ASX Announcement
24 April 2015

# Isabel Nickel Project drilling update

- **Infill drilling continues to confirm continuity of high grade nickel mineralisation at the Havihua Ridge prospect**
- **Latest drilling results include:**
  - **15.0m @ 1.46% Ni from 1.0m, *including 6.5m @ 1.76% Ni from 9.0m***
  - **21.2m @ 1.16% Ni from 0.5m, *including 2.1m @ 2.14% Ni from 6.5m***
  - **9.6m @1.23% Ni from 1.5m, *including 2.0m @ 1.94% Ni from 8.0m***

Axiom Mining Limited ('Axiom' or 'the Company') is pleased to advise that infill drilling at the Isabel Nickel Project, Solomon Islands, continues to confirm continuity of high grade nickel mineralisation at the Havihua Ridge prospect (announced 10 April 2015).

Mineralisation remains open in multiple directions including the south with the identification of significant laterite outcrop up to 300m from current drilling.

## Exploration Results

### Table 1 - Summary of latest results

| Hole ID | Intersection^ | Easting* | Northing* | RL | EOH |
|---|---|---|---|---|---|
| ISD15-011 | 9.6m @1.23% Ni from 1.5m, *including 2.0m @ 1.94% Ni from 8.0m* | 581050 | 9065575 | 155 | 30.0 |
| ISD15-016 | 21.2m @1.16% Ni from 0.5m, *including 2.1m @ 2.14% Ni from 6.5m* | 581001 | 9065704 | 171 | 20.0 |
| ISD15-025 | 13.5m @1.04% Ni from 0.5m, including 2.0m @ 1.91% Ni from 5.0m | 581100 | 9065600 | 180 | 19.5 |
| ISD15-026 | 7.0m @1.16% Ni from 1.2m, including 2.0m @ 1.66%Ni from 5.7m | 581100 | 9065500 | 180 | 20.0 |
| ISD15-027 | 7.8m @1.4% Ni from surface, including 4.5m @ 1.66% Ni from 1.3m | 581197 | 9065584 | 180 | 20.0 |
| ISD15-029 | 15.0m @1.46% Ni from 1.0m, *including 6.5m @ 1.76% Ni from 9.0m* | 581000 | 9065500 | 180 | 20.0 |

*^0.6% Ni cut-off for main intercept with highlighted interval for saprolite material above 1.2% Ni cut-off*

**Zone WGS84 UTM 57S*

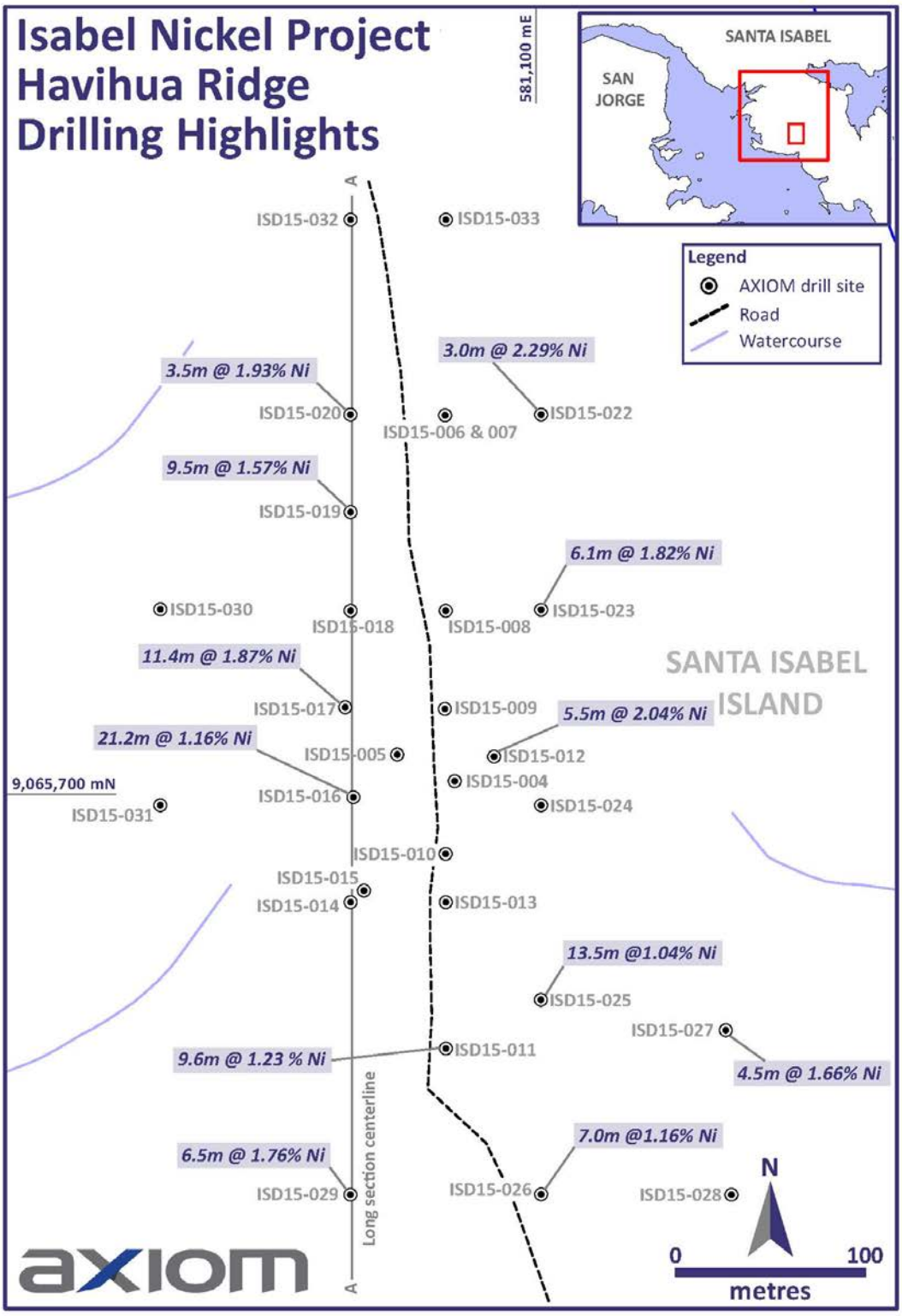


**Figure 1 – Selected drilling highlights from Havihua Ridge to date – see Table 1 of this announcement and ASX announcement 10 April 2015 for full intersections**

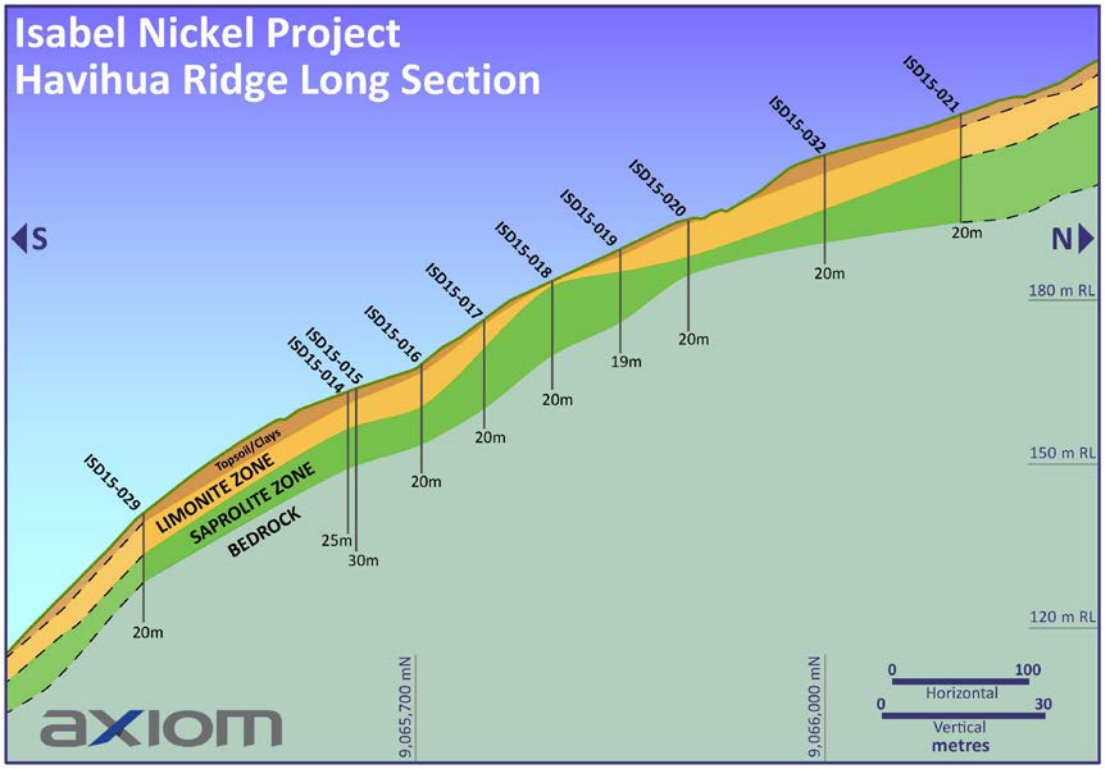


**Figure 2 – Long section of Havihua Ridge (view facing west with a vertical exaggeration of four times for ease of visualisation) where mineralisation extends beyond ISD15-029**

## About the Isabel Nickel Project

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 Kolosori tenement, and a Prospecting Licence for the San Jorge tenement and is targeting the establishment of a 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 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](http://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 information compiled by Mr Wayne Saunders who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Saunders 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 Saunders is an employee 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.*

## 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.*<br><br>*Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*<br><br>*Aspects of the determination of mineralisation that are Material to the Public Report.*<br><br>*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.* | PQ and HQ triple tube core—initially delivered to laboratory in tray—then in sampled intervals<br><br>• Handheld XRF analysers were used in field for initial analysis on 25cm intervals for control then 10cm<br>• Samples were collected either at a range of intervals (minimum 0.5m) or geological intervals<br>• Half core samples were cut and sent to the laboratory. |
| ***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 PQ and HQ triple tube by diamond drill rig<br><br>• 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.* | PQ and HQ diamond coring was by triple tube to maximise core recovery.<br><br>Industry standard techniques for mud and |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *Measures taken to maximise sample recovery and ensure representative nature of the samples.*<br><br>*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.* | foams were used to assist in clear coring. Average sample recovery exceeded 90%. In some cases cavities or core losses were in defined zones—these were marked by spacers within the trays and noted in drillers' logs.<br><br>Axiom has implemented a dry drilling technique in the top limonite zones and a low water technique in lower saprolite zones—bringing average recoveries for later 2015 holes to more than 98%. |
| ***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.*<br><br>*Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*<br><br>*The total length and percentage of the relevant intersections logged.* | All diamond core holes were:<br><br>• marked up for recovery calculations<br>• geologically marked up and logged<br>• photographed<br>• 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.<br><br>Core was geotechnically logged for hardness, fractures, fracture orientation, recovery and mining characteristics.<br><br>All laterite intersections were analysed by either handheld XRF analyser or standard laboratory techniques for both mine grade values and trace elements. |
| ***Sub-sampling techniques and sample preparation*** | *If core, whether cut or sawn and whether quarter, half or all core taken.*<br><br>*If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*<br><br>*For all sample types, the nature, quality and appropriateness of the sample preparation technique.*<br><br>*Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* | Half core was delivered to the laboratory. All sample reduction protocols were by standard laboratory techniques.<br><br>A range of OREAS nickel laterite standards were inserted into the suite of samples. These were inserted into every 10 samples submitted.<br><br>Laboratory standards and blanks were inserted into every 50 samples submitted plus repeats were completed every 50 samples. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *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.*<br><br>*Whether sample sizes are appropriate to the grain size of the material being sampled.* | |
| ***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.*<br><br>*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.*<br><br>*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 have been established.* | Standard laboratory techniques were undertaken.<br><br>• All samples were weighed wet, dried at 90 degrees and then weighed wet to establish minimum moisture ranges and density guides<br>• Standard reduction techniques were:<br>o jaw crusher<br>o pulveriser<br>o split to reduce sample to 200g.<br>• Ore grade by XRF fusion method. |
| ***Verification of sampling and assaying*** | *The verification of significant intersections by either independent or alternative company personnel.*<br><br>*The use of twinned holes.*<br><br>*Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*<br><br>*Discuss any adjustment to assay data.* | Eight core holes twinned existing INCO or Kaiser Engineers pits or INCO GEMCO drill holes.<br><br>One Axiom core hole was twinned by an additional NQ triple tube core hole 100 cm offset.<br><br>One Axiom hole was twinned by an additional HQ hole at 80 degrees. |
| ***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.*<br><br>*Specification of the grid system used.*<br><br>*Quality and adequacy of topographic* | Initial collar location was by handheld GPS reading to 5m accuracy.<br><br>All collars are to be picked up by surveyors by differential GPS (DGPS) to 10mm accuracy.<br><br>LIDAR program to a maximum distortion |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *control.* | of 25cm to be completed by mid-2015. |
| ***Data spacing and distribution*** | *Data spacing for reporting of Exploration Results.*<br>*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.*<br>*Whether sample compositing has been applied.* | Orientation holes were designed along traverses based on:<br>• INCO pitting and drilling<br>• Kaiser Engineers pitting<br>• INCO mining<br>• 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.*<br>*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.<br>All holes and pits were vertical and will be 100% true intersection.<br>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. |
| ***Sample security*** | *The measures taken to ensure sample security.* | All samples were escorted offsite to a secure locked facility at the site camp.<br>Onsite security was provided for samples.<br>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 orientation drilling phase. |

## 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*** | *Type, reference name/number, location and ownership including agreements or material issues with third parties such as* | Prospecting Licence 74/11—80% held by Axiom. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***tenure status*** | *joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*<br><br>*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.* | 50-year land lease—80% owned by Axiom.<br><br>The validity of both the Prospecting Licence and the leasehold was tested and confirmed in a recent Solomon Islands High Court judgment.<br><br>The hearing for the appeal against this judgment is pending. |
| ***Exploration done by other parties*** | *Acknowledgment and appraisal of exploration by other parties.* | • INCO<br>• 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:*<br><br>• *easting and northing of the drill hole collar*<br>• *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*<br>• *dip and azimuth of the hole*<br>• *down hole length and interception depth*<br>• *hole length.*<br><br>*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.* | Axiom completed diamond coring using PQ and HQ triple tube to maximise recoveries within the mineralised horizons.<br><br>A number of holes twin previous Kaiser and INCO test pits, auger holes and the mined area. |
| ***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.*<br><br>*Where aggregate intercepts incorporate* | Only length weighting has been applied to reporting for the 2014 program.<br><br>Assay intervals are generally undertaken on 0.5 m regular intervals. The intervals are adjusted to geological boundaries with some intervals ranging up to 2 m.<br><br>There are no outlier values requiring |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *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.*<br><br>*The assumptions used for any reporting of metal equivalent values should be clearly stated.* | adjustment.<br><br>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.<br><br>A second higher grade 1.2% Ni cut-off is also used to provide a higher grade intercept more appropriate to some direct shipping requirements. |
| ***Relationship between mineralisation widths and intercept lengths*** | *These relationships are particularly important in the reporting of Exploration Results.*<br><br>*If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*<br><br>*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').* | The laterite is thin but laterally extensive. The intercepts are perpendicular to the mineralisation. |
| ***Diagrams*** | *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported.*<br><br>*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.* | Both low and higher grade intercepts are reported. |
| ***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;* | Both INCO and Kaiser Engineers undertook circa 6000 drill holes and pits, feasibility studies and economic analysis.<br><br>Most of these studies were conducted prior to the establishment of the JORC |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.* | 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).*<br><br>*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:<br>• Focus on smaller portion of deposit to prove up a resource compliant with the JORC Code, in anticipation of mining and to establish a direct shipping of ore operation<br>• Testing of the larger deposit for long-term development. |