
AXG MINING LIMITED

ACN 092 304 964

NOTICE OF ANNUAL GENERAL MEETING

An Annual General Meeting of the Company will be held at Suite 2, 16 Ord Street West Perth, Western Australia on 26th November 2012 at 10:15 AM (WST).

This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please contact the Company Secretary on (08) 9429 2900.

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IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the Annual General Meeting of Shareholders of AXG Mining Limited (“AXG or “The Company”) to which this Notice of Meeting relates will be held at Suite 2, 16 Ord Street West Perth, Western Australia on 26th November 2012 at 10:15 AM (WST) (“Meeting”).

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations* 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company at 10:15 AM (WST) on 24th November 2012.

VOTING IN PERSON

To vote in person attend the Annual General Meeting at the time, date and place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Annual General Meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes is set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

The accompanying Explanatory Statement and the Proxy and Voting instructions form part of this Notice of Meeting.

Dated 23rd October 2012
By Order of the Board

Mr Roland Berzins
Company Secretary

AXG MINING LIMITED

ACN 092 304 964

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of AXG Mining Limited (**Company**) will be held at Suite 2, 16 Ord St West Perth, , WA on Monday 26th November 2012 at 10:15 AM (WST) (**Meeting**).

The Explanatory Memorandum to this Notice of Annual General Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Memorandum and Proxy Form are part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered as Shareholders of the Company on Saturday 24th November 2012 at 10:15 AM (WST).

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in the 'Definitions' section of the Explanatory Memorandum.

AGENDA

ORDINARY BUSINESS

Financial, Directors' and Auditor's Reports

To receive and consider the Financial Report, Directors' Report and Auditor's Report for the financial year ended 30 June 2012.

1. Resolution 1 – Remuneration Report

To consider, and if thought fit, pass, with or without amendment, the following resolution as an **non-binding resolution**:

"That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes approval is given for the adoption of, the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2012."

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person described above may vote on this Resolution if:

- (a) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and

- (b) the vote is not cast on behalf of a person described in sub-paragraphs (a) or (b) above.

Resolution 2 – Re-election of Mr Gordon Sklenka as a Director

To consider, and if thought fit, pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That in accordance with rule 11.3 of the Constitution and for all other purposes Mr Gordon Sklenka, a director, retires by rotation, and being eligible, is re-elected as a Director."

2. Resolution 3 – Approval of 10% Placement Facility

To consider and, if thought fit, to pass with or without amendment, the following resolution as a **special resolution**:

"That, in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities of up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person (and any associates of such a person) who may participate in the 10% Placement Facility and a person who might obtain a benefit if this Resolution is passed, except a benefit solely in the capacity of a holder of Shares, and any associate of that person (or those persons).

The Company will not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman 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.

BY ORDER OF THE BOARD

Company Secretary
Dated: 23rd October 2012

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the Annual General Meeting to be held at Suite 2, 16 Ord St West Perth, WA on Monday 26th November 2012 at 10:15 AM (WST)

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolution in the Notice.

A Proxy Form is located at the end of the Explanatory Memorandum.

Action to be taken by Shareholders

Shareholders should read the Notice and Explanatory Memorandum carefully before deciding how to vote on the Resolution.

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative ("**proxy**") to vote in their place. All Shareholders are invited and encouraged to attend the Annual General Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Annual General Meeting in person.

Financial, Directors' and Auditor's Reports

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2012 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

Shareholders will be offered the opportunity to discuss the Financial Report, Directors' Report and Auditor's Report for the financial year ended 30 June 2012, copies of which will be available on the Company's website at www.axgmining.com.au from 31 October 2012. The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. There is no requirement for Shareholders to approve these reports.

Shareholders will also be given a reasonable opportunity to ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit. As a Shareholder, you are entitled to submit one written question to the auditor prior to the Meeting provided that the question relates to:

- (c) the content of the Auditor's Report; or
- (d) the conduct of the audit in relation to the Financial Report.

All written questions must be received by the Company no later than 5 business days before the Meeting. All questions must be sent to the Company and must not be sent directly to the auditor. The Company will then forward all questions to the auditor. The auditor will answer all

written questions submitted prior to the deadline stated above. Copies of the questions, if any, submitted to the Company's auditor will be available at the meeting and posted on the Company's website.

1. Resolution 1 –Remuneration Report

1.1 General

Pursuant to section 250R(2) of the Corporations Act, the Company is required to put the Remuneration Report to a non-binding vote of Shareholders. The Annual Report contains a Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the Managing Director, specified executives and non-executive Directors, where applicable. The Annual Report will be available on the Company's website at www.axqmining.com.au from 31 October 2012.

The provisions of the Corporations Act dealing with the non-binding vote on the remuneration report have recently been amended. The Corporations Act still provides that Resolution 1 need only be an advisory vote of Shareholders and does not bind the directors. However, the Board will take the outcome of the vote into consideration when considering the remuneration policy.

In addition, the Corporations Act amendments now set out a 'two strikes' re-election process. Under the 'two strikes' re-election process, if the Company's remuneration report receives a 'no' vote of 25% or more of all votes cast at two consecutive Annual General Meetings (that is, 'two strikes'), a resolution (the "spill resolution") must be put to the second Annual General Meeting, requiring Shareholders to vote on whether the Company must hold another general meeting (known as the 'spill meeting') to consider the appointment of all of the Directors who stand for re-appointment (other than the Managing Director). If the spill resolution is approved by a simple majority of 50% or more of the eligible votes cast, the 'spill meeting' must be held within 90 days of that second Annual General Meeting (unless none of the Directors, other than the Managing Director, stand for re-appointment). Further information will be provided on the 'spill resolution' and the 'spill meeting' for any Annual General Meeting at which the Company may face a 'second strike'.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2012.

The remuneration levels for directors, officer and senior managers are competitively set to attract and retain appropriate directors and key management personnel.

The chairman of the Meeting will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on, the Remuneration Report.

The Board unanimously recommends that Shareholders vote in favour of Resolution 1.

1.2 Voting Restriction for Key Management Personnel

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person described above may vote on this Resolution if:

- (a) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (b) the vote is not cast on behalf of a person described in sub-paragraphs (a) or (b) above.

1.3 Voting Restrictions where Proxy is Key Management Personnel

Pursuant to the Corporations Act, if you elect to appoint a member of Key Management Personnel or any Closely Related Party as your proxy to vote on this Resolution 1, *you must direct the proxy how they are to vote*. Where you do not direct the member of Key Management Personnel or Closely Related Party on how to vote on this Resolution 1, the proxy is prevented by the Corporations Act from exercising your vote and your vote will not be counted in relation to this Resolution 1.

2. Resolution 2 – Re-election of Mr Gordon Sklenka

In accordance with Listing Rule 14.4 and clause 11.3 and 11.4 of the Constitution, at every Annual General Meeting, one third of the Directors (excluding the Managing Director) for the time being must retire from office and are eligible for re-election. The Directors to retire are to be those who have been in office for 3 years since their appointment or last re-appointment or who have been longest in office since their appointment or last re-appointment or, if the Directors have been in office for an equal length of time, by agreement.

The Company currently has 3 Directors and accordingly 1 must retire. Mr Gordon Sklenka, the Director longest in office since his last election, retires by rotation and seeks re-election.

A brief resume of Mr Sklenka is contained in the Annual Report.

The Board believes that Mr Sklenka has performed the duties and responsibilities of a Director diligently and professionally, in the best interests of all Shareholders.

The Board unanimously supports the re-election of Mr Sklenka.

3. Resolution 3 – Approval of 10% Placement Facility

General

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual

general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section (c) of commentary on Listing Rule 7.1A immediately below).

The Directors of the Company believe that Resolution 6 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

Resolution 3 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Chairman intends to exercise all available proxies in favour of Resolution 3.

Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an annual general meeting.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the company.

The Company, as at the date of the Notice, has on issue two classes of Equity Securities, Shares and Listed Options.

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained Shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A is the number of shares on issue 12 months before the date of issue or agreement:

- (1) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (2) plus the number of partly paid shares that became fully paid in the 12 months;

- (3) plus the number of fully paid shares issued in the 12 months with Shareholder approval under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without Shareholder approval;
- (4) less the number of fully paid shares cancelled in the 12 months.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with Shareholder approval under Listing Rule 7.1 or 7.4.

(d) **Listing Rule 7.1 and Listing Rule 7.1A**

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of the Notice, the Company has on issue 533,132,597 Shares and therefore has a capacity to issue:

- (i) 79,969,889 Equity Securities under Listing Rule 7.1; and
- (ii) subject to Shareholder approval being sought under Resolution 3, 53,313,259 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section (c) of commentary on Listing Rule 7.1A immediately above).

(e) **Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) **10% Placement Period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or

- (ii) the date of Shareholder approval of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period as allowed by ASX (**10% Placement Period**).

Listing Rule 7.1A

The effect of Resolution 6 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Specific information required by Listing Rule 7.3A

In accordance with Listing Rule 7.3A, information is provided as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 6 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Listed Options, only if the Listed Options are exercised). There is a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

- (c) The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of the Notice.
- (d) The table also shows:
 - (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific

placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and

- (i) two examples of where the issue price of ordinary securities has decreased by approximately 50% and increased by approximately 50% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.0015 50% decrease in Issue Price	\$0.003 Issue Price	\$0.0045 50% increase in Issue Price
Current Variable A 533,132,597 Shares	10% Voting Dilution	53,313,259 Shares	53,313,259 Shares	53,313,259 Shares
	Funds raised	\$79,970	\$159,940	\$239,910
50% increase in current Variable A 799,698,895 Shares	10% Voting Dilution	79,969,889 Shares	79,969,889 Shares	79,969,889 Shares
	Funds raised	\$119,955	\$239,910	\$359,865
100% increase in current Variable A 1,066,265,194 Shares	10% Voting Dilution	106,626,519 Shares	106,626,519 Shares	106,626,519 Shares
	Funds raised	\$159,939	\$319,878	\$479,817

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) No Listed Options (including any Listed Options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities;
- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
- (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Listed Options, it is assumed that those Listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- (vii) The issue price is \$0.003, being the closing price of the Shares on ASX on 19 October 2012.
- (e) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 3 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking)).
- (f) The Company may seek to issue the Equity Securities for the following purposes:

- (i) non-cash consideration for the acquisition of new hard rock mineral assets and investments, predominantly copper/gold and predominantly in Africa. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
 - (ii) cash consideration. In such circumstances, the Company will use the funds raised towards the acquisition of new hard rock mineral assets or investments (including expenses associated with such acquisitions), and/or exploration and development on the Company's recently announced copper/gold projects in Zambia and/or general working capital.
- (g) The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.
- (h) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
 - (ii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iii) the financial situation and solvency of the Company; and
 - (iv) advice from corporate, financial and broking advisers (if applicable).
- (i) The allottees under the 10% Placement Facility have not been determined as at the date of the Notice but may include existing substantial Shareholders and/or new Shareholders who are not a related party or an associate of a related party of the Company.
- (j) Further, if the Company is successful in acquiring new resources assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new resources assets or investments.
- (k) The Company has not previously obtained Shareholder approval under Listing Rule 7.1A.
- (l) A voting exclusion statement is included in the Notice for Resolution 6.

4. ENQUIRIES

Shareholders are requested to contact Company Secretary on (08) 9429 2900 if they have any queries in respect of the matters set out in these documents.

Definitions

In this Notice:

\$ means Australian dollars.

Annual Report means the 2012 Annual Report of the Company and its controlled entities (if any) a copy of which was lodged with the ASX.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited and where the context permits the Australian Securities Exchange operated by ASX Limited.

Auditor's Report means the auditor's report on the Financial Report.

Board means the Company's current board of Directors.

Business Day means as defined in the Listing Rules.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001 (Cth)*.

Company or **AXG** means AXG Mining Limited ACN 092 304 964.

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company and **Directors** means all of them.

Explanatory Memorandum means this explanatory memorandum accompanying the Notice.

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act of the Company and its controlled entities (if any).

Meeting or **Meeting** has the meaning given in the introductory paragraph of the Notice.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Listing Rules means the listing rules of ASX.

Notice or **Notice of Meeting** or **Notice of Annual General Meeting** means the Notice of Annual General Meeting to which the Explanatory Memorandum is attached.

Proxy Form means the proxy form attached to the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2011.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

WST means Western Standard Time as observed in Perth, Western Australia.

In this Notice, words importing the singular include the plural and vice versa.

AXG MINING LIMITED
ACN 092 304 964

PROXY FORM
ANNUAL GENERAL MEETING

The Company Secretary
AXG Mining Limited

By delivery:
AXG Mining Limited
Suite 2, 16 Ord Street
WEST PERTH WA 6005

By post:
AXG Mining Limited
PO Box 1779
WEST PERTH WA 6872

By facsimile:
08 9486 1011

I/We _____

of _____

being a Shareholder/Shareholders of the Company and entitled to _____

votes in the Company, hereby appoint _____

OR the Chair of the Annual General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the Annual General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Annual General Meeting of the Company to be held at Suite 2, 16 Ord St West Perth, WA on 26th November 2012 at 10:15 AM (WST). If 2 proxies are appointed, the proportion or number of votes of this proxy is authorised to exercise is * []% of the Shareholder's votes*/ [] of the Shareholder's votes. (An additional Proxy Form will be supplied by the Company, on request).

Comment

"Important for Resolution 1: If the Chair of the Meeting or any member of the Key Management Personnel of the Company whose remuneration details are included in the Remuneration Report or a Closely Related Party of that member is your proxy and you have not directed the proxy to vote on Resolution 1, the proxy will be prevented from casting your votes on Resolution 1. If the Chair, another member of the Key Management Personnel of the Company whose remuneration details are included in the Remuneration Report or Closely Related Party of that member is your proxy, in order for your votes to be counted on Resolution 1, you must direct your proxy how to vote on Resolution 1.

If the Chair of the Annual General Meeting is appointed as your proxy, or may be appointed by default, and you do **not** wish to direct your proxy how to vote as your proxy in respect of **Resolutions 2 to 3** please place a mark in this box. If no directions are given, the Chair will vote in favour of all the Resolutions in which the Chair is entitled to vote undirected proxies.

OR

Voting on Business of the Annual General Meeting

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Mr Gordon Sklenka as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is ___%

Authorised signature/s This section **must** be signed in accordance with the instructions overleaf to enable your voting instructions to be implemented.

Individual or Shareholder 1

Shareholder 2

Shareholder 3

Sole Director and Sole Company Secretary

Director

Director/Company Secretary

¹Insert name and address of Shareholder

²Insert name and address of proxy

*Omit if not applicable

Instructions for Completing 'Proxy' Form

A Shareholder entitled to attend and vote at the Annual General Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that Annual General Meeting. If the Shareholder is entitled to cast 2 or more votes at the Annual General Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that Annual General Meeting, the representative of the body corporate to attend the Annual General Meeting must produce the 'Certificate of Appointment of Representative' prior to admission. A form of the certificate may be obtained from the Company's share registry.

A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.

You must sign this form as follows in the spaces provided:

Individual: Where the holding is in one name, the member must

Joint Holding: Where the holding is in more than one name all of the holders must sign.

Power of Attorney: if signed under a power of attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the power of attorney to this Proxy Form when you return it.

Companies: a director can sign jointly with another director or a company secretary. A sole director who is also a sole company secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Annual General Meeting the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's share registry.

Completion of a Proxy Form will not prevent individual members from attending the Annual General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Annual General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the Annual General Meeting.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received by facsimile transmission at the Company's office (Suite 2, 16 Ord Street, West Perth, WA 6005 or Facsimile number 9486 1011 if faxed within Australia or +61 8 9486 1011 if faxed from outside Australia) not later than 48 hours prior to the time of commencement of the Annual General Meeting being 10:15AM (WST) on 24th November 2012.

Proxy forms received later than this time will be invalid.