



Quarterly Activities Report

For the period ended 30 June 2016



Message from the CEO

The Court of Appeal judgment was delivered in late March, and whilst the ruling was not entirely expected, it did provide us with a clear path forward - one without prolonged litigation that in the past has prevented us from our core business – sustainable mining.

With the Court of Appeal ruling ordering that SMM Solomon Limited (Sumitomo) were a) in breach of the land-banking provisions and should not have been able to apply for further tenements, and b) Axiom's Kolosori tenement is no longer in existence. On hearing this announcement, Axiom quickly re-organised the operations of the business and focussed its attention to the other half of the Isabel Nickel Project, the San Jorge tenement.

The San Jorge Prospecting Licence was granted in early 2015 and was previously subject to significant exploration in the 1960s & 70's by INCO (Vale). Historical exploration data indicates that the San Jorge deposit is very similar to the Kolosori deposit including in both grade and tonnage.

During the quarter we continued with our preliminary activities on San Jorge, including community consultation and environmental studies, and anticipate further active development of San Jorge in the near future.

We have re-applied for our Prospecting Licence over the Kolosori tenement and await formal notification from the Solomon Islands Government.

Axiom and our landowner partners' investment in the Isabel Nickel Project goes beyond 18 months of extensive exploration and mine planning to define the first five years of production – we upskilled our local workforce and worked with local communities to develop small businesses and community infrastructure. We are still confident that our approach to sustainable mine development, the company's strong ties with the customary landowners and the robust technical work undertaken to date, will give Axiom a competitive advantage both in the development of the San Jorge deposit and the reapplication

of the prospecting licence over the Kolosori tenement.

The nickel laterite industry is experiencing significant supply constraints and it is uncertain, especially in the Pacific, where the majority of tropical nickel laterite deposit will be sourced from. Axiom has a unique opportunity to capitalise on these recently evolving dynamics in the Asia Pacific nickel ore trade – moving the Company's projects to production is paramount.

Coupled with our existing and ongoing relationships with our strategic partners such as Gunvor and Anitua, we are looking forward with much optimism to the next stages of growth in the Solomon Islands.

Ryan Mount, CEO

Corporate summary

Application for Prospecting Licence for Kolosori tenement

On 9 May 2016, Axiom Mining Limited announced it had submitted its application for a Prospecting Licence for the Isabel Nickel Project's Kolosori tenement with the Solomon Islands' Ministry of Mines, Energy and Rural Electrification ('the Ministry').

Axiom also welcomed a 6 May 2016 public notice from the Ministry stating its position on the Isabel Nickel Project, in which the Ministry advised it:

- has committed to run an "inclusive, transparent process that is strictly compliant with all requirements under the *Mines and Minerals Act (Cap 42)* and the *Environment Act (1998)* and other relevant legislation to avoid legal implications and delay in the development of mineral rights of great promise and potential benefit for all stakeholders".
- will provide further details about the process to receive expressions of interest for the Isabel nickel deposits.

Shareholder information sessions

A number of shareholder sessions were held in Brisbane and Sydney at the end of May, to give an update on the Company's operations.

We welcome and enjoy open discussion with our shareholders, and plan similar events in the near future.

Key executive management appointment

Recruitment has commenced on a number of key management positions, with our first successful incumbent being Mr Ken Stein, who has taken up the role of Executive General Manager - Operations. Mr Stein brings to the company some 40 years of mining experience, particularly in nickel development, and bolsters our in-country management team to prepare our operations for upcoming fieldwork. Ken will be located in the Solomon Islands.

Solomon Islands summary

Isabel Nickel Project

| Tenements | Ownership | Location | Area |
|-------------------------|--|--------------------------------------|--------------------|
| San Jorge (PL 01/15) | 80% Axiom Mining Limited 20% interest held by landowning tribes | San Jorge Island, Isabel Province | 36 km ² |
| Kolosori | Nil - reapplication submitted | Santa Isabel Island, Isabel Province | 42km ² |

Solomon Islands Court of Appeal judgment

Axiom was granted a Prospecting Licence for the Isabel Nickel Project's San Jorge tenement in March 2015 with approval from the Solomon Islands Government and the customary landowners. Its close proximity to the Kolosori tenement enables Axiom to rapidly re-deploy most existing project infrastructure and resources to progress work on San Jorge.

Following the Solomon Islands Court of Appeal judgment, which considered the Kolosori tenement, on 1 April Axiom announced it would also focus its operations on the San Jorge tenement.

Axiom has been undertaking preliminary activities on the tenement, including community consultation and environmental studies, and further active development of the San Jorge tenement is anticipated in the coming months.

Kolosori tenement

On 9 May 2016, Axiom announced it had reapplied for a Prospecting Licence for the Isabel Nickel Project's Kolosori tenement.

Pre-feasibility Study

Through in-house consultants and a third party engineering firm, Axiom has been preparing a pre-feasibility study of the Isabel Nickel Project (both San Jorge and Kolosori tenements). The study, which confirms the economics of the project, is nearing completion.



Aerial view of the Isabel Nickel Project

Schedule of tenements

As at 31 March 2016

| Tenements held at the end of the quarter and their location | | | | | | |
|---|------------------|--|-----------------|-------------------------|------------------------------------|---------------------|
| Country | | Name and location | Tenement number | Interest held | Status | |
| Australia | | Cardross Project, Chillagoe, Qld | | | | |
| | | Cardross | ML 20003 | 100% | Granted | |
| | | Jessica | EPM 15593 | 100% | Granted | |
| | | Cardross | EPM 19821 | 100% | Granted | |
| | | Mount Molloy Project, Mareeba, Qld | | | | |
| | | Mt Molloy copper mines | ML 4831 | 100% | Granted | |
| | | Millungera Project, Georgetown, Qld | | | | |
| | | Blackbull | EPM 25252 | 100% | Granted | |
| | | Whitebull | EPM 25256 | 100% | Granted | |
| | | Redbull | EPM 25257 | 100% | Granted | |
| | | OK Mines Project, Chillagoe, Qld | | | | |
| | | OK North | ML 4805 | 100% | Granted | |
| | | OK South | ML 4806 | 100% | Granted | |
| | | OK Extended | ML 4809 | 100% | Granted | |
| | | OK Extended No. 2 | ML 4813 | 100% | Granted | |
| | | OK | ML 5038 | 100% | Granted | |
| Solomon Islands | | Isabel Nickel Project , Santa Isabel Island and San Jorge Island | | | | |
| | | Kolosori | | 80% | Deemed invalid by Court of Appeal. | |
| | | San Jorge | PL 01/15 | 80% | Under reapplication | |
| | | | | | Granted | |
| | | West Guadalcanal Project | | | | |
| | West Guadalcanal | PL 01/14 | 100% | Application for renewal | | |
| Schedule of tenements abbreviations | | | | | | |
| EPM | Queensland | Exploration Permit for Minerals | | PL | Solomon Islands | Prospecting Licence |
| MEL | Vietnam | Mineral Exploration Licence | | | | |

Contacts and notes

Contact details

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Further information

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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. The Company also owns all majority holdings in 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

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.

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