

**13 November 2017**

## ASX Announcement

### Corporate and Operational Update

#### Highlights

- **Solomon Islands Government**
  - The Prime Minister was voted out as leader of the government in a recent parliament sitting after a majority of cabinet ministers crossed the floor and joined the opposition
  - A number of MPs are blaming the recently deposed government for hindering the development of key projects such as the Isabel Nickel Project
  - The government remains in caretaker mode until later this week when a new Prime Minister is elected and government is formed
- **Isabel Nickel Project**
  - The licencing approval process has been prolonged due to disorganisation within the government and its bureaucratic entities. This has included differing positions on economic development priorities and associated views on Axiom's licence applications
  - Axiom is encouraged by the forming of a new government in Solomon Islands. Positive sentiments were voiced by government decision makers in recent weeks as to the Isabel Nickel Project and Axiom's development plans
  - Axiom awaits the formation of the new government for the Minister of Mines to complete the licence application approval process
- **Operations**
  - Environmental and social studies were recently completed for the proposed mining operations of the San Jorge nickel deposit
  - Review and exploration of the West Guadalcanal gold and copper project continues
- **Funding**
  - Axiom has drawn down the first \$2 million of an available \$5 million facility
  - This funding provides for the parallel advancement of its projects whilst pursuing the upgrade of its current mineral tenure over the Isabel Nickel project

Axiom Mining Limited ('Axiom' or 'the Company') CEO Mr Ryan Mount said: "While it is frustrating to be impacted by this recent disruption to the Solomon Islands Government, ultimately we believe recent political events in the Solomon Islands bode well for us especially with the chorus of leading MPs demanding the need for development of key projects such as the Isabel Nickel Project."

"In that respect Axiom is in the best position to lead the country's development needs and we will do so in a sustainable and ethical manner. We look forward to the resolution of the political impasse this week and in turn anticipate a positive outcome from our pending licence applications over the world class Isabel Nickel Project."

### **Isabel Nickel Project - further political change in Solomon Islands**

In the past two weeks, the government of the Solomon Islands has voted for change.

Solomon Islands Prime Minister Manasseh Sogovare lost a no-confidence motion in Parliament as he no longer has the support of the greater majority of MPs. He will be replaced as Prime Minister following a vote later this week.

This followed the mass resignation of government cabinet ministers in advance of the motion of no-confidence. Significant debate broke out last week in a lengthy sitting of Parliament, and in the media and other forums with delays in major project development being a key issue. This included:

- A number of MPs blaming the recently deposed government for hindering the development of key projects such as the Isabel Nickel Project;
- Demands as to why Axiom has not been awarded the project rights yet; and
- Claims of undue and inappropriate influence on the Minerals Board, the statutory committee for one of the first steps in the licence approval process.

Recent months have seen conflicting opinions and positions within various stakeholder groups, including government bodies, as to the pace of development and therefore Axiom's licence applications. The final arbiter of the licence application outcomes is the Minister of Mines. Axiom awaits the formation of the new government for the Minister of Mines to complete formal consideration of Axiom's licence applications.

The Company continues to operate on the San Jorge nickel deposit, part of the Isabel Nickel Project, with the strong support of landowners.

### **Operational Activities – prudent progress where sensible**

In parallel to the ongoing licencing aspects Axiom continues to progress appropriate operational activities including:

- Environmental and social studies were recently completed, under the administration and full consultation of the Ministry of Environment;
- Pre-development activities continue at San Jorge within the parameters of the current licence;
- Review and advancement of development plans continue at Kolosori; however no site activities have occurred recently; and
- Reconnaissance and exploration activities are underway at West Guadalcanal which is considered highly prospective for epithermal gold-silver and porphyry copper-gold mineralisation.

### **Funding – further funds received for the next phase of work on the Isabel Nickel Project**

As announced in the recent Quarterly Activities Report, Axiom has negotiated an extension to its Convertible Note Agreement with MEF I. LP (Magna) to provide access to a further \$5 million.

The first \$2 million of that additional facility has now been drawn to support the Company's ongoing working capital needs. It provides for the parallel advancement of its projects whilst pursuing the upgrade of Axiom's current mineral tenure.

Convertible Notes relating to this drawdown were issued on 10 November 2017. A further \$3 million remains available at the option of the Company.

The facility remains subject to the terms of the arrangement as announced to the ASX on 16 June 2017.



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**ENDS**

**About Axiom Mining Limited**

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

For more information on Axiom Mining, please visit [www.axiom-mining.com](http://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.