Axiom Mining Limited
ARBN 119 698 770

Mendana Ave, Honiara
Solomon Islands

Level 6, 15 Astor Terrace
Spring Hill QLD 4000
Australia

T + 61 7 3319 4100
www.axiom-mining.com

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ASX Announcement

Isabel Nickel Project - San Jorge deposit drilling results

- **Medium to high grade nickel discovered from initial drilling.**
- **Key highlights from the drilling include:**
  - **10.3 m @ 1.55% Ni from 4 m including 5.4 m @ 2.00% Ni from 6.6 m**
  - **13.7 m @ 1.37% Ni from 3 m including 7.9 m @ 1.56% Ni from 8.2 m**
- **Further assays from the rest of the drill program to date will be regularly released as results become available from the geological laboratories.**
- **Studies and other components required for a mining lease are being advanced with the aim of mining operations in 2017.**

Axiom Mining Limited ('Axiom' or 'the Company') is pleased to announce outstanding first results from the resource definition drilling program on San Jorge Island in Solomon Islands.

Axiom CEO Ryan Mount said, "We are off to a good start in this phase of project development, and are well on track to defining the extent of the high grade mineralisation and determining mining parameters. These excellent results, with saprolite grades up to 2% Ni, give us a high level of confidence in our ability to supply a premium product for potential customers."

Figure 1 Drill rig in operation on San Jorge Island

Axiom has established an exploration camp at San Jorge Island. Skid-mounted lightweight drill rigs were set in place and drilling commenced during the quarter (Figure 1).

The drilling program is designed to establish an initial JORC Resource for the commencement of mining in 2017 (subject to licencing).

New sampling procedures have increased turn-around time for future assaying.

The overall location of the drilling is indicated in Figure 2, and details are provided in Figure 3.

Figure 2 San Jorge drilling location overview

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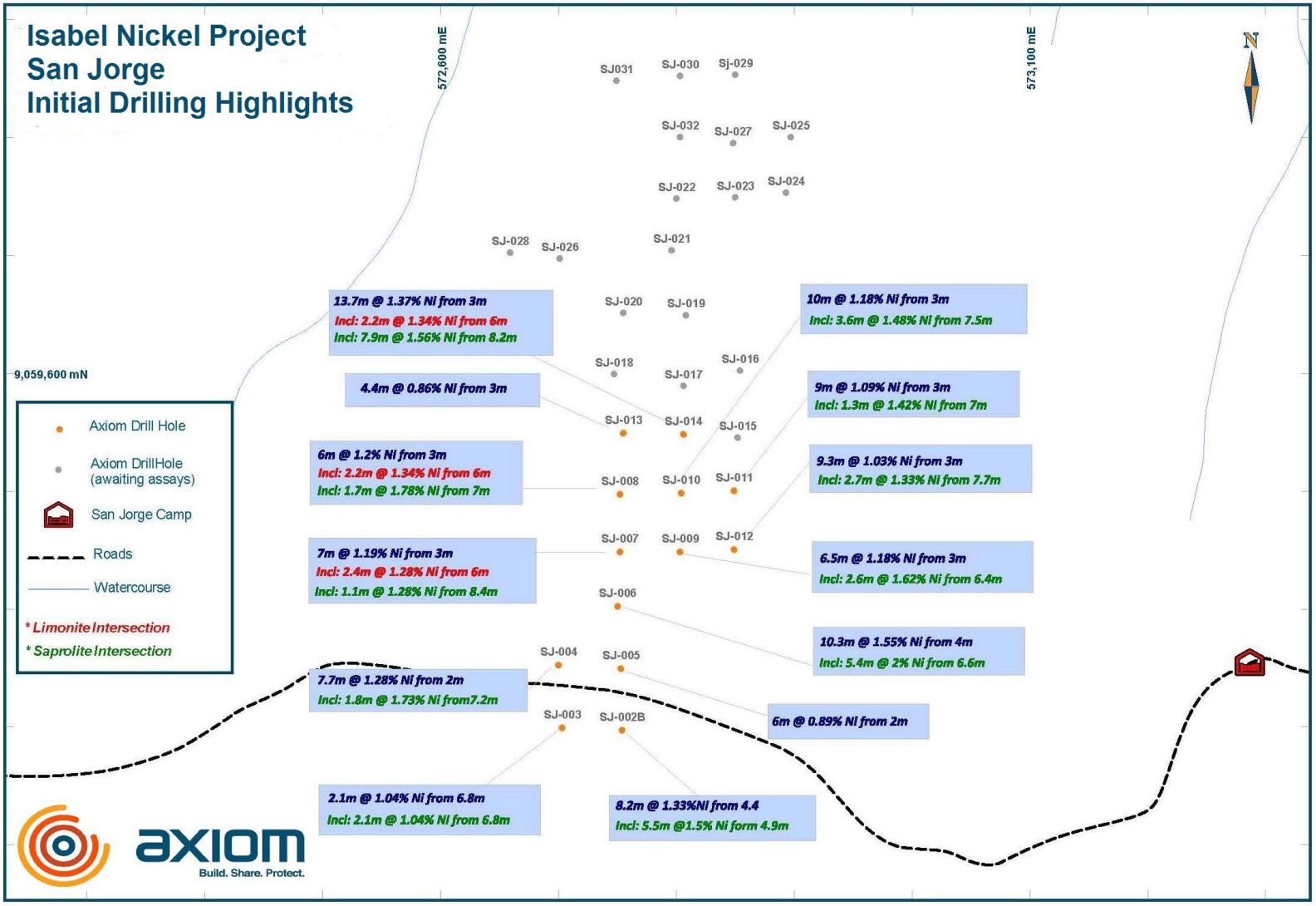

Figure 3 **Initial drilling highlights at San Jorge**

Exploration Results

Where drilling is complete and assay results have been returned, exploration results are provided in Table 1 and Figure 3.

To avoid further delays in processing assays due to quarantine issues, generally the top 2 to 3m of each drill core has been withheld and will be assayed in one larger batch at a later date

Table 1 Results for new drill holes for San Jorge

Hole ID	Entire intersection^	Limonite intersection#	Saprolite intersection~	Easting*	Northing*	RL (m)	EOH (m)
SJ-002B	8.2m @ 1.33% Ni from 4.4m		5.5m @ 1.5% Ni from 4.9m	572754	9059297	206	19.3
SJ-003	2.1m @ 1.04% Ni from 6.8m			572703	9059299	208	16.9
SJ-004	7.7m @ 1.28% Ni from 2m	2.2m @ 1.26% Ni from 5m	1.8m @ 1.73% Ni from 7.2m	572700	9059352	216	15.3
SJ-005	6.2m @ 0.89% Ni from 2m			572753	9059349	210	8.2
SJ-006	10.3m @ 1.55% Ni from 4m		5.4m @ 2% Ni from 6.6m	572750	9059402	219	17.1
SJ-007	7m @ 1.19% Ni from 3m	2.4m @ 1.28% Ni from 6m	1.1m @ 1.28% Ni from 8.4m	572752	9059448	207	10.5
SJ-008	6m @ 1.2% Ni from 3m		1.7m @ 1.78% Ni from 7m	572752	9059497	207	10.2
SJ-009	6.5m @ 1.18% Ni from 3m		2.6m @ 1.62% Ni from 6.4m	572803	9059448	204	10.3
SJ-010	10m @ 1.18% Ni from 3m		3.6m @ 1.48% Ni from 7.5m	572804	9059498	202	15.6
SJ-011	9m @ 1.09% Ni from 3m		1.3m @ 1.42% Ni from 7m	572849	9059500	199	12.5
SJ-012	9.3m @ 1.03% Ni from 3m		2.7m @ 1.33% Ni from 7.7m	572849	9059450	202	16.6
SJ-013	4.4m @ 0.86% Ni from 3m			572755	9059549	202	8.5
SJ-014	13.7m @ 1.37% Ni from 3m	2.2m @ 1.34% Ni from 6m	7.9m @ 1.56% Ni from 8.2m	572806	9059548	197	17.1

^0.6% Ni cut-off for entire intersection
#1.2% Ni cut-off and >2m thickness for limonite intersection
~1.2% Ni cut-off and >1m thickness for saprolite intersection
**Zone WGS84 UTM 57S, GPS coordinates subject to final survey*
Note: SJ-003 assayed intervals are only available from a depth of 6.8m due to the loss of samples from a weather event. As a result only lower grade saprolite is sampled and top 7m will require redrilling later in the program.

Section 1: Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* *Include reference to measures taken to ensure sample representation and the appropriate calibration of any measurement tools or systems used.* *Aspects of the determination of mineralisation that are Material to the Public Report.* *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	Currently utilising NQ single tube core in sampled intervals. Handheld XRF analysers were used in field for initial analysis to guide site geologist or field assistants in deciding to end the hole. Samples were collected generally at 1.0m interval. In changes in geology a range of intervals from 0.3 m minimum to 1.25 m maximum. Whole core samples were sent to the laboratory.
Drilling techniques	*Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	NQ single tube drilling by tungsten carbide and PCD bits employing light weight skid mounted drilling rigs commonly used in laterite drilling. Holes were drilled vertically through the limonite and saprolite zones into underlying basement.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.* *Measures taken to maximise sample recovery and ensure representative nature of the samples.* *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	NQ coring was by single tube to maximise core recovery. Average sample recovery can exceed 100% due to soft rock drilling with no water circulation where the "cuttings" can also report tot eh core barrel. Axiom has implemented a dry drilling technique in the top limonite zone and a low water technique in lower saprolite zone—bringing average recoveries to more than 99%.

Criteria	JORC Code explanation	Commentary
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* *The total length and percentage of the relevant intersections logged.*	All holes were: • marked up for recovery calculations • geologically marked up and logged • marked up for sampling interval and density determination • photographed. In-situ wet density is determined by calliper method for limonite and saprolite and water displacement method for irregular shaped bed rock. A 10cm length of representative sample for every lithology is selected for density measurement. Core was also geotechnically logged for hardness, fractures, fracture frequency, recovery and mining characteristics. All laterite intersections were analysed by standard laboratory techniques for mine grade and trace element values.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.* *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* *Quality control procedures adopted for all sub-sampling stages to maximise representation of samples.* *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* *Whether sample sizes are appropriate to the grain size of the material being sampled.*	Whole core was delivered to the laboratory. All sample reduction protocols were by standard laboratory techniques. A range of OREAS nickel laterite standards were inserted into the suite of samples. Blank samples were also inserted. These were inserted 1–2 in every batch of samples (100–200 samples) for all drilling samples submitted. Core duplicates are collected by splitting the previous sample interval. Duplicates are collected one in every 20 holes (5%) drilled.

Criteria	JORC Code explanation	Commentary

Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*
	
	For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.
	
	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.
		Standard laboratory techniques were undertaken by ALS laboratories in Brisbane, which include:
		• All samples were weighed wet, dried at 105 degrees and then weighed dry to establish minimum moisture ranges and density guides. ALS method OA-GRA05g.
		• Standard reduction techniques were:
		  ○ jaw crushed and split where >3.3 kg
		  ○ pulverised in an LM5 mill
		  ○ 1 in 4 check that 85% passing 75 µm
		  ○ pulp split to 200g.
		• XRF fusion method analysis for all elements ALS method ME-XRF12n.
		• Loss on Ignition (LOI) by thermo gravimetric analysis. ALS method MEGRA05.

Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.* *The use of twinned holes.* *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* *Discuss any adjustment to assay data.*	All drillholes were planned within and around existing INCO sampling. No twin holes were drilled to date. Physical logs are entered at the field camps with all information for each drill hole collated on one spreadsheet. This is then merged into a master spreadsheet for eventual update into a Microsoft Access custom database. No assays are adjusted and are reported on a dry basis as assayed.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* *Specification of the grid system used.* *Quality and adequacy of topographic control.*	Initial collar location was by handheld GPS reading to 5m accuracy. After completing the hole, collars are again picked up by GPS for actual location. All collars are to be picked up by surveyors using differential GPS (DGPS) to 10mm accuracy.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.* *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* *Whether sample compositing has been applied.*	The current release covers drilling on a 50 m by 50 m hole spacing. The expected outcome is appropriate for an Indicated resource category. Additional infill drilling is planned for Measured classification. Length weighing is used for drill interval reporting.

Criteria	JORC Code explanation	Commentary
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	The nickel laterite is a weathered geomorphic surface drape over ultramafic source units. All holes and pits were vertical and will be 100% true intersection.
Sample security	*The measures taken to ensure sample security.*	All samples were escorted off site to a secure facility at the site camp. On-site security was provided for samples. Samples were bagged in polyweave bags and zip tied. Chain of custody protocols in place for transport from laboratories.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	Axiom has employed highly experienced nickel laterite consultants to review all procedures and results from the 2014 and 2015 drilling phases. This includes, drill types, depths, collar patterns, assay and other statistical methods.

Section 2: Reporting of Exploration Results

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	Prospecting Licence 01/15 - 80% held by Axiom and 20% Land Owners.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	INCO completed 100 and 200 m spaced sampling from auger, test pits and some drilling in the 1960s. This information is used to target known mineralisation and may eventually be integrated with Axiom results. Further work is ongoing to verify the INCO data locations.
Geology	*Deposit type, geological setting and style of mineralisation.*	Wet tropical laterite.

Criteria	JORC Code explanation	Commentary
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all material drill holes:* • *easting and northing of the drill hole collar* • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* • *dip and azimuth of the hole* • *down hole length and interception depth* • *hole length.* *If the exclusion of this information is justified on the basis that the information is not material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	This program is the first drilling undertaken by Axiom on the PL 01/15 tenement. The program was designed to test INCO test pits and auger holes. All collars are surveyed using handheld GPS recorded on UTM grid WGS84-57S with up to 5 m accuracy. Collar elevation is recorded on RL. Drill holes are logged using logging forms. Relevant hole information such as final depth (EOH), core recovery, sampling interval, sample number, physical description, geological boundaries, lithology and mineralisation and alteration are noted.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	Only length weighting has been applied to reporting for the program. Assay intervals are generally undertaken on 1 m regular intervals. The intervals are adjusted to geological boundaries with intervals ranging 0.3 m minimum to 1.25 m maximum. There are no outlier values requiring adjustment. An initial 0.6% cut-off is used to define mineralised nickel laterite envelopes. This was also used as the basis for previous Kaiser resource modelling. A second higher grade 1.2% Ni cut-off combined with the geological data is also used to provide higher grade intercepts more appropriate to some direct shipping requirements.
Relationship between minerali-sation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	The laterite is thin but laterally extensive. The intercepts are almost perpendicular to the mineralisation. Drilling so far has been confined to the major ridgelines due to access and deposit geometry.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported.* *These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	See Figure 2 and Figure 3.

Criteria	JORC Code explanation	Commentary
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	Both low and higher grade intercepts are reported with corresponding thickness.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	Both INCO and Kaiser Engineers undertook circa 6000 drill holes and pit samples, feasibility studies and economic analysis. Most of these studies were conducted prior to the establishment of the JORC Code.
Further work	*The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Ongoing drilling will target know mineralisation at initially a 50 m drill spacing then stepped out at the margins. This will provide an immediate target for more detailed mine assessments. Eventually 25 m infill drilling will be required prior to mining and other prospect areas investigated.

For investor enquiries please contact:

David Kinsman, Chief Financial Officer and Company Secretary

investors@axiom-mining.com

For media enquiries, please contact:

Jade Rehder, Communications Manager

media@axiom-mining.com

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About Axiom Mining Limited

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

Competent Person's Statement

The information in this announcement that relates to Exploration Results is based on information compiled by Mr. John Horton, Principle Geologist of ResVal Pty Ltd, who is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM), a Member of the Australian Institute of Geoscientists (AIG). Mr. Horton 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Horton is a consultant of Axiom Mining Limited and consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Disclaimer

Statements in this document that are forward-looking and involve numerous risk and uncertainties that could cause actual results to differ materially from expected results are based on the Company's current beliefs and assumptions regarding a large number of factors affecting its business, including litigation outcomes in the Solomon Islands Court of Appeal. There can be no assurance that (i) the Company has correctly measured or identified all of the factors affecting its business or their extent or likely impact; (ii) the publicly available information with respect to these factors on which the Company's analysis is based is complete or accurate; (iii) the Company's analysis is correct; or (iv) the Company's strategy, which is based in part on this analysis, will be successful.