ASX Announcement
16 December 2014

Isabel Nickel Project drilling program reveals high grade mineralisation

HIGHLIGHTS

- **Drilling has intersected high grade nickel laterite.**
- **The grades and widths of mineralisation exceed evaluations by previous explorers INCO and Kaiser Engineers in their feasibility studies.**
- **Drill results include:**
  - **18.2m @1.88% Ni, *including* 12.45m @ 2.28% Ni**
  - **13.4m @ 2.01% Ni, *including* 8.4m @ 2.59% Ni**

Axiom Mining Limited ('Axiom' or 'the Company') is pleased to announce initial results from the drilling program on the Isabel Nickel Project, Solomon Islands.

The drilling program is designed to confirm the historical data compiled by the International Nickel Company Limited (INCO) and Kaiser Engineers International Inc (Kaiser Engineers), and test the potential of further mineralisation below depths of 5–6m where their evaluations and studies were limited to.

Axiom CEO Mr Ryan Mount said, "Drilling has produced excellent results that identify significant grade and extension of mineralisation to depths that had not been evaluated by previous studies or exploration.

"There is clearly substantial upside potential for grade and tonnage as we extend drilling deeper to the higher grade saprolite zone, which previous explorers were unable to access due to technological constraints."

The first holes were drilled along an access road with the first hole located at the edge of targeted mineralisation and subsequent holes sited progressively further into the deposit (Figures 1 and 2).

Drilling will continue into 2015 with the aim of upgrading data across the deposit to JORC standards, and completing relevant studies to progress the project towards mine development phase.

Exploration Results

Table 1 - Kolosori Ridge assay results

Hole ID	Intersection[1]	Easting*	Northing*	RL	EOH
ISD14-001	3.25m @ 1.14% Ni from 2.8m	0578426	9066114	73.4m	12.6m
ISD14-002	2.4m @ 1.05% Ni from 3.0m	0578504	9066072	77.0m	13.0m
ISD14-003	**18.2m @ 1.88% Ni from 2.5m** ***Including 12.45m @ 2.28% Ni from 8.25m***	**0578786**	**9066164**	**123.0m**	**30.6m**
ISD14-004	**13.4m @ 2.01% Ni from 2.4m** ***Including 8.4m @ 2.59% Ni from 7.5m***	**0578808**	**9066150**	**131.0m**	**30.0m**

**Zone WGS84 UTM 57S*

[1] *Samples containing material within 2m of the surface have yet to be assayed due to international export quarantine. These assays will be delivered in January 2015.*

Holes ISD14-001 and ISD14-002

- Both holes were twinned (drilled close) to INCO and Kaiser Engineers' test pits.

Hole ISD14-003

- Twinned INCO's test pit YP1723.
- Designed to test a thicker limonite zone and a potential saprolite horizon on middle Kolosori Ridge.
- Intersected clayey and rocky saprolite, which was previously untested by INCO and Kaiser Engineers due to the inability of the hand-excavated pits to penetrate the rocky zone.

Hole ISD14-004

- Tested the lateral grade and basement extensions to ISD14-003.

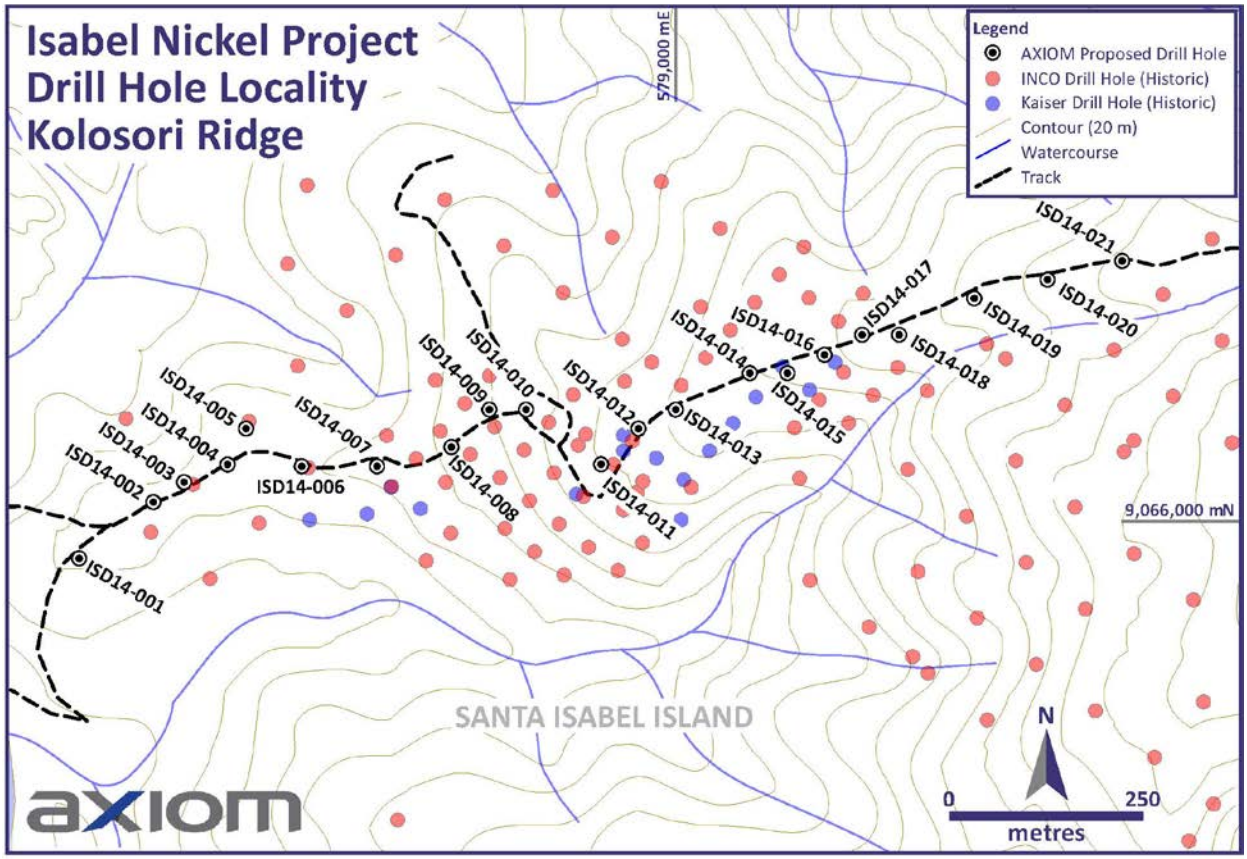


Figure 1 – Planned drill line along Kolosori Ridge

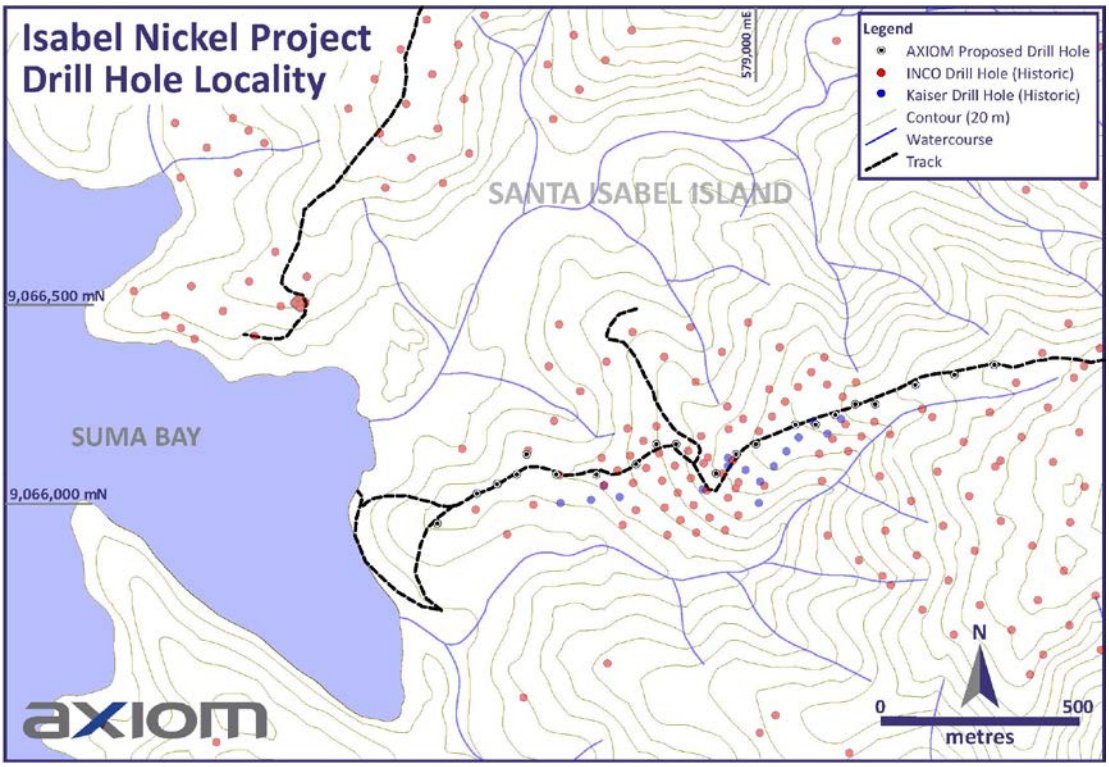
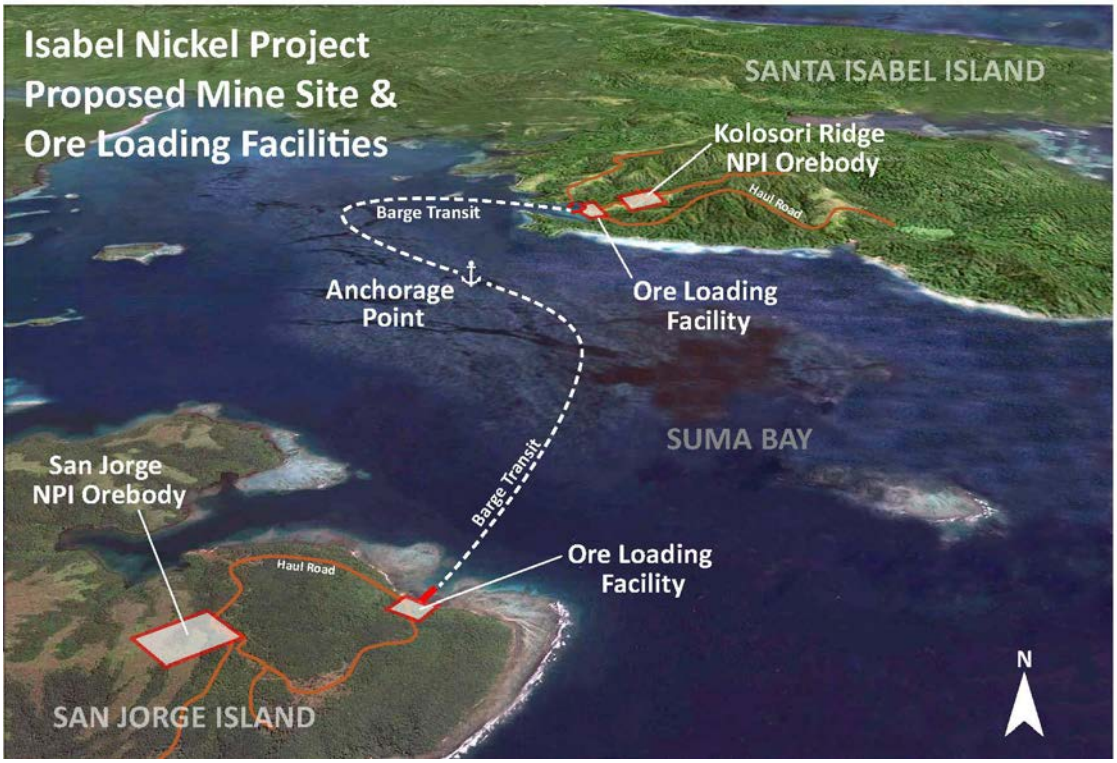


Figure 2 – Overview of planned drill line along Kolosori Ridge, including historical Kaiser Engineers and INCO drill holes

About the Isabel Nickel Project



Concept design only – subject to change

Figure 3 – Conceptual development plan

The Isabel Nickel Project is considered to be one of the largest nickel laterite deposits in the Pacific.

The project has been extensively explored by mining and engineering industry leaders, International Nickel Company Limited (INCO) and Kaiser Engineers International Inc (Kaiser Engineers).

Axiom Mining holds a 50-year registered lease and Prospecting Licence over the Isabel nickel deposit and is targeting the establishment of a direct shipping of ore (DSO) operation by late 2015.

ENDS

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 deposits in the Solomon Islands. The Company also owns highly prospective gold, silver and copper tenements in North Queensland, Australia. The Company is listed on the ASX. For more information on Axiom Mining and details on our activities, please refer to our company website at www.axiom-mining.com

Disclaimer

Statements in this document that are forward-looking and involve numerous risks 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. 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.

Competent Person's Statement

The information in this announcement that relates to Exploration Results is based on and fairly represents information and supporting documentation compiled by Mr Neil Jansen who is a Member of AusIMM. Mr Jansen has sufficient experience that is relevant to the styles of mineralisation and types of deposit under consideration and to the activity which is being undertaking 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 Jansen is a full time employee 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.

Appendix 1: Summary of results

Hole ID	From	To	Length	Ni %	Co %	Comment
ISD14-001	0.00	1.20	1.20			Quarantine*
	1.20	2.80	1.60			Quarantine
	2.80	4.30	1.50	1.325	0.211	
	4.40	5.00	0.60	1.175	0.019	
	5.00	6.15	1.15	0.889	0.013	
ISD14-002	0.00	1.20	1.20			Quarantine
	1.20	3.00	1.80			Quarantine
	3.00	4.70	1.70	0.939	0.165	
	4.70	5.40	0.70	1.325	0.081	
	5.40	6.05	0.65	0.58	0.015	
ISD14-003	0.00	1.50	1.50			Quarantine
	1.50	2.50	1.00			Quarantine
	2.50	3.50	1.00	0.909	0.101	
	3.50	4.50	1.00	0.952	0.083	
	4.50	5.50	1.00	1.01	0.08	
	5.50	6.50	1.00	1.03	0.088	
	6.50	7.50	1.00	1.045	0.084	
	7.50	8.25	0.75	1.17	0.089	
	8.25	9.30	1.05	2.35	0.047	
	9.30	11.10	1.80	2.82	0.057	
	11.10	12.21	1.11	2.79	0.027	
	12.21	14.10	1.89	2.62	0.02	
	14.10	15.20	1.10	2.71	0.011	
	15.20	16.50	1.30	2.44	0.012	
	16.50	17.80	1.30	2.14	0.011	
	17.80	19.10	1.30	1.71	0.014	
	19.10	20.70	1.60	0.995	0.01	
	20.70	22.80	2.10	0.297	0.009	
	22.80	23.60	0.80	0.225	0.009	
ISD14-004	0.00	1.50	1.50			Quarantine
	1.50	2.50	1.00			Quarantine
	2.50	3.50	1.00	0.701	0.092	
	3.50	4.50	1.00	0.786	0.085	
	4.50	5.50	1.00	1.11	0.086	
	5.50	6.50	1.00	1.265	0.099	
	6.50	7.50	1.00	1.35	0.106	
ISD14-004	7.50	8.25	0.75	1.865	0.104	
	8.25	9.10	0.85	2.72	0.036	
	9.10	10.60	1.50	3.64	0.016	

Hole ID	From	To	Length	Ni %	Co %	Comment
ISD14-004	10.60	11.10	0.50	3.03	0.014	
	11.10	12.60	1.50	2.55	0.016	
	12.60	14.10	1.50	2.18	0.02	
	14.10	15.90	1.80	2.21	0.019	
	15.90	16.70	0.80	0.464	0.012	

** Samples containing material within 2m of the surface have been excluded from assay due to international export quarantine. These assays will be delivered in January 2015. Analysis performed by commercial NATA-accredited minerals laboratory in Brisbane.*

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 representivity 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 (eg '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 (eg submarine nodules) may warrant disclosure of detailed information.*	HQ triple tube core delivered to laboratory in tray • Whole core samples were marked up and sampled in the laboratory. • Handheld XRF analysers were used in field for initial analysis on 25cm intervals for control. • Moisture readings at 25cm intervals were collected one day after drilling. • Filled core trays were weighed one day after drilling and then weekly for wet/dry specific gravity. Excavator pitting • Sampled on a single vertical channel to obtain 2–3kg per sample. • Sample boundaries were either geological or 25cm—whichever was the narrowest. • Samples were also collected from pit spoil for 'run of mine' simulation tests.
Drilling techniques	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg 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).*	Industry standard HQ triple tube by MP250 diamond drill rig • All holes were drilled vertically through the limonite and saprolite zones into underlying basement. Excavator pitting • Samples were completed on a single face in a vertical channel sample.

Criteria	JORC Code explanation	Commentary
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.*	HQ diamond coring was by triple tube to maximise core recovery. Sample recovery exceeded 70% in all holes. In some cases cavities or core losses were in defined zones—these were marked by spacers within the trays and noted in drillers' logs. Pitting channel sampling by excavator with a minimum of 2kg/sample.
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 diamond core holes were: • marked up for recovery calculations • geologically marked up and logged • photographed • weighed by tray one day after drilling (wet density less water added in drilling process) – selected core was weighed weekly and at laboratory for both dry density and solar drying responses. Core was geotechnically logged for hardness, fractures, fracture orientation, recovery and mining characteristics. All laterite intersections were analysed by either handheld XRF analyser or standard laboratory techniques for both mine grade values and trace elements. Moisture readings one day after drilling and, in selected trays, weekly. All excavator pits were: • geologically marked up and logged • photographed. Walls of pits were geotechnically logged for hardness, fractures, fracture orientation, recovery and other mining characteristics. All laterite intersections were analysed by

Criteria	JORC Code explanation	Commentary
		either handheld XRF analyser or standard laboratory techniques for both mine grade values and trace elements. Moisture readings taken after opening pit (new pits only).
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 representivity 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.*	All sample reduction protocols were by standard laboratory techniques. Rock samples of 2–3kg were collected from excavator pits and delivered to the laboratory and follow the sample reduction protocol. A range of OREAS nickel laterite standards were inserted into the suite of pit samples along with three field standards from previous testwork (one sample limonite, one sample saprolite, one silica sand blank). These were inserted into every 20 samples submitted. Laboratory standards and blanks were inserted every 50 samples submitted plus repeats were completed every 50 samples.
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 (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision*	Intertek and ALS standard laboratory techniques were undertaken. All core trays were dried at 90 degrees for 48 hours and then weighed to test for dry bulk density. Standard reduction techniques were: • jaw crusher • pulveriser • reducer • splitters to reduce sample to 200g. Ore grade analysis by XRF fusion method. Trace element analysis completed by 3 acid digest and ICP.

Criteria	JORC Code explanation	Commentary
	have been established.	
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.*	Four core holes twinned existing INCO or Kaiser Engineers pits. One Axiom core hole was twinned by an additional NQ triple tube core hole 1m offset.
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. All collars were picked up by surveyors by 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.*	Holes were designed along a single traverse based on: • INCO pitting and drilling • Kaiser Engineers pitting • INCO bulk test mining • INCO defined mineralised area.
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 underlying ultramafic source units. All holes and pits were vertical and will be 100% true intersection. 3D logging in the walls of the excavator pit indicated dip of marker units varied from 0 to 5 degrees—and any dips related to terrain slope.

Criteria	JORC Code explanation	Commentary
Sample security	*The measures taken to ensure sample security.*	All samples were escorted offsite to a secure locked facility at the site camp. Onsite security was provided for in transit samples. Chain of custody protocols were in place for transport from laboratories.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

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 74/11 held by Axiom. 50-year land lease—80% owned by Axiom. The validity of both the prospecting licence and the leasehold was tested and confirmed in a recent Solomon Islands High Court judgment. The hearing for the appeal against this judgment is pending.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	• INCO • Kaiser Engineers
Geology	*Deposit type, geological setting and style of mineralisation.*	Wet tropical laterite.
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*	Axiom completed diamond coring using HQ triple tube to maximise recoveries within the mineralised horizons.

Criteria	JORC Code explanation	Commentary
	• *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.*	
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg 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.*	No weighting has been applied to reporting for the 2014 program. All assay intervals are based on geological intervals or a 2m length if the geological interval is greater than 2m.
Relationship between mineralisation 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 (eg 'down hole length, true width not known').*	Target only due to limited modern testing.

Criteria	JORC Code explanation	Commentary
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 figures 1 and 2.
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.*	N/A
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 pits, feasibility studies, economic analysis and reserve and resource calculations and estimates. Most of these studies were conducted prior to the establishment of the JORC Code.
Further work	*The nature and scale of planned further work (eg 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 testing: • Concentrating on smaller portion of deposit to prove up a resource compliant with the JORC Code in anticipation of mining • Longer term testing of the larger deposit for long-term development.