

SOLOMON ISLANDS HIGH COURT ISABEL NICKEL UPDATE

- **Adjourned for hearing until 14 September on Axiom KB's application**
 - **Undertakings given by Axiom KB to be continued until hearing determined**
 - **SMM / Sumitomo tender letters and sworn documents by two of its joint claimants confirming withdrawal of their support for SMM / Sumitomo and pledging their support for Axiom KB**
 - **Axiom remains confident of a successful outcome for Axiom KB in proceedings**
-

Axiom Mining Limited ("**Axiom**") advises that Axiom KB has on its own application, and by consent, adjourned the proceedings brought by SMM/Sumitomo and other Claimants for interlocutory injunctive relief against Solomon Islands Government Ministers and Departments, Axiom KB and its landowner partners for hearing until 14 September 2011.

Axiom KB applied for the adjournment agreeing to continue the existing undertakings given by it when the proceedings were first heard in the High Court of Solomon Islands on 21 July 2011 under a certificate of urgency filed by SMM/Sumitomo.

The undertakings provided by Axiom KB are attached herewith.

The adjournment was sought by Axiom KB, in part, due to the unavailability yesterday of Axiom's Australian briefed Counsel.

The adjourned hearing date will provide Axiom additional opportunity to finalise the preparation of the Axiom KB case against SMM/Sumitomo and the other Claimants which is progressing well. The Directors remain confident of achieving a successful outcome in the proceedings at the conclusion of the hearing.

The Defendants, which include the registered Kolosori landowners, Axiom KB, the Attorney General and other Government Departments, consented to the adjournment yesterday on the agreement to continue the undertakings. SMM/Sumitomo's legal team vigorously challenged the application for the adjournment.



SMM/Sumitomo disclosed and tendered letters to the Court attaching statutory declarations from two of their joint Claimants. Those letters and documents indicated that one Claimant claimed to have signed a previous agreement with SMM against his will. These documents also indicated that both Claimants wish to withdraw their support of SMM / Sumitomo and now give their full support to Axiom KB (in relation to the Kolosori Isabel Nickel Prospecting Licence and Project).

SMM/Sumitomo's lawyers have indicated they may seek to question the veracity of those documents (despite each statutory declaration having been witnessed by a Commissioner for Oaths of Solomon Islands) but had been unable to contact or locate their clients to do so.

Further updates will be announced as the proceedings progress.

ENDS

About Axiom Mining Limited

Axiom Mining Limited is an advanced mineral exploration company with an 80% interest in the world class Isabel Island nickel deposit in the Solomon Islands, gold and silver projects in Vietnam and 100% owned highly prospective gold, silver and copper tenements in Chillagoe, North Queensland, in Australia. The company is listed on the ASX and operates in Australia, Solomon Islands and Vietnam.

For more information on Axiom Mining and details of our Solomon Islands, Vietnamese and Australian projects, please refer to the 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.

ATTACHMENT

“The formal Court Orders, which have not been made available by the Court at the time of releasing this announcement, also require Axiom KB by consent, as far as Directors understand, to make similar announcements relating to the agreed undertakings in the Solomon Star Newspaper, the Solomon Radio and to all Axiom KB staff which it intends to do as soon as practicable in accordance with those Court Orders.

The undertakings which have previously been provided and agreed to be continued by Axiom KB to 14 September 2011 are that Axiom KB will not:

by itself, its servants, agents or invitees (including any associated company) to:

1. enter:
 - (i) Takata (the area outlined in solid red on Exhibit YO-2); or
 - (ii) any part of the land covered by the First Claimant’s prospecting licence no. PL 48/07,
for the purpose of conducting any reconnaissance, prospecting or mining for any minerals whatsoever or any activity ancillary thereto, including without limitation prospecting by way of drilling;
2. pursue any negotiations or sign any agreement whatsoever for surface access rights over the areas of South San Jorge and Takata covered by the Sixth Defendant’s letter of intent issued on or about 12 April 2011, whether such negotiations are held or such signing is done within such lands or elsewhere including Honiara;
3. approach any of the Second to Seventh Claimants’ or the tribes and clans they represent with the purpose of inducing them to withdraw from the Claim or proceedings;

such undertaking to be continued until the determination of the application for injunctive relief.”