Build. Share. Protect.

2018 ANNUAL REPORT

THE COMPANY HAS PROGRESSED ITS MINING ASPIRATION WITH APPROVAL GRANTED TO DEVELOP AND MINE ITS SAN JORGE TENEMENT, PART OF THE ISABEL NICKEL PROJECT.

FIRST SHIPMENT OF ORE IS EXPECTED TO OCCUR IN THE FIRST QUARTER OF 2019. THIS ACHIEVEMENT HAS BEEN MADE POSSIBLE BY MANY CONTRIBUTORS: THE COMPANY'S PARTNER LANDOWNERS AND THEIR COMMUNITIES, OUR DEDICATED STAFF, SHAREHOLDERS, STAKEHOLDERS AND INVESTORS IN THE COMPANY.

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CORPORATE GOVERNANCE:

The Company's 2018 Corporate Governance Statement was released to the ASX on 8 March 2019 and is available at **www.axiom-mining.com**

2018 HIGHLIGHTS

Axiom has reached a pivotal moment as it transitions from exploration phase to mining operations at its San Jorge, Isabel Nickel Project. There was strong interest from potential off-take and financing parties resulting in the Company agreeing to terms with Traxys Europe SA ('Traxys'), a leading global metals and commodity trading group.

PROJECT

Mining Lease over San Jorge tenement approved by the Solomon Islands Government in September 2018 for 25 years. Construction and development ramped up at San Jorge including expansion and upgrading haulage roads, extensive upgrade of camp facilities and the construction of main stock yard for storage of nickel ore.

NICKEL GRADE CONTROL DRILLING

GOLD / COPPER EXPLORATION DRILLING

Encouraging drill results received from the infill/grade control drill program reinforcing the potential of San Jorge providing the company the opportunity to market two saleable products including saprolite and a high grade of iron (FE) limonite. West Guadalcanal Project completed its early stage field exploration and commenced its Phase II exploration program.

STAKEHOLDER ENGAGEMENT

Axiom's engagement with the Solomon Islands Government resulted in the Company being granted the necessary environmental, development and mining permits/lease. Landowners, shareholders and development partners played a vital role in Axiom securing a Mining Lease over the Isabel Nickel Project at San Jorge.

Chairman's Review

ROBERT BARRAKET

"AS THE COMMENCEMENT OF MINING AND FIRST SHIPMENT OF ORE DRAWS NEAR, WE LOOK FORWARD WITH GREAT RESOLVE AND ANTICIPATION."

This is the third year in which I have had the honour of being Chairman of the Board of Axiom Mining Ltd ('Axiom' or 'the Company'). In each year of my tenure, I have reported on the significant progress that has occurred in transitioning Axiom from a minerals explorer to a producer. With the commencement of mining imminent, I am delighted to now report that the Company is on the verge of its greatest achievement.

Comparatively few listed companies ever transition from being an explorer to a producer, so this is a major milestone. In Axiom's case, it is all the more significant, given the hurdles it has overcome such as international competition, complex litigation, and the many challenges operating in a remote area and in a relatively uncertain mining jurisdiction. I know shareholders are aware of these hurdles as it has unfortunately been reflected in the value of your shares.

As you know, during 2018, we received our mining lease for the San Jorge tenement, part of the Isabel Nickel Project. This remarkable achievement was the culmination of the tireless efforts of our talented and dedicated staff at all levels and in every function of the Company.

No one better represents the work ethic of the Company and our core values of "Build. Share. Protect." than our Chief Executive Officer, Mr Ryan Mount. He has kept us together in trying times and now that we have achieved operational status, he is steering us through the many protocols necessary to efficiently deliver our first shipment of ore. But as Ryan regularly reminds me, it is his team around him that has brought about our advancement this past year as well as the much appreciated support of the landowners of San Jorge Island.

The customary landowners of San Jorge know and respect the land and their customs. Consequently, we have adopted those customs too. We pride ourselves on our ability to honour and fulfil their faith in us.

Equally, we thank the Solomon Islands Government and its Mines and Minerals Board for their foresight in giving us the opportunity to develop a project that will have the potential to be the largest contributor to the country's economic base.

I would also like welcome our new Director, Mr Jeffrey Markoff, who has made a significant contribution to the Company on many levels. His international business acumen and experience has been a welcome and rewarding addition to our board meetings.

THERE ARE A NUMBER OF CHALLENGES THAT LIE AHEAD, NOT THE LEAST OF WHICH IS EXPANDING THE COMPANY'S MINING OPERATIONS TO OTHER TENEMENT AREAS IN THE ISABEL NICKEL PROJECT AS WE STRIVE TO DELIVER WORLD CLASS OUTCOMES IN THE REGION. I AM CONFIDENT THAT THE COMPANY WILL MEET THESE CHALLENGES AND WILL EXCEED ALL EXPECTATIONS.

He is also passionate about our core values of "Build. Share. Protect." and significantly has become the Company's largest shareholder.

As the commencement of mining and first shipment of ore draws near, we look forward with great resolve and anticipation.

The last three years have been a very rewarding experience, especially overseeing a very motivated executive management team overcome every obstacle along the way, but the time has come to step down as your Chairman and Director. Accordingly, I will retire at the forthcoming AGM in March. I have a tremendous sense of pride in the achievements of the Company during my tenure and look forward to Axiom continuing to build on these in the future.

There are a number of challenges that lie ahead, not the least of which is expanding the Company's mining operations to other tenement areas in the Isabel Nickel Project as we strive to deliver world class outcomes in the region. I am confident that the Company will meet these challenges and will exceed all expectations.

Lastly, I would like to thank shareholders for their patience and support and I look forward to the first shipment of ore which is just around the corner.

Robert Barraket
Chairman

CEO's Report

RYAN MOUNT

WE ARE CONFIDENT OF DELIVERING INTO THE MARKET A PRODUCT OF NICKEL ORE THAT WILL BE BRANDED AS PREMIUM, AND THE BUSINESS WILL BE REFLECTED AS SUCH IN THE MARKET.

Ryan Mount
Director

For the first time, I write to you as CEO of a Company that has been given approval to mine the Isabel Nickel Project. This is truly a remarkable time for Axiom.

In June 2018, we received approval of our mining lease application for the San Jorge Project ('the project'), with formal grant of the mining lease in September 2018.

Recently, and after an extended competitive process, we agreed to terms with leading global metals and commodity trading group, Traxys Europe SA ('Traxys'), in relation to debt financing and off-take sales arrangements for nickel ore from the project.

Very shortly, we will deliver our first shipment of nickel ore into the market place.

As the Chairman has noted, these are very significant milestones for the Company. In addition, the support and commitment given to Axiom from such a respected global commodities trader as Traxys, provides significant independent validation of our Company, its strategy, our people and our projects. Further detail in relation to each of the Company's projects is outlined below.

ISABEL NICKEL PROJECT

The 2018 year began with a combination of renewed hope and firm resolve that it would be the year in which the Company would be transformed from an explorer into a fully-fledged miner.

We refocused our corporate administration and operational teams ensuring a smooth and efficient service delivery for the many needs of our key projects.

Late in 2018 after the grant of the mining lease, Mr Mike Strachan was appointed General Manager – Isabel Nickel Project to undertake the important role of bringing the San Jorge nickel mine into production.

In April 2018, we signed a 25 year surface access agreement with our partner landowners. Shortly thereafter, the Solomon Islands Ministry of the Environment approved our Environmental Impact Study (EIS) and granted Development Consent for our proposed mining operation on the San Jorge nickel mine. This was a critical first step in our objective of securing a mining lease.

As noted above, formal grant of the mining lease occurred in stages between June and September 2018, whereupon we were issued a 25 year lease to commence mining on the San Jorge tenement of the Isabel Nickel Project.

We have been informed that we are the first company to be granted a mining lease over any part of the world class Isabel Nickel project.

It is difficult to put into words the excitement, gratitude and relief that flowed through our ranks - from the mine site, to our offices in Honiara and Brisbane. We are now on track to becoming a miner. Our appreciation was conveyed immediately to the Solomon Islands Government members and regulatory authorities who were involved in the formal process - for they also should share in taking credit for what will inevitably be a major, if not the major, contributor of revenue to the Country's economy.

We particularly appreciate the support provided by the landowners of San Jorge. They have been remarkable in standing for what they desire - sustainable mining and development.

I would also like to recognise the entire Axiom staff for their hard work, their dedication and commitment. They have persevered under some of the most trying times and difficult circumstances. As we are now on the cusp of reaching a truly monumental milestone, well done!

Since the award of the mining lease, we have undertaken extensive preparation for the commencement of mining. These have included:

- An extensive infill drilling program to better define the nickel deposit at San Jorge
- Road and infrastructure development including ore pads, stockpiles, camp upgrade, maintenance works and port facilities
- Detailed mine planning and other preparatory logistics
- Engagement of contractors and hiring of mining equipment
- Mobilisation of barges for delivery of essential equipment and personnel to site
- Commencement of mining operations to build inventory in preparation of first commercial shipment

As previously mentioned, the Company has recently agreed to terms with leading global metals and commodity trading group, Traxys, in relation to debt financing and off-take sales arrangements for nickel ore from the project. Once due diligence is complete and final documentation signed, this will provide necessary debt funding for the further development of the project.

First shipment of ore is still on target for export late in March 2019.

Kolosori and Tenement D

During the year, Axiom was successful in being granted letters of intent from the Ministry for Mines, in relation to the areas of Kolosori and Tenement D, allowing the Company to negotiate agreements with the appropriate landowners.

Significant progress had been made with landowners and the Company was confident that its application for prospecting licences ('PL') in relation to these tenements would be successful.

However, in late December 2018, the Company was advised that its application for a PL on Kolosori had not been approved. The Company immediately re-applied requesting a rationale and review of the administrative decision. The Company also indicated that if such was not forthcoming, it would apply for judicial review, given legal advice received to the effect that information used in the decision may be flawed in law. Due to the Christmas and New Year seasonality, access to Government departments were unavailable for most of January 2019.

In addition, the Company became aware that the Minister for Mines had issued PLs to other applicants in what we believe were inappropriate circumstances.

The Company expects dialogue to continue during 2019. We will vigorously prosecute our rights in these matters to the maximum extent, and insist upon the proper rule of law to occur in this process.

West Guadalcanal Project

The West Guadalcanal Project is considered highly prospective for a large copper (Cu) and gold (Au) porphyry system and related Au and silver (Ag) high and low sulphidation epithermal mineralisation. The project also has potential to host multi-element skarn mineralisation. A twenty kilometre northeast trending mineralised corridor potentially hosts world class deposits.

The Phase I exploration program included trenching and regional to semi detailed geologic mapping activities in the Humvee and Taho prospects.

The Phase II exploration program commenced in April 2018 and involved drilling of targets defined by the previous exploration phase.

The scout drilling focused on the Humvee prospect targeting the Cu-Mo-Au identified in previous exploration phases.

The Humvee prospect mineralisation is hosted by hydrothermally altered andesite breccia. Geological mapping in the area have so far revealed a 300m by 700m mineralised zone which is coincident with the broad geophysical (magnetics) and radiometric (potassium) anomalies.

Current drilling is targeting the 50m wide mineralised zone that would have acted as a conduit for the mineralising fluids in the area and the massive pyrite-chalcopyrite outcrop that host the high grade copper mineralisation.

This phase of the drilling program is now complete. Final sampling, logging and assaying of the last drill holes are occurring this month with final results due to be announced shortly. Upon review of these results, Axiom will then expand the drill program more broadly in the tenement and in the current area of exploration focus.

Other matters

This year saw our largest shareholder, Mr Jeffrey Markoff, join Axiom's Board of Directors. As the Chairman has noted, Mr Markoff has made an invaluable contribution to the Company and I thank him for his support and commitment during the year.

I particularly want to convey my appreciation to our outgoing Chairman, Mr Robert Barraket, for his oversight and guidance of Axiom these past three years. His legal expertise and corporate experience has been invaluable to us as we navigated some difficult and complex times for the business.

Axiom now presents itself in both the capital markets and mining industry as a producer of nickel ore, a feat never achieved in the Solomon Islands despite some nickel majors having previously pursued this objective.

We are confident of delivering into the market a product of nickel ore that will be branded as premium, and the business will be reflected as such in the market. I expect this to happen sooner rather than later.

I appreciate it has been a long road for shareholders to get where we are now. Rest assured that I and the entire Axiom team are doing everything we can to ensure you are rewarded for your faith in us.

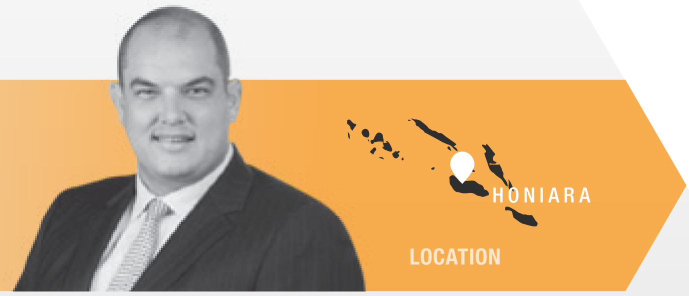
Board of Directors

MR ROBERT BARRAKET

Non-Executive Chairman

Mr Robert Barraket was appointed Chairman of Axiom Mining in February 2016. Mr Barraket has over 50 years' experience in legal practice including the establishment of two successful legal firms.

He has been the legal advisor to numerous international and Australian mining and mineral exploration companies with interests in Australia and abroad.



MR RYAN MOUNT

Chief Executive Officer & Managing Director

Mr Ryan Mount joined the Axiom Mining Board as a Director in 2009. Following his appointment, he led the crucial restructure of the company – an exercise that saw Axiom gain full control of the company's assets, define a clear strategic direction, appoint a new Board and management team and a listing on the ASX by December 2009.

In 2010, Mr Mount was appointed CEO. Since his appointment, he has been instrumental in refining Axiom's operations, in particular focusing the business towards the development of the world class Isabel Nickel Project in the Solomon Islands.

Mr Mount resides in the Solomon Islands. He has extensive experience in Australian and international financial markets, as well as corporate advisory. Mr Mount is also a member of the Australian Institute of Company Directors.

MR JEREMY GRAY

Non-Executive Director

Mr Jeremy Gray's career in mining investment include appointments as the Global Head of Basic Materials at Standard Chartered Bank Plc, Head of Metals and Mining Research at Morgan Stanley in London and the Head of Mining Research at Credit Suisse in London.

Mr Gray is a Non-Executive Director of White Rock Minerals Ltd and a Director of Chancery Asset Management. He was previously Managing Director of Orinoco Gold Limited.

Mr Gray holds an Honours degree in Finance from Melbourne University.

MR JEFFREY MARKOFF

Non-Executive Director

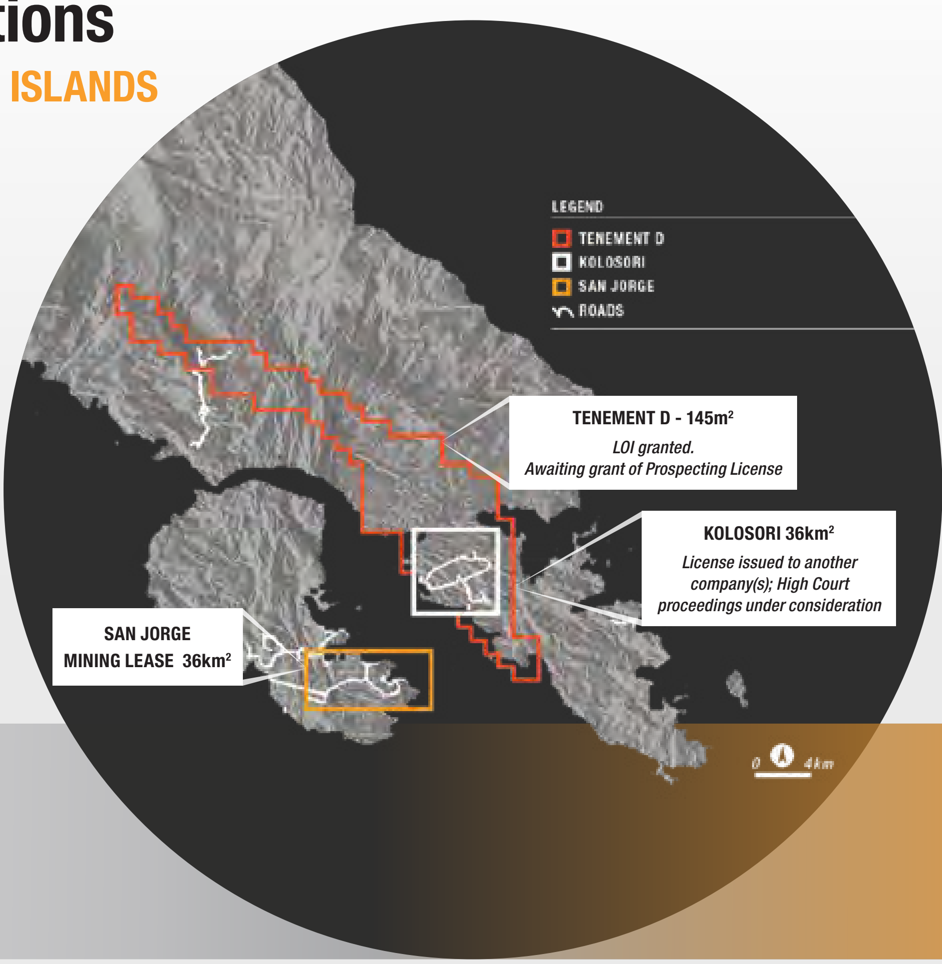
Mr Markoff is a lawyer with a sophisticated mining and property investment background

Mr Markoff is currently a Senior Partner with the Legats Group, a Melbourne based business consulting and investment company, and he is the Managing Director of Ack Pty Ltd. Mr Markoff is also the largest shareholder of Axiom Mining Limited.


axiom
Build. Share. Protect.

Operations

SOLOMON ISLANDS



THE MINERAL RICH SOLOMON ISLANDS NOW HAS A MINING COMPANY, AXIOM, POISED TO CONTRIBUTE TO THE SOLOMON ISLANDS ECONOMY AND IS WORKING TOWARDS FIRST SHIPMENT OF ORE FROM ITS SAN JORGE PROJECT.

The Solomon Islands archipelago is a double chain of islands that spans 1300kms in the south-west of the Pacific Ocean. Both chains follow a north-west/southeast alignment and include nearly 1000 islands.

The region sits within a line of very specific volcanic rocks known as the, “andesite line” and is commonly known as the “Pacific rim of fire.”

The nature of the area bounded by these favourable geological structures are conducive to hosting world class nickel-cobalt laterite deposits and gold-copper porphyry systems.

Axiom has an approved mining license at its San Jorge tenement and has a Prospecting Licence over its West Guadalcanal tenement.

ISABEL NICKEL PROJECT

LOCATION:

- **SANTA ISABEL ISLAND** *(TENEMENT D)*
- **SAN JORGE ISLAND** *(SAN JORGE TENEMENT)*

SAN JORGE (MINING LEASE)

Axiom was granted a Mining Lease over its San Jorge tenement in September 2018 following the approval of its Environmental Impact Study (EIS) and Development Consent granted by the Solomon Islands Government in the same year. The Mining Lease was issued for a term of 25 years for the extraction, export and sale of nickel ore and other associated commodities.

Axiom immediately set about preparations in readiness for mining over the areas targeted for first production with the upgrading and expansion of the existing haul roads from the initial mine areas to harbour foreshore loading area, construction of a 100 man camp facility, development of the initial ore drying stock yards and delivery of the initial mining fleet equipment.

The initial Phase One exploration drilling program was completed in March 2017, concluding with 154 holes over 1576 meters using 50 m by 50 m drill pattern across the initial areas of focus, supplemented by 25 m by 25 m infill holes in some areas, as well as sterilisation holes on the edge of a known mineralised zone to assist with boundary identification. The results of the Phase One program were then used to assist in identifying the initial targeted areas for first shipment of nickel ore from an infill/grade control drill programme that commenced in October 2018 with assay results released in Australian Securities Exchange (ASX) announcements on 19 and 25 February 2019.

Infill/Grade Control Program

Saprolite	Hi Fe Limonite
9.5m @ 1.78% Ni from 7.9m	4.6m @ 49.1% Fe, 0.91% Ni from 1.8m
4.3m @ 2.21% Ni from 7.6m	4.5m @ 49.1% Fe, 0.93% Ni from 1.8m
7.8m @ 2.00% Ni from 10.4m	3.9m @ 49.9% Fe, 0.78% Ni from 1.3m
4.7m @ 1.78% Ni from 5.3m	3.3m @ 48.7% Fe, 0.92% Ni from 2.0m
3.9m @ 1.77% Ni from 7.8m	3.9m @ 49.0% Fe, 0.93% Ni from 1.3m
3.6m @ 1.82% Ni from 5.7m	3.9m @ 49.2% Fe, 0.99% Ni from 1.3m
3.0m @ 1.91% Ni from 9.0m	2.0m @ 48.4% Fe, 1.04% Ni from 3.0m

Cutoff grades: saprolite > 1.4% Ni and ≥ 1m, HiFe limonite > 0.6% Ni, > 48% Fe and ≥ 2m.

This information is a summary of exploration and infill drill results for the Isabel Nickel Project (San Jorge deposit) and is extracted from ASX announcements on 19 February 2019 and 25 February 2019. Full results from these programs are included in these ASX announcements.

Kolosori

On 20 December 2018, the Company advised that its Prospecting Licence application for the Kolosori tenement was not successful. The Company has re-applied for the Prospecting Licence and requested a review of the decision. Subsequently, it has been reported to Axiom that this project has been licenced to other companies. The Company is considering seeking judicial review of this matter in the High Court.

Additional Prospecting Licence Applications

The Company has applied for Prospecting Licences over:

- an area of 52km^2 immediately south and west of its existing San Jorge Mining Lease; and
- an area of 40km^2 in an area known as Jejevo, which lies north west of Tenement D.

(together the **Additional Tenements**).

The Company is seeking judicial review of the Prospecting Licence Applications in respect of the Additional Tenements on the grounds that the Solomon Islands Ministry of Mines, Energy and Rural Electrification (MMERE) appear to have failed to present these applications to its Minerals Board for formal consideration.

Axiom is confident of resolving these matters in its favour, however, there is a risk that the judicial review of the Prospecting Licence Applications may not be successful. If the Company is unsuccessful in obtaining these Prospecting Licences, it will not be able to develop the Additional Tenements.

THE WEST GUADALCANAL PROJECT IS CONSIDERED HIGHLY PROSPECTIVE FOR LARGE COPPER (CU) AND GOLD (AU) PORPHYRY SYSTEM AND RELATED AU AND SILVER (AG) HIGH AND LOW SULPHIDATION EPITHERMAL MINERALISATION.

WEST GUADALCANAL PROJECT

TENEMENTS:

WEST GUADALCANAL (PL 01/14)

LOCATION:

WEST OF GUADALCANAL ISLAND

Prospecting Licence (PL 01/14) over the West Guadalcanal Project, 100% owned by Axiom, was renewed by the Solomon Islands Government for a further two years in May 2017.

The West Guadalcanal Project is considered highly prospective for large copper (Cu) and gold (Au) porphyry system and related Au and silver (Ag) high and low sulphidation epithermal mineralisation.

Current exploration targets of Taho, Polo and Mt Tanjili lie within a 10 km long carbonate base metal gold epithermal corridor. Following a technical review of the West Guadalcanal Project completed in mid-2015, Axiom commenced a work program to advance the West Guadalcanal deposit. Commencing in September 2017, the work program is a combination of reconnaissance and detailed surface exploration activities to assess highly ranked prospects.

Completion of early stage field exploration including initial rock chip and trenching channel sampling assay results have been highly encouraging and supported a more advanced exploration program particularly given the increase in world copper and gold commodity prices. A total of 58 trenches and 1,633 trench samples for 2,120 m and 99 grab/float samples were collected, known as Phase One.

Regional reconnaissance mapping identified high sulphidation epithermal mineralisation within the West Guadalcanal corridor. These areas form part of the future targets to be explored in the Phase Two Program made up of 2,000 m of drilling over 10 holes. This program will be completed after the reporting period.

COMMUNITY: THE FEELING OF SHARING THINGS AND BELONGING TO A GROUP IN THE PLACE WHERE YOU LIVE

Our assessment of the region along with the structure of our business involves an extensive and detailed process – yet is based on a common-sense approach:

RESPECT FOR THE LOCAL COMMUNITY

It drives straight to the core of Axiom's philosophy and business plan; it is one of the company's main advantages over its competitors.

The essence of the word "community" forms the major component of our corporate values: Build. Share. Protect.

Our expert team will Build sustainable mines and Protect the wellbeing of our people, local communities and the environment. We will also Share benefits with the local community through an unprecedented ownership structure.

These are values that ensure that the communities in which we operate are respected and are a part of our mining activities from which they will benefit.

"OUR RESPECT FOR THE LAND, THE PEOPLE, THE CULTURE AND THEIR TRADITIONS IS AT THE HIGHEST LEVEL, AND WE ARE ALWAYS EAGER TO LEARN MORE ABOUT THE LOCAL WAY OF LIFE. OUR GENUINE SENSE OF 'COMMUNITY' IS THE KEY DIFFERENTIATOR THAT SETS US APART FROM OUR INDUSTRY PEERS."

Our employees aspire to not only help the local community, but also to be a true part of its structure. It is common place to see Axiom employees and their families participating in local events. This genuine participation in the community has further strengthened our ability to operate smoothly within the rural areas we are involved in.

Our success in business is directly linked to our ability to protect the people we work and live with.

AXIOM'S ONGOING COMMITMENT TO COMMUNITY RELATIONS IS GROUNDED IN OUR VALUES OF BUILD. SHARE. PROTECT.

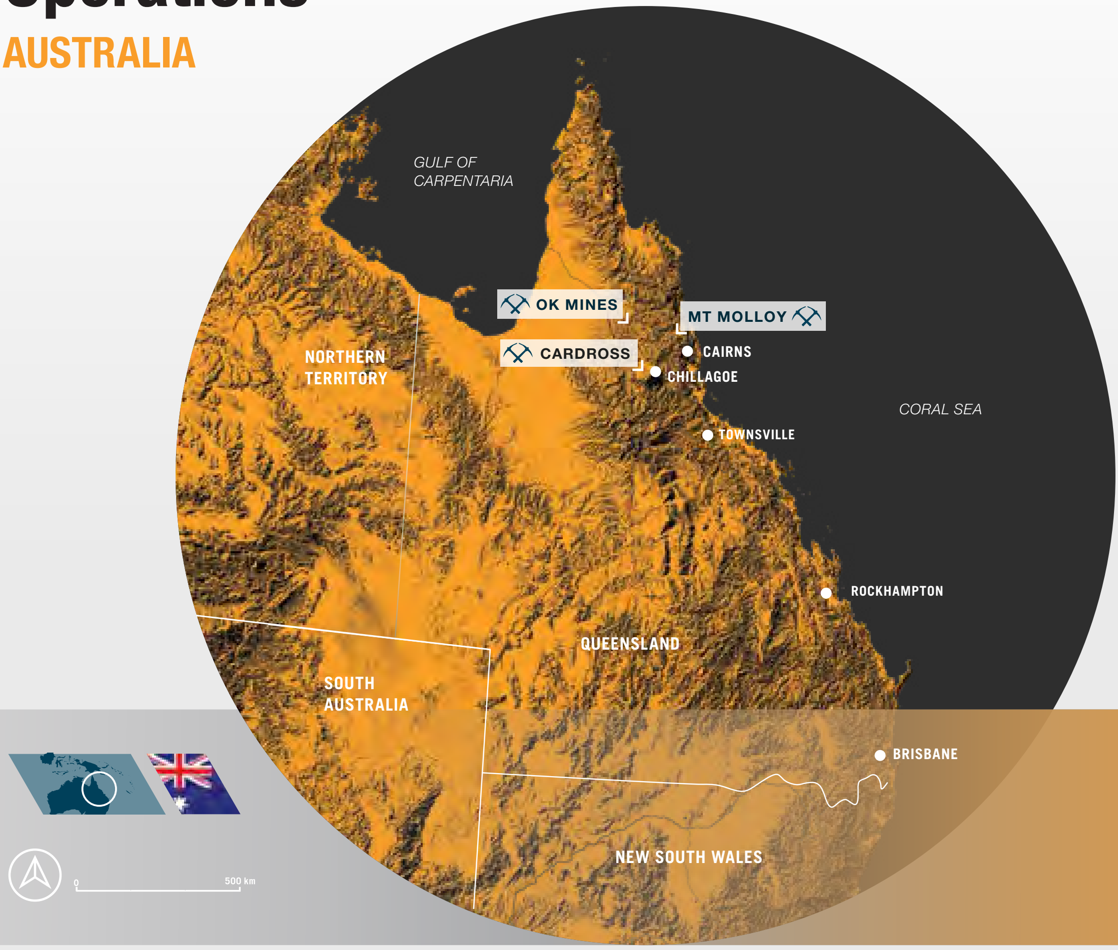
Our genuine approach has ensured the establishment of strong bonds with the local landowners and stakeholders and resulted in the unique partnership with the landowners of the Isabel Nickel Project

AXIOM STRUCTURES ITS LOCAL BUSINESS OPERATIONS TO FIT AND REFLECT VALUES WITHIN THE LOCAL COMMUNITY.

> We landowners of the Isabel Nickel project have fought hard to protect our rights over many years especially when dealing with mining companies. It is so very pleasing to finally be able to feel comfortable and respected by a company: Axiom. Ever since our first interactions with Axiom they have been respectful, fair and consistent in their approach to us landowners. Because of the relationship formed between Axiom and ourselves, over many years including during some difficult times, we have given our commitment to Axiom. We are happy and truly excited to have Axiom develop our land.
>
> *- SAM PITU, LANDOWNER, ISABEL PROVINCE*

Operations

AUSTRALIA



AXIOM RETAINS A STRATEGIC MINERAL TENEMENT HOLDING IN THE CHILLAGOE REGION OF NORTH QUEENSLAND WITH ITS PORTFOLIO OF SEVEN MINING LEASES AND ONE EXPLORATION PERMIT.

THE CARDROSS, MT MOLLOY & OK MINES PROJECTS

Axiom holds seven granted mining leases for copper (gold, silver) and all are located within trucking distance of Chillagoe. Based on the previous Axiom drill results and past production records, they hold potential to possibly supply copper oxide or sulphide material either through toll mining / milling or by joint venture or sale.

EPM 19821, surrounding the Cardross mining lease, contains the main Mountain Maid Gold Project as well as a number of exciting intrusive or epithermal gold prospects which have had only limited modern exploration undertaken on them. A field program was undertaken during the quarter of June 2018 at Cardross and Mountain Maid Projects to obtain up-to-date technical data. The program included soil traversing with hand-held XRF machines, combined with geological mapping and rock chipping (for gold). Data obtained was used to update the renewal application and expenditure / sub-block reduction on areas of low prospectivity lodged with the Queensland Government on 18 July 2018.

Axiom continues to review the Mountain Maid economics on a regular basis due to the improving gold price in Australian dollars, and is also undertaking an investigation of exploration ground held in other areas within close proximity to our existing projects for opportunities and project synergies. Field work completed at Mountain Maid included core density and mine scoping along with geological mapping. Off-site metallurgical treatment is an emerging possibility due to synergies with existing mining operations in the district.

The Company continues to receive interest from parties looking at opportunities in the copper/gold space following the resurgence of activity in this market segment particularly with recent copper and gold price increases.

Schedule of Tenements

Mining tenements held as at 31 December 2018

COUNTRY	NAME & LOCATION	TENEMENT NUMBER	INTEREST HELD	STATUS
SOLOMON ISLANDS	**Isabel Nickel Project**			
	San Jorge	ML01/18	80%	ML
	Tenement D		100%	LOI Granted
	West Guadalcanal Project			
	West Guadalcanal	PL 01/14	100%	Granted
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	sML 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

ABBREVIATIONS :

EPM	**Queensland**	**Exploration Permit for Minerals**
ML	**Queensland**	**Mining Lease**
PL	**Solomon Islands**	**Prospecting Licence**
LOI	**Solomon Islands**	**Letter of Intent**

Disclaimer

Statements in this document that are forward-looking may involve numerous risks and uncertainties that could cause actual results to differ materially from expected results which are based on the Company's current beliefs and assumptions regarding a large number of factors affecting its business. 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. These statements are given only as at the date of this annual report and the Company disclaims any obligation to update or revise the statements as a result of new information or future events except as required by law. The Company directs readers of this presentation to an ASX announcement dated 23 March 2016 advising that the Solomon Islands Court of Appeal had set aside Axiom's lease and prospecting licence in respect of the Kolosori deposit and a further announcement dated 9 May 2016 and on 6 February 2019 in which the Company advised that its prospecting licence for Kolosori was unsuccessful and that there had purportedly been a prospecting licence issued to another entity not associated with Axiom.

Exploration Results

The information in this Annual Report relating to exploration and grade control drill results for the Isabel Nickel Project (San Jorge deposit) is extracted from ASX announcements on 19 February 2019 and 25 February 2019. Axiom is not aware of any new information or data that materially affects the information in the original market announcements and that all material assumptions and technical parameters underpinning these exploration results continue to apply and have not materially changed.

Competent Person's Statement

The information in this announcement that relates to Exploration Results is based on information compiled by Mr Clinton Rivers, Group Exploration Manager for Axiom Mining Limited, who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr. Rivers has sufficient experience that is relevant to the styles of mineralisation and types of deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined in the 2014 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Rivers is an employee of Axiom Mining Limited and consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

Group Financial Report

FOR THE YEAR ENDED 30 SEPTEMBER 2018

DIRECTORS' REPORT

Your Directors present their report on the consolidated entity (referred to herein as the 'Group') consisting of Axiom Mining Limited ('the Company' or 'Axiom') and its controlled entities for the financial year ended 30 September 2018.

Directors

The following persons were Directors of the Company during the year and to the date of this report:

Robert Barraket

(LLB, Solicitor of the Supreme court of NSW and High Court of Australia)

Chairman and Non-Executive Director

Robert was appointed Chairman of Axiom Mining Limited on the 19 February 2016. He has 50 years' experience in legal practice including the establishment of two successful legal firms. He has been legal advisor to numerous international and Australian mining and mineral exploration companies with interests in Australia and abroad. He was a Senior Founding Partner and Chairman of Barraket Stanton Lawyers in Sydney and retired from the legal practice on the 1 December 2016.

Previous directorships:

- AuStar Gold Limited (formerly Mantle Mining Corporation Limited) and Morning Star Gold NL
- (Former Chairman and Non-Executive Director) resigned August 2017.

Ryan Richard Mount

Executive Director and Chief Executive Officer

Ryan joined the Axiom Board as a Director in April 2009. Following his appointment, he led the crucial restructure of the Company—an exercise that saw Axiom gain full control of the Company's assets, define a clear strategic direction appoint a new Board and management team and a listing on the Australian Securities Exchange ('ASX') by December 2009.

In 2010, Ryan was also appointed CEO to lead the pursuit of the world-class Isabel nickel deposit in Solomon Islands.

He has an extensive background in Australian and international financial markets, as well as corporate advisory. Ryan is also a member of the Australian Institute of Company Directors.

Other directorships:

- Nil

Jeffrey Markoff

Non-Executive Director

Mr Markoff is a lawyer, and has a sophisticated property and mining investment background. He was the founder and Managing Director of the Belrose Care Group, managing the expansion and the subsequent sale of the business to a major organisation.

Mr Markoff is also a Senior Partner with the Legats Group, a Melbourne based business consulting and Investment Company, and he is the Managing Director of Ack Pty Ltd.

Jeremy Robin Gray

(Honours degree in Finance from Melbourne University)
Non-Executive Director

Jeremy is a mining investment professional with 20 years of experience in global capital markets as a Mining Equity Analyst, Mining Portfolio Manager and Investment Banker.

Jeremy's career in mining investment include appointments as the Global Head of Basic Materials Equity Research at Standard Chartered Bank Plc, Head of Metals and Mining Research at Morgan Stanley Equity in London, and the Head of Mining Equity Research at Credit Suisse in London.

Jeremy is also currently Managing Partner of Chancery Asset Management. Other directorships:

- Orinoco Gold Limited - (Managing Director)
- White Rock Minerals Ltd - (Non-Executive Director)

Directors' shareholdings

The following table sets out each Director's relevant interest in shares and rights or options in shares of the Company or a related body corporate as at the date of this report:

Directors	Fully paid ordinary shares Number	Share rights or options Number
Robert Barraket	Nil	Nil
Ryan Richard Mount	1,985,031	9,244,448
Jeremy Robin Gray	603,306	2,222,224
Jeffrey Markoff	22,222,223	91,666,669

Directors' interests

As disclosed in Note 21(d) and (e) to these consolidated financial statements, at no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the Company's directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, nor were any such rights exercised by them.

DIRECTORS' REPORT

CONTINUED

Directors' interests in contracts

Except as disclosed in Note 21 to the financial statements, no contracts of significance to which the Company or any of its subsidiaries was a party, and in which Directors of the Company had a material interest, subsisted at the end of the year or at any time during the year.

Directors' meetings

During the year the Company held 4 (four) meetings of Directors by attendance or teleconference. The attendance of each Director at meetings of the Board of Directors and associated Board committees was as follows:

	Director's meetings		Audit meetings	
Directors	**A**	**B**	**A**	**B**
Robert Barraket	4	4	2	2
Ryan Richard Mount	4	4	2	2
Jeremy Robin Gray	3	3	2	2
Jeffrey Markoff	1	1	0	0

Notes:
A – Number of meetings attended.
B – Number of meetings held during the time the Director held office during the year.

The composition of the Board is not suitable for the formation of separate additional subcommittees and these responsibilities are undertaken by the whole Board.

Company Secretary

Boacoh Secretarial Limited (Company Secretary)

As the Company is incorporated in Hong Kong it is a requirement under the Hong Kong Companies Ordinance to have a resident Company Secretary and Boacoh Secretarial Limited of Hong Kong acts as Company Secretary for the Company. Boacoh Secretarial Limited is a Company owned by the partners of Boase Cohen & Collins Solicitors.

Brent Hofman (Local Agent)

(LLB, Bachelor of Commerce, Member of the Institute of Chartered Accountants, Australia).

As Axiom is registered in Australia it is required to appoint a Local Agent for receipt of notices from both the Australia Securities Exchange Limited and the Australian Securities and Investment Commission.

Mr. Hofman has 20 years' experience in financial reporting and corporate management with a focus on the natural resources industry. Brent had previously worked in the business services and corporate division of PwC in Queensland and for ten years prior to this was the Finance Manager of a dual-listed (NASDAQ/ASX) oil and gas production company. Brent has a Bachelor of Law, a Bachelor of Commerce, is a member of the Institute of Chartered Accountants and is a Justice of the Peace (Queensland, Australia).

Principal activities

The principal activities of the Company and the Group during the year were mineral exploration, and development on its Isabel Nickel Project and assessment of potential further mining acquisition opportunities in Solomon Islands and Australia.

Axiom's key focus was the advanced exploration program licensing for mining and pre-development, construction and development activities on the Isabel Nickel Project in the Solomon Islands.

There were no significant changes in the nature of the Group's principal activities during the year.

OPERATING AND FINANCIAL REVIEW

Results of operations

The consolidated loss from ordinary activities of the Company and its controlled entities for the year ended 30 September 2018 after income tax was AU$7,009,000 (2017: AU$4,838,000).

Review of operations - Solomon Islands

Isabel Nickel Project

San Jorge Deposit

In May 2018 Axiom received Development Consent from the Solomon Islands Government, upon the approval of its Environment Impact Statement.

In May 2018 the Company announced it had received conditional approval of its Mining Lease Application (MLA) over San Jorge subject to endorsement by the Attorney-General of Solomon Islands.

In September 2018 Axiom was formally granted a Mining Lease (ML) by the Solomon Islands Government. The ML was been issued for 25 years for the extraction, export and sale of nickel ore and associated commodities covering 36km^2. Project development activities (with the aim of first ore shipment in the first quarter of 2019) re-commenced following the granting of the ML.

Kolosori Deposit

Axiom received notice in December 2018 from the Solomon Islands Government that its application for a Prospecting Licence over the Kolosori deposit was unsuccessful. Axiom has re-applied for a Prospecting Licence and has also requested a review of this decision.

DIRECTORS' REPORT

Tenement D

In May 2018, Axiom was issued conditional approval for a Letter of Intent for a PLA over Tenement D, an area 145km^2 surrounding Kolosori (formerly owned and explored by Sumitomo).

On 22 November 2018 the Company announced it has obtained landowner agreements for its PLA and has lodged the agreements with the Solomon Islands Government and is now awaiting formal conformation from the Solomon Islands Government whether a prospecting licence is to be granted to the Company

Other Exploration Areas

West Guadalcanal Project

Situated in the north west of Guadalcanal Island in Solomon Islands the prospect is adjacent to known gold - silver (Au – Ag) deposits, including the Gold Ridge Mine and is considered highly prospective for copper-gold-silver (Cu-Au-Ag) porphyry mineralisation, epithermal Au and porphyry Cu-Au style deposits.

Axiom initially commenced a work program to advance the West Guadalcanal deposit, combining reconnaissance and detailed surface exploration activates including rock chips and trench channel sampling.

The outcomes of this initial programme have been used to guide an exploration drilling program.

Share capital

During the year the Company issued 62,245,296 (2017: 39,462,758) ordinary shares via placements, on exercise of performance rights, conversion of convertible shares, exercise of options, as payment for services and to employees.

Details of the movements in share capital of the Company during the year are set out in Note 21(a) to the consolidated financial statements.

Changes in the state of affairs

Apart from the results of the legal proceedings mentioned below, no significant changes to the state of affairs of the Group have occurred during the financial year.

Dividends

The Board of Directors do not recommend the payment of any dividend for the year (2017: nil).

Events subsequent to period end

For information regarding events subsequent to period end, please refer to note 27 on subsequent events.

Proceedings on behalf of Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of such proceedings.

Likely developments and expected results

In the opinion of the Directors it may prejudice the interests of the Company to provide additional information in relation to the future developments and business strategies of the operations of the Company and the expected results of those operations in subsequent financial years.

Environmental regulation

The Group is subject to significant environmental regulation with respect to its operational activities. The Group aims to ensure that the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all environmental legislation. The Directors of the Company are not aware of any breach of environmental legislation for the year under review.

Auditors

Zenith CPA Limited retires and a resolution for the reappointment as auditor of the Company will be proposed at the forthcoming general meeting.

Other transactions with KMP and their related parties

Apart from the transactions disclosed in Note 24(c) to the consolidated financial statements, there were no other transactions conducted between the Group and KMP or their related parties, relating to equity, compensation and loans, that were conducted other than in accordance with normal employee, customer or supplier relationships on terms no more favourable than those reasonably expected under arm's length dealings with unrelated persons.

Indemnification of officers and auditors

During the financial year, the Company paid an insurance premium in respect of a contract insuring Directors and officers against liability of arising from claims brought against them individually or jointly while performing services for the Company, and against expenses relating thereto, in accordance with the Company's constitution. In accordance with commercial practice, the insurance policy prohibits disclosure of the amount of the premium and the nature and the amount of the liability covered.

This Directors' Report is signed in accordance with a resolution of the Board of Directors.

Robert Barraket
Chairman

Brisbane, Australia 31 December 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AXIOM MINING LIMITED (INCORPORATED IN HONG KONG WITH LIMITED LIABILITY)

Axiom Mining Limited
Annual Report
30 September 2018

ZENITH
ASSURANCE I TRANSACTIONS I ADVISORY

Independent auditor's report

To the members of Axiom Mining Limited
(Incorporated in Hong Kong with limited liability)

Opinion

We have audited the consolidated financial statements of Axiom Mining Limited (the "Company") and its subsidiaries (the "Group") set out on pages 14 to 52, which comprise the consolidated statement of financial position as at 30 September 2018, and the consolidated statement of profit or loss, the consolidated of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 September 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 2 in the consolidated financial statements, which indicates the Group incurred a net loss before tax of AU$7,009,000 for the year ended 30 September 2018 and, as of that date, the Group's current liabilities exceeded its current assets by AU$5,314,000 as of 30 September 2018, these events and conditions, along with other matters as set forth in note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AXIOM MINING LIMITED (INCORPORATED IN HONG KONG WITH LIMITED LIABILITY)

Axiom Mining Limited
Annual Report
30 September 2018

ZENITH 诚丰
ASSURANCE I TRANSACTIONS I ADVISORY

Independent auditor's report (continued)

To the members of Axiom Mining Limited (continued)
(Incorporated in Hong Kong with limited liability)

Key audit matters (continued)

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
Provision for Mineral Exploration Expenditure	
At 30 September 2018, the Group had capitalised mineral exploration assets of AU$8,710,000. The Group's accounting policy in respect of exploration and evaluation assets is outlined in note 4, 5 and 15. This is a key audit matter because the carrying value of the assets are material to the financial statements and it is necessary the asset be treated consistent with HKFRS 6: Exploration for and Evaluation of Mineral Resources.	Our procedures included, amongst others: • We confirmed the existence and tenure of the exploration assets in Australia and Solomon Islands in which the Group has an interest by obtaining confirmation of title from the relevant government agency; • In assessing whether an indicator of impairment exists in relation to the Group's exploration assets in accordance with HKFRS 6 – *Exploration for and Evaluation of Mineral Resources*, we: ○ examined the minutes of the Group's board meetings; ○ tested the significant inputs in the Group's cash flow forecasts for consistency with their future activity regarding the exploration assets. ○ discussed with management the Group's ability and intention to undertake further exploration activities; and • We tested a sample of additions of capitalised exploration expenditure to supporting documentation to ensure the requirements of HKFRS6: Exploration for and Evaluation of Mineral Resources were met.

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AXIOM MINING LIMITED (INCORPORATED IN HONG KONG WITH LIMITED LIABILITY)

Axiom Mining Limited
Annual Report
30 September 2018

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Independent auditor's report (continued)

To the members of Axiom Mining Limited (continued)
(Incorporated in Hong Kong with limited liability)

Other information included in the Annual Report

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated financial statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AXIOM MINING LIMITED (INCORPORATED IN HONG KONG WITH LIMITED LIABILITY)

Axiom Mining Limited
Annual Report
30 September 2018

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ASSURANCE I TRANSACTIONS I ADVISORY

Independent auditor's report (continued)

To the members of Axiom Mining Limited (continued)
(Incorporated in Hong Kong with limited liability)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AXIOM MINING LIMITED (INCORPORATED IN HONG KONG WITH LIMITED LIABILITY)

Axiom Mining Limited
Annual Report
30 September 2018

ZENITH 誠豐
ASSURANCE I TRANSACTIONS I ADVISORY

Independent auditor's report (continued)

To the members of Axiom Mining Limited (continued)
(Incorporated in Hong Kong with limited liability)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Cheng Po Yuen.

Zenith

Zenith CPA Limited
Certified Public Accountants
Cheng Po Yuen
Practising Certificate Number: P04887
Hong Kong
31 December 2018

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Notes	2018 AU$000	2017 AU$000
Revenue			
Interest income		4	12
Sundry income		100	174
Total revenue	7	**104**	**186**
Expenses			
Depreciation of property, plant and equipment	14	(208)	(266)
Employee benefits expense		(2,238)	(2,806)
Superannuation		(152)	(230)
Impairment reversal/(loss) on mineral exploration expenditure	15	(7)	2,817
Foreign exchange gains, net		6	51
Administrative expenses		(2,811)	(3,582)
Rent and occupancy costs		(534)	(425)
Share-based payments		(361)	(102)
Finance costs	8	(808)	(481)
Loss before income tax	9	**(7,009)**	**(4,838)**
Tax expense	10	**-**	**-**
Loss for the year		**(7,009)**	**(4,838)**
Loss for the year after tax attributable to members of the Company:			
Owners of the Company		(6,878)	(4,118)
Non-controlling interests		(131)	(720)
		(7,009)	**(4,838)**

Loss per share		**Cents**	**Cents**
Basic and diluted	11	(1.72)	(1.18)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2018

	2018 AU$000	2017 AU$000
Loss for the year	(7,009)	(4,838)
Other comprehensive income to be reclassified to profit or loss in subsequent period:		
Exchange differences on translation of foreign operations	131	(10)
Total comprehensive loss for the year, net of tax	**(6,878)**	**(4,848)**
Total comprehensive loss for the year attributable to:		
Owners of the Company	(6,747)	(4,128)
Non-controlling interests	(131)	(720)
	(6,878)	**(4,848)**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2018

	Notes	2018 AU$000	2017 AU$000
Assets			
Current assets			
Cash and cash equivalents	12	200	1,954
Other receivables	13	297	500
Other assets		49	53
Total current assets		**546**	**2,507**
Non-current assets			
Property, plant and equipment	14	517	362
Mineral exploration expenditure	15	8,710	4,747
Total non-current assets		**9,227**	**5,109**
Total assets		**9,773**	**7,616**
Liabilities			
Current liabilities			
Accounts payable	16	1,573	1,068
Other payables and accruals	17	1,676	1,178
Borrowings	18	2,335	1,807
Finance lease payables	19	10	12
Provisions	20	266	124
Total current liabilities		**5,860**	**4,189**
Non-current liabilities			
Finance lease payables	19	-	4
Provisions	20	42	13
Total non-current liabilities		**42**	**17**
Net current (liabilities)/assets		**(5,314)**	**(1,682)**
NET ASSETS		**3,871**	**3,410**
Equity			
Share capital	21	121,247	113,985
Reserves		(111,808)	(105,138)
Equity attributable to owners of the Company		**9,439**	**8,847**
Non-controlling interests		**(5,568)**	**(5,437)**
TOTAL EQUITY		**3,871**	**3,410**

Ryan Richard Mount
Director

Robert Barraket
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Share capital	Foreign currency translation reserve	Share-based payment reserve	Accumulated losses	Subtotal	Non-controlling interests	Total equity
	AU$000	AU$000	AU$000	AU$000	AU$000	AU$000	AU$000
At 1 October 2016	108,360	(837)*	501*	(100,776)*	7,248	(4,717)	2,531
Loss for the year	-	-	-	(4,118)	(4,118)	(720)	(4,838)
Other comprehensive(loss)/ income	-	(10)	-	-	(10)	-	(10)
Total comprehensive loss for the year	**-**	**(10)**	**-**	**(4,118)**	**(4,128)**	**(720)**	**(4,848)**
Issue of shares (note 21)	5,650	-	-	-	5,650	-	5,650
Equity-settled share option arrangements	-	-	102	-	102	-	102
Share issue expenses (note 21)	(25)	-	-	-	(25)	-	(25)
Transfer to share-based payment reserve upon the forfeiture or expiry of share options	-	-	(77)	77	-	-	-
At 30 September 2017 and 1 October 2017	**113,985**	**(847)***	**526***	**(104,817)***	**8,847**	**(5,437)**	**3,410**
Loss for the year	-	-	-	(6,878)	(6,878)	(131)	(7,009)
Other comprehensive (loss)/ income	-	131	-	-	131	-	131
Total comprehensive loss for the year	**-**	**131**	**-**	**(6,878)**	**(6,747)**	**(131)**	**(6,878)**
Issue of shares (note 21)	7,278	-	-	-	7,278	-	7,278
Equity-settled share option arrangements	-	-	77	-	77	-	77
Share issue expenses (note 21)	(16)	-	-	-	(16)	-	(16)
Transfer to share-based payment reserve upon the forfeiture or expiry of share options	-	-	(381)	381	-	-	-
At 30 September 2018	**121,247**	**(716)***	**222***	**(111,314)***	**9,439**	**(5,568)**	**3,871**

*These reserve accounts comprise the consolidated reserves of negative AU$111,808,000 (2017: negative AU$105,138,000) in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

	2018 AU$000	2017 AU$000
Cash flows from operating activities		
Loss before tax:	(7,009)	(4,838)
Adjustments for:		
- Interest income	(4)	(12)
- Depreciation of property, plant and equipment	208	266
- Interest on finance lease payables	-	8
- Impairment (reversal) / loss on mineral exploration expenditure	7	(2,817)
- Share-based payment expense	361	102
- Consultancy fees paid in shares in lieu of cash	-	500
- Finance costs on convertible note	793	400
	(5,644)	(6,391)
Increase/ (decrease) in other receivables	203	(202)
Decrease in prepayments	4	43
Increase/ (decrease) in other payables	1,003	(797)
Decrease in provisions	171	80
Cash used in operations	(4,263)	(7,267)
Interest received	4	12
Net cash flows used in operating activities	**(4,259)**	**(7,255)**
Cash flows from investing activities		
Purchases of items of property, plant and equipment	(363)	(48)
Exploration and development expenditure	(3,970)	1,343)
Net cash flows used in investing activities	**(4,333)**	**(1,391)**
Cash flows from financing activities		
Proceeds from issue of shares, net of transaction costs	980	2,586
Proceeds from borrowings	5,730	4,052
Repayment of borrowings	(6)	(52)
Net cash flows from financing activities	**6,704**	**6,586**
Net decrease in cash and cash equivalents	**(1,888)**	**(2,060)**
Cash and cash equivalents at beginning of year	**1,954**	**4,070**
Effect of foreign exchange rate changes, net	**134**	**(56)**
Cash and cash equivalents at end of year	**200**	**1,954**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

1. CORPORATE AND GROUP INFORMATION

Axiom Mining Limited (the "Company") is a limited liability company incorporated in Hong Kong.

Registered office in Hong Kong: Rooms 2303-7, Dominion Centre, 43-59 Queen's Road East. Hong Kong.

Registered office in Australia: Level 6, 15 Astor Terrace, Brisbane QLD 4000, Australia.

Principal place of business: Ngossi Road, Honiara, Solomon Islands.

The Company's shares are listed on the Australian Securities Exchange (ASX Code – AVQ)

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

		Ownership interest held by the Group		Proportion of non- controlling interests	
		2018	2017	2018	2017
Name of subsidiaries	**Place of subsidiaries**	%	%	%	%
Axiom Nickel (SI) Ltd	Solomon Islands	100	100	-	-
Axiom KB Ltd	Solomon Islands	80	80	20	20
Axiom Vietnam JSC	Vietnam	90	90	10	10
Ozmin Resources Pty Ltd	Australia	100	100	-	-
South Pacific Minerals Ltd	Solomon Islands	100	100	-	-

Name of subsidiaries	Principal Activities
Axiom Nickel (SI) Ltd	Mineral exploration
Axiom KB Ltd	Mineral exploration, construction and development
Axiom Vietnam JSC	Mineral exploration
Ozmin Resources Pty Ltd	Mineral exploration
South Pacific Minerals Ltd	Mineral exploration

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. BASIS OF PRESENTATION

These consolidated financial statements have been prepared under the going concern basis, notwithstanding that the Group incurred a net loss before tax of AU$7,009,000 during the year ended 30 September 2018. In addition, the Group had net current liabilities of AU$5,314,000 along with reported net cash outflow from operating activities of AU$4,259,000 for the year ended 30 September 2018. In the opinion of the directors, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due in the foreseeable future after taking into consideration the following:

- at 30 September 2018, the Group had cash and cash equivalents of AU$200,000;
- during the year, the Group continues to prove its ability to obtain additional share capital by rising $1,000,000 from a share placement and $5,730,000 from Convertible Notes and other borrowings;
- the Group continues to have the ability to raise additional share capital by share placements, rights issues, or issue of convertible notes, if required;
- the Group has the ability to farm out all or part of its exploration projects;
- the Group has the ability to sell particular exploration projects; and
- the Group has the ability to renew pending exploration applications based on previous experience.

Should the Group be unable to continue as a going concern, adjustments would have to be made to restate the values of assets to their recoverable amounts and to provide for further liabilities which might arise and to reclassify non-current asset as current asset. These consolidated financial statements do not include any adjustments that would result from the failure of the Group to continue in business as a going concern.

3. BASIS OF PREPARATION

3.1 Statement of Compliance

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention and are presented in Australian dollars ("AU$") and all values are rounded to the nearest thousand except when otherwise indicated.

3.2 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 30 September 2018. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries below above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

3.3 Changes in accounting policies and disclosures

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements, which are applicable to the Group.

Amendments to HKAS 7	*Disclosure Initiative*
Amendments to HKAS 12	*Recognition of Deferred Tax Assets for Unrealised Losses*
Amendments to HKFRS 12	*Disclosure of Interests in Other Entities: Clarification of the Scope of HKFRS 12*

The adoption of the revised HKFRSs has had no significant financial impact on the Group's financial statements.

3.4 Issued but not yet effective Hong Kong Financial Reporting Standards

The Group has not applied the following HKFRSs that have been issued but are not yet effective in these consolidated financial statements:

Amendments to HKFRS 2	*Classification and Measurement of Share-based Payment Transactions*[1]
Amendments to HKFRS 4	*Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts*[1]
HKFRS 9	*Financial Instruments*[1]
Amendments to HKFRS 9	*Prepayment Features with Negative Compensation*[2]
Amendments to HKFRS 10 and HKAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to HKFRS 15	*Clarifications to HKFRS 15 Revenue from Contracts with Customers*[1]
HKFRS 16	*Leases*[2]
Amendments to HKAS 40	*Transfers of Investment property*[1]
HK(IFRIC)-Int 22	*Foreign Currency Transactions and Advance Consideration*[1]
HK (IFRIC)-Int 23	*Uncertainty over Income Tax Treaments*[2]
Annual Improvements 2014-2016 Cycle	*Amendments to HKFRS 1 and HKAS 28*[1]

1 Effective for annual periods beginning on or after 1 January 2018
2 Effective for annual periods beginning on or after 1 January 2019
3 No mandatory effective date yet determined but available for adoption

The Group has not early applied any of the new and revised HKFRSs that have been issued but are not yet effective for the accounting year ended 30 September 2018, in these consolidated financial statements.

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, the Group considers that the new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required, the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Related parties

A party is considered to be related to the Group if:

a. the party is a person or a close member of that person's family and that person
   i. has control or joint control over the Group;
   ii. has significant influence over the Group; or
   iii. is a member of the key management personnel of the Group or of a parent of the Group;

Or

b. the party is an entity where any of the following conditions applies:
   i. the entity and the Group are members of the same group;
   ii. one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
   iii. the entity and the Group are joint ventures of the same third party;
   iv. one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
   v. the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group; (If the Group is itself such a plan) and the sponsoring employers of the post-employment benefit plan;
   vi. the entity is controlled or jointly controlled by a person identified in (a);
   i. Related parties (continued)
   ii. a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
   iii. the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold improvements	5% to 7%
Plant and equipment	10% to 50%
Motor vehicles	20% to 25%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Mineral exploration expenditure

Mineral exploration, evaluation and development expenditures incurred are capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written-off in full against profit or loss in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area.

Costs of site restoration are provided for over the life of the project from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with local laws and regulations and clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Mineral exploration expenditure (Continued)

Any changes in the estimates for the costs are accounted for on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

The carrying amount of the mineral exploration expenditure is reviewed annually and adjusted for impairment whenever one of the following events or changes in circumstances indicates that the carrying amount may not be recoverable:

- The period for which the Group has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Group has decided to discontinue such activities in the specific area; or
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the mineral exploration expenditure is unlikely to be recovered in full from successful development or by sale.

An impairment loss is recognised in the statement of profit or loss whenever the carrying amount of an asset exceeds its recoverable amount.

Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, including prepaid land lease payments under finance leases, are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the statement of profit or loss so as to provide a constant periodic rate of charge over the lease terms. Assets acquired through hire purchase contracts of a financing nature are accounted for as finance leases, but are depreciated over their estimated useful lives. Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the statement of profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to the statement of profit or loss on the straight-line basis over the lease terms.

Financial instruments

a. Financial assets
The Group's financial assets include cash and cash equivalents, other receivables and other assets are classified and accounted for as loans and receivables. Financial assets are recognised on the trade date. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any impairment losses. Any changes in their value are recognised in the statement of profit or loss.
Derecognition of financial assets occurs when the rights to receive cash flows from the financial assets expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. An assessment for impairment is undertaken at least at the end of each reporting period whether or not there is objective evidence that a financial asset or a group of financial assets is impaired. Impairment loss on loans and receivables is recognised when there is objective evidence that the Group will not be able to collect all the amounts due to it in accordance with the original terms of the receivables. The amount of the impairment loss is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

b. Financial liabilities
The Group's financial liabilities include accounts and other payables and financial lease payables. Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially recognised at fair value, net of transaction costs incurred and subsequently measured at amortised cost using the effective interest rate method. Financial liabilities are derecognised when the obligation specified in the contract is discharged or cancelled, or expires.

Convertible notes

Convertible notes that do not contain an equity component are accounted for as follows:

At initial recognition the derivative component of the convertible notes is measured at fair value and presented as part of derivative financial instruments. Any excess of proceeds over the amount initially recognised as the derivative component is recognised as the liability component. Transaction costs that relate to the issue of the convertible note are allocated to the liability and derivative components in proportion to the allocation of proceeds.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Convertible notes (continued)

The portion of the transaction costs relating to the liability component is recognised initially as part of the liability. The portion relating to the derivative component is recognised immediately in the statement of profit or loss.

The derivative component is subsequently re-measured. The liability component is subsequently carried at amortised cost. The interest expense recognised in profit or loss on the liability component is calculated using the effective interest method.

If the convertible note is converted, the carrying amounts of the derivative and liability components are transferred to share capital as consideration for the shares issued. If the note is redeemed, any difference between the amount paid and the carrying amounts of both components is recognised in the statement of profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.
- deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilised, except:
- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Goods and services tax (“GST”)

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expenses. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the balance sheet.

Cash flows are included in the cash flow statement on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group’s cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Employee benefits

Salaries, annual bonuses, paid annual leave; contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is defined and the effect would be material, these amounts are stated at their present values. Superannuation is paid in accordance with applicable local government legislation.

a) Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

b) Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any re-measurements for changes in assumptions of obligations for other long-term employee benefits are recognised in the statement of profit or loss in the periods in which the changes occur.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

Share-based payments

The fair value of share options (including performance rights) granted to employees and others is recognised as an employee cost with a corresponding increase in a reserve within equity.

The fair value of shares granted to service providers is recognised as an expense and classified by nature. The fair value is measured at grant date using the Black Scholes option pricing model, as appropriate, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged or credited to the statement of profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares.

Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Revenue recognition

Provided that it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the statement of profit or loss as follows:

- Interest income is recognised as it accrues using the effective interest method

Sundry income is recognised at the fair value of the consideration received or receivable.

Foreign currencies

These financial statements are presented in Australian dollars, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies (continued)

Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of certain overseas subsidiaries are currencies other than the Australian dollars. As at the end of the reporting period, the assets and liabilities of these entities are translated into Australian dollars at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into Australian dollars at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Australian dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Australian dollars at the weighted average exchange rates for the year.

Borrowing costs

Borrowing costs directly attributable to the acquisition or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements used in preparing the consolidated financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates may not equal the related actual results. The estimates and assumptions that have a significant effect on the carrying amounts of assets and liabilities are discussed below.

Impairment of non-financial assets

The Group tests at least annually whether other assets that have indefinite useful lives have suffered any impairment. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset of a cash-generating unit has been determined based on value-in-use calculations. These calculations require the use of estimates.

The value-in-use calculations primarily use cash flow projections based on five-year financial budgets approved by management and estimated terminal values at the end of the five-year period. There are a number of assumptions and estimates involved for the presentation of cash flow projections for the period covered by the approved budget and the estimated terminal value. Key assumptions include the expected growth in revenue and operating margin, effective tax rates, growth rates and selection of discount rates, to reflect the risks involved and the earnings multiple that can be realised for the estimated terminal value.

Management prepared the financial budgets reflecting actual and prior year performance and market development expectations. Judgement is required to determine key assumptions adopted in the cash flow projections and changes to key assumptions can significantly affect these cash flow projections and therefore the results of the impairment reviews.

Useful lives of property, plant and equipment

The Directors determine the estimated useful lives and residual values for its property, plant and equipment. The Directors revise the depreciation charge when useful lives are different from previous estimates. Obsolete or non-strategic assets, which have been abandoned or sold, shall be written-off or written-down.

Impairment assessment of mineral exploration expenditure

The carrying amount of the mineral exploration expenditure is reviewed bi-annually and adjusted for impairment whenever circumstance indicate that the carrying amount may not be recoverable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

6. OPERATING SEGMENT INFORMATION

No operating segment is presented as the Group operated in one single segment during the year.

Geographic information on non-current assets	2018 AU$000	2017 AU$000
Australia	255	286
Solomon Islands	8,972	4,823
	9,227	**5,109**

7. REVENUE

	2018 AU$000	2017 AU$000
Interest income	4	12
Sundry income	100	174
	104	**186**

8. FINANCE COSTS

	2018 AU$000	2017 AU$000
Interest expense on convertible notes	500	400
Other interest and finance related cost	308	81
	808	**481**

9. LOSS BEFORE INCOME TAX

The Group's loss before tax is arrived at after charging:

	2018 AU$000	2017 AU$000
Auditors' remuneration	141	238
Minimum lease payments on operating leases on land and building	228	186
Employee benefit expenses (excluding directors' and chief executive's remuneration (note 24):		
- Wages and salaries	1,347	1,641
- Superannuation	79	142
	1,426	**1,783**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

10. TAX EXPENSE

No provision for tax has been made as the Group did not generate any assessable profits arising during the year (2017: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates.

A reconciliation of the tax expense applicable to loss before tax at the statutory rate in Australia to the tax expense is as follows:

	2018 AU$000	2017 AU$000
Prima facie tax payable on loss from ordinary activities before income Tax at 30% (2017: 30%)	(2,103)	(1,451)
Add:		
Tax effect of:		
Non-allowable items		
-share options expensed during year	108	31
-overseas exploration and other expenditure	157	(78)
- impairment loss on mineral exploration expenditure	2	(846)
- others	62	-
Less:		
-difference in overseas tax rate	5	5
-tax losses and deferred tax not recognised	1,769	2,339
Income tax attributable to entity	**-**	**-**

The Group has tax losses arising for the year ended 30 September 2018 of AU$2,102,805 (2017: AU$1,451,409) that are available indefinitely for offsetting against its future taxable profits. Deferred tax assets have not been recognised in respect of these losses as they have been loss-making for some time and it is not considered probable that taxable profits will be available to against which the tax losses can be utilised.

11. LOSS PER SHARE

a) Basis loss per share

The calculation of basic loss per share of AU$1.72 cents per share (2017: AU$1.18 cents per share) is based on the loss attributable to owners of the Company of AU$6,878,000 (2017: AU$4,118,000) and the weighted average number of 399,259,452 ordinary shares (2017: 348,777,421 ordinary shares) on issue during the year, calculated as follows:

	2018 AU$000	2017 AU$000
Reconciliation of earnings to profit or loss:		
Loss for the year	(7,009)	(4,838)
Loss attributable to non-controlling equity interest	(131)	(720)
Loss used to calculate basic earnings per share	(6,878)	(4,118)
Loss used in the calculation of dilutive earnings per share	(6,878)	(4,118)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

11. LOSS PER SHARE (CONTINUED)

Weighted average number of ordinary shares	2018 No. of shares	2017 No. of shares
Issued ordinary shares at 1 October (note 21a)	376,854,966	337,392,308
Effect of placement of shares	1,872,146	8,082,762
Effect of shares issued as payment for services	737,064	414,430
Effect of issue of shares to employees	420,000	22,953
Effect of issues under exercise of options	-	-
Effect of issues under share purchase plan and conversion of convertible notes	19,375,276	2,864,968
Weighted average number of ordinary shares at 30 September	**399,259,452**	**348,777,421**

a) Diluted loss per share

The diluted loss per share is the same as the basis loss per share as the exercise of the share option and the conversion of convertible notes would result in a decrease in loss per share.

12. CASH AND CASH EQUIVALENTS

	2018 AU$000	2017 AU$000
Cash at bank and on hand	17	471
Time deposits	127	1,433
Funds held in trusts	56	50
	200	**1,954**

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates. The bank balances and short-term time deposits are deposited with creditworthy banks with no recent history of default

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

13. OTHER RECEIVABLES

	2018 AU$000	2017 AU$000
Other receivables	297	295
Loan to key personnel management	-	205
	297	**500**

At 30 September 2018, none of the above assets was past due nor impaired. The financial assets included in the above balances related receivables for which there was no recent history of default.

14. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land AU$000	Leasehold improvements AU$000	Plant and equipment AU$000	Total AU$000
At 30 September 2018				
At 30 September 2017:				
Cost	1,502	216	1,488	3,206
Accumulated depreciation and impairment	(1,502)	(206)	(1,136)	(2,844)
Net carrying amount	-	10	352	362
At 1 October 2017, net of accumulated depreciation and impairment	-	10	352	362
Additions	-	-	335	335
Depreciation provided during the year	-	(3)	(205)	(208)
Exchange realignment	-	-	28	28
At 30 September 2018, net of accumulated depreciation and impairment	-	7	510	517
At 30 September 2018:				
Cost	1,502	228	1,909	3,639
Accumulated depreciation and impairment	(1,502)	(221)	(1,399)	(3,122)
Net carrying amount	**-**	**7**	**510**	**517**

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FOR THE YEAR ENDED 30 SEPTEMBER 2018

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Leasehold land AU$000	Leasehold improvements AU$000	Plant and equipment AU$000	Total AU$000
At 30 September 2017				
At 30 September 2016:				
Cost	1,502	221	1,474	3,197
Accumulated depreciation and amortisation	(1,502)	(208)	(899)	(2,609)
Net carrying amount	-	13	575	588
At 1 October 2016, net of accumulated depreciation and amortisation	-	13	575	588
Additions	-	-	48	48
Disposals	-	-	-	-
Depreciation provided during the year	-	(3)	(263)	(266)
Exchange realignment	-	-	(8)	(8)
At 30 September 2017, net of accumulated depreciation and amortisation	-	10	352	362
At 30 September 2017:				
Cost	1,502	216	1,488	3,206
Accumulated depreciation and amortisation	(1,502)	(206)	(1,136)	(2,844)
Net carrying amount	**-**	**10**	**352**	**362**

The net carrying amount of the Group assets held under finance lease in the total amounts of AU$517,000 at 30 September 2018 was AU$10,000 (2017: AU$62,000).

15. MINERAL EXPLORATION EXPENDITURE

Exploration, evaluation and development costs carried forward in respect of mining areas of interest:

	2018 AU$000	2017 AU$000
Carrying amount at 1 October	4,747	587
Exploration costs	3,992	1,374
Exchange alignment	(22)	(31)
Impairment reversal/(loss) on mineral exploration expenditure	(7)	2,817
Carrying amount at 30 September	**8,710**	**4,747**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

15. MINERAL EXPLORATION EXPENDITURE (CONTINUED)

Determining the recoverability of mineral exploration expenditure capitalised in accordance with the Group's accounting policies, requires estimates and assumptions as to future events and circumstances, in particular, whether successful development and commercial exploitation, or alternatively sale, of the respective exploration right will be achieved. During the year, no impairment charge was made to capitalised exploration expenditure in accordance with the Group's accounting policies to its recoverable amount.

During the year the Group has spent more than the annual expenditure commitment under the amalgamated expenditure arrangement. However, the Group expects to meet any shortfall in this arrangement in future periods.

In 2017, The Group was granted a renewal of its Prospecting Licence (PL 01/14) in the West Guadalcanal area for a further 2 years by the Solomon Islands Government, and has re-applied for the Prospecting Licence in Kolosori area in Solomon Islands.

In September 2018, the Company was granted the mining lease over San Jorge which covers an area of 36km^2.

The carrying value of Kolosori as at 30 September 2018 has been fully impaired.

During the year, some Exploration Permits for Mineral assets in Australia was surrendered and subsequently a $7,000 impairment costs was incurred as a result.

Recoverability of the carrying amount of exploration assets is dependent on the successful exploration and commercial exploitation of the tenements.

16. ACCOUNTS PAYABLE

The accounts payable are non-interest-bearing and are normally settled within 60 days.

17. OTHER PAYABLES AND ACCRUALS

	2018 AU$000	2017 AU$000
Accruals	169	178
Other payables	1,507	1,000
Current position of other payables and accurals	**1,676**	**1,178**

The other payables are non-interest-bearing (2017: 7.25% interest was charged on a portion of $541,000 of the other payables) and will be settled within 12 months.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

18. BORROWINGS

	2018 AU$000	2017 AU$000
Convertible Bond	1,605	1,807
Other Loan	730	-
Total	**2,335**	**1,807**

a) Convertible Bond

	2018 AU$000	2017 AU$000
Convertible Notes (includes embedded derivative component)	1,605	1,807

On 16 June 2017, the Company announced it had entered into a Convertible Note Agreement for an initial AU$4 million in funding from MEF I.L,P ("Magna") through the issue of Convertible Notes under Convertible Note facilities, Tranche A and Tranche B, each to the value of AU$2 million respectively.

The Company then further announced on 25 October 2017 that upon the satisfaction of certain conditions including Magna conducting an in-country and project site due diligence varied the Convertible Note Agreement with a side Letter Agreement to allow a further AU$5 million in additional funding under Tranche C.

Tranche C funding was available in two instalments, made up of AU$2 million in available funding drawn down in early November 2017 with a further AU$3 million in funding drawn down by May 2018.

The Convertible Notes were issued on the following terms:

- The Convertible Notes will be issued at US$1.00 per note at the prevailing AU$/US$ exchange rate and have a face value equivalent to approximately of AU$1.10 per note.
- The Convertible Notes are convertible at any time by the Investor under Tranche A and B at the lower of a floor price of AU$0.20 cents or a 10% discount from the lowest VWAP over three (3) days in a ten (10) days prior to the conversion date.
- The Convertible Notes are convertible at any time by the Investor under Tranche C at the lower of a floor price of AU$0.30 cents or a 10% discount from the lowest VWAP* over two
- (2) days in a five (5) days prior to the conversion date.
- All three facilities have a maturity of 12 months after their respective issue dates.
- Once drawn down, the Company will have the option to repay the Convertible Notes, Tranche A, Tranche B and / or Tranche C, within 12 months on the following terms:
  a. On or before 6 months after the issue date, the Company is required to repay 110% of the face value of the relevant Convertible Note; and
  b. From 6 months after the issue date, the Company is required to repay 115% of the face value of the relevant Convertible Note.
- The Convertible Notes bear no interest and are unsecured.
- The Investor may elect to convert a Convertible Note to shares at any time provided that the face value of the Convertible Notes to be converted are not greater than 20% of the investment amount for the relevant tranche.
- Shareholder approval is not required for the initial funding to proceed, however the agreement contains provisions requiring the approval of shareholders if required under Listing Rule 7.1.
- The Investor is bound by a list of trading restrictions including a cap on the market value of shares periodically traded including restrictions preventing short selling.

Tranche A was made up of 1,522,400 Convertible Notes and was fully converted to shares by 10 August 2017 and Tranche B is made up of 1,587,436 Convertible Notes and was partially converted to shares with 422,436 notes remaining. Tranche C that is made up of 3,880,655 Convertible Notes was partially converted to shares with 631,062 notes remaining.

*VWAP – Value Weighted Average Price

b) Other Loan

During the year AU$730,000 in unsecured and interest free loans with a maturity date of 9 October 2018 were provided to Axiom including by two of its Directors Mr Mount and Mr Markoff, subject to shareholder approval.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

19. FINANCE LEASE PAYABLES

The Group through its subsidiary Axiom Nickel (SI) Limited acquired a motor vehicle and technical office equipment through finance lease agreements over 24 months.

As at 30 September 2018, the Group had obligations under finance leases as follows:

	2018		2017	
	Present value of the minimum lease payments AU$000	Total minimum lease payments AU$000	Present value of the minimum lease payments AU$000	Total minimum lease payments AU$000
Within one year	10	11	12	13
After one year but within five years	-	-	4	4
	10	11	16	17
Less: total interest expenses	-	(1)	-	(1)
	10	10	16	16

20. PROVISIONS

Current	2018 AU$000	2017 AU$000
Employee benefits payable	266	124
Non-Current		
Employee benefits payable	42	13

The employee benefits relate to leave provisions and is presented as current as it is expected to be settled within 12 months.

The employee benefits relate to long service leave provisions not due for settlement within the next 12 months.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

21. CAPITAL AND RESERVES

a) Authorised and issued share capital

	2018 AU$000	2017 AU$000
Issued and fully paid		
439,100,262 (2017: 376,854,966) ordinary shares	121,247	113,985

	2018		2017	
	Number of shares	AU$000	Number of shares	AU$000
Movements in issued shares:				
Balance at 1 October	376,854,966	113,985	337,392,208	108,360
Issue of new shares				
Share placement issue*	8,333,335	1,000	17,947,509	2,958*
Shares issued as payment for services and interest	1,364,285	189	988,890	130
Shares issued to employees	700,000	94	144,445	23
Exercise of options	-	-	-	-
Shares issued on conversion of convertible notes	51,847,676	5,995	20,381,914	2,539
	439,100,262	121,263	376,854,966	114,010
Less: Transaction costs arising from share issues	-	(16)	-	(25)
Balance at 30 September	**439,100,262**	**121,247**	**376,854,966**	**113,985**

Included in the value of issued share capital are free attaching options to private placement shown in note 21(d).

b) Reserves

	2018 AU$000	2017 AU$000
Foreign currency translation reserve	(717)	(847)
Share-based payment reserve	222	526
	(495)	(321)

Nature and purpose of reserves

i. Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy set out in Note 4.

ii. Share-based payment reserve

The share-based payment reserve is used to recognise:

- The grant date fair value of performance rights issued to employees and directors.
- The grant date fair value of shares issued to employees.
- The grant date fair value of options issued to consultants.

c) Distributability of reserves

At 30 September 2018, the aggregate amount of reserves available for distribution to shareholders of the Company was nil (2017: nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

21. CAPITAL AND RESERVES (CONTINUED)

d) Options

Details of the movements in options are as follows:

	Grant Date	Expiry Date	No. of options outstanding as at 1/10/2017	Exercise price(AU)	Granted during the year	Exercised during the period	Expired during the year	No. of options outstanding as at 30/09/2018
Consultants	11/12/15	30/11/17	1,333,000	0.3000	-	-	1,333,000	-
Consultants	31/03/16	30/03/18	300,000	0.4500	-	-	300,000	-
Options attached to private placement	12/05/16	30/03/26	28,638,893	0.3000	-	-	-	28,638,893
Options attached to private placement	12/05/16	30/03/26	28,638,893	0.4000	-	-	-	28,638,893
Options attached to private placement	12/05/16	30/03/26	28,638,893	0.5000	-	-	-	28,638,893
Options attached to private placement	12/05/16	30/03/26	28,638,893	0.6000	-	-	-	28,638,893
Options attached to private placement	10/06/16	30/03/26	1,666,668	0.3000	-	-	-	1,666,668
Options attached to private placement	10/06/16	30/03/26	1,666,668	0.4000	-	-	-	1,666,668
Options attached to private placement	10/06/16	30/03/26	1,666,668	0.5000	-	-	-	1,666,668
Options attached to private placement	10/06/16	30/03/26	1,666,668	0.6000	-	-	-	1,666,668
Options attached to private placement	04/08/16	28/07/18	8,928,592	0.4000	-	-	8,928,592	-
Options attached to private placement	04/08/16	30/11/17	800,000	0.3000	-	-	800,000	-
Options attached to private placement	06/03/17	18/12/18	4,687,500	0.4000	-	-	-	4,687,500
Options attached to private placement	14/04/17	28/07/18	357,143	0.4000	-	-	357,143	-
Options attached to Entitlement Offer	09/05/17	14/12/18	2,704,929	0.4000	-	-	-	2,704,929
Options attached to Entitlement Offer	19/05/17	14/12/18	28,335,371	0.4000	-	-	-	28,335,371
Options attached to Entitlement Offer	17/06/17	14/12/18	10,937,500	0.4000	-	-	-	10,937,500
Consultants	17/06/17	14/12/18	500,000	0.4000	-	-	-	500,000
Consultants	17/06/17	07/05/18	500,000	0.1600	-	-	500,000	-
Options attached to Entitlement Offer	11/07/17	14/12/18	109,375	0.4000	-	-	-	109,375
Consultants	23/05/18	07/05/20	-	0.1600	000,000	-	-	1,000,000
Options attached to Entitlement Offer	10/07/18	30/06/19	-	0.2000	333,335	-	-	8,333,335
Consultants	28/08/18	30/06/19	-	0.2000		-	-	1,000,000
Total			**180,715,654**		**10,333,335**	**-**	**12,218,735**	**178,830,254**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

21. CAPITAL AND RESERVES (CONTINUED)

d) Options (continued)

The fair value of options granted is measured using the Black-Scholes option pricing model, as appropriate, based on various assumptions on volatility, option life, dividend yield and annual risk-free interest rate, excluding the impact of any non-market vesting conditions, which generally represent the best estimate of the fair values of the share options at date of grant.

Key inputs used in the calculation of the value of options granted during the year ended 30 September 2018 are:

Grant date	Expiry date	Spot price AU$	Volatility %	Free rate %
23 May 18	7 May 20	0.16	98	1.96
28 Aug 18	30 June 19	0.20	98	1.83

Expected volatility was determined based on historic volatility adjusted for any expected changes to future volatility based on publicly available information. All options granted during the year vested on grant date. None of the options issued have vesting conditions attached.

e) Performance rights

Details of the movements in rights granted are as follows:

	No of rights outstanding as at 1 October 2017	Granted during the year	Exercised during the year	Lapsed during the year	No. of rights outstanding as at 30 September 2018
Ryan Richard Mount	7,200,000	-	-	2,400,000	4,800,000
Jeremy Gray	250,000	-	-	250,000	-
Robert Barraket	500,000	-	-	500,000	-
Other Employees	-	450,000	-	-	450,000
	7,950,000	**450,000**	**-**	**3,150,000**	**5,250,000**

22. CAPITAL MANAGEMENT

The Group's primary objectives when managing capital is to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

23. COMMITMENTS

a) Capital commitments

Estimated capital expenditure required to maintain tenements at the end of reporting period, but not provided for, are payable as follows:

	2018 AU$000	2017 AU$000
Within one year	682	898
After one year but within five years	217	532
	899	**1,430**

These commitments may also be achieved by seeking exemptions, relinquishment or by joint venture arrangements. During the year the Company has spent less than the annual expenditure commitment under the amalgamated expenditure arrangement. However, the Company expects to meet any shortfall in this arrangement in future periods.

Recoverability of the carrying amount of exploration assets is dependent on the successful exploration and commercial exploitation of the tenements.

b) Operating lease commitments

The Group leases certain of its office properties and office equipment under operating lease arrangements. Leases are negotiated for terms up to five years.

At 30 September 2018, the Group has total future minimum lease payments under operating leases falling due as follows:

	2018 AU$000	2017 AU$000
Within one year	222	182
After one year but within five years	207	344
	429	**526**

24. RELATED PARTIES

a) Transactions with related parties

Included in service income was AU$100,000 (2017: AU$164,000) received from AuStar Gold Limited by way of corporate services for the year ended 30 September 2018.

b) Director remuneration summary

Directors' remuneration disclosed pursuant to section 383(1)(a) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2018 AU$000	2017 AU$000
Short term employee benefits		
Salaries	140	140
Post-employment benefits		
Superannuation	8	8
Other benefits		
Share-based payments - performance rights *	-	-
Total remuneration	**148**	**148**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

24. RELATED PARTIES (CONTINUED)

c) KMP remuneration summary

	2018 AU$000	2017 AU$000
Short term employee benefits		
Salaries	1,033	1,040
Non-monetary benefits	165	127
Total short-term benefits	**1,198**	**1,167**
Post-employment benefits		
Superannuation	92	81
Total Superannuation	**92**	**81**
Other benefits		
Share-based payments	37	-
Long service Leave	42	12
Total other benefits	79	12
Total remuneration	**1,369**	**1,260**

*Performance rights were granted in April 2013 and October 2015 following approval by shareholders at the Annual General Meeting held on 22 April 2013. The performance rights are charged to expense over the life of the rights. The expense in relation to the performance rights is calculated as fair value using the Black-Scholes model.

Performance rights issued will automatically vest into fully paid ordinary shares upon specific market hurdle conditions being achieved. The amounts that appear are amounts required to be expensed by the Company in respect of the allocation of long term incentives. Whether or not these performance rights are received will depend on achieving appropriate vesting conditions as discussed above. No performance rights were exercised during the year.

25. FINANCIAL RISK MANAGEMENT AND FAIR VALUES

Exposure to credit, liquidity, interest rates and currency risks arises in the normal course of the Group's business.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group are described below and are limited by the Group's financial management policies and practices described below.

a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk is managed through the maintenance of procedures (such procedures include the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring of the financial stability of significant customers and counterparties), ensuring to the extent possible, that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Credit terms are generally 14 to 30 days from the invoice date.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating, or in entities that the Board has otherwise cleared as being financially sound. Where the Group is unable to ascertain a satisfactory credit risk profile in relation to a customer or counterparty, the risk may be further managed through title retention clauses over goods or obtaining security by way of personal or commercial guarantees over assets of sufficient value that can be claimed against in the event of any default.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

25. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position. Credit risk also arises through the provision of financial guarantees, as approved at Board level.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality.

The Group manages its credit risk associated with funds on deposit and cash at bank by only dealing with reputable financial institutions. At year end, the Company has exposure of AU$200,000 (2017: AU$1,150,285) with Australia and New Zealand Banking Group Limited and Westpac Banking Group Limited relating to funds on deposit and cash at bank.

b) Liquidity risk

Liquidity risk arises from the possibility that the Group may encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The Group manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities
- maintaining a reputable credit profile
- managing credit risk related to financial assets; and
- only investing surplus cash with major financial institutions.

Individual operating entities within the Group are responsible for their own cash management, including the short term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the parent Company's Board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

c) Interest rate risk

The Group's exposure to interest rate risk and the effective interest rates of financial assets and financial liabilities both recognised and unrecognised at the at the end of reporting period, are as follows:

	Interest bearing		Non-interest bearing		Total carrying amount as per the consolidated financial position		Weighted average effective interest rate	
Financial instruments	**2018 AU$000**	**2017 AU$000**	**2018 AU$000**	**2017 AU$000**	**2018 AU$000**	**2017 AU$000**	**2018 %**	**2017 %**
(i) Financial assets								
Cash[1] and cash equivalent	200	1,954	-	-	200	1,954	2.35	2.05
Other receivables and Other assets	-	204	347	300	547	504	-	5.25
Total financial assets	**200**	**2,158**	**347**	**300**	**747**	**2,458**		
(ii) Financial liabilities								
Trade and other payables	-	541	3,249	1,705	3,249	2,246	-	7.25
Borrowings	-	-	2,335	1,807	2,335	1,807	-	-
Lease Liabilities[2]	10	16	-	-	10	16	8.0	8.0
Provisions	-	-	308	137	308	137	-	
Total financial liabilities	**10**	**557**	**5,892**	**3,649**	**5,902**	**4,206**		

[1] At floating interest rates

[2] At fixed interest rates

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

25. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

The Group is not exposed to significant risk from interest rate sensitivity.

d) Currency risk

Functional currency of entity	AU$000	AU$000	AU$000	Total AU$000
2018				
Australian Dollar	(3,543)	-	-	(3,543)
Solomon Islander Dollar	-	(1,820)	-	(1,820)
Vietnamese Dong	-	-	8	8
Statement of financial position exposure	**(3,543)**	**(1,820)**	**8**	**(5,355)**
2017				
Australian Dollar	(479)	-	-	(479)
Solomon Islander Dollar	-	(1,230)	-	(1,230)
Vietnamese Dong	-	-	10	10
Statement of financial position exposure	**(479)**	**(1,230)**	**10**	**(1,699)**

If the Solomon Islander Dollar and the Vietnamese Dong were to firm against the Australian dollar by 5% the Group loss would increase by AU$144,000. If Solomon Islander Dollar and the Vietnamese Dong were to weaken against the Australian dollar by 5% the Group loss would reduce by AU$130,000.

e) Fair values

All financial instruments carried at amortised costs are not materially different from their fair values as at 30 September 2018 and 2017.

26. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Following the judgement by the Solomon Islands Court of Appeal on the 21 March 2016 Axiom KB Limited was ordered to pay the legal costs of the land appellants that appealed the decision of the High Court of Solomon Island. At this stage, the decision on the obligation of payment for the legal costs has not been determined by the Court of appeal.

27. SUBSEQUENT EVENTS

On 9 October 2018, the Company announced a capital raising of AU$2,500,000 from sophisticated and professional investors including AU$500,000 from two of its Directors, subject to shareholder approval. The placement of shares is at AU$0.10 per share with a 1 for 2 unlisted options (Exercise price of AU$0.20 with an expiry date of 30 June 2019).

On 7 December 2018, the Company announced it had raised a further AU$1,000,000 in funding from Magna through the issue of Convertible Notes under a new Convertible Note facility.

On 20 December 2018, the Company announced it had received a binding commitment of AU$2,000,000 from its largest shareholder in a Private Placement of shares at AU$0.10 per share with 4 for 1 unlisted options. The Company also announced an Entitlement Offer for up to approximately AU$4,000,000 to existing shareholders on the same or similar terms to the proposed Private Placement. Prospectus and timetable will be provided to shareholders in January 2019.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

28. FAIR VALUE

The Group measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- Embedded derivative liability (at fair value);
  The Group does not subsequently measure any liabilities at fair value on a non-recurring basis.

Fair Value Hierarchy

HKFRS 13: Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Company's embedded derivative liabilities are valued using Level 2, as follows:

	Notes	2018 AU$000	2017 AU$000
Financial liabilities			
- Embedded derivative liability (fair value)	18	(1,605)	(1,807)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

29. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2018 AU$000	2017 AU$000
Current assets		
Cash and cash equivalents	181	1,649
Other receivables	208	459
Due from subsidiaries	6,250	1,446
Total current assets	**6,639**	**3,554**
Non-current assets		
Property, plant and equipment	53	62
Total non-current assets	**53**	**62**
Current liabilities		
Other payables and accruals	1,476	739
Convertible notes and other Borrowings	2,335	1,807
Provisions	93	46
Total current liabilities	**3,904**	**2,592**
Net current (liabilities)/assets	**2,735**	**962**
NET ASSETS	**2,788**	**1,024**
Equity		
Share capital	121,247	113,985
Reserves	(118,459)	(112,961)
TOTAL EQUITY	**2,788**	**1,024**

Ryan Richard Mount
Director

Robert Barraket
Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

29. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Note:

A summary of the Company's reserves is as follows:

The share based payment reserve comprised the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payments to the financial statements. The amount will either be transferred to the share premium account when the related options are exercised, or be transferred to retained profits should the related options expire or be forfeited.

	Foreign currency translation reserve	Share based payment reserve	Accumulated losses	Total reserve
	AU$000	AU$000	AU$000	AU$000
At 1 October 2016	(933)	501	(102,927)	(103,359)
Loss for the year and total comprehensive loss for the year	-	-	(9,704)	(9,704)
Equity-settled share options arrangements	-	102	-	102
Transfer to share-based payment reserve upon the forfeiture or expiry of share options	-	(77)	77	-
Total comprehensive loss for the year	**-**	**25**	**77**	**102**
As at 30 September 2017	**(933)**	**526**	**(112,554)**	**(112,961)**
At 1 October 2017				
Loss for the year and total comprehensive loss for the year	**-**	**-**	**(5,575)**	**(5,575)**
Transfer to share-based payment reserve upon the forfeiture or expiry of share options	-	(381)	381	-
Equity-settled share options arrangements	-	77	-	77
Total transactions with owners and other transfers	**-**	**(304)**	**381**	**77**
As at 30 September 2018	**(933)**	**222**	**(117,748)**	**(118,459)**

The share based payment reserve comprised the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payments to the financial statements. The amount will either be transferred to the share premium account when the related options are exercised, or be transferred to retained profits should the related options expire or be forfeited.

30. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 31 December 2018.

ASX ADDITIONAL INFORMATION

TOP 20 HOLDERS OF CHESS DEPOSITARY INTERESTS AS AT 21 FEBRUARY 2019

Holder Name	Balance at 21/02/2019	%
ACK PTY LTD <MARKOFF SUPER NO 2 A/C>	46,222,223	9.36
CITICORP NOMINEES PTY LIMITED	26,655,842	5.40
ANITUA LIMITED	16,666,666	3.38
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	14,084,662	2.85
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	4,736,746	0.96
MR DAVID FINDLAY	3,801,076	0.77
PAYNEHAM INVESTMENTS PTY LTD <PAYNEHAM INVESTMENT A/C>	3,231,669	0.65
MR RYAN MOUNT	2,936,509	0.59
BANTRY HOLDINGS PTY LTD <BANTRY FAMILY A/C>	2,916,667	0.59
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	2,835,853	0.57
ONE MANAGED INVESTMENT FUNDS LIMITED <TI HIGH CONVICTION A/C>	2,500,000	0.51
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <EUROCLEAR BANK SA NV A/C>	2,356,156	0.48
MR BRADLEY GAVIN DOWNES	2,355,561	0.48
MR PHILLIP ANDREW COXSEDGE	2,300,000	0.47
RAPAKI PTY LTD <RAPAKI SHARE A/C>	2,225,000	0.45
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	2,063,296	0.42
MONEX BOOM SECURITIES (HK) LTD	2,043,268	0.41
J HUNTER INVESTMENTS (HOLDINGS) PTY LIMITED <J HUNTER FAMILY A/C>	2,000,000	0.41
MR GEORGE ARTHUR MOORE	2,000,000	0.41
MR CRAIG WILLIAM SIMS	2,000,000	0.41
Total	**145,931,194**	**29.55**
Issued (Listed CDI's)	**347,886,907**	**70.45**

The Company also has 697,763 unlisted Hong Kong Securities.

ASX ADDITIONAL INFORMATION

CHESS DEPOSITARY INTERESTS AS OF 21 FEB 2019

Distribution of Holdings

Chess Depositary Interests (AVQ)

Sector	Number of shareholders	Number of Shares	
Holdings Ranges	**Holders**	**Total Units**	**%**
1-1,000	380	140,083	0.03
1,001-5,000	2,106	6,493,906	1.32
5,001-10,000	1,423	11,271,147	2.28
10,001-100,000	3,043	106,337,357	21.53
100,001 and over	680	369,575,608	74.84
Totals	**7,632**	**493,818,101**	**100.00**

Distribution of marketable parcels*

Holdings Ranges	Holders	Total Units	%
Unmarketable (1-3226)	2,867	8,845,647	1.79
Marketable (<3226)	4,765	484,972,454	98.21
Holdings Ranges	**7,632**	**493,818,101**	**100.00**

Performance rights*

Holdings Ranges	Holders	Total Units	%
1-1,000	0	0.00	0
1,001-5,000	0	0.00	0
5,001-10,000	0	0.00	0
10,001-100,000	1	100,000	22.22
100,001- and over	1	350,000	77.78
Totals	**2**	**450,000**	**100.00**

Unlisted options*

Holdings Ranges	Holders	Total Units	%
1-1,000	0	0	0.000
1,001-5,000	0	0	0.000
5,001-10,000	0	0	0.000
10,001-100,000	12	814,167	0.36
100,001- and over	46	224,438,912	99.64
Totals	**58**	**225,253,079**	**100.00**

* As at 21 February

ASX ADDITIONAL INFORMATION

Shareholder information

Voting rights

The voting rights attaching to each class of equity securities are set out below:

a. **Ordinary shares**
On a show of hands, every member present at a meeting in person or by proxy shall have one vote and upon a poll, each share shall have one vote.

b. **Options**
No voting rights.

Securities exchange listing

The shares of the Company are listed under the symbol AVQ on the Australian Securities Exchange Limited (ASX).

Shareholder enquiries

Shareholders with queries about their shareholdings should contact the Company's share registry as follows:

Computershare
Level 1, 200 Mary Street
Brisbane QLD 4000 Australia

Phone: +61 7 3237 2100
Fax: +61 7 3237 2152
Email: web.queries@computershare.com.au

Change of address

Issuer sponsored shareholders should notify the share registry in writing immediately upon any change in their address quoting their Securityholder Reference Number. This can be done by phoning the share registry, by writing to them, or through their web portal atwww.computershare.com. Changes in addresses for broker sponsored holders should be directed to the sponsoring brokers with the appropriate Holder Identification Number.

Annual report

The Company's annual report is posted on our website www.axiom-mining.com immediately upon release to ASX. The Company encourages shareholders to register to receive the annual report electronically.

Consolidation of multiple shareholdings

If you have multiple shareholding accounts that you wish to consolidate into a single account, please advise the share registry in writing. If your holdings are broker sponsored, please contact the sponsoring broker directly.

Register for email alerts

Please note, that as a shareholder you can register through the Email Alerts section of our web site to receive electronic communications from the Company. To do so, you should select the Contact Us tab on our web site at www.axiom-mining.com.

Registration will provide you with an email alert with a link to www.axiom-mining.com each time a relevant announcement is made by the Company and posted on this site.

At www.axiom-mining.com shareholders can view:

- annual and half-year reports
- quarterly reports
- ASX announcements
- Axiom share price information
- general shareholder information.

CORPORATE DIRECTORY

Directors

Mr Robert Barraket
(Non-Executive Chairman)

Mr Ryan Mount
(Managing Director – Chief Executive Officer)

Mr Jeffrey Markoff
(Non-Executive Chairman)

Mr Jeremy Gray
(Non-Executive Director)

Company Secretary

Boacoh Secretarial Limited

2303-4 Dominion Centre
43-49 Queens Road East
Hong Kong

Local Agent

Mr Brent Hofman

Level 6, 15 Astor Terrace
Brisbane QLD, 4000 Australia

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Hong Kong

Auditors Hong Kong

Zenith CPA Limited

10/F China Hong Kong Tower 8–12
Hennessy Road Wanchai
Hong Kong

Share Registry

Computershare

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Brisbane, QLD 4000 Australia

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axiom
Build. Share. Protect.

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