



24th May 2012

Silver Anomalies up to 995g/t at Condorama Project

Highlights

- Sample PECON00003 returned a value of **995g/t Ag**
- Sample PECON00004 returned a value of **229g/t Ag**
- Sample PECON00001 returned a value of **16.7g/t Ag**

AXG Mining Limited (“AXG”) is pleased to provide the market with the following update in relation to its exploration activities in South-Eastern Peru, South America. In total, 39 samples were collected from various locations across the Condorama property. Sampling was designed to cover areas of interpreted major structures prospective for gold, silver, copper, molybdenum and base metal mineralisation. Samples were collected and then submitted to ALS Peru S.A. laboratory in Lima, Peru for multi-element testing, including trace gold analysis. A complete table of recent results is included at the end of this release.

Detailed mapping at the Oro y Paloma copper-gold porphyry prospect area on the Condorama Property has since identified strong anomalous silver bearing breccia zones cross-cutting the main structural trend. The Phase One drill campaign will test the potential of the silver zone, while primarily exploring for new porphyry mineralization.

Oro y Paloma is one of seven potential targets identified across the 9,817 hectare Condorama property to date. Follow up work will include further geochemical sampling and mapping of the regional targets, with the view to refine new drill targets for later campaigns. The details of the new anomalous silver zone, Phase One drill campaign and other regional targets for future exploration are indicated on the attached map.

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AXG Executive Director, Gordon Sklenka, commented:

“Although at an early stage, we are delighted to already be witnessing the tremendous potential for significant mineralization at Condoroma. We look forward to beginning our Phase One drill campaign to primarily explore for large scale copper-gold porphyry mineralization, which typifies the very rich mineral belt we operate in.”

The Condoroma Project is on the prolific *Andahuaylas-Yauri* mineral belt in South-Eastern Peru, South America. Oro y Paloma lies on the Sultana Fault, a significant regional structure that connects the property to the Tintaya cluster. The Tintaya cluster hosts the Tintaya Copper – Gold Mine, Antapacay and Coroccohuayo Deposits (Xstrata), as well as the Quechua Discovery (Pan Pacific Copper) and Hudbay Mining’s Constancia project.

AXG’s Condoroma Project is approximately 15 kilometres south of Tintaya and along the same mineral trend. The region currently hosts in excess of four billion tonnes of copper-gold discoveries.

For and on behalf of the board,

Gordon Sklenka

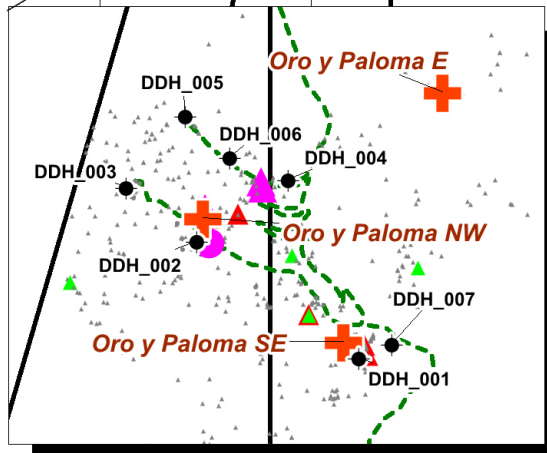
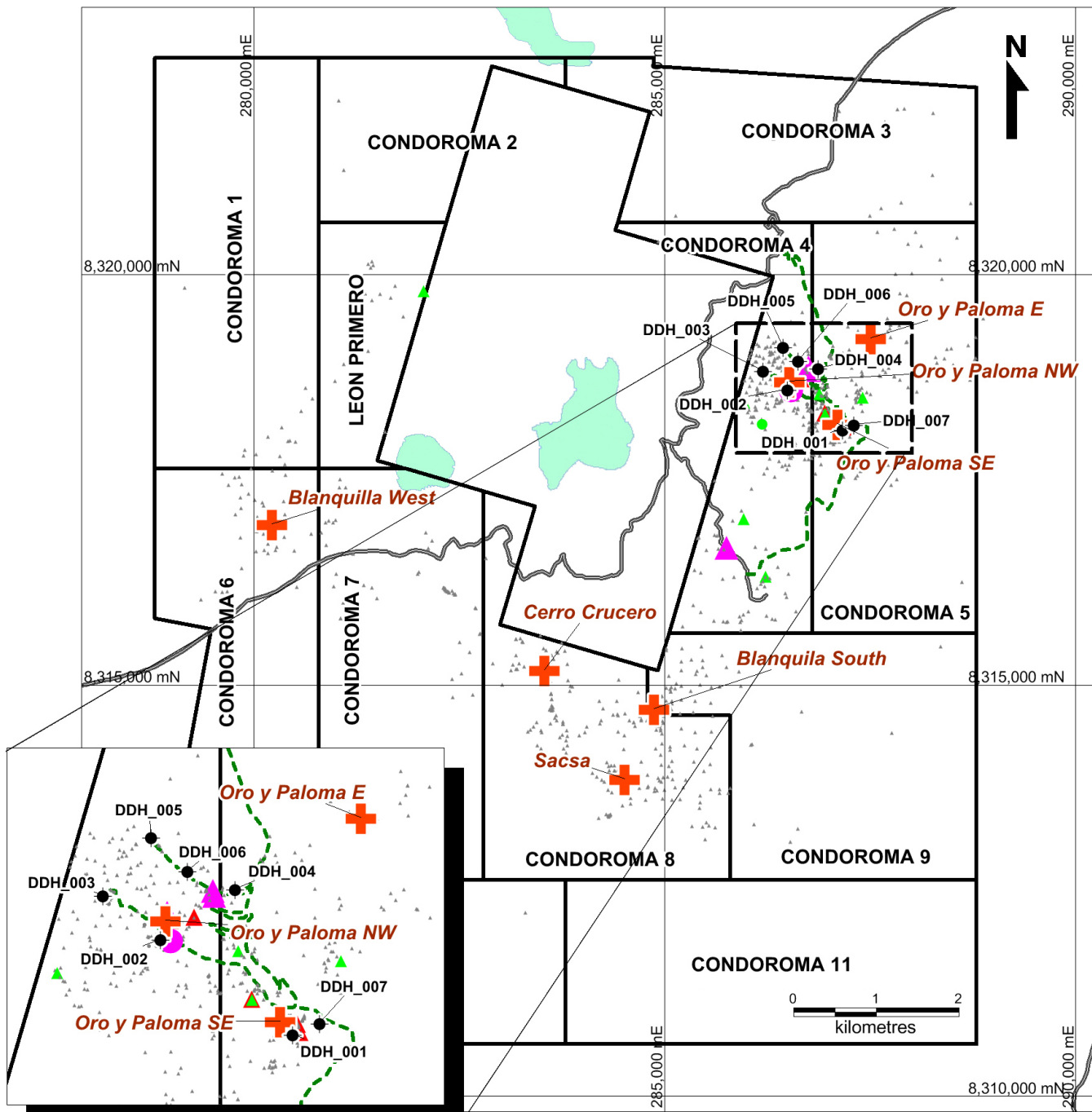
Executive Director

Competent Person Statement

The Exploration Results reported herein insofar as they relate to mineralisation, are based on information compiled by Mr Jeremy Niemi, APGO, who is a member of the Association for Professional Geoscientists of Ontario, who is Vice President, Exploration for AXG Mining. Mr Niemi has sufficient experience relevant to the style of mineralisation and type of deposits being considered to qualify as a competent person as defined by the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004 Edition). Mr Niemi consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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GEOCHEMICAL SILVER (Ag) RESULTS (ppm)	
AXG Rock Sampling Campaign	
● (Pink)	100 to 995 (2)
● (Red)	30 to 100 (0)
● (Green)	10 to 30 (1)
● (Grey)	0 to 10 (37)
Previous Rock Sampling Campaign	
▲ (Pink)	100 to 398 (4)
▲ (Red)	30 to 100 (5)
▲ (Green)	10 to 30 (8)
▲ (Grey)	0 to 10 (1043)

LEGEND	
	Lakes
	Unpaved road
	Proposed access
	Planned drill hole
	AXG Targets
	Claims
	Zoom area

AXG MINING LTD	
Condoroma Project	
Date: 23 May 2012	Geochemical Results, Drill Targets, and Planned Drill Holes
Author: J Hack	
Office: Toronto	
Scale: 1:75000	
Projection: UTM Zone 19, Southern Hemisphere (WGS 84)	

2012 SAMPLING PROGRAM – ASSAY RESULTS

SAMPLE	Ag	As	Ba	Bi	Cu	Mo	Pb	Zn	Au
DESCRIPTION	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm
PECON 00001	16.7	7,530	760	569	2,360	50	221	335	0.101
PECON 00002	1.5	32	240	<2	27	1	805	267	<0.005
PECON 00003	995	1,790	300	45	783	17	>10,000	>10,000	<0.005
PECON 00004	229	610	310	29	337	27	>10,000	8,480	<0.005
PECON 00005	0.9	14	10	<2	13	2	226	32	<0.005
PECON 00006	3.4	41	450	2	66	7	564	60	<0.005
PECON 00007	1.3	17	340	<2	39	3	244	102	<0.005
PECON 00008	0.9	24	380	<2	125	<1	48	106	<0.005
PECON 00009	<0.5	12	320	<2	77	1	58	64	<0.005
PECON 00010	<0.5	14	340	<2	70	<1	23	56	<0.005
PECON 00011	1.2	5	510	<2	12	5	24	7	<0.005
PECON 00012	0.5	9	400	<2	187	1	41	20	<0.005
PECON 00013	<0.5	<5	420	<2	159	1	49	15	<0.005
PECON 00014	0.7	21	410	<2	134	2	48	13	<0.005
PECON 00015	1.3	21	540	2	37	6	54	3	0.026
PECON 00016	1.9	20	420	<2	95	11	116	7	0.011
PECON 00017	0.6	26	430	<2	55	3	29	7	<0.005
PECON 00018	0.5	19	440	<2	63	2	45	3	<0.005
PECON 00019	0.6	18	450	<2	33	4	21	3	0.128
PECON 00020	6.6	262	400	7	77	18	888	36	0.281

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PECON 00021	0.9	30	490	10	109	5	29	21	0.008
PECON 00022	0.5	34	480	3	98	2	22	29	<0.005
PECON 00023	0.5	26	530	2	197	5	43	33	<0.005
PECON 00024	0.6	88	140	<2	63	17	47	277	<0.005
PECON 00025	<0.5	22	220	<2	21	<1	47	71	<0.005
PECON 00026	<0.5	12	270	<2	10	<1	46	95	<0.005
PECON 00027	0.5	13	290	<2	22	1	50	140	<0.005
PECON 00028	0.8	12	290	<2	38	1	55	127	<0.005
PECON 00029	0.9	13	770	<2	111	1	49	181	<0.005
PECON 00030	0.9	23	360	<2	101	1	82	21	<0.005
PECON 00031	<0.5	26	430	<2	97	1	62	15	<0.005
PECON 00032	0.6	<5	510	<2	1,420	5	13	63	0.01
PECON 00033	<0.5	15	430	<2	60	<1	33	47	<0.005
PECON 00034	<0.5	9	350	<2	24	<1	34	46	<0.005
PECON 00035	0.6	12	540	<2	31	<1	75	61	<0.005
PECON 00036	0.5	20	180	<2	20	<1	108	48	<0.005
PECON 00037	0.5	53	650	<2	30	3	124	73	<0.005
PECON 00038	0.8	9	520	<2	1,430	6	14	63	0.007
PECON 00039	0.7	29	500	<2	27	1	44	62	0.007
PECON 00040	0.5	23	400	<2	48	1	141	74	<0.005
PECON 00041	0.5	12	350	<2	20	1	51	76	<0.005
PECON 00042	<0.5	16	360	<2	16	<1	39	76	<0.005
PECON 00043	0.9	50	490	<2	236	4	40	34	0.005
PECON 00044	0.9	29	510	10	138	14	51	31	0.025

Important Note: Samples in yellow are control samples for QAQC.

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