	Equity share based payments (\$)	Total (\$)
Stephen Ray Williams	0	0	50,000*	4,750	27,205	81,955
Ryan Richard Mount	649,231	153,924	0	49,913	367,723	1,220,791
Jeremy Robin Gray	0	0	10,806	0	0	10,806

* Fees were set at \$80,000 effective from 1 March 2015, and paid subsequent to year-end.

Directors are also entitled to be reimbursed for reasonable travelling, hotel and other expenses incurred by them in or incidental to the performance of their duties as Directors.

Directors may also be entitled to participate in equity based remuneration schemes. Shareholders must approve the framework for any equity based compensation schemes and if a recommendation is made for a director to participate in an equity scheme, that participation must be specifically approved by Shareholders.

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

7.4 Interests of Advisors

Other than as disclosed in this Prospectus, no:

- person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, or
- promoter of the Company,

holds at the date of this Prospectus, or has held at any time during the last two years prior to the date of this Prospectus, any interest in:

- the formation or promotion of the Company
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or with the Offer, or
- the Offer, and

no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) and no other benefit has been given or agreed to be given to any such person (or to any entity in which such person is a partner or director) in connection with the promotion or formation of the Company or the Offer.

Kemp Strang have acted as solicitors to the Company providing general advice to the Company in respect of the Offer and the preparation and verification of documentation in connection with the Offer on arm's length commercial terms. The Company estimates it will pay Kemp Strang a fee of approximately \$25,000 (excluding GST and disbursements) in connection with the provision of these services. Kemp Strang have also acted as legal service provider to the Company and has during the 2 years prior to the date of this Prospectus received legal fees in respect of those services of approximately \$305,771 (exclusive of GST and disbursements).

7.5 Consents

Kemp Strang:

- has not authorised or caused the issue of this Prospectus
- has not made, nor purported to make, any statement in this Prospectus, nor on which any statement in this Prospectus is based, other than as specified in this Section
- does not assume responsibility for any part of this Prospectus, other than as specified in this Section, and
- to the maximum extent permitted by law, expressly disclaims any responsibility or liability for any part of the Prospectus other than a reference to it or a statement included in this Prospectus with the consent of Kemp Strang as specified in this Section.

Kemp Strang has consented in writing to be named in the Prospectus as the solicitors to the Company and in the form and context in which they are named and has not withdrawn such consent prior to the lodgement of this Prospectus with ASIC.

7.6 Directors' consent

Each Director has consented in writing to any statements included in this Prospectus attributed to, or said to be based on, a statement by them, or the Directors or the Company and has not withdrawn that consent.

7.7 Expenses of the issue

The total expenses of this Prospectus are estimated to be a maximum of \$34,306.00 excluding GST comprising:

- legal costs of \$25,000
- Share registry expenses of \$1,250
- printing and distribution costs of \$5,736, and
- ASIC lodgement fees of \$2,320.

Section 8: Authority of Directors

The Directors state that they have made all reasonable enquiries and have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive.

In respect of any other statements made in this Prospectus by persons other than the Directors, the Directors have made reasonable enquiries and have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, those persons have given the consent required by Section 716 of the *Corporations Act* to the statements being included in this Prospectus in the form and context in which they are included and have not withdrawn that consent before the lodgement of this Prospectus with ASIC, or, to the Directors' knowledge, before any issue of Loyalty Bonus Options pursuant to this Prospectus.

This Prospectus has been prepared on the basis that certain matters may reasonably be expected to be known or likely to be known to investors or their professional advisors.

Dated 18 April 2016

Signed for and on behalf of
AXIOM MINING LIMITED



Robert Barraket
(Chairman)

Section 9: Glossary

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it, as the context requires.

ASX Settlement Operating Rules means the operating rules of ASX Settlement Pty Ltd, except to the extent of any relief given by that company.

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 unless the context indicates otherwise.

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

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

CHESS means ASX Clearing House Electronic Sub registry System.

Company means Axiom Mining Limited (ARBN 119 698 770).

Continuously Quoted Securities has the meaning given in the *Corporations Act*.

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

Director means a director of the Company from time to time.

Eligible Shareholder means a registered holder of 125,000 or more Shares on the Record Date with a registered address in Australia or New Zealand.

Entitlement means the number of Loyalty Bonus Options to which an Eligible Shareholder is entitled under the Offer on the basis of one (1) Loyalty Bonus Option for every eight (8) Shares held by the Eligible Shareholder on the Record Date.

Excluded Shareholder means:

- (a) a registered holder of Shares at 5.00 pm AEST on the Record Date with a registered address in a country other than Australia and New Zealand; and/or
- (b) a registered holder of Shares who is a Related Party (not being a Related Party to which Shareholders approved the issue of Bonus Options at the Annual General Meeting of the Company held on 31 March 2016).

Listing Rules means the official listing rules of ASX.

Loyalty Bonus Option means an unlisted Option to subscribe for one fully paid Share, exercisable at \$0.45 on or before 5.00 pm (AEST) on 31 March 2017 and otherwise having the terms set out in Section 5.1 of this Prospectus.

Offer means the offer of Loyalty Bonus Options to Eligible Shareholders pursuant to this Prospectus.

Official List means the Official List of ASX.

Option means an option to subscribe for a Share.

Prospectus means this prospectus dated 19 April 2016 under which the Offer is being made.

Record Date means 5.00 pm AEST on 26 April 2016.

Related Party has the meaning given in the Listing Rules.

Section means a section of this Prospectus.

Share means an Axiom Share issued to CDN and an Axiom CDI issued by CDN in respect of such Axiom Share.

Shareholder means a registered holder of Shares.

Date	Announcement
07/04/2016	Appendix 3B
06/04/2016	Becoming a substantial holder
05/04/2016	Appendix 3B
05/04/2016	Cleansing Statement
01/04/2016	Notice of Expiry
01/04/2016	Appendix 3B
01/04/2016	Appendix 3Y
01/04/2016	Appendix 3Y
01/04/2016	Reinstatement to Official Quotation
01/04/2016	Axiom moves forward litigation-free with new funding
31/03/2016	Axiom Mining 2016 AGM Results
31/03/2016	Appendix 3B
31/03/2016	New strategic shareholder
23/03/2016	Solomon Islands Court of Appeal Update
23/03/2016	Suspension from Official Quotation
21/03/2016	Trading Halt
07/03/2016	Chairman's letter to shareholders

Corporate Directory

Directors

Robert Barraket (Chairman, Non-Executive Director)

Ryan Mount (Chief Executive Officer, Executive Director)

Jeremy Grey (Non-Executive Director)

Company Secretary

Mr Paul Frederiks (Australian Local Agent)
Boacoh Secretarial Limited (Hong Kong)
2303-4 Dominion Centre
43-59 Queens Road
Hong Kong SAR

Registered Office Australia

Level 6
15 Astor Terrace
Spring Hill
BRISBANE QLD 4000

Website: www.axiom-mining.com

Tel: (07) 3319 4100

Fax: (07) 3252 7577

Auditors Australia

Hall Chadwick (NSW)
Chartered Accountants*
Level 40
2 Park Street
SYDNEY NSW 2000

Solicitor

Kemp Strang
Level 17
175 Pitt Street
SYDNEY NSW 2000

Share Registry

Boardroom Pty Limited*
Level 12
225 George Street
SYDNEY NSW 2000
Tel: (02) 9290 9600
Fax: (02) 9279 0664

Registered Office Hong Kong

C/- Boase Cohen & Collins Solicitors
2303-7 Dominion Centre
43-59 Queens Road East
Hong Kong

Auditors Hong Kong

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

ASX Code : AVQ

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



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