



**axiom**  
Build. Share. Protect.

# Quarterly Activities Report

For the period ended 31 December 2016



# Message from the CEO

During the quarter, we continued to progress with our plans to develop one of the Pacific's largest known nickel laterite deposits – our flagship Isabel Nickel Project in Solomon Islands.

This quarter, we were excited to announce our first drill results from the drilling program on the San Jorge tenement, which makes up approximately 50% of the known Isabel Nickel Project.

The drilling results will provide the basis for the definition of a JORC Resource and other requirements for mining operations.

Results have been quite encouraging with Nickel grades of up to 2%, which gives us a high level of confidence in our ability to supply a premium product for potential customers – as such, we submitted our formal Mining Lease Application over the San Jorge tenement for proposed commencement of mining this year.

With regards to the Kolosori deposit we are encouraged with the overwhelming community and landowner support for

our involvement and pending application. This coupled with the Solomon Islands Government (SIG) not proceeding to tender this project in 2016 now puts Axiom in the prime position for a favourable determination of our application for a Prospecting License.

We remain respectfully patient in this process – understanding SIG's desire to ensure full due process is carried out preventing any administrative error, ever again, slowing the development of this world class project.

In anticipation of mining operations at both San Jorge and Kolosori the Company appointed Mr David Kinsman as Chief Financial Officer and Company Secretary whom has expertise with major project development as well as experience with regional resource operations and public company administration.

Ryan Mount, CEO

## Highlights from the quarter

### Isabel Nickel Project, Solomon Islands

- Commenced drilling program on the San Jorge tenement
- Submitted a comprehensive formal Mining Lease Application over the San Jorge tenement
- Continued to garner key stakeholder support for our pursuit of the Kolosori deposit with a pending application before the Solomon Islands Government
- Key additions to the Executive Management and Project Development teams
- Progressed opportunities with current strategic stakeholders and potential future partners

### Australian Nickel Conference

Axiom gave an updated presentation to the Australian Nickel community, on the Company's inroads to developing Solomon Island's first nickel mine.



# Solomon Islands summary

## Isabel Nickel Project

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

### Development progress

The quarter saw a continued push towards achieving sustainable development from the dual focuses of Kolosori and San Jorge. In light of the legal situation surrounding the Kolosori tenement which Axiom had progressed to the point of being ready for mining in early 2016, focus has broadened to progressing San Jorge to a similar state of preparation. Initial activity focuses on formal delineation of a suitable JORC Resource, coupled with further exploration drilling.

#### Kolosori licences

Axiom continues to diligently work towards the reissue of the Kolosori Prospecting Licence through continual engagement with government, landowners and other stakeholders. Axiom maintains its competitive advantage over the industry due to its continued presence in the country and its long-term commitment to these projects. The issue of the prospecting licence remains subject to the Solomon Islands Government process, which Axiom is endeavouring to assist and support where appropriate to the greatest extent possible.

#### San Jorge drilling program

On 30 September Axiom announced the commencement of a drilling program on the Isabel Nickel Project on San Jorge Island under Prospecting Licence (PL 01/15). The San Jorge tenement area makes up approximately 50% of the known Isabel

Nickel Project in the Solomon Islands. The drilling results are designed to deliver the definition of a maiden JORC Mineral Resource.

Axiom has established an exploration camp at San Jorge Island. Mobilisation of heavy machinery including drill rigs provided for the commencement of drilling of which Axiom conducted with its own in-house drill team.

The initial results give us a high level of confidence in our ability to supply a premium product for potential customers with saprolite grades regularly above 1.5% and up to 2% Ni,

The encouraging results are a clear vindication of the decision to push forward with the development of San Jorge while awaiting the approvals over the Kolosori tenement. The drilling of our initial area of interest is nearing completion.

#### Main results include:

**13.0 m @ 1.60% Ni from 2m including 7.0m @ 2.14% Ni from 8.0m**

**16.5m @ 1.54% Ni from 2m including 8.0m @ 2.09% Ni from 8.0m**

**10.3m @ 1.55% Ni from 4 m including 5.4 m @ 2.00% Ni from 6.6 m**

All assay results from the San Jorge drilling program are shown in the table on page 4 and were released in ASX announcements on 30 November, 15 December and 22 December 2016.

Location of the holes drilled in 2016 are shown in the map below.

The drilling program has continued in 2017 with further confirmatory and exploration drilling progressing well.

### San Jorge licences

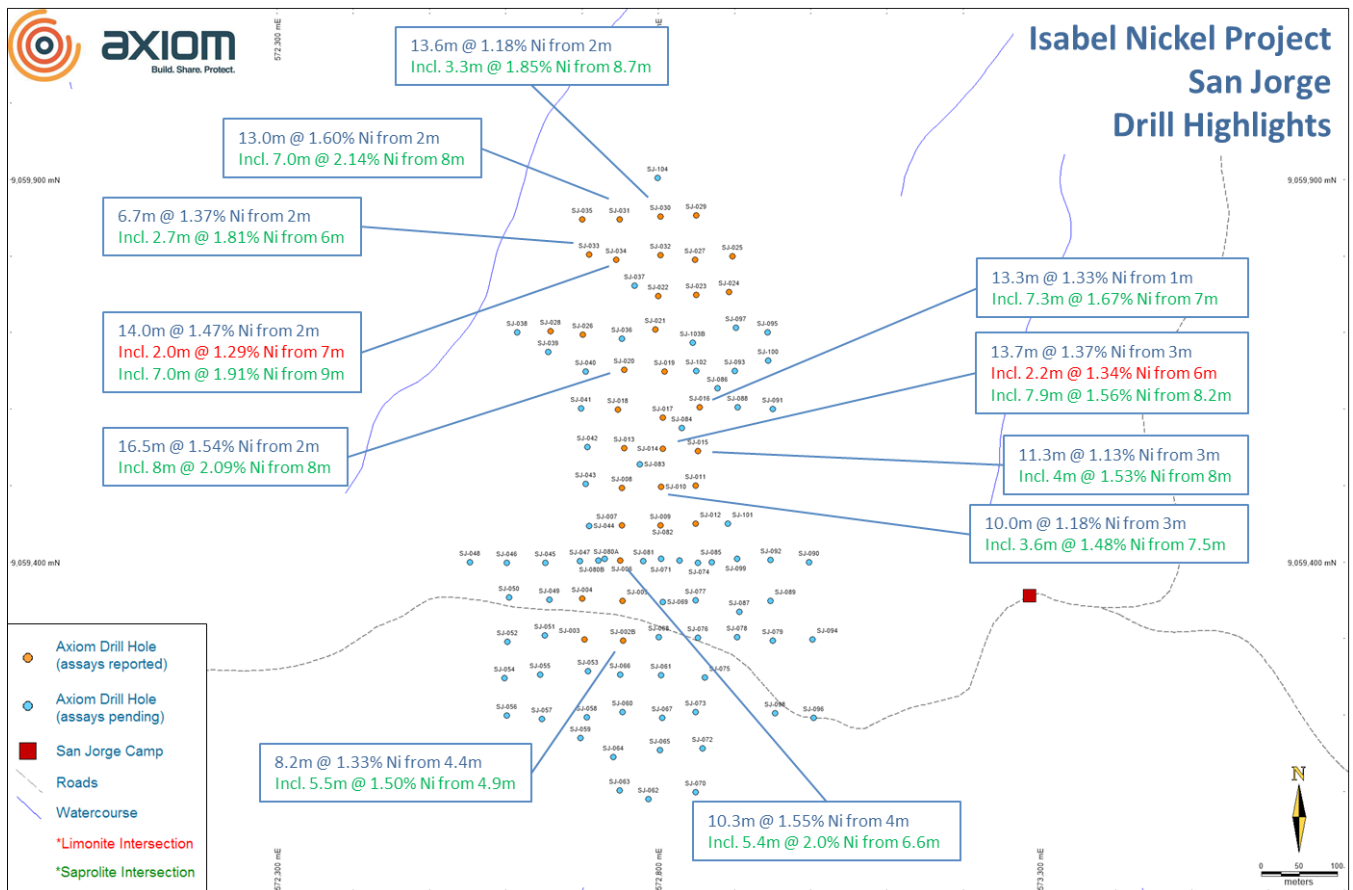
Axiom completed a submission of the Mining Lease application (MLA) for the San Jorge tenement in December 2016. The MLA was underpinned by robust fundamentals and detailed analysis.

Axiom continues its thorough engagement process with stakeholders, which is designed to deliver a timely approval process and in parallel, commencement of operational planning has begun.

## Community update

Axiom's approach in the Solomon Islands revolves around its core values of Build. Share. Protect. These values are epitomised with our genuine approach to sustainable development and evidenced with our engagement amongst the community of where our operations lie.

During the quarter the company, including senior management spent considerable time ensuring that our key stakeholders, the landowners are prepared for the outcomes of development of a significant nickel mine. This includes such initiatives as ensuring the community is fully informed, that structures and frameworks are put in place providing for fair disbursement of benefits of the project and working in partnership as to developing appropriate environmental protocols.



Drilling highlights from San Jorge to date

# San Jorge drilling results

Hole ID	Entire intersection <sup>^</sup>	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	1.8m @ 1.73% Ni from 7.2m	572700	9059352	216	15.3
from 5m	1.8m @ 1.73% Ni from 7.2m	572700	9059352	216	15.3	210	8.2
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	1.7m @ 1.78% Ni from 7m	572752	9059497	207	10.2
from 6m	1.1m @ 1.28% Ni from 8.4m	572752	9059448	207	10.5	204	10.3
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	7.3m @ 1.67% Ni from 7m	572854	9059603	187.3	14.3
from 6m	7.9m @ 1.56% Ni from 8.2m	572806	9059548	197	17.1	194.6	11.1
SJ-015	11.3m @ 1.13% Ni from 3m		4m @ 1.53% Ni from 8m	572852	9059549	195.8	14.7
SJ-016	13.3m @ 1.33% Ni from 1m		7.3m @ 1.67% Ni from 7m	572854	9059603	187.3	14.3
SJ-017	7.1m @ 1.07% Ni from 4m		1m @ 1.32% Ni from 8m	572806	9059592	194.6	11.1
SJ-018	7.7m @ 1.29% Ni from 3m	3.7m @ 1.67% Ni		572797	9059705	183.2	10.4
from 6m		572751	9059600	201.1	11.7	176.1	7.4
SJ-019	6.2m @ 1.14% Ni from 2m	2m @ 1.45% Ni from 5m		572808	9059652	184.1	9
SJ-020	16.5m @ 1.54% Ni from 2m		8m @ 2.09% Ni from 8m	572757	9059641	193.5	18.5
SJ-021	7.7m @ 1.28% Ni from 2m	3m @ 1.37% Ni from 6m		572797	9059705	183.2	10.4
SJ-022	4.9m @ 1.1% Ni from 2m			572800	9059748	176.1	7.4
SJ-023	7.7m @ 1.09% Ni from 2m		2.3m @ 1.65% Ni from 7.4m	572852	9059751	170.3	11.3
SJ-024	3.5m @ 1.19% Ni from 2m			572895	9059757	161.7	6.9
SJ-025	4.6m @ 1.2% Ni from 2m		1.6m @ 1.66% Ni from 3.4m	572899	9059801	155.7	6.6
SJ-026	6.7m @ 0.98% Ni from 2m			572702	9059700	193.8	9.2
SJ-027	8.4m @ 1.11% Ni from 2m	2m @ 1.3% Ni from 7m		572851	9059795	161.9	11.1
SJ-028	none			572660	9059702	193.2	5.4
SJ-029	2.0m @ 0.95% Ni from 2m			572850	9059853	148	5.6
SJ-030	13.6m @ 1.18% Ni from 2m		3.3m @ 1.85% Ni from 8.7m	572803	9059852	144	15.6
SJ-031	13.0m @ 1.60% Ni from 2m		7.0m @ 2.14% Ni from 8m	572749	9059848	158	16.4
SJ-032	8.0m @ 1.18% Ni from 2m	2.0m @ 1.42% Ni					
from 7m	1.0m @ 1.27% Ni from 9m	572803	9059800	166	10.0		
SJ-033	6.7m @ 1.37% Ni from 2m		2.7m @ 1.81% Ni from 6m	572709	9059802	167	9.3
SJ-034	14.0m @ 1.47% Ni from 2m	2.0m @ 1.29% Ni					
from 7m	7m @ 1.91% Ni from 9m	572745	9059795	166	16.4		
SJ-035	1.8m @ 1.30% Ni from 2m			572700	9059848	145	3.8

<sup>^</sup>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

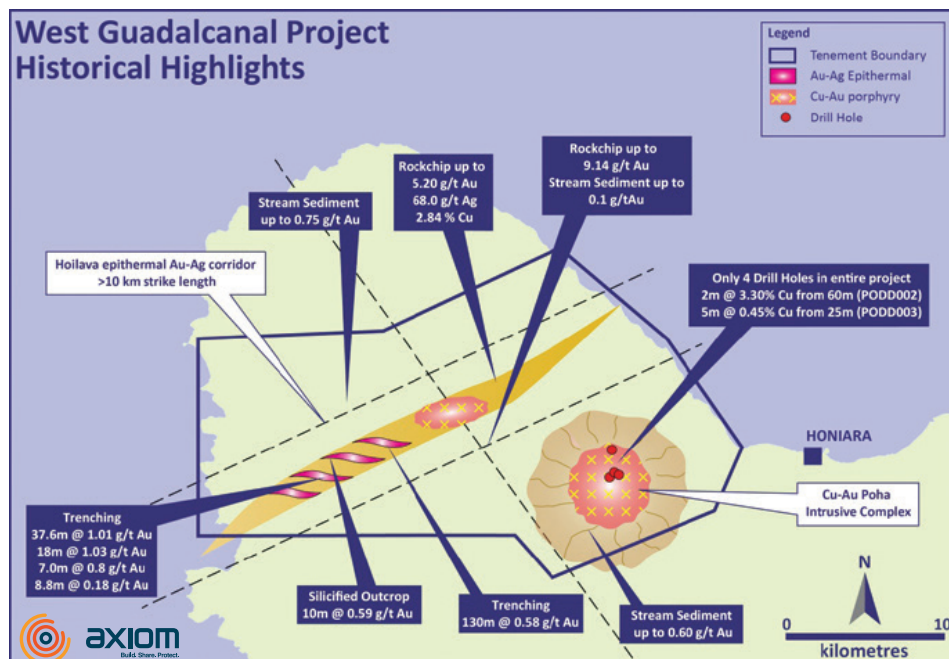
Note: SJ-003 assayed intervals are only available from a depth of 6.8m due to the loss of samples from a weather event. As a result only lower grade saprolite is sampled and top 7m will require redrilling later in the program.

## West Guadalcanal project (PL 01/14)

The Prospecting Licence held by Axiom is currently in the process of renewal by the Solomon Islands Government and the process is expected to be completed shortly.

As previously announced, West Guadalcanal Project offers Axiom the potential access to a large known gold / silver deposit that lies within a 10km long carbonate base metal gold epithermal corridor.

Recent increases in gold price make this project particularly attractive and although the company is currently concentrating on its nickel deposits the Company is very mindful of the potential of this project.



# Australian asset summary

## Queensland tenements:

### Cardross and Mountain Maid:

Axiom is continuing to review its position in respect of these tenements particularly with recent gold price increases to look for opportunities to joint venture or farm out to interested third parties.

### Mt Molloy, OK Mines and Millungera:

Minimal activity was undertaken on these projects during the quarter. Axiom is continuing to review its position in respect of these tenements.



# Corporate summary

## Key executive management appointment

In November Mr David Kinsman joined Axiom, in the position of Chief Financial Officer and Company Secretary. Mr Kinsman is an experienced finance executive with expertise in major project development as well as a background in developing finance teams in off shore jurisdictions such as Papua Nuigini – providing Axiom key management component for development of the Isabel Nickel Project. Mr Kinsman was previously CEO and CFO of Southern Cross Goldfields and Polymetals and spent over a decade with Boeing Australia as a senior executive.

## Schedule of tenements

As at 31 December 2016

Tenements held at the end of the quarter and their location					
Country	Name and location	Tenement number	Interest held	Status	
Australia	<b>Cardross Project, Chillagoe, Qld</b>				
	Cardross	ML 20003	100%	Active, Granted	
	Cardross	EPM 19821	100%	Active, Granted	
	Jessica	EPM 15593	0%	Expired / relinquished	
	<b>Mount Molloy Project, Mareeba, Qld</b>				
	Mt Molloy copper mines		100%	Active, Granted	
	<b>Millungera Project, Georgetown, Qld</b>				
	Blackbull	EPM 25252	100%	Active, Granted	
	Whitebull	EPM 25256	100%	Active, Granted	
	Redbull	EPM 25257	100%	Active, Granted	
	<b>OK Mines Project, Chillagoe, Qld</b>				
	OK North	ML 4805	100%	Active, Granted	
	OK South	ML 4806	100%	Active, Granted	
	OK Extended	ML 4809	100%	Active, Granted	
	OK Extended No. 2	ML 4813	100%	Active, Granted	
OK	ML 5038	100%	Active, Granted		
Solomon Islands	<b>Isabel Nickel Project, Santa Isabel Island and San Jorge Island</b>				
	Kolosori		80%	PL under application	
	San Jorge	PL 01/15	80%	Active, Granted	
	<b>West Guadalcanal Project</b>				
West Guadalcanal	PL 01/14	100%	Application for renewal		
Schedule of tenements abbreviations					
<b>EPM</b>	Queensland	Exploration Permit for Minerals	<b>PL</b>	Solomon Islands	Prospecting Licence
<b>ML</b>	Queensland	Mining Lease			

# Contacts and notes

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## About Axiom Mining Limited

Axiom Mining Limited focuses on tapping into the resource potential within the mineral-rich Pacific Rim. Through dedication to forging strong bonds and relationships with the local communities and governments where we operate, Axiom Mining has built a diversified portfolio of exploration tenements in the Asia Pacific region. The Company also owns all majority holdings in highly prospective gold silver and copper tenements in North Queensland, Australia. The Company is listed on the ASX. For more information on Axiom Mining, please visit [www.axiom-mining.com](http://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 ResEval 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.