



axiom
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Quarterly Activities Report

For the period ended 30 September 2017



Message from the CEO

This quarter saw a number of events that bodes well for the achievement of our immediate goals – licensing of the world class Isabel Nickel Project.

A change of leadership in the Ministry of Mines in the Solomon Islands, and the announcement of the withdrawal of major competitor, Sumitomo, from the Solomon Islands, has provided renewed confidence that our pending mineral licence application process will be administered appropriately.

I am pleased to say that we have received positive feedback from our initial engagement with the new Minister of Mines, and are heartened by the overt recognition of the importance of the Isabel Nickel Project to the country and attention the government has placed on the project and our applications in the past two months.

We still understand that the path to securing our permits and licences in these jurisdictions at times remains challenging. But we are determined to operate in accordance with the laws of the country, employing the most efficient ways of securing these licences.

Through our adherence to due process and professional conduct,

I am pleased to convey that we have received positive recognition from the new leadership within the Ministry of Mines.

This goodwill assists us towards gaining the approvals required for the final stages of the processing of our licence applications.

It is also pleasing to be back on the ground at San Jorge. During the quarter a number of studies are either underway or complete preparing the Company in readiness to undertake the next phases of the project.

We appreciate the patience of our shareholders during this period. I can assure you that our team remains focussed on and has been attentive to any opportunity to advance our position in securing the licences for the world class Isabel Nickel Project.

Axiom retains legal incumbency for San Jorge and Kolosori licence award respectively. In that regard, we will doggedly continue to ensure that due process is followed to that

Ryan Mount, CEO

Highlights from the quarter

- Development and environment teams deployed back to Solomon Islands and Isabel province
- Major competitor, Sumitomo, withdraws from the Solomon Islands
- Government ministerial changes in the Solomon Islands welcomed
- Axiom presented at the Australia Solomon Islands Business Forum and received notable support from attendees, including government officials and keynote speakers
- Commencement of studies and reconnaissance program on the West Guadalcanal large copper/ gold porphyry deposit
- Near-term funding firmed up with confirmation of an additional \$5 million finance facility for pre-development activities and working capital

Cover Photo: View from South San Jorge Island across Thousand Ships Bay to Santa Isabel Island.

Corporate summary

Solomon Islands Licence Application process

As reported in the Company's update of 11 September 2017, a number of significant events occurred during the quarter which the Company perceives as beneficial to delivering successful outcomes from its licence application process over the Isabel Nickel Project.

Axiom welcomed ministerial changes made by the Solomon Islands Government on 4 August 2017, particularly in the leadership of the Ministry of Mines, Energy and Rural Electrification ('Ministry of Mines'). This was supported by indications from the Ministry of Mines that licencing for the Isabel Nickel Project is a renewed and immediate priority for the Government.

Subsequently, Axiom efficiently responded to the Government's requests for supplementary information in relation to the Company's licence applications. All of these responses have been to the satisfaction of the Ministry of Mines.

Also following the change in Ministerial leadership at the Ministry of Mines, on 10 August 2017, Axiom's competitor in the area, SMM Solomon Limited ('Sumitomo'), announced a full departure from the Solomon Islands by the end of the year after over a decade of nickel exploration and five years in litigation against Axiom and the Solomon Islands Government.

Prior to Sumitomo announcing its exit plans, Axiom commenced legal proceedings against Sumitomo, alleging it was in Contempt of Court when one of its long term employees was caught disseminating false and misleading information about Axiom to media outlets. Sumitomo denies the allegation. A trial has not commenced yet with only interlocutory matters being dealt with so far.

The Company was also buoyed by the strong support it received in bi-lateral forums, particularly when Axiom presented at the Australia Solomon Islands Business Forum in 24 July 2017, and received notable support from attendees, including government officials and keynote speakers. The Company believes that this recognition places it in a position to lead the mining industry in the Solomon Islands out of dormancy and into ethical and sustainable development.

Recognising the importance placed on the Isabel Nickel Project by the Solomon Islands Government, as well local communities, along with Axiom shareholders, the Company continues to engage with all levels of government and landowner groups to achieve its outcomes.

Axiom retains its legal incumbency across the Isabel Nickel Project, for both its mining lease application for the San Jorge deposit and its prospecting licence application for the Kolosori deposit.

Funding update

Following the establishment of a finance facility with Magna on 16 June 2017, both Magna and Axiom agreed to draw the second tranche of funds of \$2m during the quarter. This allowed for the continual advancement of pre-development work on the Isabel Nickel Project.

As part of the funding acceleration the parties agreed to the option for Axiom to receive a further amount of a minimum of \$3 million, variable up to \$5 million dependent upon successful in-country and project site due diligence. This due diligence was successfully completed and a \$5 million facility has been established, subject to the existing terms of the arrangement as announced to the ASX on 16 June 2017. The drawing down of funds from this facility is entirely at the discretion of Axiom.



Axiom's CEO, Ryan Mount presents at the Australia Solomon Islands Business Forum.

Solomon Islands

Isabel Nickel Project

Tenements	Ownership	Location	Area
San Jorge (PL 01/15)	80% Axiom Mining Limited 20% interest held by landowning tribes	San Jorge Island, Isabel Province	36 km ²
Kolosori	Nil - reapplication submitted	Santa Isabel Island, Isabel Province	42km ²

San Jorge exploration and development

Whilst awaiting the approvals, Axiom has been active in advancing the development of the project with exploration, planning, site upgrades and on-going environmental and social studies taking place.

An exceptional team of experts are working efficiently within the bounds of current licencing constraints to advance our position and also satisfy any questions and request from the Ministry of Mines in anticipation of licence approvals.

Community update

Axiom continues to maintain and advance relationships with landowners, communities and other stakeholders within the areas it continues to operate including ensuring appropriate levels of consultation prior to and during operational activities.

Axiom actively seeks ways to assist in delivering growth and development to landowner communities and remains at the forefront in leading landowners to a higher level of governance where appropriate and within the bounds of the law.

Kolosori

Field activities remain suspended whilst the Company awaits the outcomes of the approval process for its Prospecting Licence application. The Company continues to monitor and refresh its project analysis to ensure prompt readiness for efficient project development.



San Jorge Island during environmental field activities.

West Guadalcanal

In May 2017 Axiom was granted a renewal of its West Guadalcanal Prospecting Licence (PL 01/14) for a further 3 years by the Solomon Islands Government.

The area is considered highly prospective for epithermal gold-silver and porphyry copper-gold mineralisation.

Since the Solomon Islands gained Independence in 1978 there have been a number of owners, operators and joint venture operators of the project including Niugini Mining (discovered Lihir Island gold mine), BHP and more recently Xstrata Copper (now Glencore).

Exploration undertaken by previous operators was interrupted by civil unrest and global decisions to restrict spending on exploration in such regions during commodity downturns.

In 2014, Axiom conducted significant exploration and formed the view that the project is one of the most prospective areas for gold, silver and copper including hosting:

- A Carbonate base metal gold epithermal corridor which is greater than 10km long and hosting at least three exploration targets.

- A Porphyry Cu-Au hydrothermal footprint encompassing an area of 10km².

Following the initial phases of the proposed program Axiom will extend exploration activity when appropriate.



Exploration reconnaissance activities at West Guadalcanal

Australian tenements

Queensland

Cardross and Mountain Maid

Axiom continues to review its position in respect of these tenements particularly with recent copper and gold price increases.

A renewal application over Cardross ML 20003 has been lodged with the Department of

Natural Resources and Mines Queensland for a further 3 year period and is being processed.

Mt Molloy and OK Mines

Minimal activity was undertaken on these projects during the quarter.

A renewal application over Mt Molloy ML 4831 has been lodged with the Department of Natural Resources and Mines Queensland for a further 11 years and is being processed.

Schedule of tenements

Tenements held at the end of the quarter and their location				
Country	Name and location	Tenement number	Interest held	Status
Australia	Cardross Project, Chillagoe, Qld			
	Cardross	ML 20003	100%	Granted (Under Renewal)
	Cardross	EPM 19821	100%	Granted
	Mount Molloy Project, Mareeba, Qld			
	Mt Molloy copper mines	ML 4831	100%	Granted (Under Renewal)
	OK Mines Project, Chillagoe, Qld			
	OK North	ML 4805	100%	Granted
	OK South	ML 4806	100%	Granted
	OK Extended	ML 4809	100%	Granted
	OK Extended No. 2	ML 4813	100%	Granted
OK	ML 5038	100%	Granted	
Solomon Islands	Isabel Nickel Project, Santa Isabel Island and San Jorge Island			
	Kolosori		80%	PL under application
	San Jorge	PL 01/15	80%	Granted
	West Guadalcanal Project			
	West Guadalcanal	PL 01/14	100%	Granted
Schedule of tenements abbreviations				
EPM	Queensland	Exploration Permit for Minerals	PL	Solomon Islands Prospecting Licence
ML	Queensland	Mining Lease		

Contacts and notes

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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. The Company also owns all majority holdings in 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.

