

# Isabel Nickel Project

Commencement of operations on San Jorge Island | October 2016



Australian Nickel Conference, Perth



**axiom**  
Build. Share. Protect.

This presentation has been prepared and is provided by Axiom Mining Limited ("Axiom" or "the Company"). It should not be considered as an offer or invitation to subscribe for securities in the Company or as an inducement to make an offer or invitation with respect to those securities. No agreement to subscribe for securities in the Company will be entered into on the basis of this presentation.

The Company has verified the accuracy or completeness of the information, statements and opinions contained in this presentation. However, to the maximum extent permitted by law, the Company makes no representation and gives no assurance, guarantee or warranty, expressed or implied, as to, and takes no responsibility and assumes no liability for, the authenticity, validity, accuracy, suitability or completeness of, or any errors in or omission from, any information, statement or opinion contained in this presentation.

Nothing contained in this presentation constitutes investment, legal, tax or other advice. The information in this presentation does not take into account your investment objectives, financial situation or particular needs. You should not act in reliance on the information in this presentation. Before making an investment decision, you should seek the assistance of your broker or other financial or professional adviser, whether an investment in the securities of the Company is appropriate in light of your particular investment needs, objectives and financial circumstances.

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 (Kolosori deposit) 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. However, the Company directs readers of this presentation to an ASX announcement dated 23 March 2016 advising that the Solomon Islands Court of Appeal had set aside Axiom's lease and prospecting licence in respect of the Kolosori deposit and a further announcement dated 9 May 2016 in which the company advised that it had subsequently re-applied for the prospecting licence.



**A UNIQUE OPPORTUNITY  
TO PARTICIPATE IN THE  
NICKEL MARKET**

# NICKEL DEMAND GROWTH CONTINUES WHILE CHINA REMAINS RELIANT ON IMPORTS

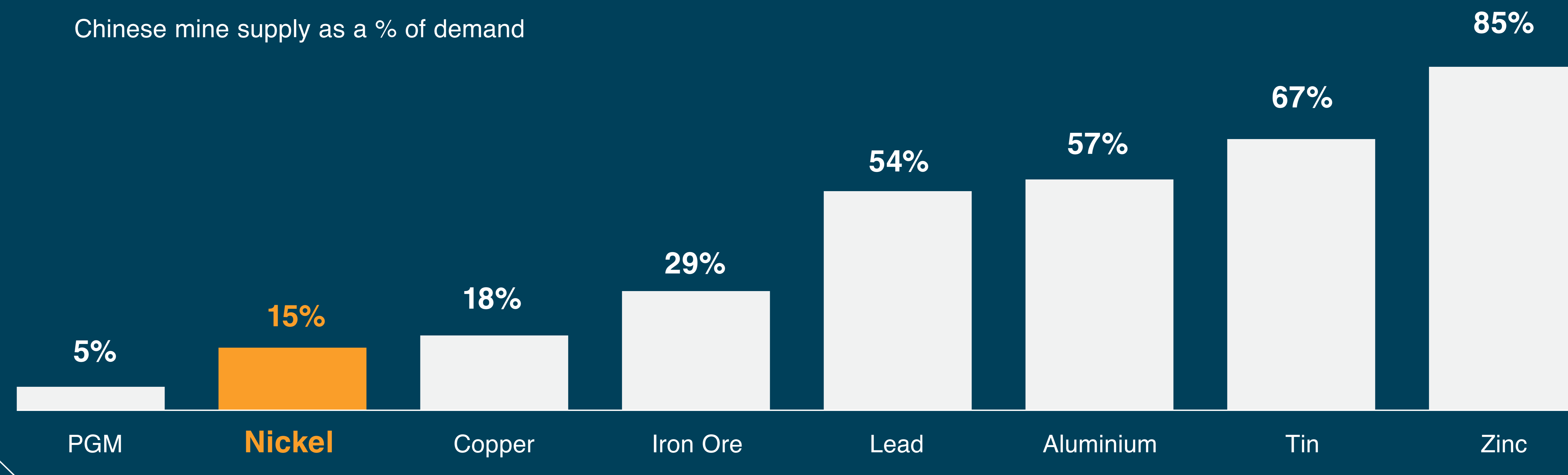
- It is forecasted that China will account for more than half of global demand by 2035
- As China's economy becomes consumer driven, demand for basic materials like carbon steel transforms into demand for stainless steels and ultimately into specialty alloys

- Specialty metals require a lot of nickel and drive non-stainless nickel consumption e.g. castings, eletro-plating, chemicals and especially batteries including vehicle / lithium-ion batteries such as those used by Tesla

*“Our cells should be called Nickel-Graphite, because primarily the cathode is nickel and the anode side is graphite... [there’s] a little bit of lithium in there, but it’s like the salt on the salad.” Elon Musk, CEO Tesla, May 2016*



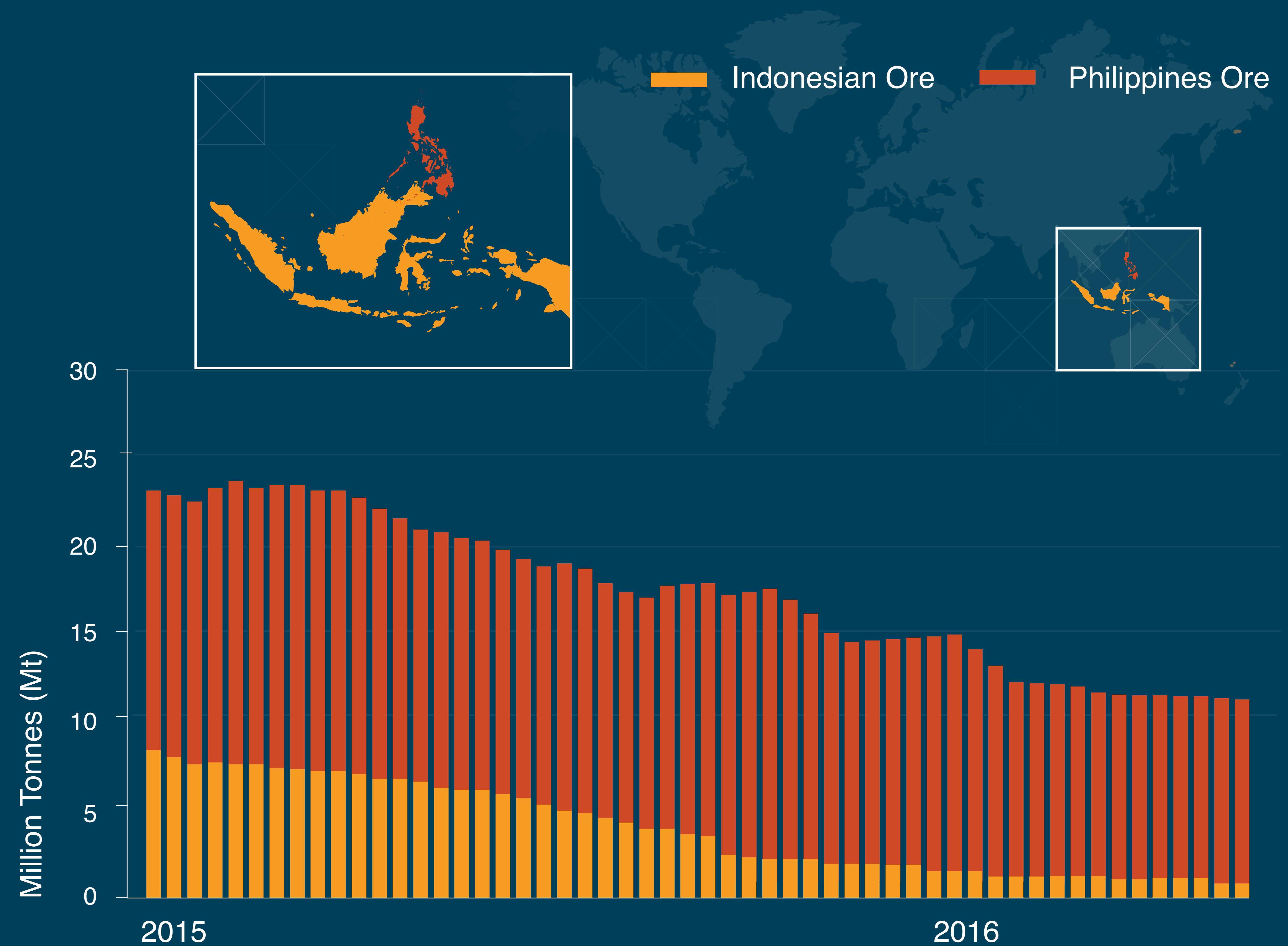
- Global demand for nickel has grown > 6% pa since 2010
  - Only 15% of Chinese nickel consumption is sourced domestically
- Chinese mine supply as a % of demand



Source: USGS, Wood Mackenzie Ltd, Macquarie Research

- Large, low cost sulphide mines are not being replaced.
- 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

## Chinese Nickel Ore Stocks

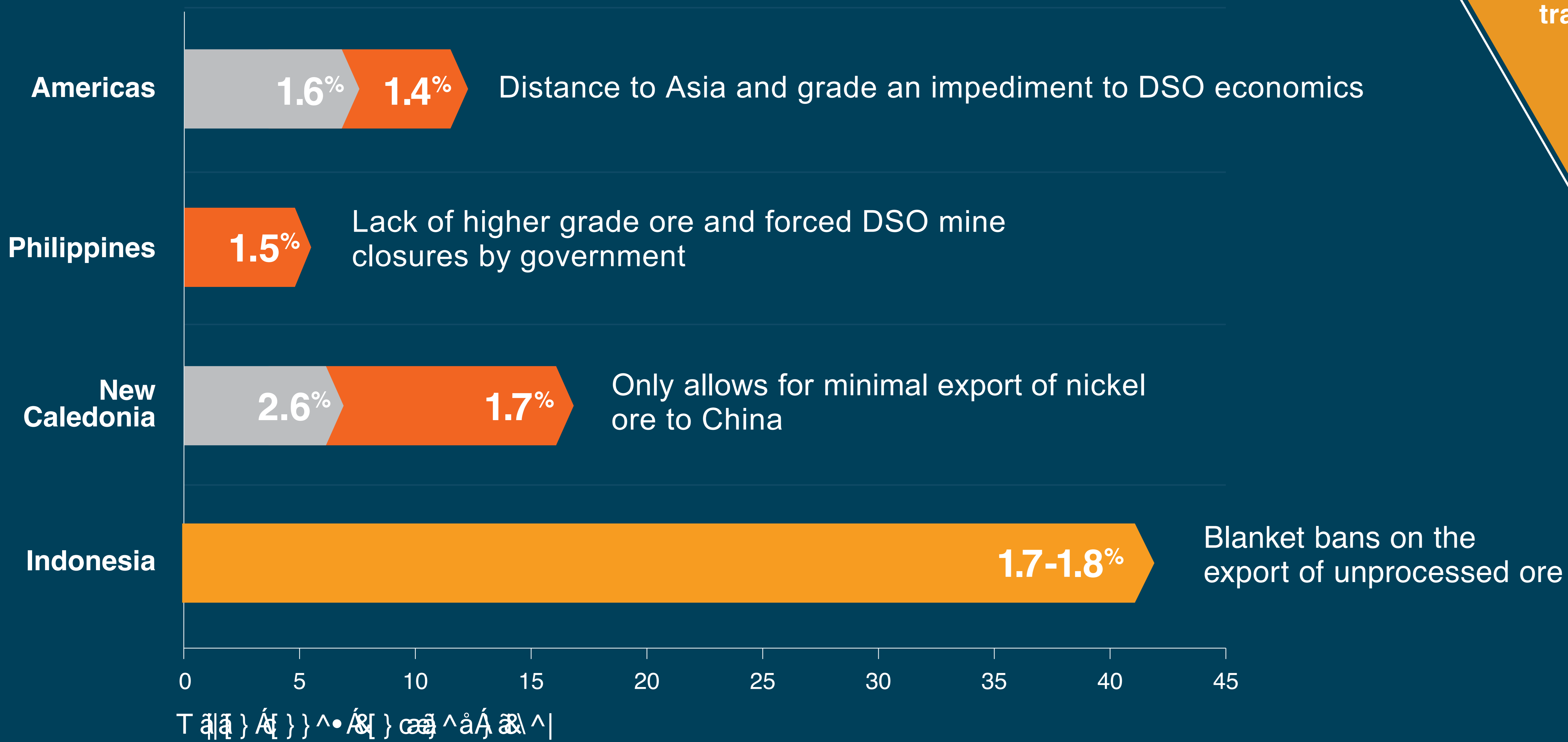


Source: Reuters, Glencore & Ferroalloy.net

# LIMITED ALTERNATIVES TO REPLACE HIGH GRADE INDONESIA LATERITE ORE

## World Saprolite Resources

■ DSO or undeveloped   
 ■ Tied producing smelter   
 ■ Indonesia   
 % = Ore grade



“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, Aug 2015




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

H.E. Mr Sudirman Said, Minister of Energy and Mining Resources for Indonesia, Sept 2015



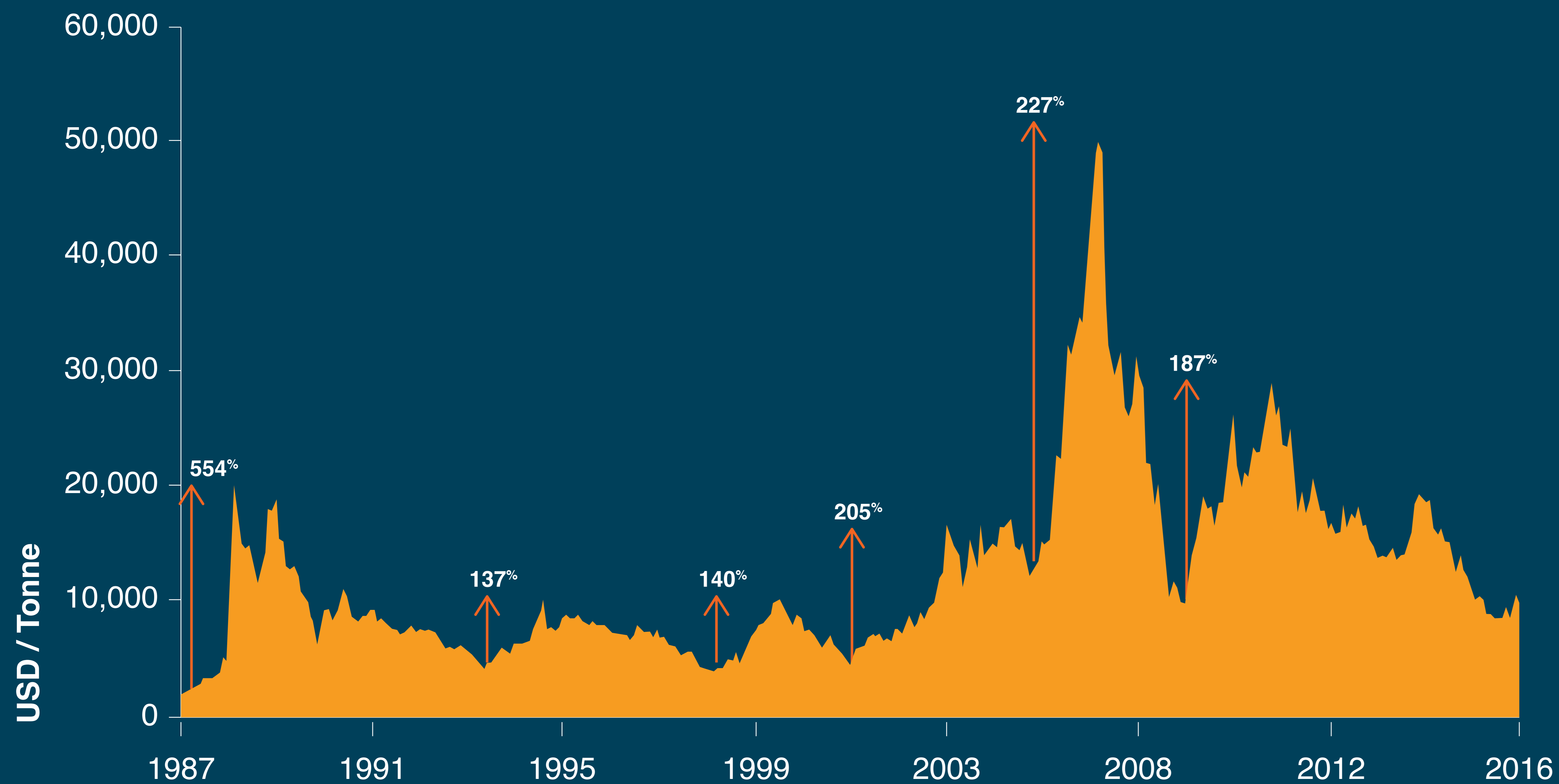
“If they (miners) are not doing well and they are not following the law, we will withdraw the ECC (environmental clearance certificates).”

Ms. Gina Lopez, Secretary of the Dept of Environment and Natural Resources for the Philippines, July 2016

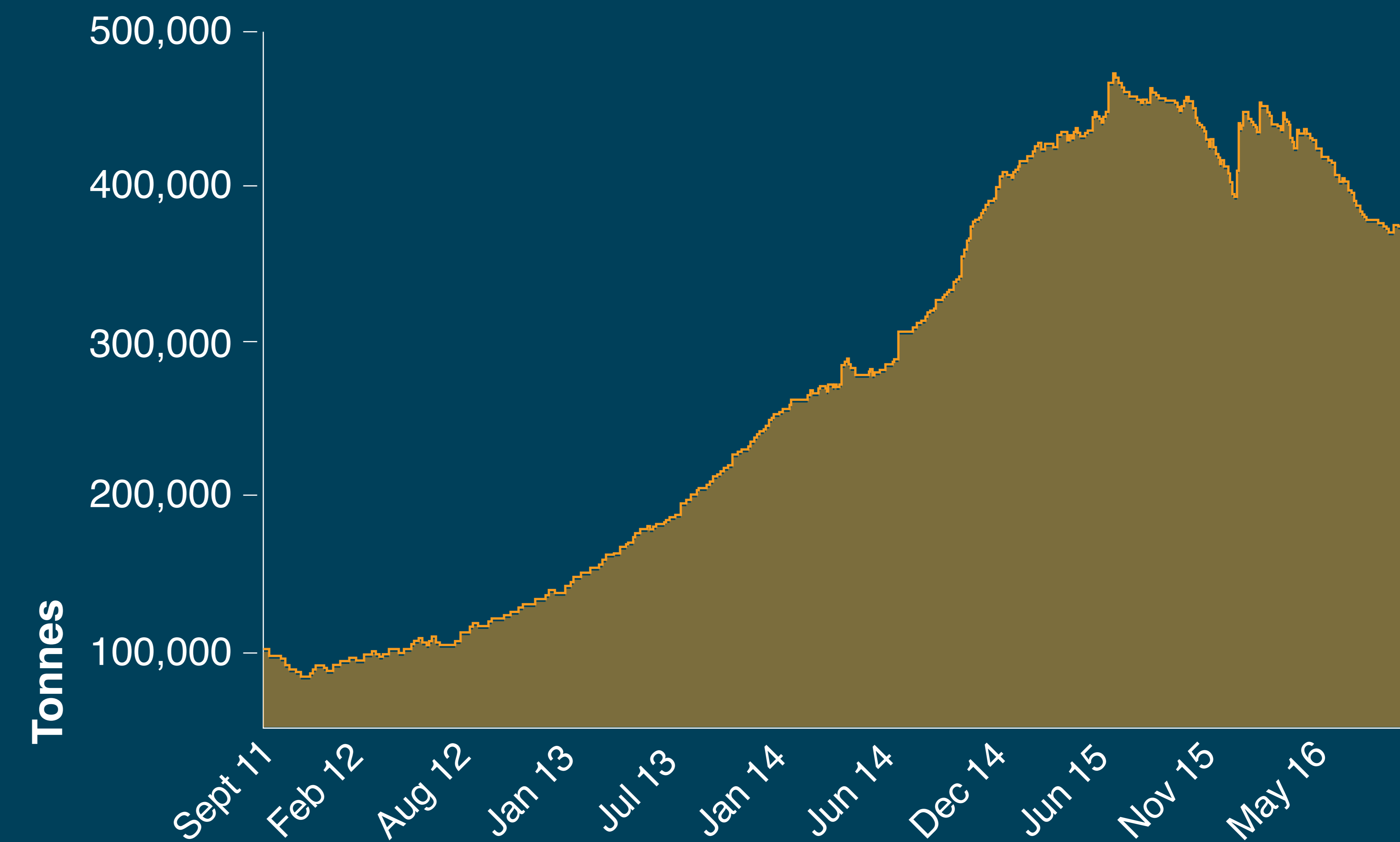


Source: Reuters & Glencore

## Nickel Price



## LME Nickel Warehouse Stock Level



When the nickel price corrects to the upside it does so very quickly.

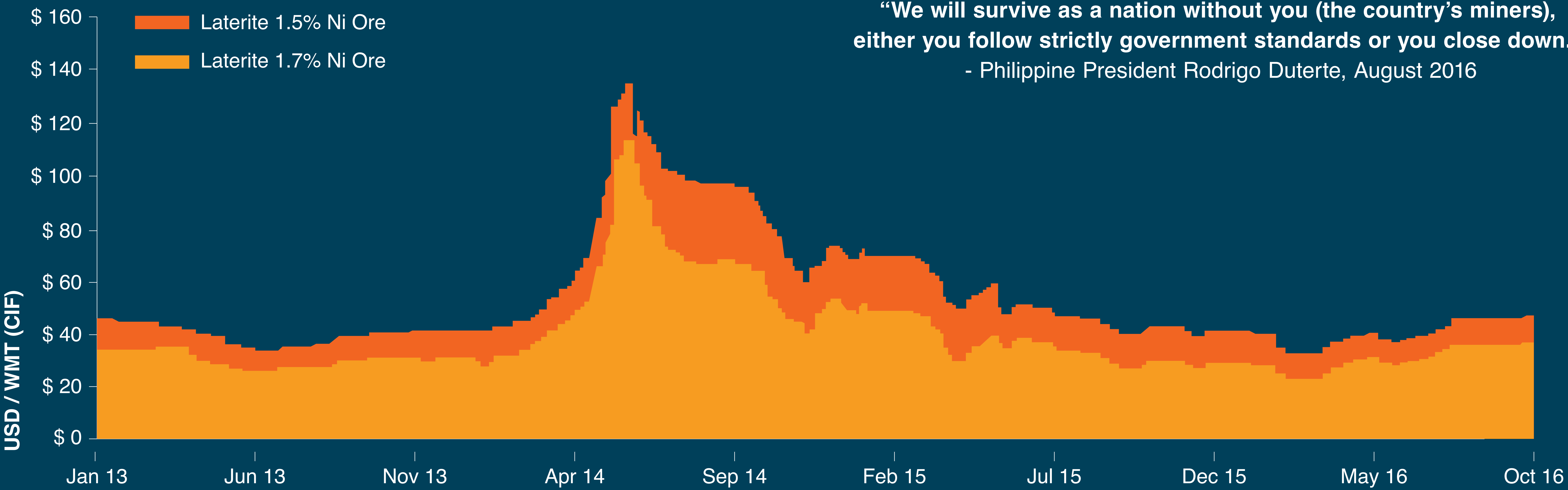
Previous rallies in nickel prices have occurred as quickly as 3 to 6 months after LME stocks peaked with corresponding nickel price increases of **150% – 300%**.

Some reports indicate that up to **50%** of LME nickel stocks could be tied up in financing arrangements and thus unavailable to the market.

Source: Bloomberg & Kitco Inc

# NICKEL ORE PRICE

## Nickel Ore Price



**“We will survive as a nation without you (the country’s miners), either you follow strictly government standards or you close down.”**  
- Philippine President Rodrigo Duterte, August 2016

**Recent nickel supply cuts indicate a positive, near term ore price correction to the upside**





# ISABEL NICKEL PROJECT

Mineralised Corridor

PACIFIC OCEAN

BISMARCK SEA

Papua New Guinea



**SIMBERI GOLD MINE**  
St Barbara Limited

**LIHIR GOLD MINE**  
Newcrest Mining Limited

**SINIVIT GOLD MINE**  
New Guinea Gold Corporation

**PANGUNA COPPER MINE**  
Bougainville Copper Limited

Solomon Islands

SOLOMOM SEA

**ISABEL NICKEL DEPOSIT**  
**AXIOM**  
Ni, Co

**GOLD RIDGE GOLD MINE**

New Guinea

Bougainville Island

Choiseul

New Georgia

Santa Isabel

San Jorge

Malaita

HONIARA

Guadalcanal

San Cristobal

CORAL SEA



0 100 200 300 km



**axiom**  
Build. Share. Protect.

# 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

New focus area for Axiom

Haul Road

Haul Road

Under re-application

9 km

PL 01-15

Kolosori Camp

7 km



## Prior Global Interest

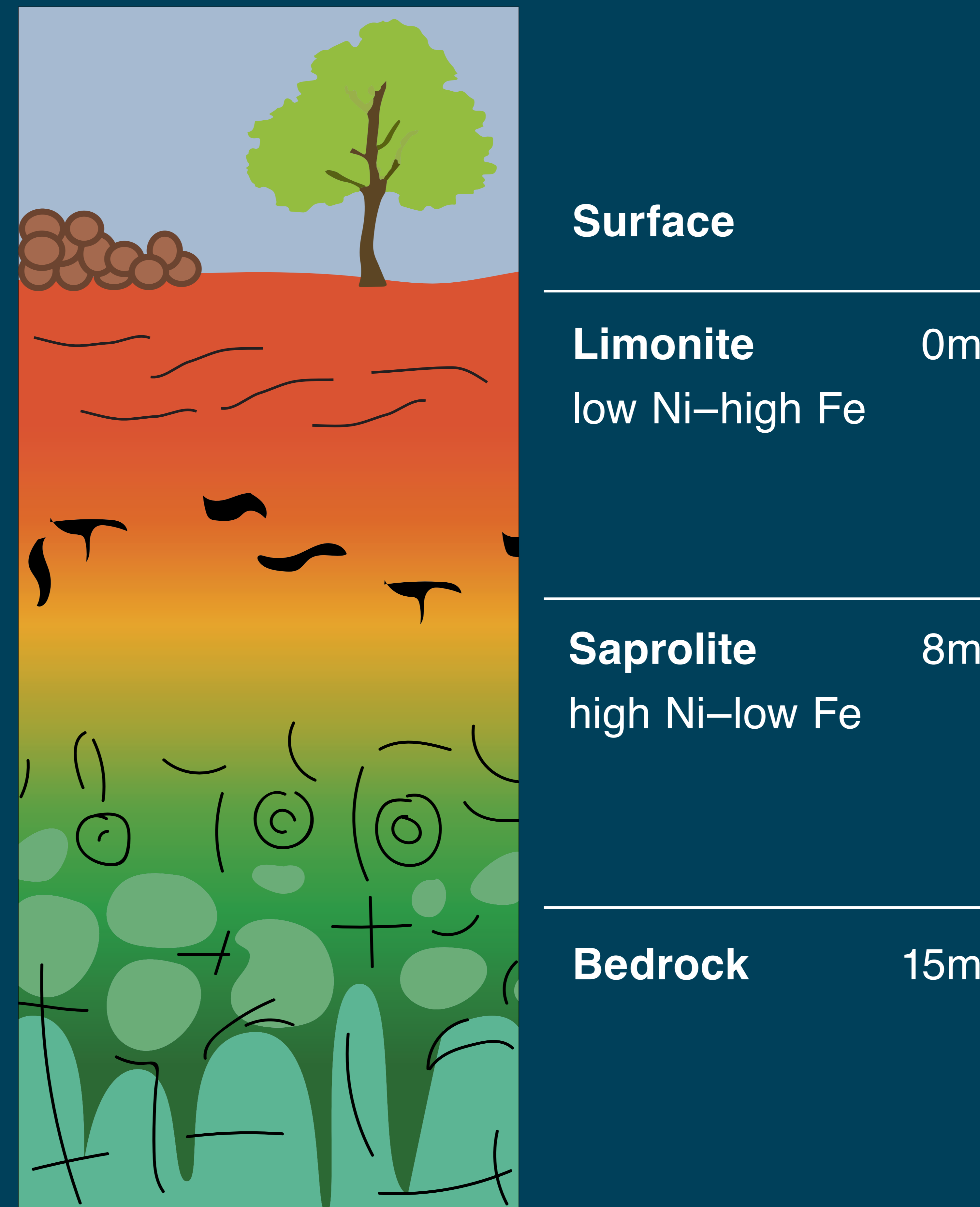
### 1956–1975 INCO

- Over 10 thousand samples from drilling and pitting
- Feasibility studies and bulk sampling
- Mine development plans disrupted by national independence in 1978

### 1991–1993 Kaiser Engineers

- Feasibility studies to confirm INCO (Vale) data
- Preliminary CAPEX and OPEX
- Economic analysis and financial modelling
- Drilling mostly focused on upper zone (limonite) with average drill depth of 5.5m
- Positive historical data encouraged Axiom to proceed with development on San Jorge

## Schematic Laterite Profile



## Axiom is first to drill the full profile of the deposit

- Initial drilling of Kolosori shows that higher grades that are in abundance lie immediately underneath the previously drilled limonite zone – emphasising the potential to produce a medium to high grade product.

### Drilling highlights - Kolosori\*

- 12.5 m @ 2.28% Ni from 8.3 m (ISD14-003)
- 7.7 m @ 2.67% Ni from 8.3 m (ISD14-004)
- 8m @ 2.2% Ni from 2m (KO-SP1295)

\*Kolosori deposit is subject to reapplication for the exploration rights by Axiom

# G5 B'>CF; 9 'E'A POTENTIAL K CF @8 '7 @5 GG'8 GC'DF C>97 H

## 7 i ffYbhCdYfU]cbg

- " Öi|Á| | \* |æ Á } á^|Á æ  
øÄ^fi} ^ÁRUÜÔÁÜ^• [ ^ |& Áæ áÁæ ææÁ^æ• Á | | á^ &Á | ÁÖÜUÁ æ æ \*
- " Ô [ { { ^ } æ Áæ áÁ [ &æÁ | | \* |æ •
- " Ò } çá [ ] { ^ } æÁ ç áá•  
øÄ^~ á^áÁ | Á æ æ \* Á^æ^
- " Ôæ ] Á• ææ|ã @á

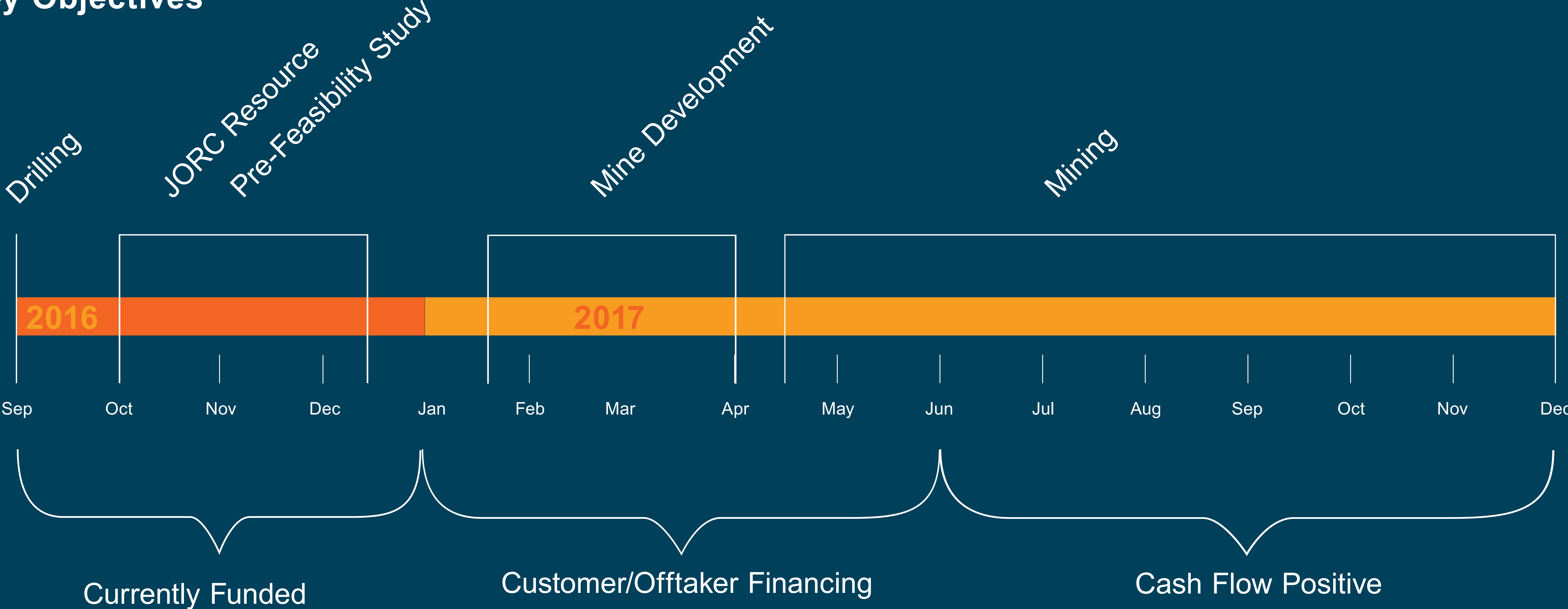
## HYbYa Ybh7\ UfUWYf]gh]Wg/ '8 YgW]dh]cb

- " Ûæ Á | \* ^ Á æ ^ Á ] Áæ ] | | çá æ | ^ Á É Á Á @ Á } [ , }  
 , [ | | áÁæ • Áææ^|Á æ ^ | Á^ ] [ • æ
- " Š [ &æ áÁæ Áææ^|Á | | çá & ÉÜ [ | | { [ ] Áææ á•
- " Ûæ & Á J Í € ç Áæ^ Á^ ^ } Á^ à^ & Á Á ç } • æ^ Á ç [ | | æá } Á & | áá \* Á^æ æáæ Á ç áá•  
øÁ ^ | | Á } á^ • ç [ áÁ^ [ | | \* ^  
øÁ æ ^ | | æá æá } Á | &æ áÁ^ ^ Á | • Á Á @ | ^ Áæ áÁ Á | [ ] [ • ^ áÁ | ^ Á | æá \* Áæááá•  
øÁ æ ^ | | æá æá } Á ææ Áæ^ | -æ^ Á æ@Á æ æ æ Á Á áÁ ç^ | à^ | á^ }

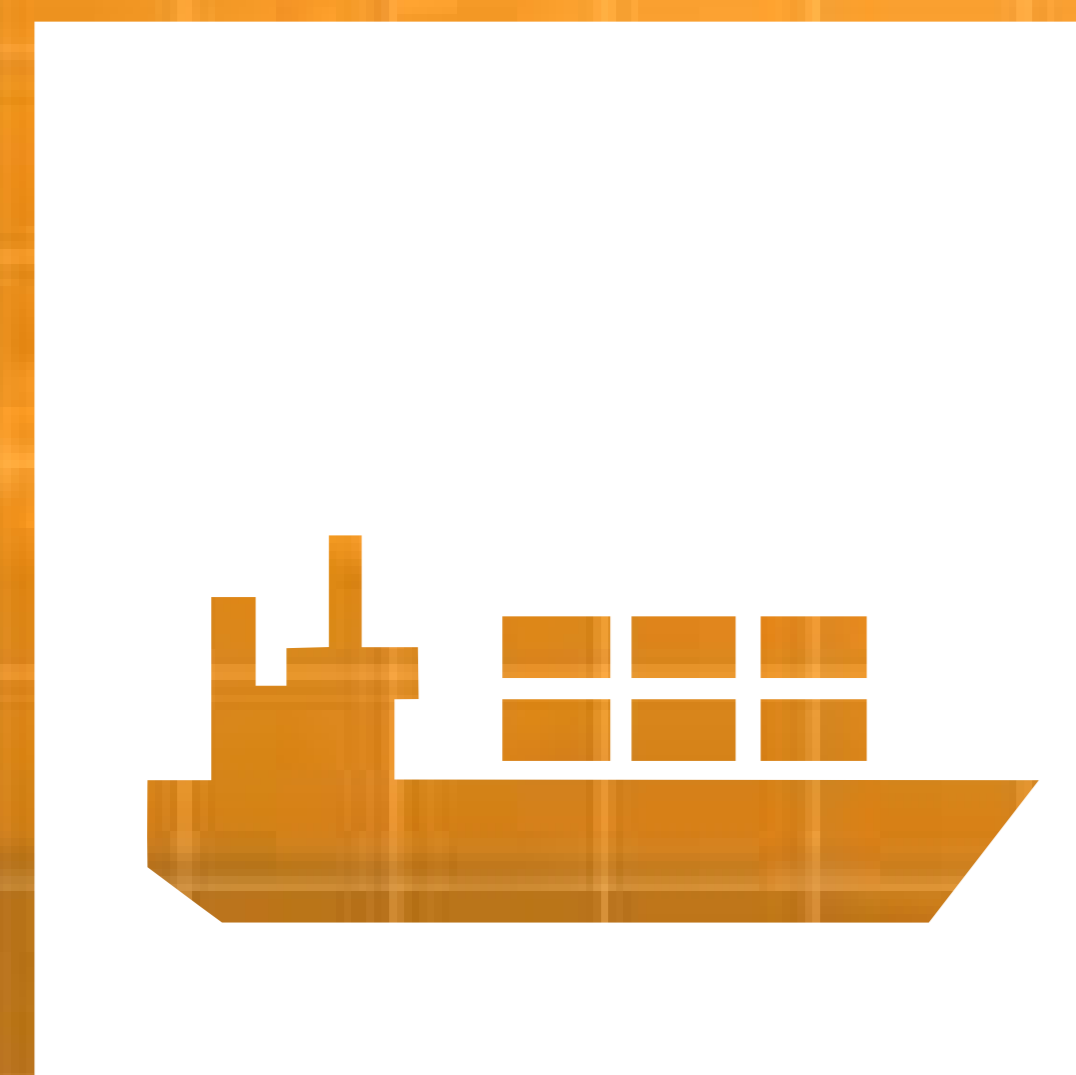


# SAN JORGE PROPOSED DEVELOPMENT SCHEDULE

## Key Objectives



The above time line is subject to change and relies on certain government approvals being granted without guarantee of success



# FINANCE AND CORPORATE INFORMATION



# OFFTAKE AGREEMENT AND DEVELOPMENT FINANCE WITH GUNVOR

- **AU\$5 million working capital finance facility**
- **Offtake agreement for 500,000 wet metric tonnes (WMT)**
- **Gunvor will also pre-pay majority of the value of each shipment**
- **AU\$10 million of debt finance available if Axiom provides Gunvor with offtake for up to four years of production**



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).



# CAPITAL STRUCTURE AND ACCESS TO CAPITAL

ASX Code	AVQ
Shares on issue	337.4 m
Options on issue	162.2 m
Top 20 shareholders	114 m (34%)
Market capitalisation	AU \$61 m
<b>Substantial shareholders</b>	
• Ack Pty Limited	6.60 %
• Drake Private Investments	4.98 %
• Anitua Limited	4.95 %
• InCoR Holdings Plc	4.38 %
<b>Access to capital</b>	
Ore pre-payment facility*	5 m
Debt facility*	10 m
<b>TOTAL</b>	<b>15 m</b>



\*Provided by Gunvor, subject to due diligence and final documentation

# EXECUTIVE MANAGEMENT



**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**  
Chief Executive Officer & Managing Director



CEO since 2010 establishing Axiom's operations in Solomon Islands and lead defence of company's rights during litigation proceedings and the development of the Isabel Nickel Project.  
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.

# EXECUTIVE MANAGEMENT



**MR KEN STEIN**  
Executive General Manager



40 years' experience in mining, including as Engineering Manager with BHP in Australia, East Timor and Africa.  
Previously COO for European Nickel and CEO of Toldeo Mining developing and managing nickel laterite mines in the Philippines.



**DR PHIL TAGINI**  
General Manager – Sustainable Development



Previously Special Secretary to the Prime Minister of Solomon Islands in charge of mining law and policy.  
Holds a PhD in mining law and regulation in Solomon Islands from Monash University.



**PROF DAVID DREISINGER**  
Technical Advisor



A world leader in development and implementation of hydrometallurgical recovery of base, precious and rare metals.  
Prof Dreisinger holds the position of Professor and Industrial Research Chair in Hydrometallurgy at the University of British Columbia.



# COMMUNITY PARTNERSHIPS

## AXIOM KB

### Directors

1. Chair - Axiom representative
2. Managing Director - Axiom representative
3. Axiom representative
4. Landholder representative
5. Landholder representative

Axiom Mining Ltd  
80% Ownership

Landowning Tribes  
20% Ownership

- Landowning tribes' 20% stake corporatised into legislated community company structure
- Joint venture model with landowners ensures transparency and operational efficiency through positive community relations



- 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

## 2016: SO FAR...

- 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
- Strategic alliances established—Anitua, Gunvor and InCoR

- Court of Appeal judgment delivered
- Reapplied for the Kolosori prospecting licence
- Commenced drilling program on San Jorge tenement
- Key board and management appointments



PROVEN OPERATIONAL AND  
MANAGERIAL CAPABILITY



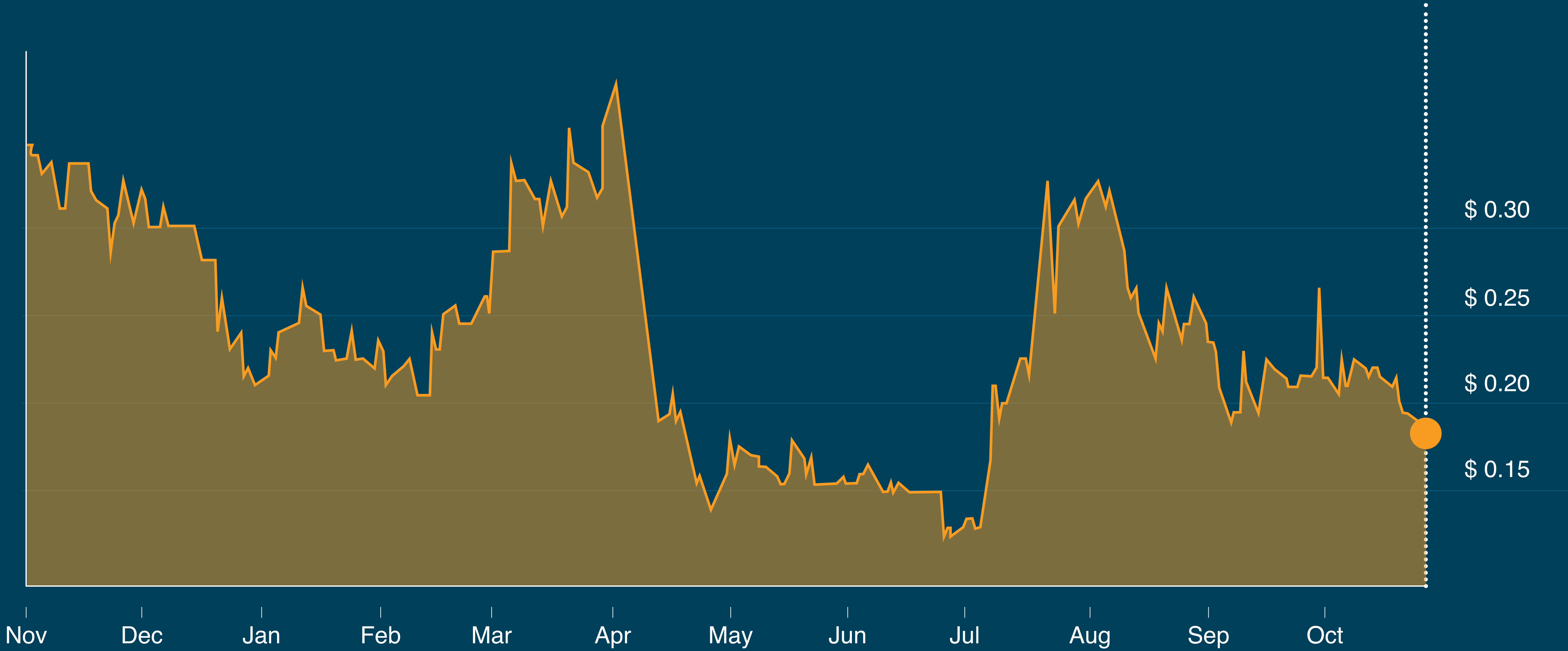
# OBJECTIVES FOR THE NEXT 6 MONTHS

- Pre-feasibility study
- Issue of the Kolosori prospecting license
- Mining Lease (San Jorge and Kolosori)
- Mine production



*The objectives above involve numerous risks and uncertainties that could cause actual results to differ materially from expected outcomes and are based on the Company's current beliefs and assumptions regarding a large number of factors affecting its business.*

# SHARE PRICE





**axiom**

**Build. Share. Protect.**

**Axiom Mining Limited**

Mendana Ave, Honiara, Solomon Islands

Level 6, 15 Astor Terrace, Spring Hill, Brisbane QLD 4000, Australia

t +61 7 3319 4100 e [contact@axiom-mining.com](mailto:contact@axiom-mining.com)

[axiom-mining.com](http://axiom-mining.com)

