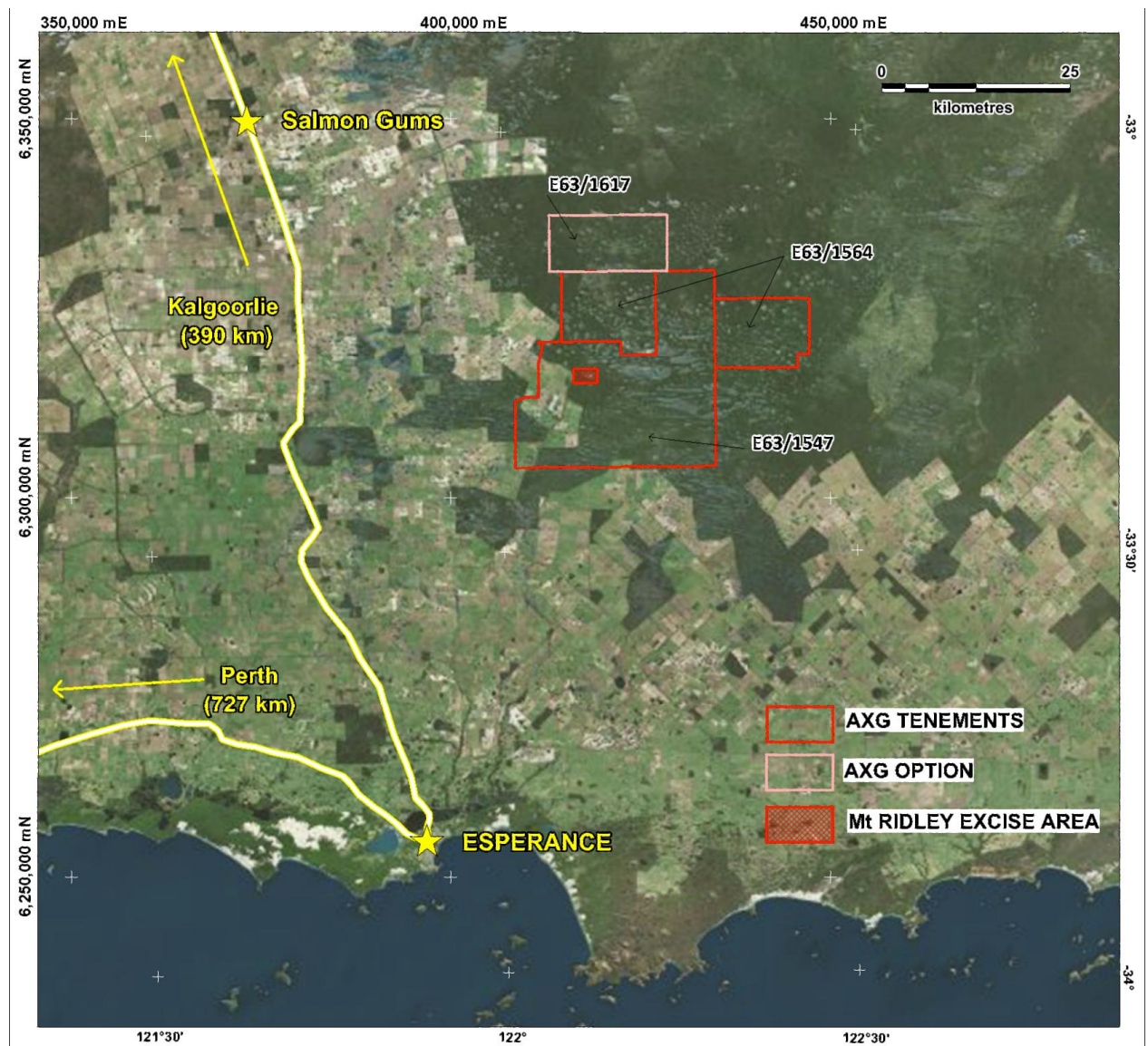


## EXPLORATION UPDATE

AXG Mining Ltd (ASX: AXC) ("AXG Mining" or "the Company") is pleased to announce that exploration is about to commence on the Mt Ridley Project in the highly prospective Albany-Fraser Range Province.

## Upcoming Work Programs

Over the coming months, the Company plans to conduct the following staged exploration programs on its 100% owned Mt Ridley Project situated in the South West corner of the Albany-Fraser Province (Figure 1).



**Figure 1:** AXG Mining Ltd's Albany-Fraser Range exploration portfolio.

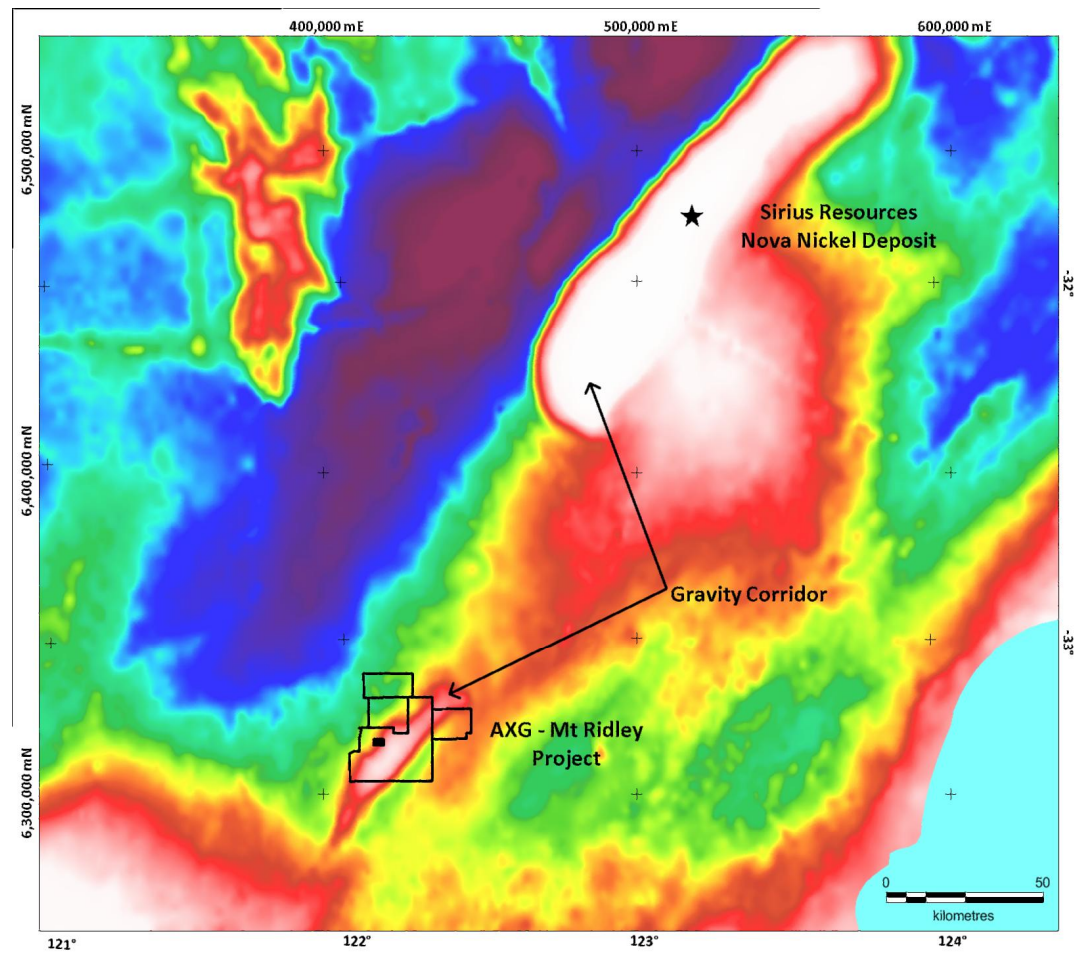
This will include:

- Regional geological mapping
- Low level detailed aeromagnetic survey
- High powered ground electromagnetic (EM) surveys over priority targets.

## Programs to lead off with Aeromagnetic Survey

The program will kick-off this month with the commencement of a low level detailed aeromagnetic survey. The survey is designed to highlight areas of potential layered mafic-ultramafic intrusions, similar to that of **Sirius Resources Ltd** (ASX: **SIR**) "eye" structure, within the central portions of E63/1547.

These layered intrusive bodies are expected to lie within the Gravity Corridor, a corridor of more dense iron rich mafic-ultramafic rocks that are highly prospective for nickel and copper mineralisation (Figure 2). Sirius Resources Ltd (ASX: **SIR**) Nova Nickel deposit lies centrally within this Gravity Corridor that has been coined by other explorers in the Albany-Fraser Range as the "nickel corridor".

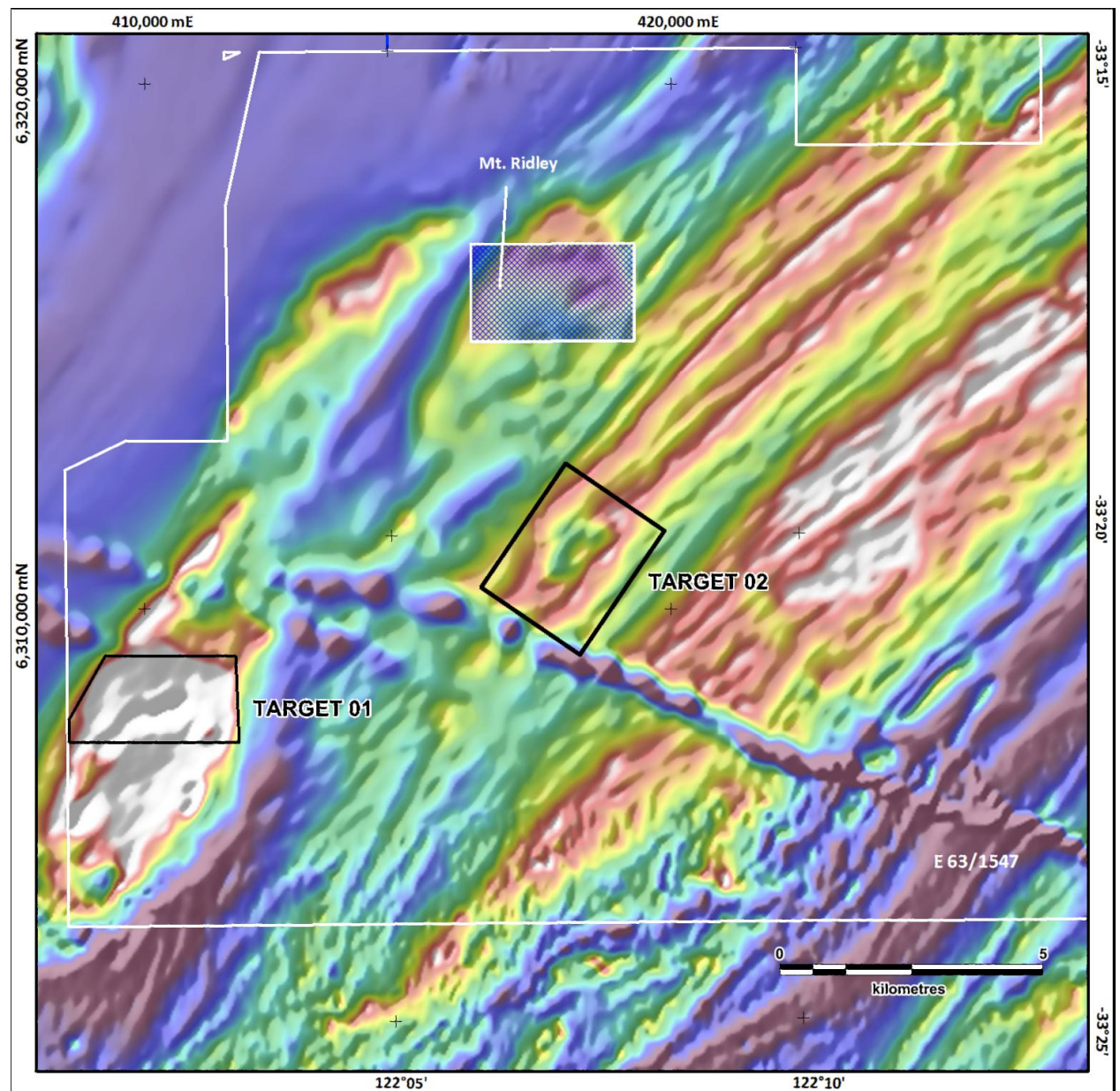


**Figure 2:** Regional gravity images showing extension of important gravity corridor into AXC tenure, Albany-Fraser Range Province (*source:* Southern Geoscience).



### Follow up Moving Loop EM Surveys

The detailed aeromagnetic survey will be followed by ground based high-powered moving loop electromagnetic (EM) surveys. The ground EM will initially focus on areas exhibiting layered mafic-ultramafic intrusive signatures similar to that of the "eye" structure.



**Figure 3:** Priority target areas to be covered by upcoming high powered ground EM surveys over low resolution regional aeromagnetic image, Albany-Fraser Range Province (*source:* Southern Geoscience).

First pass moving loop ground EM will commence this month over two previously identified high priority targets located in the South-West corner of E63/1547 (Figure 3). Target 1 is a large moderately magnetic ovoid shaped body exhibiting layered mafic-ultramafic intrusive characteristics.

- **Target 1** was previously flown with airborne electromagnetics (VTEM) back in March 2013. This survey delineated several conductive targets that will be followed up by the upcoming high-powered ground EM work.
- **Target 2** is more typical of an "eye" structure with a characteristic ovoid shape and low magnetic centre or core. This target will also be covered by ground EM late in October 2014.

Further ground EM surveying will also be carried out over new targets delineated by the low level detailed aeromagnetic survey during November and December 2014.

### **Drilling to commence early 2015**

First pass Reverse Circulation and Diamond drilling programs are expected to commence in early 2015 following up conductive targets generated from the high powered ground EM work.

The board has placed the Company in a strong position leading into a very active exploration phase on the Company's Albany-Fraser Range exploration portfolio.

For and on behalf of the Board

Mr Dean Goodwin **AIG**  
**Managing Director**