

NOTICE TO SHAREHOLDERS

Dear Shareholder:

This is to seek your approval for the amendments of the Amended Articles of Incorporation of **AXELUM RESOURCES CORP.** (the "Company").

The proposed amendment on the Company's authorized capital stock is pursuant to the conversion by CP Compass Singapore Pte. Ltd. ("CP Compass") of its redeemable preferred shares ("RPS") to common shares. The amendment aims to reflect the resulting capital structure after such conversion.

In the years 2017 to 2019, a total of nine hundred million (900,000,000) RPS was issued to CP Compass from the one billion (1,000,000,000) RPS authorized capital stock of the Company leaving one hundred million (100,000,000) unissued RPS. In January and March 2019, CP Compass converted all of its nine hundred million (900,000,000) RPS to common shares at the ratio of one (1) common share for every one (1) RPS (1 common share: 1 RPS). The nine hundred million (900,000,000) common shares issued to CP Compass were taken from the unissued common shares existing at the time of the conversion. Thus, the nine hundred million (900,000,000) common shares arising from the conversion by CP Compass became part of the issued common shares of the Company.

The Company proposes to reclassify one hundred million (100,000,000) common shares to one hundred million (100,000,000) RPS resulting in a final authorized capital stock of five billion Pesos (Php5,000,000,000.00) divided into four-billion-eight-hundred-million-Peso (Php4,800,000,000) common shares and two-hundred-million-Peso (Php200,000,000) RPS:

- a. 3,798,405,500 issued and outstanding common shares;
- b. 201,594,500 common shares held in treasury;
- c. 800,000,000 unissued common shares; and
- d. 200,000,000 unissued RPS.

Currently, there are no holders of the RPS that will be affected by the amendments while the existing holders of common shares will also not be affected by the amendments. The amendments do not have the effect of changing or restricting the rights of existing holders of common shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class.

The Company hereby presents the proposed amendments below:

1. Sixth Article: Increase in the number of directors **from** seven (7) **to** nine (9)
2. Seventh Article: Change in authorized capital stock

from FIVE BILLION PESOS (P5,000,000,000.00), in lawful money of the Philippines, divided into (a) FOUR BILLION PESOS (P4,000,000,000.00) Common Shares with par value of One Peso (P1.00) per share and (b) ONE BILLION PESOS (P1,000,000,000.00) Redeemable Preferred Shares with par value of One Peso (P1.00) per share.

to FIVE BILLION PESOS (P5,000,000,000.00), in lawful money of the Philippines, divided into (a) FOUR BILLION EIGHT HUNDRED MILLION PESOS (P4,800,000,000.00) Common Shares with par value of One Peso (P1.00) per share and (b) TWO HUNDRED MILLION PESOS (P200,000,000.00) Redeemable Preferred Shares with par value of One Peso (P1.00) per share.

3. Seventh Article. Change in the features of the Redeemable Preferred Shares as follows (provisions to be modified or deleted are indicated):

The Redeemable Preferred Shares shall have the following features:

a) Voting Rights

The holders of the Redeemable Preferred Shares (the "Redeemable Preferred Shareholders") outstanding from time to time shall have the same full and unrestricted voting rights as the holders of the Common Shares ("Common Shareholders").

b) Dividends

The Redeemable Preferred Shareholders shall be entitled to participate pro-rata in any regular dividend declared for the Common Shares to be paid out of the corporation's unrestricted retained earnings at the same rate and upon the same terms as declared and paid to the Common Shareholders. The Redeemable Preferred Shareholders shall also be entitled to such other dividends as may be determined and approved by the Board of Directors.

~~Unless dividends on all outstanding Redeemable Preferred Shares shall have been paid or declared and set apart for payment, (i) no dividends shall be paid or declared and set apart for payment in respect of the Common Shares; (ii) no distribution shall be made in respect of the Common Shares as to distribution upon liquidation, dissolution or winding up of the corporation; (iii) nor shall any Common Shares, upon liquidation, dissolution or winding up of the corporation, be redeemed, purchased or otherwise acquired for any consideration (or any payment made to or made available for a sinking fund for the redemption of shares of such stock) by the corporation.~~

c) Convertibility into Common Shares

The Redeemable Preferred Shareholders have the right to convert their Redeemable Preferred Shares to Common Shares ~~at any time~~ by notice to the corporation; **provided, that no Redeemable Preferred Shares shall be converted until after three (3) years from its issue date.** After conversion, the new Common Shares (which may consist of reissued treasury shares and/or new Common Shares from the corporation's authorized capital) to be issued shall rank pari passu in all respects with the existing Common Shares of the corporation. The initial conversion ratio shall be one-to-one, subject to any adjustments set out in any effective shareholders agreement.

d) Liquidation Rights

In the event of any voluntary or involuntary liquidation, dissolution or winding up of the corporation (but not on redemption of any of the Redeemable Preferred Shares or any repurchase by the corporation of any of the Redeemable Preferred Shares), the Redeemable Preferred Shareholders shall be entitled to receive out of the assets of the corporation available for distribution to the shareholders of the corporation, before any distribution of assets is made to holders of Common Shares, distributions in the amount of the issue value per outstanding Redeemable Preferred Shares, plus declared and unpaid dividends to the date of distribution.

e) Priority

No equity security shall be created or issued with preferences as regards participation in the profits of the corporation or in the assets of the corporation on a liquidation, dissolution or winding up or otherwise higher in priority to the Redeemable Preferred Shares.

f) Redemption

~~“The corporation shall have the option to redeem the Redeemable Preferred Shares if approved by the Board of Directors, and the redemption shall be pursuant to a written redemption agreement executed by the corporation and the relevant holder of the Redeemable Preferred Shares. In no case shall the redemption price of the actual number of Redeemable Preferred Shares to be redeemed be less than the cost of such shares plus an 8% yield. (As amended by the Directors and Stockholders on July 26, 2017.)”~~

The corporation may, at any time, reissue any of the Redeemable Preferred Shares it has previously redeemed.

~~g) Payments~~

~~Payments of dividends and any other distributions in respect of the Redeemable Preferred Shares or amounts payable upon redemption of the Redeemable Preferred Shares may be made in United States Dollars, at the election of the Redeemable Preferred Shareholder, insofar as and to the full extent permissible under Philippine law and regulations. In the event that, due to any change in Philippine law or regulations, force majeure events or any other circumstances rendering it illegal for the corporation to make any of such payments in United States Dollars (“USD”), the corporation shall not be under any obligation to make such payment in USD and any such payment will be made in Philippine Pesos (“Pesos”).~~

~~Any conversion of amounts in USD to Pesos payable hereunder shall be calculated based on the FX Rate (as defined below) applicable for the purchase of Pesos with USD as at the date of the declaration of the relevant dividends, payment of redemption price or distribution, as the case may be. For the purpose of this paragraph, “FX Rate” means the USD:Pesos closing rate of a bank that the Board of Directors may reasonably nominate, on a day when banks are open for business in the Philippines (“Business Day”) immediately prior to such conversion.~~

~~If the due date for payment of any amount in respect of any Redeemable Preferred Shares is not a Business Day, then the holder shall not be entitled to payment of the amount due until the next following Business Day and shall not be entitled to any interest or other payment in respect of any such delay.~~

g) ~~h~~-Notices

Notices to Redeemable Preferred Shareholders shall be given in accordance with the corporation's By-Laws.

The corporation shall provide to each Redeemable Preferred Shareholder copies of all notices, circulars, annual budgets and annual reports sent to all holders of Common Shares.

h) ~~i~~Transfers

(i) A Redeemable Preferred Share may be transferred, in whole or in part, in accordance with the provisions of the corporation's By-laws and any effective shareholder agreement upon the surrender at the office of the corporate secretary of the certificate evidencing the Redeemable Preferred Share to be transferred, together with the form of transfer endorsed on it duly completed and executed by both the transferor and the transferee and the relevant documents of title and identity of the person making the request, subject to such reasonable regulations as the corporation may establish from time to time.

Title to the Redeemable Preferred Shares shall pass by registration in the corporation's stock and transfer book. Registration of the Redeemable Preferred Shares on transfer shall be effected without charge by or on behalf of the corporation, but upon payment by the relevant holder of the Redeemable Preferred Shares in respect of any tax or other government charges which may be imposed in relation to such transfer.

(ii) The corporation shall be entitled to treat a registered holder of the Redeemable Preferred Shares as its absolute owner for all purposes, and no person will be liable for so treating such Redeemable Preferred Shareholder, in the absence of determination by the corporation's corporate secretary that the registered owner holds such shares in trust for another or is not the rightful owner of such shares.

i) ~~j~~-Replacement of Lost Certificates

If any certificate for a Redeemable Preferred Share is defaced or alleged to have been lost, stolen or destroyed, a new certificate representing the same Redeemable Preferred Share may be issued to the holder upon request, subject to delivery of the old certificate, or (if alleged to have been lost, stolen or destroyed) compliance with Section 73 of the Corporation Code of the Philippines and such other conditions as to evidence indemnity and the payment of out-of-pocket expenses of the corporation in connection with the request as the Board of Directors may determine.

The above-mentioned conditions shall be printed in all certificates of stock for Redeemable Preferred Shares issued by the corporation.

In accordance with Section 15 of the Revised Corporation Code, we are now submitting the abovementioned amendments for the approval of stockholders of record as of 03 March 2023 through written assent.

The Written Assent Form ("Form") is attached to the Information Statement and is also available for download on the Company's website at www.axelum.ph. You may indicate your vote on the proposed amendments by checking the appropriate box in the Form, signing your name thereon and indicating the number of shares represented and sending us the accomplished form at your soonest convenience at:

- 1) **AXELUM RESOURCES CORP.**
Attn: The Corporate Secretary
1052 EDSA, Magallanes Village, Makati City

- 2) **by email at asm-secretariat@axelum.com.ph.**

The proposed amendments of the Articles of Incorporation shall be deemed approved as soon as the affirmative votes reach at least two-thirds (2/3) of the outstanding capital stock of the Company.

April 3, 2023, Makati City.

Thank you.

Very truly yours,

sgd.
PRECIOSA D. CASTILLO
Corporate Secretary