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**AXG MINING LIMITED**

**ACN 106 240 475**

**NOTICE OF GENERAL MEETING**

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**TIME:** 10:00am (WST)

**DATE:** Friday 19 April 2013

**PLACE:** Suite G4, 49 Melville Parade, South Perth, Western Australia

***This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.***

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9429 2900.***

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**TIME AND PLACE OF MEETING AND HOW TO VOTE**

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**VENUE**

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The General Meeting of the Shareholders of AXG Mining Limited which this Notice of Meeting relates to will be held at 10:00am(WST) on Friday 19 April 2013 at:

Suite G4  
49 Melville Parade  
South Perth Western Australia

**YOUR VOTE IS IMPORTANT**

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

**VOTING ELIGIBILITY**

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The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders at 4:00pm (WST) on Wednesday 17 April 2013.

**VOTING IN PERSON**

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

**VOTING BY PROXY**

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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.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the Shareholder appoints 2 proxies and the appointment does not specify the proportion or number of the Shareholder's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

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 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 Shareholders; 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.

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## NOTICE OF GENERAL MEETING

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Notice is given that the General Meeting of Shareholders of AXG Mining Limited will be held at Suite G4, 49 Melville Parade, South Perth, Western Australia at 10:00am WST on Friday 19 April 2013.

The Explanatory Statement to this Notice Meeting provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and the proxy form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company on Wednesday 17 April 2013 at 4:00pm (WST).

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

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## AGENDA

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### 1. RESOLUTION 1 – ISSUE OF SHARES TO XTL

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

*"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to allot and issue 12,500,000 Shares on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if 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, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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### 2. RESOLUTION 2 – ISSUE OF SHARES AND OPTIONS TO SUPERSTRUCTURE

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

*"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to allot and issue up to 65,000,000 Shares and 12,500,000 Options on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if 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, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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### 3. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES TO TADEA PTY LTD

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

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 40,000,000 Shares on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if 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, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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### 4. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF SHARES TO JOHN WARDMAN

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

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 15,000,000 Shares on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if 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, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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### 5. RESOLUTION 5 – PLACEMENT OF SHARES

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

*"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to allot and issue up to 200,000,000 Shares on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if 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, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**DATED: 15 MARCH 2013**

**BY ORDER OF THE BOARD**

**Roland Berzins**  
**DIRECTOR**

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

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### 1. BACKGROUND AND OVERVIEW OF THE XTL TRANSACTION

#### 1.1 XTL Transaction

On 5 March 2013, the Company announced that it had executed a 12-month option agreement with XTL over three respective strategic Albany-Fraser Range tenements (**Option Agreement**). The tenements include one with an immediate drill target within an interpreted layered mafic intrusion.

Under the Option Agreement, the Company may acquire a 100% interest in EL63/1547 (Mt Ridley), EL63/1564 (Mt Ridley E-W) and EL63/1617 (Mt Ridley N) (each a **Tenement**).

Each option period will be for a 12 month period commencing from the date of the granting of each respective Tenement. Each option period may be extended for a further 6 months (on any Tenement) by the issue of Shares to the value of \$50,000 per option. The deemed price of any Shares issued in respect of the extension of an option period will be calculated on a 5 trading day VWAP prior to the expiration of the respective option(s).

An option fee of \$35,000 in cash and \$25,000 in Shares (12,500,000 Shares issued at a deemed issue price of \$0.002 per Share) is payable to XTL in consideration for the options granted under the Option Agreement (**Option Fee**). The Option Fee was payable within seven Business Days of the execution of the Option Agreement.

The consideration payable on exercise of each option is:

- (a) EL63/1547: 250 million Shares;
- (b) EL63/1564: 100 million Shares, and
- (c) EL63/1617: 100 million Shares,

issued at a deemed issue price of \$0.002 per Share (**Exercise Fee**).

The sale and purchase of any Tenement under the Option Agreement is subject to Shareholder ratification of the issue of the Shares as part of the Option Fee and Shareholder approval of the issue of Shares as part of the Exercise Fee.

#### 1.2 Overview of Fraser Range Project

The Fraser Range project has substantial ground holding covering three tenements for 840km<sup>2</sup> in an emerging greenfields nickel province (**Fraser Range Project**).

Although based on limited exploration activity, the area has a base and precious metal focus, with encouraging similarities of geology between Nova & Mt Ridley.

The area is thought to have exposure to a range of potential commodities typical of these deposit styles: Ni, Cu, Co, PMG's, Zn, Ag, Au.

It is anticipated that the Company will conduct a helicopter-borne geophysical survey in 1H 2013 on the Mt Ridley Project Area's EL 63/1547.

The survey includes approximately 183 line-kms and will target a layered mafic intrusion previously identified by BHP. The interpreted layered mafic intrusion in the SW corner of EL 63/1547 is a possible target for base metal (Cu, Ni, V, Cr), platinoids and/or magnetite mineralisation.

The majority of the layered mafic is on private farming land and, subject to the Company obtaining any required consents/approvals, RC drilling could commence in about 7-8 weeks from receipt of the VTEM data.

The 12 month exploration budget for Mt Ridley is approximately A\$400,000 and includes an allocation of aircore and RC drilling.

With regard to the other two tenements, EL63/1564 and EL63/1617, the exploration budgets and exploration programs for Mt Ridley EW and Mt Ridley N are currently being reviewed however are like to commence with regional geochemical sampling and, subject to results, auger / aircore drilling.

### **1.3 Existing Projects**

In 2011, the Company switched its focus to South America where it entered into option agreements to earn up to 75% in two Cu+/-Au+/-Mo porphyry projects in Southern Peru, namely the Condoroma and Coporaque (**Projects**),

Significantly the Projects are situated along the highly prospective Andahuaylas Yauri belt, a known host of several world class Cu+/-Au+/-Mo deposits.

The Projects comprise 24 mineral concessions covering 17,764 hectares. Previous reconnaissance exploration has been successful in outlining a number of drill targets that will be the target of follow up drilling by the Company in mid 2013 following the spin-out on TSX-V.

#### **(a) Condoroma Project (Company earning 55-75%)**

The project comprises 12 mining claims covering 9,816 hectares and lies adjacent to historical Au, Cu, Ag, Pb, Zn mines. Previous geochemical sampling together with Induced Polarisation and Magnetic surveys has outlined a total of six drill targets covering a total area of 1.7 kilometres x 0.80 kilometres. Diamond drilling is scheduled to commence in mid 2013.

#### **(b) Coporaque Project (Company earning 55-75%)**

Previous reconnaissance exploration by Lara Exploration has identified outcropping porphyry Cu-Au-Mo mineralization and six areas worthy of follow up exploration. Follow up exploration will consist of more detailed mapping and geochemical sampling ahead of a maiden drill campaign later in the 2013 season.

### **1.4 Rationale for entering the XTL Transaction**

The Option Agreement defined in section 1.1 augments the current operations of the Company, is complementary to the Company's existing business of acquiring and developing opportunities in Australia and overseas and is

consistent with the Company's objectives to consider new investment opportunities to improve shareholder value.

The rationale for the Company's entering of the Option Agreement includes:

- (a) the amelioration of risks of operating in one country;
- (b) the Fraser Range Project is close to existing infrastructure providing a low cost of exploration and mining; and
- (c) experienced management and technical teams are dedicated to development of the Fraser Range Project.

Following the Transaction, the Company will continue to be in the business of exploring and developing gold and uranium properties through existing the Projects and have new exploration opportunities.

## **1.5 Provision of corporate services in relation to the XTL Transaction**

On or about 6 February 2013, the Company entered into a mandate with Superstructure Energy Pty Ltd (**Superstructure**) regarding the provision of corporate services which included the introduction of the Company to XTL and the Tenements of which are subject of the Option Agreement (**Mandate**).

Subject to Shareholder approval, in consideration of the corporate services provided under the Mandate, the Company must pay Superstructure a fee of:

- (a) \$130,000 in Shares (65 million Shares issued at a deemed issue price of \$0.002 per Share); and
- (b) 12,500,000 Options (exercisable at \$0.009, on or before 30 June 2016).

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## **2. RESOLUTION 1 – ISSUE OF SHARES TO XTL**

### **2.1 General**

Under the Option Agreement, the Company must issue 12,500,000 Shares as part of the Option Fee in consideration for the grant of the options under the Option Agreement detailed in section 1.1.

Resolution 1 seeks Shareholder approval to issue the Shares in accordance with ASX Listing Rule 7.1.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

By approving this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

### **2.2 Technical information required by ASX Listing Rule 7.1**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of the Shares:

- (a) a maximum 12,500,000 Shares are intended to be issued;



- (b) the deemed issue price will be \$0.002 per Share;
- (c) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (d) the Shares issued will all be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the Shares will be allotted and issued to XTL Energy International Ltd, who is not a related party of the Company; and
- (f) no funds will be raised from this issue as the Shares will be issued in consideration for the grant of the options under the Option Agreement.

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### **3. RESOLUTION 2 – ISSUE OF SHARES AND OPTIONS TO SUPERSTRUCTURE**

#### **3.1 General**

Resolution 2 seeks Shareholder approval for the allotment and issue of 65,000,000 Shares and 12,500,000 Options in consideration for the provision of the corporate services under the Mandate.

A summary of ASX Listing Rule 7.1 has been set out in section 2.1.

The effect of Resolution 2 will be to allow the Company to issue the Shares and Options pursuant to the Mandate during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity set out in ASX Listing Rule 7.1.

#### **3.2 Technical information required by ASX Listing Rule 7.1**

##### **(a) Shares**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the allotment and issue of the Shares:

- (i) the maximum number of Shares to be issued is 65,000,000;
- (ii) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (iii) the deemed issue price is \$0.002 per Share in consideration for the corporate services under the Mandate;
- (iv) the Shares will be allotted and issued to Superstructure Energy Pty Ltd, who is not a related party of the Company;
- (v) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (vi) no funds will be raised from the issue as the Shares are being issued in consideration for the corporate services under the Mandate.

(b) **Options**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the allotment and issue of the Options:

- (i) the maximum number of Options to be issued is 12,500,000;
- (ii) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (iii) the Options will be issued for nil consideration in consideration for the provision of the corporate services under the Mandate;
- (iv) the Options will be allotted and issued to Superstructure Energy Pty Ltd, who is not a related party of the Company;
- (v) the Options will be issued on the terms and conditions set out in Schedule 1; and
- (vi) no funds will be raised from the issue as the Shares are being issued in consideration for the corporate services under the Mandate.

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**4. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES TO TADEA PTY LTD**

**4.1 General**

On 11 January 2013, the Company issued 40,000,000 Shares in consideration for the provision of the corporate services by Tadea Pty Ltd.

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

**4.2 Technical information required by ASX Listing Rule 7.4**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 40,000,000 Shares were allotted;
- (b) the deemed issue price was \$0.002 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

- (d) the Shares were allotted and issued to Tadea Pty Ltd, who is not a related party of the Company; and
- (e) no funds were raised from this issue as the Shares were issued in consideration for the provision of the corporate services by Tadea Pty Ltd.

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## **5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF SHARES TO JOHN WARDMAN**

### **5.1 General**

On 30 January 2013, the Company issued 15,000,000 Shares to John Wardman at an issue price of \$0.002 each to raise \$30,000.

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

A summary of ASX Listing Rules 7.1 and 7.4 is set out in sections 2.1 and 4.1 above.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

### **5.2 Technical information required by ASX Listing Rule 7.4**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 15,000,000 Shares were allotted;
- (b) the deemed issue price was \$0.002 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were allotted and issued to John Wardman, who is not a related party of the Company; and
- (e) the funds raised from the issue were used for working capital purposes.

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## **6. RESOLUTION 5 – PLACEMENT OF SHARES**

### **6.1 General**

Resolution 5 seeks Shareholder approval for the allotment and issue of up to 200,000,000 Shares at an issue price per Share not lower than the lesser of:

- (a) \$0.002; and
- (b) the amount equal to 80% of the 5 day VWAP,

(**Placement**).

A summary of ASX Listing Rule 7.1 has been set out in section 2.1.

The effect of Resolution 5 will be to allow the Company to issue the Shares pursuant to the Placement during the period of 3 months after the Meeting (or a

longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

## **6.2 Technical information required by ASX Listing Rule 7.1**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) the maximum number of Shares to be issued is 200,000,000;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the issue price per Share will not be the lower than:
  - (i) \$0.002; and
  - (ii) the amount equal to 80% of the 5 day VWAP;
- (d) the Directors will determine to whom the Shares will be issued but these persons will not be related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to use the funds raised from the Placement towards exploration on the Fraser Range projects, the costs associated with the TSXV listing of the Condorama Project option and for general working capital purposes.

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## GLOSSARY

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**\$** means Australian dollars.

**ASX** means ASX Limited.

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Chair** means the chair of the Meeting.

**Company** means AXG Mining Limited ACN 106 240 475.

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

**Directors** means the current directors of the Company.

**Exercise Fee** has the meaning given to it under section 1.1.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**General Meeting** or **Meeting** means the meeting convened by the Notice.

**Mandate** has the meaning given to it under section 1.5.

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Option** means an option to subscribe for one Share on the terms and conditions detailed in the Explanatory Statement.

**Option Agreement** has the meaning given to it under section 1.1.

**Option Fee** has the meaning given to it under section 1.1.

**Proxy Form** means the proxy form accompanying the Notice.

**Resolutions** means the resolutions set out in the Notice, 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 holder of a Share.

**Tenement** has the meaning given to it under section 1.1.

**Transaction** means the purchase and sale of the Tenements under the Option Agreement.

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

**VWAP** means the volume weighted average price of a Share and is calculated by totalling the price traded for every Share (price multiplied by number of Shares traded) and then dividing by the total Shares traded for that day.

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## SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS

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**(a) Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

**(b) Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.009 (**Exercise Price**).

**(c) Expiry Date**

Each Option will expire at 5.00pm (WST) on 30 June 2016 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

**(d) Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

**(e) Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

**(f) Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

**(g) Timing of issue of Shares on exercise**

Within 15 Business Days after the later of the following:

- (i) the Exercise Date; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after the Exercise Date, the Company will:

- (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the

Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

**(h) Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

**(i) Quotation of Shares issued on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

**(j) Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

**(k) Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

**(l) Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

**(m) Unquoted**

The Company will not apply for quotation of the Options on ASX.

**(n) Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.



# PROXY FORM

**APPOINTMENT OF PROXY**  
**AXG MINING LIMITED**  
**ACN 106 240 475**

## GENERAL MEETING

I/We

being a Shareholder of AXG Mining Limited entitled to attend and vote at the Meeting, hereby

Appoint

Name of proxy

OR

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Mark this box if you wish to appoint the Chairman of the Meeting as your proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the General Meeting to be held at Suite G4, 49 Melville Parade, South Perth, Western Australia on Friday 19 April 2013 at 10:00am (WST) and at any adjournment thereof.

**The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.**

### Voting on Business of the General Meeting

|              |                                                        | FOR                      | AGAINST                  | ABSTAIN                  |
|--------------|--------------------------------------------------------|--------------------------|--------------------------|--------------------------|
| Resolution 1 | Issue of shares to XTL                                 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2 | Issue of shares and options to Superstructure          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3 | Ratification of prior issue of Shares to Tadea Pty Ltd | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 4 | Ratification of prior issue of Shares to John Wardman  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 5 | Placement of Shares                                    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

**OR**

**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 be counted in computing the required majority on a poll.

### Important for Resolutions 1, 2 and 5

If you have not directed your proxy how to vote as your proxy in respect of Resolutions 1 to 5 and the Chair is, or may by default be, appointed your proxy, you must mark the box below.

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I/we direct the Chair to vote in accordance with his/her voting intentions (as set out above) on Resolutions 1 to 5 (except where I/we have indicated a different voting intention above) and acknowledge that the Chair may exercise my/our proxy even if the Chair has an interest in the outcome of Resolutions 1 to 5 and that votes cast by the Chair for Resolutions 1 to 5, other than as proxy holder, will be disregarded because of that interest.

If the Chair is, or may by default be, appointed your proxy and you do not mark this box and you have not directed the Chair how to vote, the Chair will not cast your votes on Resolutions 1, 2 and 6 and your votes will not be counted in calculating the required majority if a poll is called on Resolutions 1, 2 and 6.

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

Signed this

day of

2013

\_\_\_\_\_ %

**By:**

### Individuals and joint holders

Signature

Signature

Signature

### Companies (affix common seal if appropriate)

Director

Director/Company Secretary

Sole Director and Sole Company Secretary

## INSTRUCTIONS FOR COMPLETING 'APPOINTMENT OF PROXY' FORM

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
  - **(Individual):** Where the holding is in one name, the Shareholder must sign.
  - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
  - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
  - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) post to AXG Mining Limited, PO Box 1922 West Perth WA 6872; or
  - (b) facsimile to the Company on facsimile number +61 8 9486 1011,

so that it is received not less than 48 hours prior to commencement of the Meeting.

**Proxy Forms received later than this time will be invalid.**