

26 September 2008

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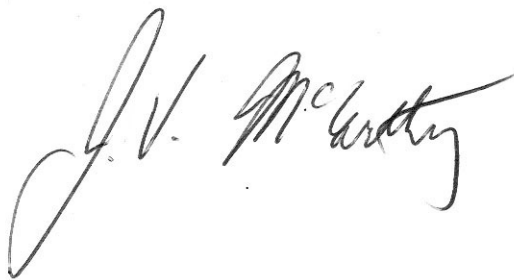
Dear Sir,

AXIOM MINING LIMITED (ASX CODE: AVQ)
ASX Announcement

Axiom's First Resource Estimate
Nightflower Project
North Queensland

In accordance with Listing Rule 3.1, we attach the following.

Yours faithfully

A handwritten signature in black ink, appearing to read 'J.V. McCarthy', written in a cursive style.

J.V. McCarthy
Executive Director-Geology
Sydney, Australia

High-Grade Silver & Base Metal Inferred Resource Nightflower Project, North Queensland

- Drilling at Nightflower has confirmed the high-grade nature of silver & base metal mineralisation at the “Digger Lode”
 - An initial inferred resource containing 1.34 million ounces of silver as well as lead, zinc and copper has been estimated
 - Drilling, mapping and IP data all support continuity of mineralisation within the host Nightflower Fault away from the high-grade Digger Lode inferred resource
 - Significant gold is present in and adjacent to the Digger Lode, but this has not been included in the resource estimate
 - Further drilling is expected to be conducted along the Nightflower Fault in late 2008
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Axiom Mining is pleased to report an initial Inferred Mineral Resource Estimate¹ for its Nightflower silver & base metal project, located 50km north of Chillagoe, North Queensland.

The resource is contained wholly within the “Digger Lode” (Figure 1) and has been estimated in the ‘inferred’ category. The inferred resource estimate is:

- **215,534 tonnes at 193.6g/t Ag, 4.91% Pb, 2.2% Zn and 0.15% Cu**

The high-grade Digger Lode mineral resource is hosted within the Nightflower Fault, a structure known to be mineralised over nearly 2km of strike (Figure 2). A robust geological model has been developed from a combination of surface mapping of the lode and drill hole geological and assay data. The higher-grade lode is well constrained by data points, although there are variations in grade and thickness and the inferred resource has not been extrapolated far beyond the limits of the detailed drilling. The high-grade resource has not been closed off at depth and Axiom geologists believe there may be potential for extensions down-plunge. Additional drilling will be required to assess this potential.



¹ All references to ‘mineral resources’ in this report refer to estimates that have been reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ‘The JORC Code’ 2004 Edition.

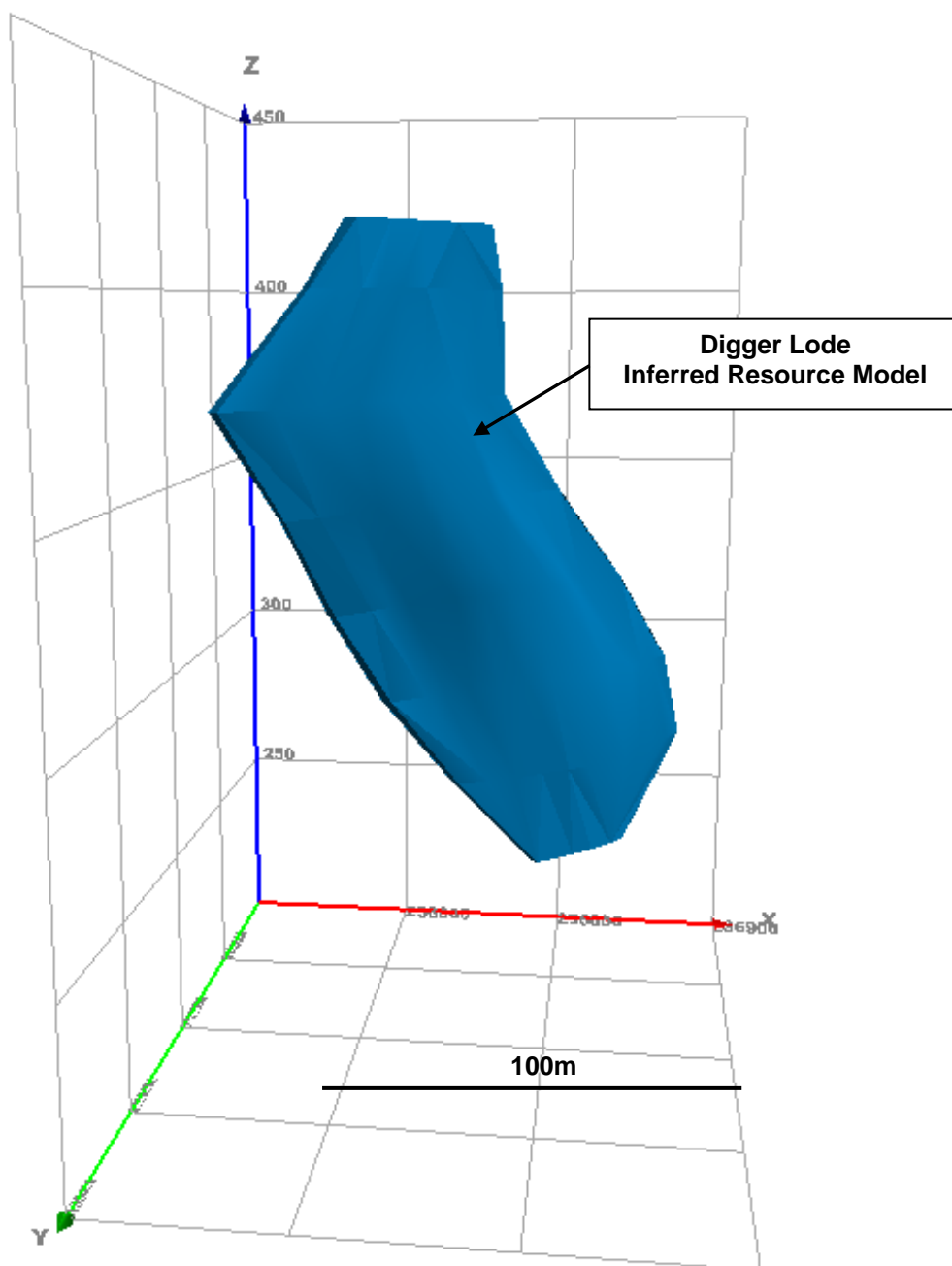


Figure 1: Digger Lode Inferred Mineral Resource 3D model shell. View is in section, looking north.

Notes on Digger Lode Resource Estimate

The inferred resource is estimated using data from 8 drill holes that intercept the inferred resource block. Drill hole collars for recent drilling have been located by hand-held GPS. Coordinates are recorded in projection MGA 94 (GDA Zone 55). Historical drill holes have been located by GPS or collar locations have been converted to GDA 94 from historical maps registered from a DGPS survey pickup of previous landmarks and the control baseline. Drill core from the recent drilling by Axiom was split in half and assayed at ALS Chemex Townsville. Sampling was either geologically controlled or by 1m intervals of core. In addition to half-core remnants, pulps from the recent drilling have been retained for check assaying. Assay data from historical drilling is considered representative. All assay data is compiled into an "Access" database.

A series of sections and plans have been compiled from drill intercepts, with the high-grade resource clearly outlined. This resource outline has been used to develop and model the 3D lode shape, which was used to calculate a volume. Grade was estimated using weighted averages of drill hole assay intercepts.

Density used for tonnage calculation is based on a mathematical formula using metal densities and assay grade and an assumed density for the host rock (refer notes for Table 1).

The modelled inferred resource is centred on 236833.7mE, 8135536.4mN and 332.5m RL, strikes approximately 34° and has an apparent plunge of approximately -48° to the north-northeast. The inferred resource block is based on a minimum true width of 2.5m and has a maximum true width of 8.5m.

Table 1: Digger Lode Inferred Resource Estimate

Resource Category	Tonnes	Ag g/t	Pb%	Zn%	Cu%
Inferred	215,534	193.6	4.91	2.20	0.15
Contained silver = 1.34 Moz (1 oz equals 31.1034g)					

Notes:

1. Minimum true width of 2.5m applied with a minimum lead weighted average value of 1.5% Pb for all true width grade calculations
2. Specific Gravity (SG) of 3.18 - calculated by the following formula: $(Cu\% \times 8.96 + Pb\% \times 11.34 + Zn\% \times 7.14 + Host\ Rock\ \% \times 2.65) / 100$
3. Digger Lode contains strongly elevated Au (up to 3.14g/t over 1m downhole width) – not included due to lack of Au assay data in historic drill holes
4. Digger Lode contains elevated As and Sb – these metals are not considered in the assumed metallurgical recoveries
5. Metal recovery is assumed only, although partly supported from previous preliminary metallurgical test work by Robertson Research 1973

Nightflower Fault Mineralisation

Additional to the Digger Lode Inferred Mineral Resource, results from recent and past drilling show the Nightflower Fault mineralisation maintains remarkable continuity along strike and down dip being intercepted in all holes drilled to date (Figure 2). This is supported by a strong coherent chargeability response from the recent dipole-dipole IP geophysical survey (see ASX releases of 12 June, 1 July and 12 August 2008).

Based on this data a triangular shaped area surrounding the Digger Lode inferred resource has been outlined (area inside black dashed lines in Figure 2) within the Nightflower Fault that may contain up to 500,000 tonnes of mineralisation with possible metal contents approximating 100g/t Ag, 2.5% Pb, 1.1% Zn and 0.1% Cu based on weighted assays from eleven widely spaced exploration drill holes and assuming a minimum mining width of 1.5m. Please note this is not part of the Digger Lode Inferred Resource and it should be further understood that the tonnage and metal grade within this area are conceptual in nature only as there has not been sufficient exploration completed to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

Axiom geologists believe there is also significant potential for additional high-grade mineralisation down-plunge from the Digger Lode inferred resource and elsewhere along the Nightflower Fault. To further assess this potential, additional drilling is proposed north of the present drilling on the Digger Lode and south to the Terrace prospect. Mapping, rock chip sampling as well as previous drilling indicate the D9 area (see Figure 2) to be particularly prospective and this is also supported by an increased IP response at depth in that area.

For further information:

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 Axiom Mining
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Geological information presented in this report is based on exploration results compiled by Mr John Weil and Mr Glen Little and the information that relates to Mineral Resource by Mr John McCarthy. Mr Weil is a Fellow, and Mr Little and Mr McCarthy are Members of the Australasian Institute of Mining and Metallurgy, respectively and have sufficient experience that is relevant to the styles of mineralisation and types of deposits under consideration and to the activity, which they are undertaking to qualify as Competent Persons in accordance with Clause 8 of the JORC Code. Mr Weil, Mr Little and Mr McCarthy are full-time employees of the Company and consent to inclusion in this report of the matters based on their information in the form and context in which it appears.

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 there 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.

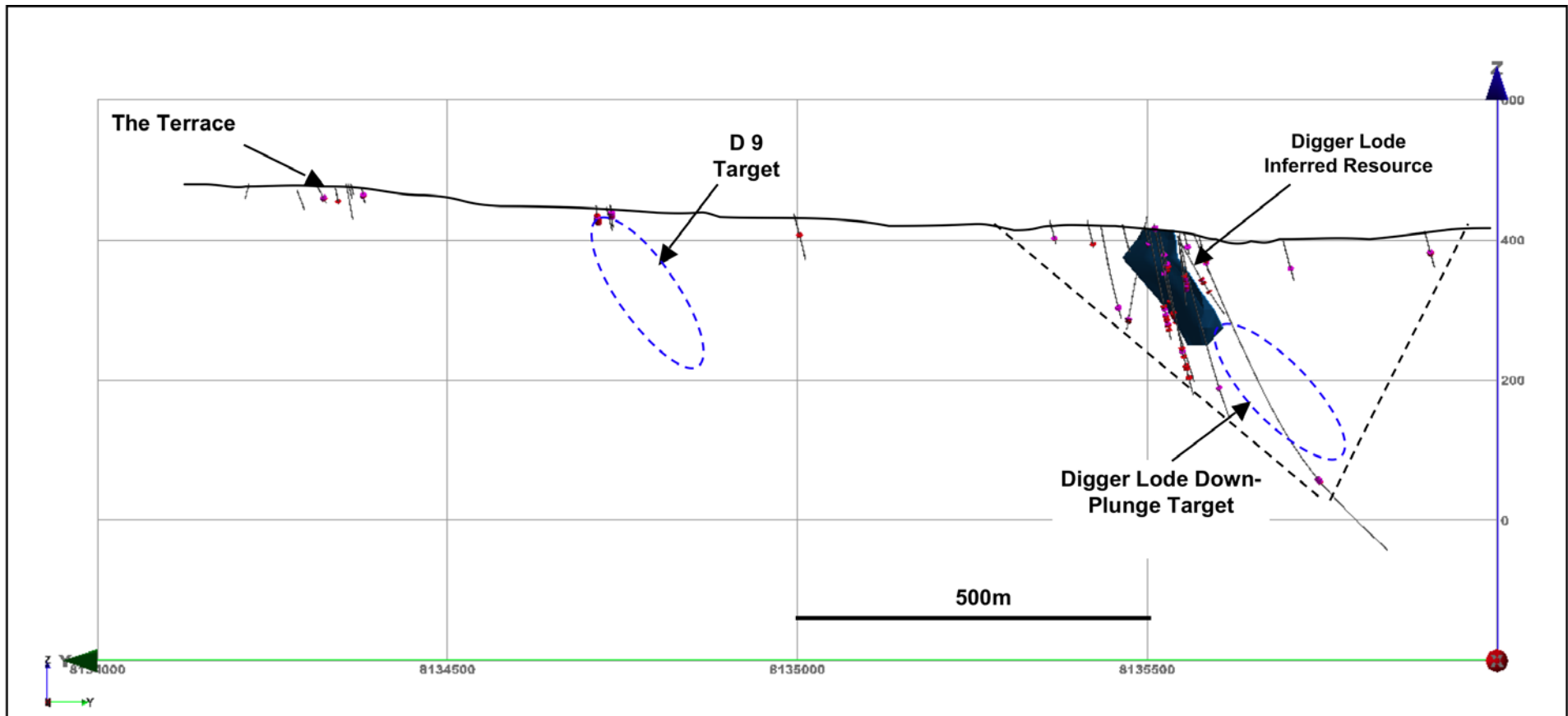


Figure 2: Nightflower Fault in long section – view looking west. Historic and recent drill holes are displayed with Pb values >0.5% shown in red and Pb values >1% shown in pink. Notable is the consistency of mineralisation intersected in drill holes.