

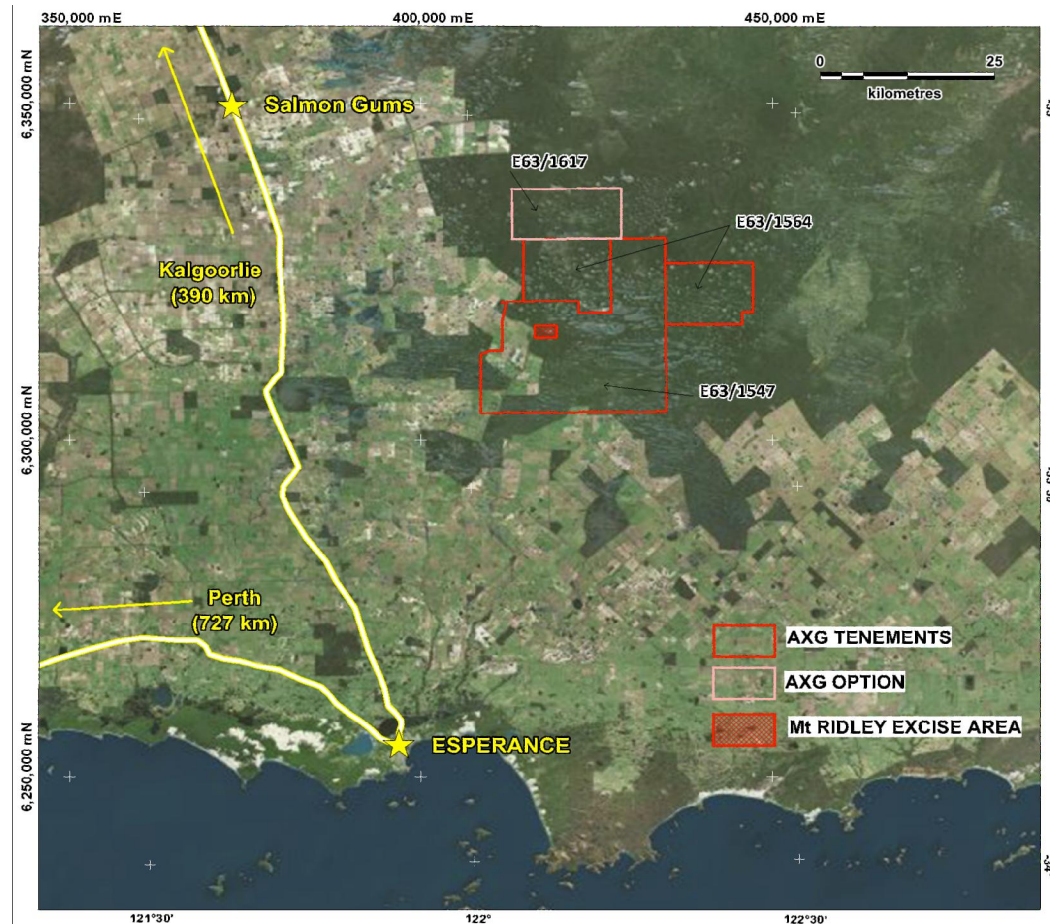
## Exploration Update - Highlights

- Low level detailed aeromagnetic survey completed at Mt Ridley.
- Results have revealed a total of 37 targets of which nine are ranked high priority. Five of these high priority targets are similar in magnetic character to Sirius Resources' "eye" structure.
- High powered moving loop ground EM surveying underway.

AXG Mining Ltd is pleased to announce results of the recently completed low level aeromagnetic survey over its 100% owned Mt Ridley project in the highly prospective Albany-Fraser Province.

### Aeromagnetic Survey Results

Last month **AXG Mining Ltd** (ASX: **AXC**) (or "the **Company**") conducted a detailed low level aeromagnetic survey over its 100% owned Mt Ridley Project situated in the South West corner of the Albany-Fraser Range Province (Figure 1).



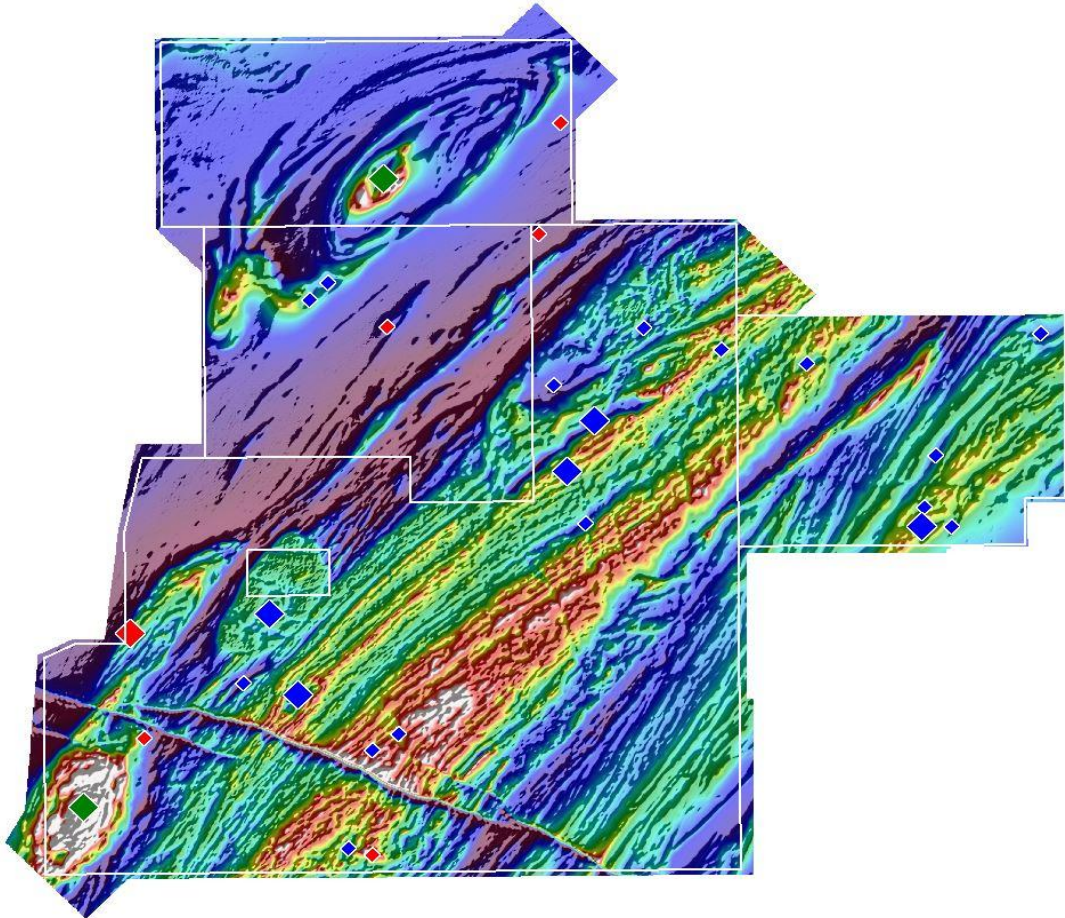
**Figure 1:** AXG Mining Ltd's Albany-Fraser Range exploration portfolio.

Regional low resolution aeromagnetic survey data has shown several ovoid shaped magnetic anomalies that are similar to that hosting the Nova deposit. In order to better define these anomalies, and to locate additional targets, a low level detailed airborne survey has recently been completed by the Company. This survey was flown at 35m flying height with 100m line spacing and collected magnetic, radiometric and elevation data.

The survey results are high quality and show detailed magnetic information that will be used for structural and lithological interpretation as well as direct targeting. The radiometric data will also be very useful for interpreting underlying lithology where cover is thin or absent.

At this stage, initial target selection by Southern Geoscience Consultants is based on identifying potential mafic-ultramafic intrusions. These could vary magnetically in character and style depending on the age, size, and nature of the intrusions. Three styles of targets have been considered: weakly to non-magnetic intrusions similar to Nova, moderately to highly magnetic intrusions, and layered magnetic complexes.

A total of thirty seven targets have been selected. The majority of these are the favourable weakly to non-magnetic intrusive type, with nine being ranked high priority. Five of these high priority targets are similar in magnetic character to Sirius Resources' "eye" structure (Figure 2).



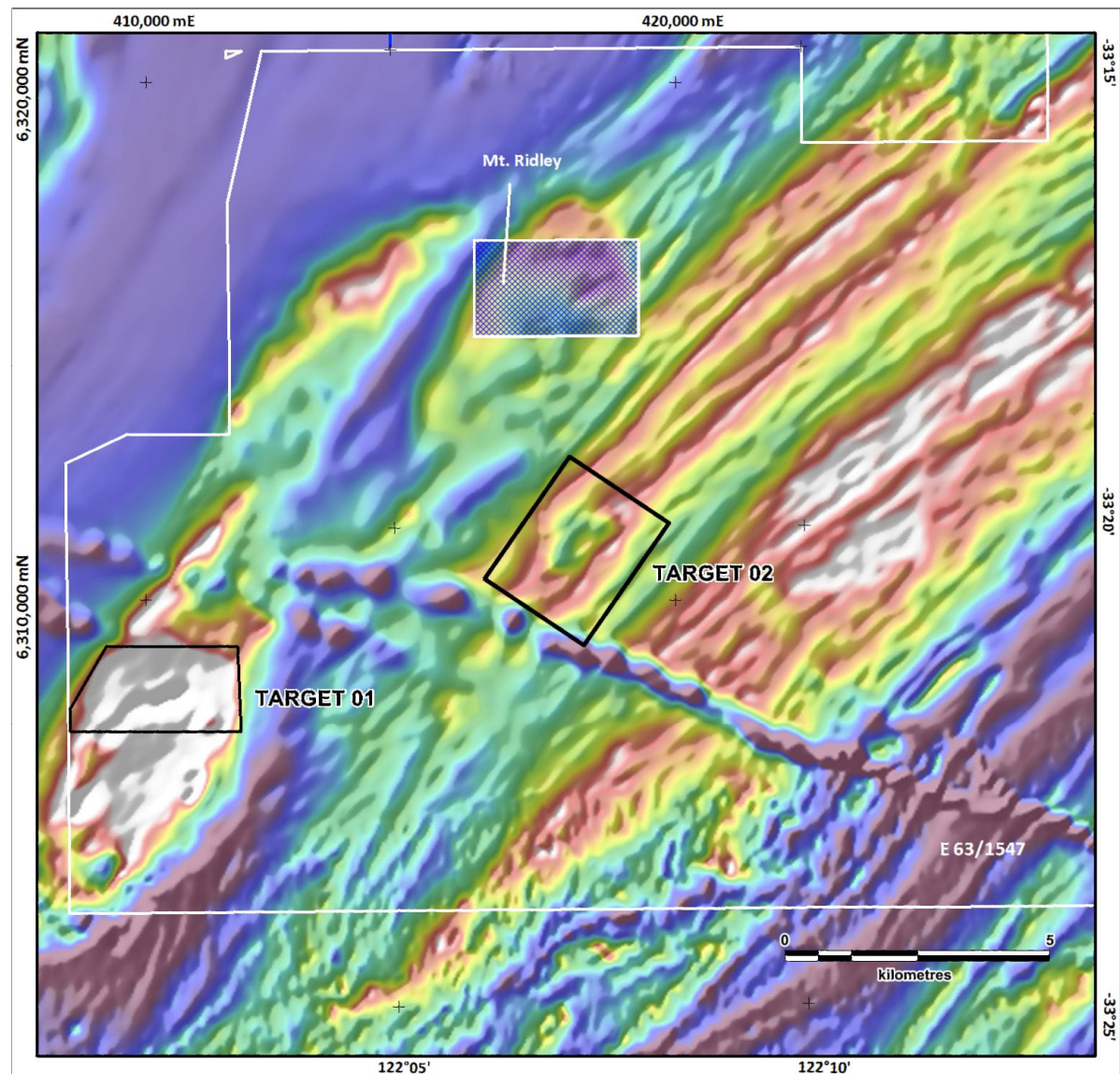
**Figure 2:** Reduced to pole magnetic image showing new high and moderate priority target locations. Large blue diamonds represent high priority non-magnetic intrusive targets ("eye" style) while large green diamonds represent magnetic complex high priority targets. White outlines show AXG tenure.



Each of the targets will be progressively field checked, and then a follow up strategy will be decided upon. An appropriate combination of mapping, soil sampling, air core drilling and deep penetration ground electromagnetic surveys will be applied depending on the target and its setting.

### Moving Loop EM Surveys

Ground based high-powered moving loop electromagnetic (EM) surveying has commenced over two high priority targets (ASX announcement dated 15/10/2014). Figure 3 shows the location of these two surveys located in the south-west corner of E63/1547. Initial ground EM will focus on targets exhibiting layered mafic-ultramafic intrusive signatures similar to that of the “eye” structure. Results are expected early December.



**Figure 3:** Priority target areas currently being covered by high powered ground EM surveys (source: Southern Geoscience Consultants).

**AXG Mining Ltd**  
(ASX: **AXC**)

**ASX Announcement**  
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For and on behalf of the board

A handwritten signature in black ink, appearing to read 'D Goodwin'.

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*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dean Goodwin who is a Member of the Australian Institute of Geoscientists. Mr Goodwin is the Managing Director of the Company. Mr Goodwin has sufficient experience which is relevant to the style and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves. Mr Goodwin consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*