



axiom

Isabel Nickel Project

Prospectors & Developers
Association of Canada Convention
March 2016



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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.

The information in this presentation that relates to the JORC Resource for the Isabel Nickel Project is extracted from a release on the ASX on 29 December 2015. Axiom is not aware of any new information or data that materially affects the information in the original market announcements and that all material assumptions and technical parameters underpinning the JORC Resource for the Isabel Nickel Project continue to apply and have not materially changed.

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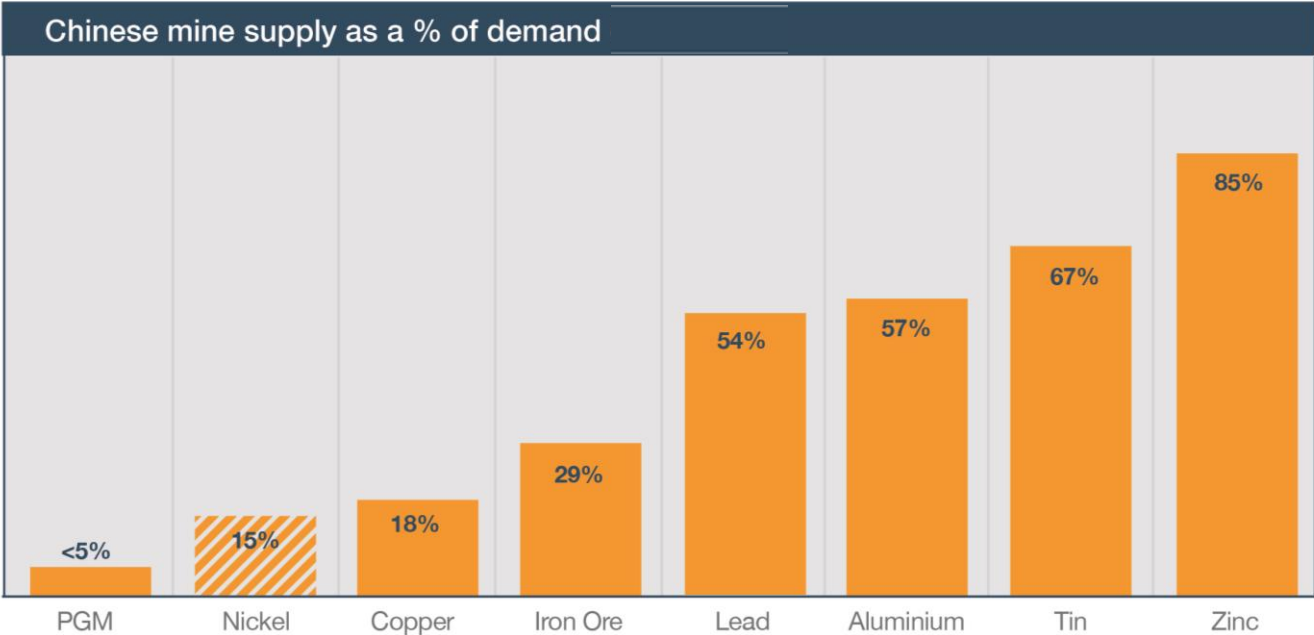


A unique opportunity to
participate in the nickel market



Nickel demand growth continues while China remains reliant on imports

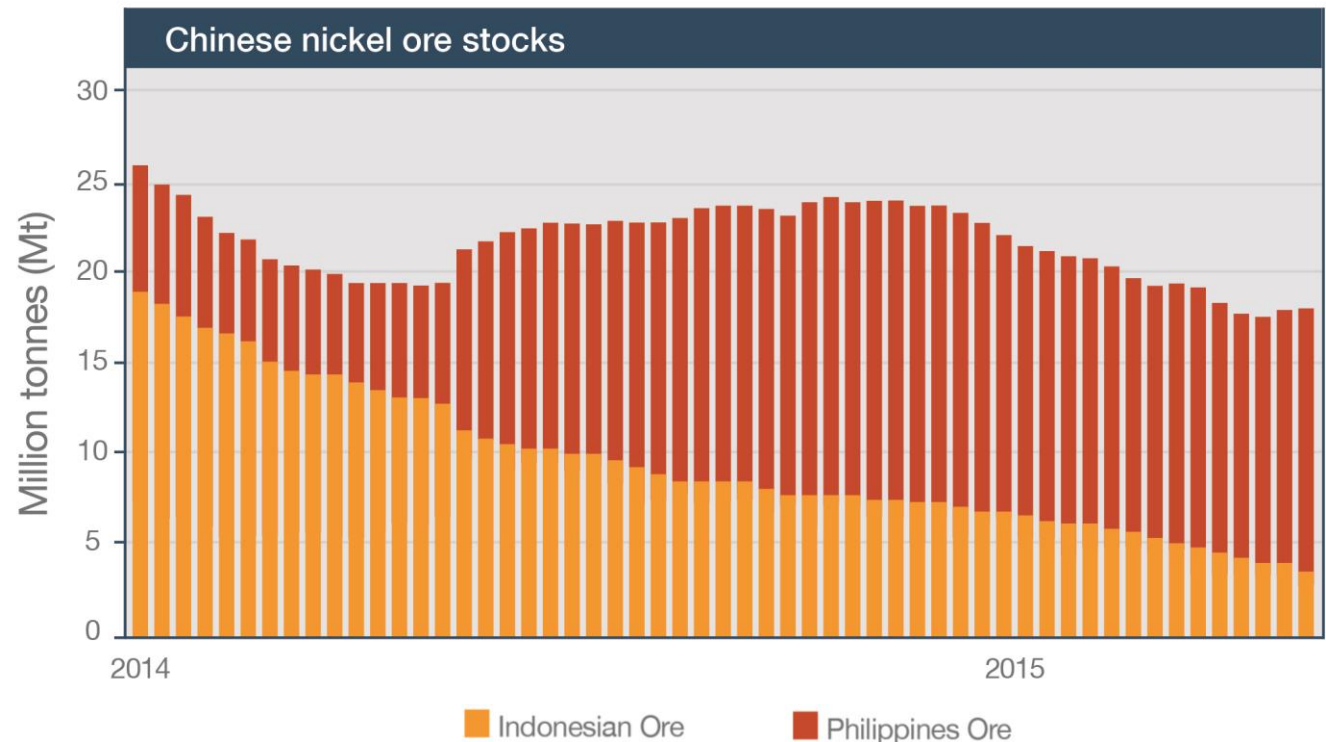
- Global demand for nickel has grown at an average of 6.3% since 2010
- Only 15% of Chinese nickel consumption is sourced domestically



- As China’s economy becomes consumer driven, demand for basic materials like carbon steel transforms into demand for stainless steels and ultimately into specialty alloys.
- Speciality metals require a lot of nickel and drive non-stainless nickel consumption, e.g. castings, electro-plating, batteries and chemicals
- China is leveraged to increasing nickel demand with current intensity of use only 60% of fully industrialised countries—implying scope for far greater per capita nickel consumption

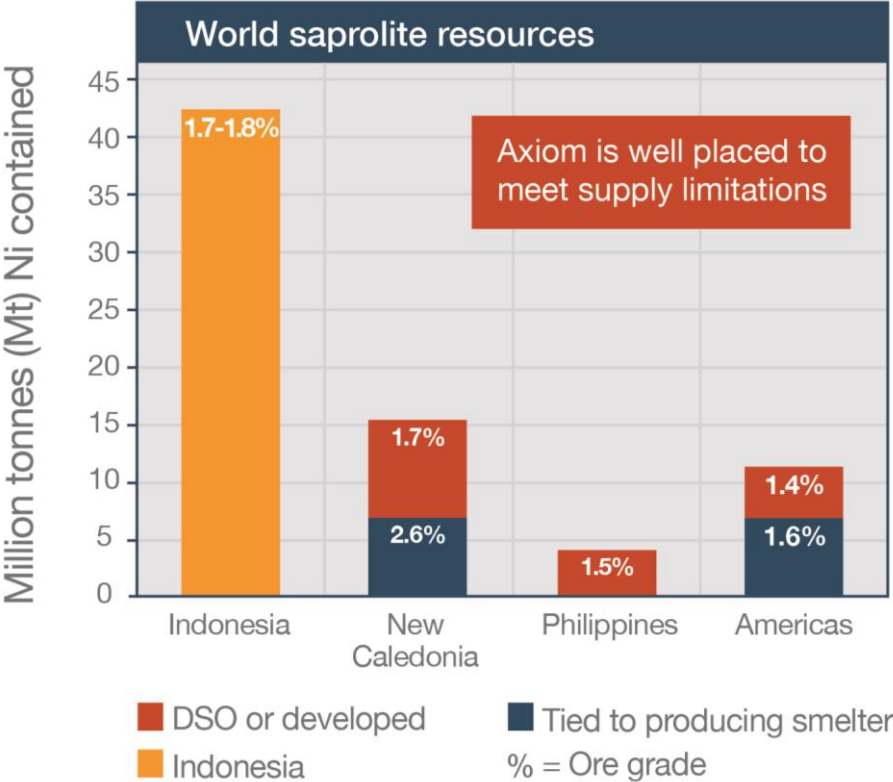
Limited new supply

- Large, low cost sulphide mines are not being replaced. Global demand increases require 2–3 Sudbury mines per year; currently only 2–3 are discovered and developed per decade
- Sulphide production as share of global supply has fallen from 57% to 37% in the last 15 years, laterite supply has increased correspondingly
- The six largest sulphide mines have seen a 32% decrease in head grade over the last 20 years
- There are few new major discoveries or known world class deposits that are production-ready.
- The Indonesian ban on ore exports has removed 25–30% of global nickel supply
- Indonesia’s strategic plan to incubate a nickel metal processing industry is not eventuating to targeted timeframes and is unlikely to satisfy any increase in nickel demand.



Limited alternatives to replace high grade Indonesian laterite ore

- The Philippines can only supply 5–10 Mtpa of high grade ore, which cannot replace Indonesia’s 50 Mtpa (prior to the Indonesian export ban)
- It is also likely that the Philippines high grade deposits will be depleted in 2016, leaving only medium to low grade ore for export.



Industry consolidation and national interests further restrict supply



- Consolidation of nickel supply continues—in H2, 2015:
 - Philippines' largest nickel company, Nickel Asia Corporation acquired Geogen Corporation
 - Philippines' second largest nickel company Global Ferronickel Holdings acquired the country's third largest nickel company Southern Palawan Nickel
 - Independence Group completed the acquisition of Sirius Resources.
- New Caledonia only supplies to their traditional markets of Japan, Korea and Australia (with a recent government declaration not to supply China, the worlds biggest consumer of Ni ore)

“The opening (of exports) to China is against the mining strategy established in 2009 to maintain export volumes to traditional clients of New Caledonia.”

New Caledonia President Philippe Germain,
August 2015

- And in Indonesia:

“We will stick with the current (export ban) regulations.”

H. E. Mr Sudirman Said, Minister of Energy and Mining Resources for Indonesia
(formerly the world's largest exporter of nickel ore), September 2015



Australian nickel projects and listed peer comparisons

Most have shut or dramatically lowered production and are therefore unlikely to capture the full benefits of a positive change in the nickel price

Company	Mine	Status
Panoramic Resources	Lanfranchi	Care and maintenance
Independent Group	Long	Reduced production
Mincor	Miitel, Mariners	Under review
Glencore	Murrin Murrin	Under review
Poseidon	Lake Johnston	Delayed opening
Mirabela Nickel	Santa Rita	Voluntary administration

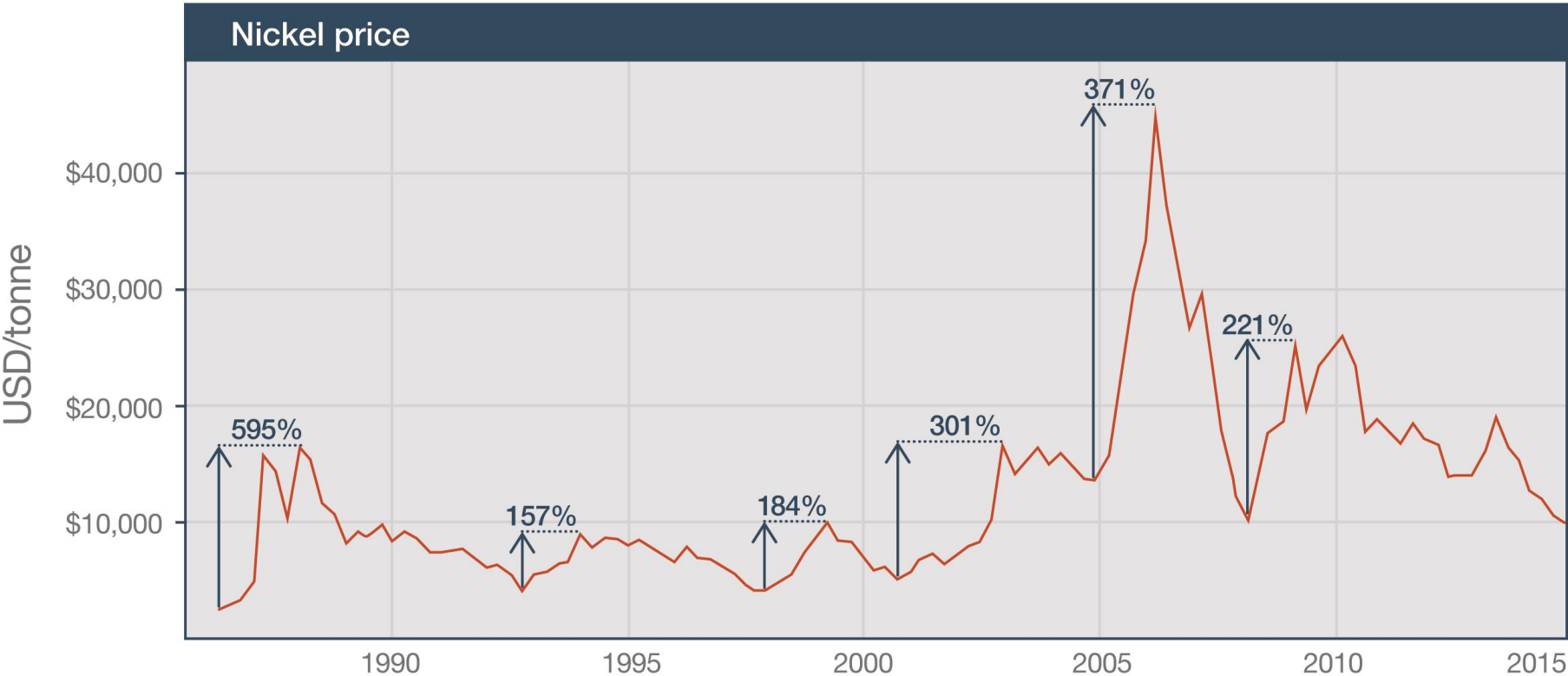
Isabel is *production ready* and requires only minimal capital when compared to other stand-out Australian Ni projects

Project	Isabel	Nova (IGO/SIR)
Product	Direct ship ore	Concentrate
First production	H1, 2016	Q4, 2016
CAPEX	\$25 million	\$443 million
Cash margin	67%	67%
Sustainable capital	\$1 million/pa	\$148 million
Deposit depth	0–18 m (open cut)	300–400 m (underground)

When the nickel price corrects to the upside...



Previous nickel price peaks have occurred as quickly as three months after LME stocks peaked with price increases of 150%–300%





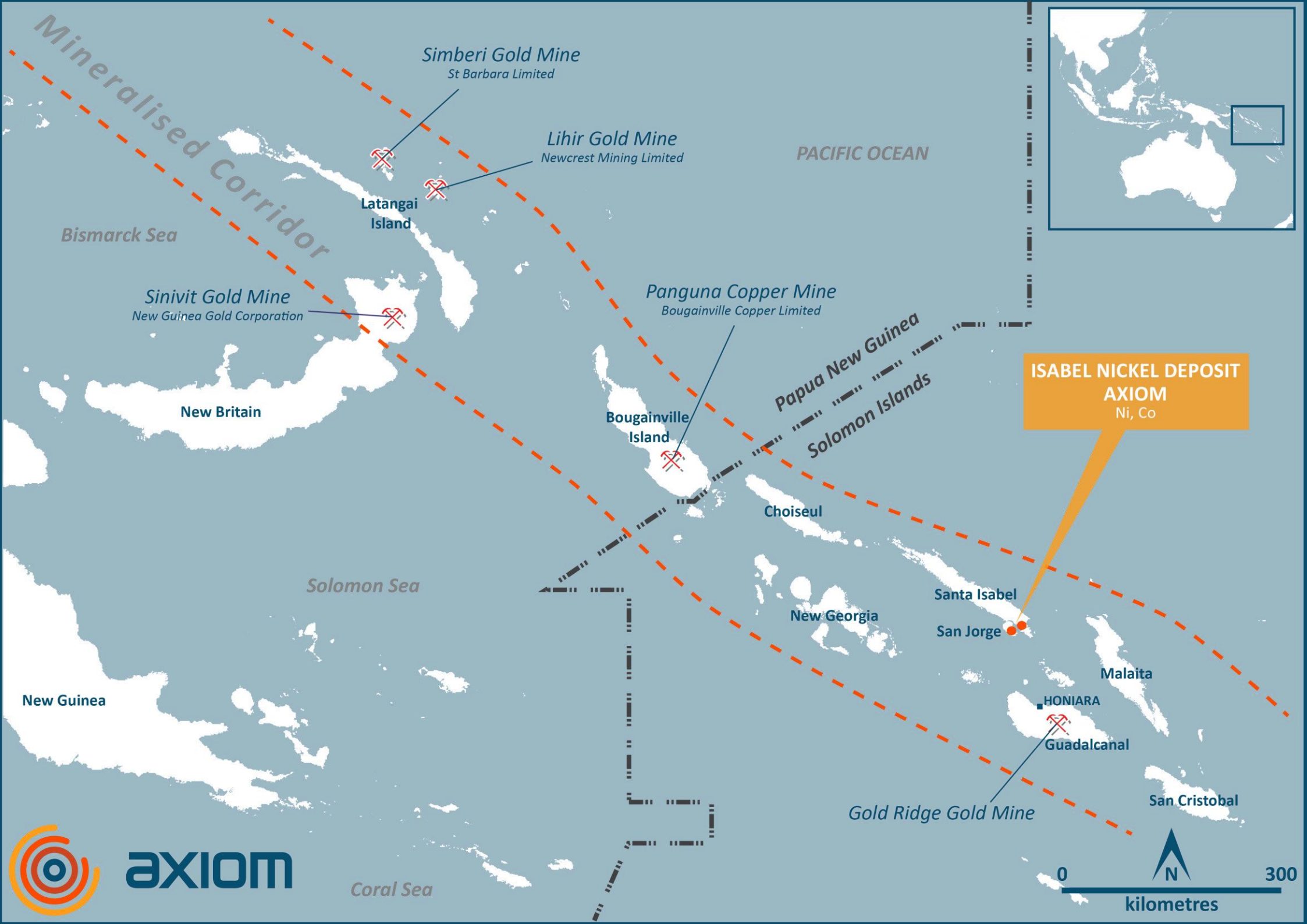
...and the nickel laterite ore price follows

Recent nickel supply cuts indicate a positive, near term ore price correction.



Isabel Nickel Project





ISABEL NICKEL DEPOSIT
AXIOM
Ni, Co



Isabel Nickel Project Proposed Mine Site & Ore Loading Facilities



SAN JORGE ISLAND

SANTA ISABEL ISLAND

Ore Loading Facility

Ore Loading Facility

Anchorage Points

4 km

7 km

Haul Road

Haul Road

PL 74-11

PL 01-15

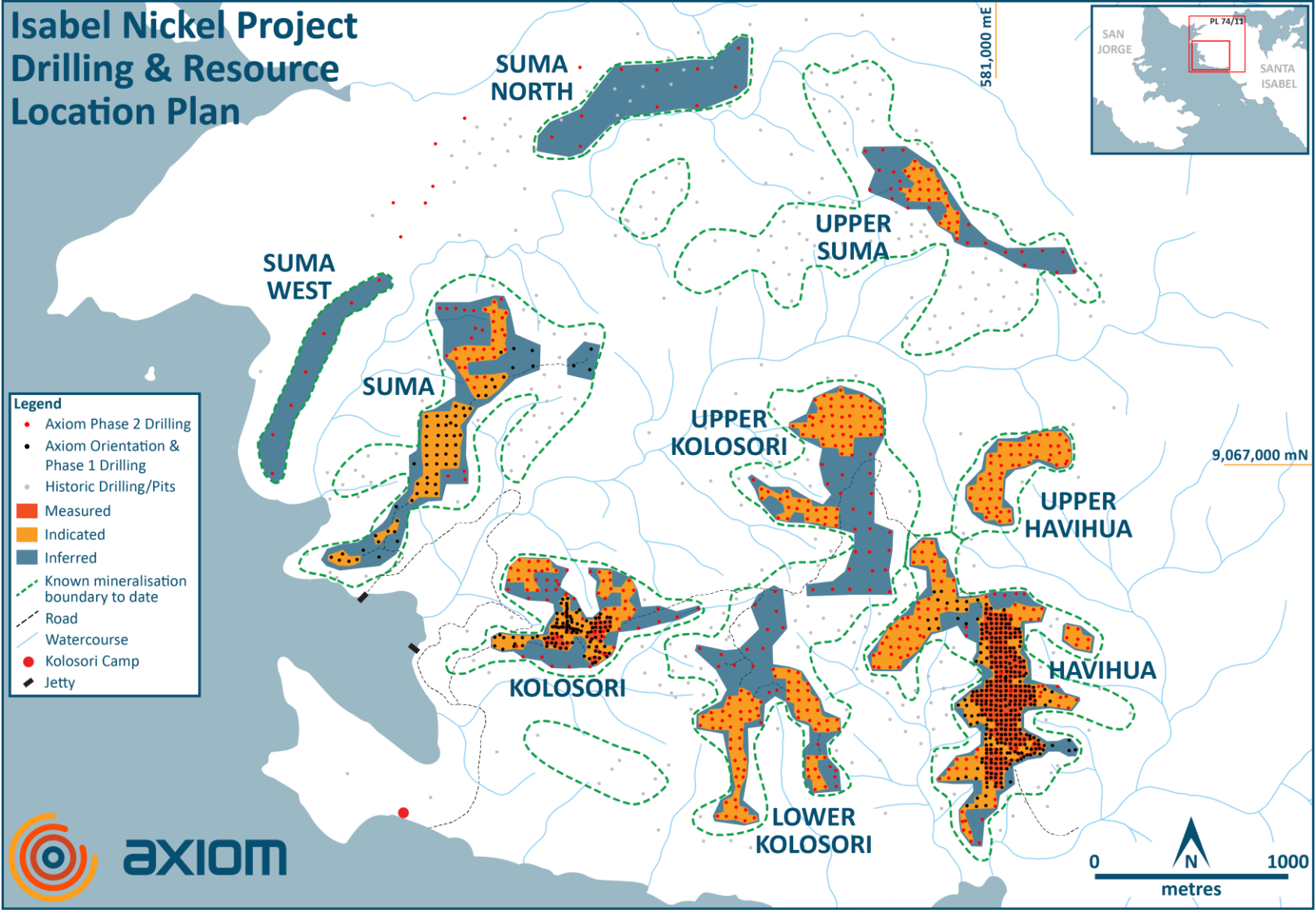
9 km

7 km

Kolosori Camp



Drilling program



Development of Isabel Nickel Project ore body



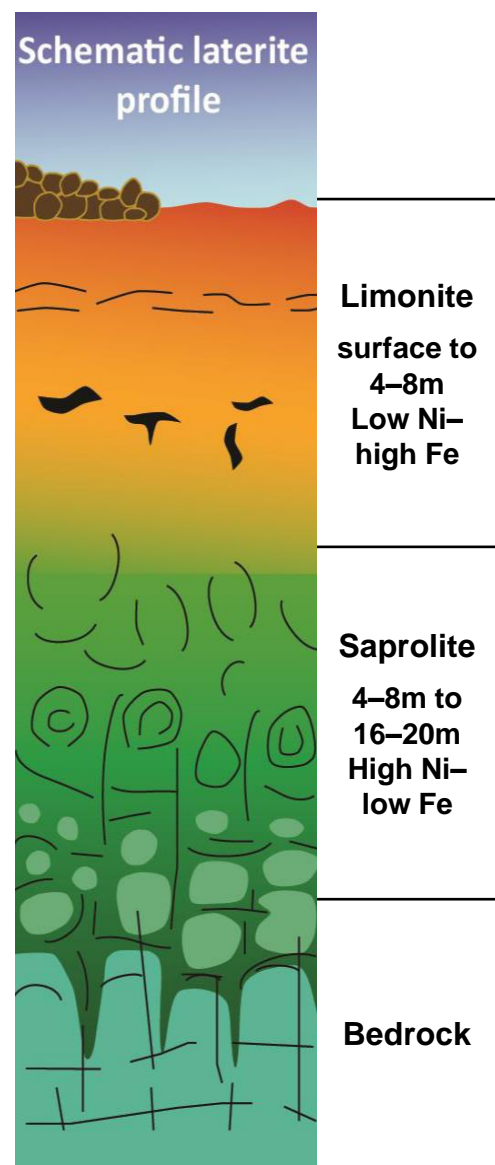
Prior global interest

1956–1975 INCO

- More than 7000 drill holes and pits
- Feasibility studies and bulk sampling
- Mine development plans disrupted by national independence in 1978

1991–1993 Kaiser Engineers

- Feasibility study to confirm INCO (Vale) data
- Preliminary CAPEX and OPEX
- Economic analysis and financial modelling
- Drilling focus on upper zone (limonite) with average drill depth of 5.5 m
- Global / historical (non-JORC) deposit of 159Mt @ 1.1% NI and 0.07% Co



Axiom is first to drill the full profile of the deposit

- Initial drilling and Resource shows high grade saprolite zone, emphasising potential for medium to high grade ore bodies

Drilling highlights

- 12.5 m @ 2.28% Ni from 8.3 m (ISD14-003)
- 7.7 m @ 2.67% Ni from 8.3 m (ISD14-004)

Current JORC resource

- 16 Mt @ 1.2% Ni including 3.9 Mt @ 1.7% Ni (saprolite)
- Will take a couple of years to fully define the deposit, due to its extensive size.

Finance and project economics



Offtake agreement and funding for up to AU\$15 million with Gunvor



- Offtake agreement for 500,000 wet metric tonnes (wmt)
- AU\$5 million working capital finance facility
- Gunvor will also pre-pay majority of the value of each shipment
- Discussions are continuing on additional finance of AU\$10 million under which Gunvor may acquire all production for up to four years



Gunvor is one of the world's largest commodities trading houses, operating in more than 100 countries and generating approximately US \$90 billion in revenue (2014).



Robust economics – even at current market pricing

Estimated construction and commissioning cost for an aspirational target of 2mpta operation

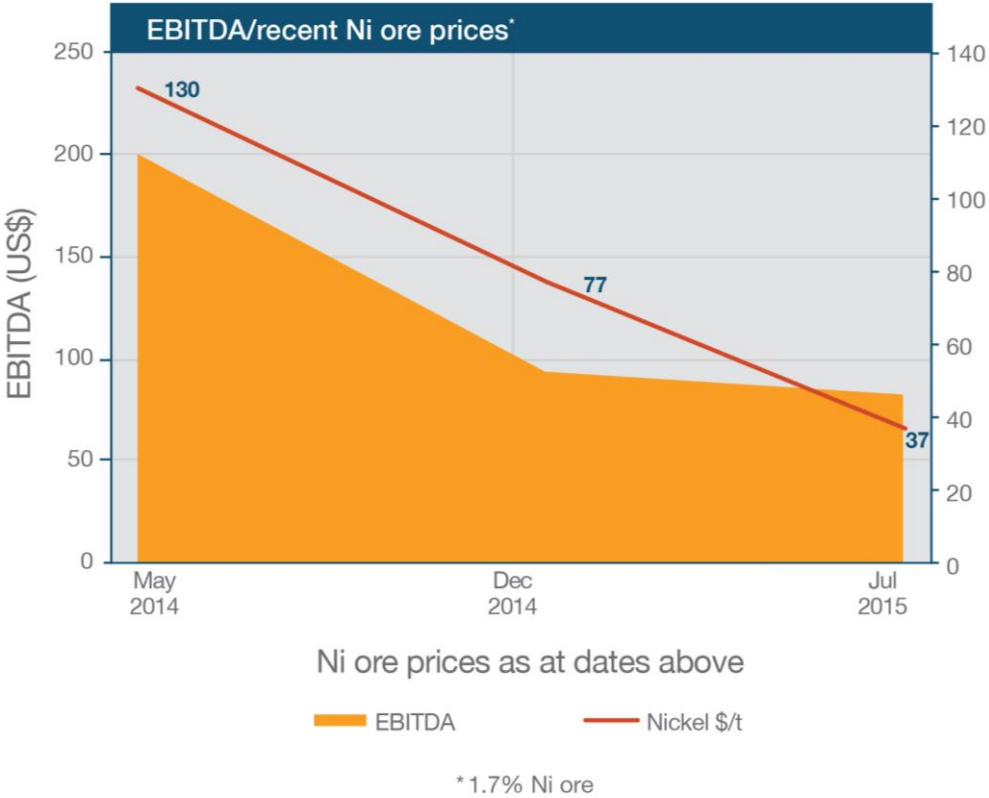
- CAPEX: US\$20 million
- Working capital: US\$5 million

The Isabel Nickel Project is sensitive to upside movement in the Ni ore price

Even going back to pricing periods less than two years ago highlights the world class nature of the project; with annualised EBITDA up to US\$200 million (at three pricing periods, indicated below)

Details	DSO 1.5% Ni (US\$30/wmt)*	DSO 1.7% Ni (US\$42/wmt)*
Annual revenue	US\$ 60m	US\$ 84m
Operating costs including:		
• mining and loading costs	US\$ 24m	US\$ 24m
• administration costs	US\$ 4m	US\$ 4m
• shipping to Asia (CIF)	US\$ 12m	US\$ 12m
Total OPEX	US\$ 40m	US\$ 40m
Potential annual EBITDA*	US\$ 20m	US\$ 44m
Gross margin	33%	57%

* Based on nickel ore price quote for bulk shipment to China, as at January 2016



Corporate information



Capital structure and access to capital

ASX Code	AVQ
Shares on issue	267.6 million
Options on issue	35.2 million
Unsecured, convertible notes*	AU\$5.9 million
Top 20 shareholders	81 million (30%)
Market capitalisation	AU\$90 million
Substantial shareholders	
• Anitua Limited	6.23%
• Drake Private Investments	6.43%
* Conversion prices of \$0.30 for \$900,000 and \$0.37 for \$5 million	

Access to capital	\$AU
Ore pre-payment*	5 million
Debt facility*	10 million
Convertible note draw down facility (subject to finalisation)	10 million
Court costs awarded by High Court (provided by Sumitomo, currently in escrow account)	5 million
TOTAL	30 million
* Provided by Gunvor, subject to due diligence and final documentation	



Board



Mr Robert Barraket – Chair & Independent Director

- Almost 50 years' experience in legal practice including the establishment of two successful law firms
- Legal advisor to numerous international and Australian mining and mineral exploration companies with interests in Australia and abroad



Mr Ryan Mount – CEO & Managing Director

- Secured title to the Isabel nickel project and led the successful defence of those rights in the High Court
- Experience in Australian and international financial markets and corporate advisory



Mr Jeremy Gray – Non-Executive Director

- Previously, Head of Metals and Mining Research at Morgan Stanley and Head of Mining Research at Credit Suisse in London
- Currently Director and Managing Partner of Chancery Asset Management



Mr Paul Frederiks – Company Secretary

- More than 30 years' experience in finance and corporate governance in the Australian resources sector
- Previously Company Secretary for Auzex Resources Limited, Billabong International Limited and China Steel Australia Limited

A photograph showing four men standing on a sandy beach. In the background, there are several traditional buildings with thatched roofs, some appearing to be under construction or in a state of disrepair. The men are dressed in casual attire, including t-shirts, shorts, and caps. One man in the center is wearing a white shirt and light-colored trousers. The overall scene suggests a community or development project in a coastal or rural area.

Community partnerships

A unique business model

AXIOM KB



- Equity sharing arrangement that has enabled the signing of a 50-year registered lease over the Kolosori tenement on Santa Isabel Island
- Landowning tribes' 20% stake corporatised into legislated community company structure
- Joint venture model with landowners ensures transparency and operational efficiency through positive community relations

Community

- Establishment of local schools and sponsorship of community health and sports initiatives
- Support for local jobs through capacity building and skills development
- Support for cottage industries including the establishment of local supply chains
- Participation in local customs
- Axiom recognised as a leader in community engagement





Summary

2015: A year of delivery

- ✓ A significant JORC Resource Estimate delivered and subsequently upgraded
- ✓ Offtake agreement and finance facility
- ✓ Strong additions to the Board
- ✓ Site civil works and camp establishment
- ✓ Key management appointments
- ✓ Strategic alliances established—Anitua, Gunvor and InCoR



2016: Milestones to come...



- Court of Appeal ruling
- Mining Lease
- Commercial production
- Operating cash flow
- Significant nickel producer in the Pacific region



The milestones noted above are forward-looking and involve numerous risk and uncertainties that could cause actual results to differ materially from expected results and 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.

Share price information



A photograph of three mining workers wearing white hard hats and high-visibility safety vests. They are smiling and looking towards the camera. The background shows industrial structures and some greenery. The image has a blue color cast.

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