

22 March 2019

Isabel Nickel Project Update

Axiom Mining Limited ('Axiom' or 'the Company') provides the following update on its Isabel Nickel Project.

San Jorge overview

Operations on San Jorge mine are focused on mining, stockpiling and ore drying.

There is high demand for the San Jorge product because of its consistent expected quality and nickel grades. Therefore, Axiom's first shipment is not just about revenue, but proving our ability to deliver this consistent expected quality and grade of nickel ore.

The Solomon Islands national general election scheduled for 3 April 2019 and recent poor weather conditions hampered barge availability and the shipment of ore. This has meant the reschedule of our first shipment of nickel ore to April 2019.

A buyer for the first shipment of nickel is confirmed with subsequent bulk ore carrier ship scheduled for loading between 15 to 20 April 2019.



Excavation of Ni bearing Saprolite from recently opened pit

Mining

Our stockpiled ore is undergoing drying.

Mining and stockpiling continues and will be ongoing.

The initial targeted areas for mining have undergone grade control drilling with most of it at 25m x 25m spacing. These results are providing the customer/s a high degree of confidence in the agreed contracted product Axiom is to provide.

Quality control is a significant concern to nickel ore consumers given that a lot of nickel laterite miners in the Asia Pacific region cannot guarantee the quality or the ore specifications of the product delivered onto a ship / to the customer. This may be attributable to poor drilling and sampling techniques or, in some cases, no drilling or sampling taking place at all. Therefore, with Axiom's higher standards of operation, preparation and customer service, the Company aims to be able to achieve a premium price for the San Jorge product and / or generate and maintain firm demand for the Axiom product from San Jorge.

These initial targeted areas, currently being mined by Axiom, are located close to shore, providing the Company with efficiency benefits, eg. short haul distances and associated savings such as fuel and maintenance costs.



Mobilisation of additional mining fleet and equipment at the San Jorge nickel mine

Infrastructure

Infrastructure maintenance continues with our focus on the engineering and sheeting of roads. There is a particularly heavy focus on the sheeting of roads as the wet season presents transportation obstacles if not properly completed.

The establishment and maintenance of environmental protection structures continues. Our well-engineered decantment dams and site drainage systems have ensured excellent water management with minimal water run-off from the mine.

With the commencement of mining, this has been most important with adverse weather conditions prevailing in the current wet season.



Excavation of pit II with 3m of overlying high Fe limonite with basement saprolite

Finance

Having accepted the terms of a substantial financing of up to USD 10.5 million, the Company is now diligently working through the due diligence process to provide our proposed partner, Traxys, the information they require to finalise the loan funding arrangements (refer to ASX Announcement 01/03/19).

In addition, the Company has offered to all eligible shareholders an Entitlement Offer to purchase shares and attaching options. This is on the same terms and conditions as the AUD 2 million invested by Axiom's director and largest shareholder (refer to ASX Announcement 20/12/18).

Closing date for the receipt of funds and personalised Entitlement Acceptance Forms is Monday, 25 March 2019. Allotment date of new shares and attaching options is Monday, 1 April 2019.



Entry into mine pit III

Official opening and ground breaking ceremony

A ground breaking ceremony was held on the San Jorge mine site on 18 March 2019. Notable attendees included leaders of the major national political parties, Church leaders (Bishops), the Paramount Chief of Isabel Province, officials from the Ministry of Mines and Ministry of Environment and the landowning groups of San Jorge.

Speeches were made by national political party leaders, church leaders, the Paramount Chief of Isabel Province, government officials and Axiom CEO Mr Ryan Mount. The messages centred on Axiom’s achievements to date and the partnership Axiom enjoys with the communities which have made these achievements possible. Importantly, every stakeholder’s speech included a commitment to the future success of the San Jorge nickel mine, acknowledging the mine potentially being the single biggest commercial contributor to the national economy of the Solomon Islands.

Numerous representatives from the local communities surrounding the mine site were present at the ceremony and pledged their support for the mining operations.



Axiom geologist detailing geology formations of a recently mined pit to national political party leaders, Mr Peter Kenilorea Jnr and the Hon Matthew Wale MP, along with Axiom CEO Ryan Mount



Isabel Diocesan Bishop of the Anglican Church dedicates his support and offers a resident chaplain for Axiom’s San Jorge mine camp



Isabel school children take part in the celebration with songs



Isabel panpipers preparing to perform at one of the ore stock yards



Axiom CEO & official guests breaking the ground containing saprolite

Tenement D

In 2018, Axiom was granted a Letter of Intent ('LOI') over an area called Tenement D. Subsequent to this LOI, Axiom submitted to the Ministry of Mines its agreements with landowners from the relevant areas in the last quarter of 2018.

The Ministry has requested that Axiom obtain further consent from landowners in nearby areas prior to the grant of a prospecting licence.

Axiom has commenced securing these additional consents and anticipates its completion next month.



Dawn at San Jorge mine camp | accommodation for approximately 80 persons

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ENDS

About Axiom Mining Limited

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

For more information on Axiom Mining, please visit www.axiom-mining.com

Disclaimer

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