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3 February 2017

ASX Announcement

Isabel Nickel Project - San Jorge deposit drilling results

- **Drilling continues to intersect encouraging grades of nickel mineralisation**
- **Key highlights from the drilling include:**
  - **12.0 m @ 1.34% Ni from 3.0 m *including* 5.0 m @ 1.71% Ni from 8.0 m**
  - **8.0 m @ 1.40% Ni from 2.0 m *including* 1.7 m @ 1.86% Ni from 6.0 m**
  - **8.5 m @ 1.17% Ni from 2.0 m *including* 1.7 m @ 1.80% Ni from 8.5 m**
  - **10.0 m @ 1.43% Ni from 5.0 m *including* 6.0 m @ 1.63% Ni from 9.0 m**
- **Drilling results continue to provide confidence in defining a deposit suitable for DSO Mining.**

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

Axiom has targeted an area with in the San Jorge tenement that presents optimal logistical characteristics of an initial mining DSO operation. The drilling program is progressing to deliver a Mineral Resource estimate in early 2017.

The drilling program at San Jorge has progressed efficiently with the 50 by 50m drill pattern complete across the initial area of focus. The definition program included sterilisation holes on the edge on the known mineralised zone to assist with initial mining boundaries to ensure efficiency in proceeding to stockpiling and mining as soon as licenses are granted.

With the near completion of the Phase 1 drilling, the Company is assessing new saprolite exploration targets that occur at San Jorge to continue broader modelling and analysis. Upon completion of the resource definition infill program in the phase 1 area, focus will shift to drilling extensional and exploration targets.

The drill program is designed to establish an initial JORC Mineral Resource for the commencement of mining in 2017, subject to licencing.

The project location is indicated in Figure 1 with drilling details provided in Figure 3 and Table 1.

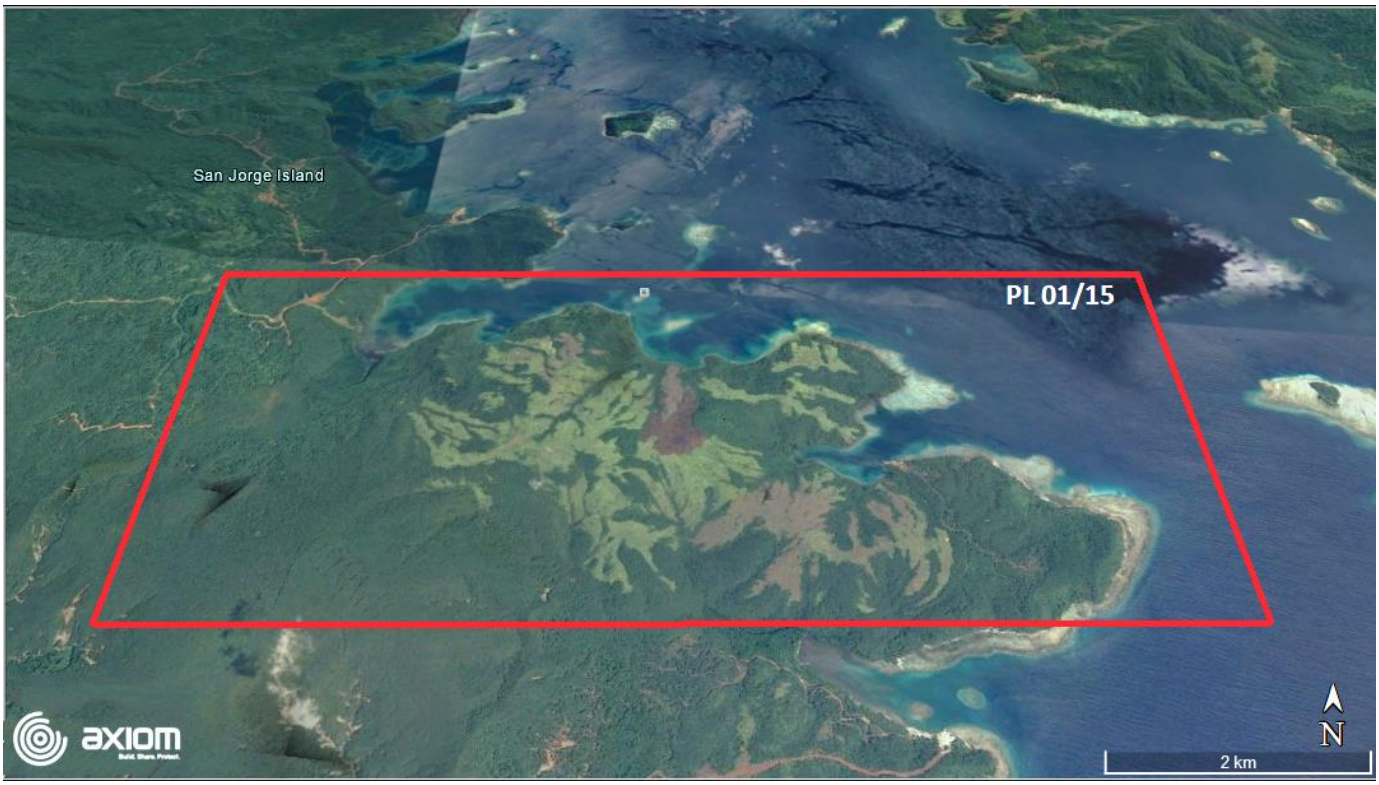

Figure 1 **San Jorge drilling location overview**

Figure 2 **Drilling operations**

Table 1 New assay results from San Jorge drilling

Hole ID	Entire intersection^	Limonite intersection#	Saprolite intersection~	Easting*	Northing*	RL (m)	EOH (m)
SJ-036	4.5m @ 0.86% Ni from 2m			572752	9059692	183	7.4
SJ-037	8m @ 1.4% Ni from 2m		3m @ 1.86% Ni from 6m	572769	9059761	171	12.7
SJ-038	No significant intersection			572615	9059700	196	2.6
SJ-039	2.6m @ 0.71% Ni from 2m			572650	9059652	202	6.4
SJ-040	8.5m @ 1.17% Ni from 2m		1.7m @ 1.8% Ni from 8.5m	572705	9059649	201	10.5
SJ-041	1m @ 0.86% Ni from 2m			572699	9059601	202	4.6
SJ-042	4m @ 0.96% Ni from 3m			572707	9059550	208	8
SJ-043	5.4m @ 0.9% Ni from 2m			572705	9059502	202	8.1
SJ-044	3.7m @ 0.86% Ni from 2m			572709	9059447	202	6.4
SJ-045	5.1m @ 0.79% Ni from 3m			572652	9059399	223	8.1
SJ-046	2.1m @ 1.23% Ni from 5m			572601	9059399	227	8.3
SJ-047	9.5m @ 0.96% Ni from 2m		1m @ 2.12% Ni from 6m	572697	9059401	225	11.5
SJ-048	4.5m @ 1.03% Ni from 2m			572553	9059400	234	9.3
SJ-049	10.9m @ 1.25% Ni from 2m		6.9m @ 1.46% Ni from 6m	572657	9059351	230	15.3
SJ-050	6m @ 1.24% Ni from 2m	2m @ 1.31% Ni from 3m	2.2m @ 1.58% Ni from 5m	572604	9059354	229	11.7
SJ-051	5m @ 1.02% Ni from 2m			572651	9059304	220	7.6
SJ-052	No significant assay result			572602	9059296	221	3.5
SJ-053	4.6m @ 0.94% Ni from 4m			572708	9059257	225	10.2
SJ-054	No significant intersection			572598	9059248	217	4.5
SJ-055	No significant intersection			572645	9059253	219	5.8
SJ-057	No significant intersection			572647	9059195	223	1.6
SJ-059	No significant intersection			572698	9059147	230	3.3
SJ-060	9m @ 1.05% Ni from 2m		2m @ 1.5% Ni from 9m	572753	9059204	209	12.5
SJ-061	12m @ 1.34% Ni from 3m	2m @ 1.52% Ni from 6m	5m @ 1.71% Ni from 8m	572804	9059252	214	16
SJ-062	1m @ 0.65% Ni from 2m			572787	9059090	197	4.1
SJ-064	1m @ 0.68% Ni from 2m			572741	9059145	208	3.5
SJ-065	5m @ 0.8% Ni from 4m			572802	9059154	206	10.2
SJ-066	10m @ 1.08% Ni from 2m		4m @ 1.38% Ni from 6m	572750	9059253	211	18.7
SJ-067	5m @ 1.05% Ni from 3m		2m @ 1.34% Ni from 5m	572805	9059196	210	11.3

Hole ID	Entire intersection^	Limonite intersection#	Saprolite intersection~	Easting*	Northing*	RL (m)	EOH (m)
SJ-068	2.5m @ 0.88% Ni from 2m			572801	9059302	223	8.4
SJ-069	9m @ 1.11% Ni from 2m	2m @ 1.38% Ni from 7m	2m @ 1.57% Ni from 9m	572806	9059348	224	12.2
SJ-070	2.9m @ 0.95% Ni from 3m			572849	9059099	210	5.9
SJ-071	10m @ 1.43% Ni from 5m		6m @ 1.63% Ni from 9m	572804	9059404	213	17.3
SJ-072	1m @ 0.85% Ni from 2m			572858	9059156	206	3
SJ-073	5m @ 1.07% Ni from 4m		1.6m @ 1.3% Ni from 6m	572849	9059204	209	9.4
SJ-074	17.2m @ 1.25% Ni from 2m	5m @ 1.64% Ni from 7m	6.6m @ 1.4% Ni from 12m	572852	9059399	210	19.2
SJ-075	5m @ 0.92% Ni from 4m			572861	9059249	216	10
SJ-076	4.6m @ 0.94% Ni from 1m		1m @ 1.3% Ni from 4m	572852	9059301	213	6.5
SJ-077	14m @ 1.18% Ni from 2m		6m @ 1.52% Ni from 9m	572851	9059351	210	16.6
SJ-078	4m @ 0.69% Ni from 1m			572903	9059302	192	6.2
SJ-079	2m @ 1.1% Ni from 3m			572956	9059301	205	7.2
SJ-080A	5.7m @ 1% Ni from 2m	2.4m @ 1.25% Ni from 5.3m		572730	9059404	224	8
SJ-080B	7.9m @ 0.98% Ni from 2m		1m @ 1.26% Ni from 8.3m	572721	9059402	221	15.3
SJ-081	14m @ 1.13% Ni from 3m		6m @ 1.39% Ni from 7m	572780	9059401	221	20.6
SJ-082	7m @ 1.2% Ni from 1m	2.5m @ 1.32% Ni from 2m	1.5m @ 1.29% Ni from 4.5m	572828	9059402	206	13.1
SJ-083	6m @ 0.9% Ni from 3m			572776	9059528	207	13.5
SJ-084	16m @ 1.12% Ni from 2m		5m @ 1.49% Ni from 8m	572831	9059575	199	18.6
SJ-085	3m @ 1.02% Ni from 3m		1m @ 1.33% Ni from 5m	572870	9059400	120	6.7
SJ-086	3m @ 0.87% Ni from 3m			572878	9059627	185	6.6
SJ-087	9m @ 1.1% Ni from 2m	3m @ 1.33% Ni from 6m	1m @ 1.25% Ni from 9m	572906	9059335	227	12.3
SJ-088	8m @ 1% Ni from 2m		2m @ 1.38% Ni from 7m	572904	9059602	191	13.3
SJ-089	6m @ 1.15% Ni from 2m		2m @ 1.76% Ni from 5m	572947	9059349	211	8.3

^*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 that drill hole SJ-080A was terminated at 8.00m in medium grade mineralisation due to a cavity and hole collapse; it was re-drilled as SJ-080B.

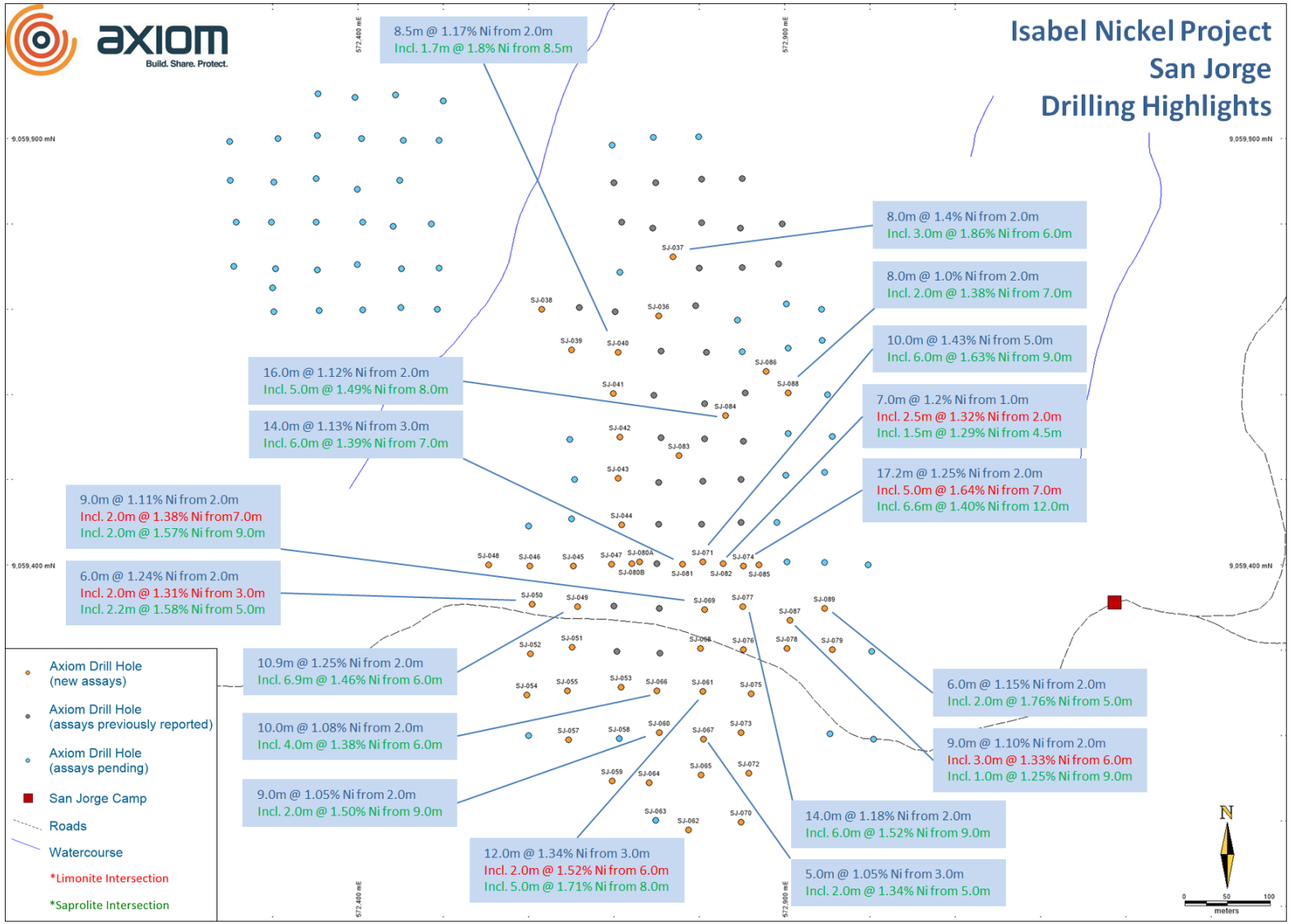

Figure 3 Drilling highlights

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 in mineralised saprolite zones; half core samples were sent for mineralised limonite zones, overburden (minus top 2m), and bedrock intervals.
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 using PVC splits to improve sample quality. 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 and half core were 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 with selected infill to 25x25m. 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% Landowners.
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. Selected 25m infill drilling will be completed in this program. Eventually 25 m infill drilling across the entire resource will be required prior to mining and other prospect areas investigated.

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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 ResEval Pty Ltd, who is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM), and 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 to 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.