

1 March 2011

ASX / Media release (amended)

**AXIOM SECURES A STRATEGIC LEASEHOLD OVER LAND
ENCOMPASSING WORLD-CLASS ISABEL NICKEL DEPOSIT**

- **Axiom Mining secures a 50-year lease over land encompassing the majority of the Isabel nickel and cobalt deposit.**
- **Axiom's strategic alliance with the customary landowners is strengthened through a new joint venture company called Axiom KB Limited.**

On 24 February 2011 Axiom Mining Limited (**'Axiom' or 'the Company'**) secured an 80% interest with a signed and registered 50 year lease over 45 sq.km of the title to land of the Kolosori Landowner Trustees encompassing the majority of the Isabel Nickel and Cobalt Laterite deposits in the Solomon Islands (**'the Isabel Deposits'**).

The Company achieved this by strengthening its relationships with the customary landowners of the Isabel Deposits. This has resulted in the incorporation of Axiom KB Limited in the Solomon Islands, which is 80% owned by Axiom and 20% jointly owned by the Kolosori and Bungusule Landowner Trustee groups.

The 50-year lease was registered last week by the Register of Titles at the Honiara Land Registry in the Solomon Islands in the name of Axiom KB Limited after the Kolosori Landowner Trustees secured the registration of a title to a Perpetual Estate of land which includes the Isabel deposits. Axiom's agreement with the Bungusule Landowner Trustees is to achieve a similar outcome for the San Jorge nickel and cobalt resources.

With land access now secured, Axiom KB Limited will begin the process of applying for a prospecting licence in accordance with the Mines and Minerals Act of the Solomon Islands.

Axiom's Chief Executive Officer Ryan Mount said: "This lease has opened the way for Axiom to overcome the historic impediment as to why this world class deposit has never been developed – land access. Together with the traditional landowners, Axiom is now in an excellent position to plan and develop the Isabel Deposits into one of the largest nickel mines in the world."

He added: "This outcome could not have been achieved without the assistance and close working relationship we have developed with our traditional landowner partners. Axiom is looking forward to bringing the whole project to fruition to our mutual benefits and particularly the people of the Solomon Islands."

The lease

The lease covers 45sq km of Santa Isabel Island in an area known as Takata. This area was previously under the customary ownership of the Kolosori people, with whom Axiom has an exclusive partnership.

The Kolosori Landowner Trustees were recently granted the Perpetual Estate title after successfully proceeding through the land registration process. A lease in the favour of Axiom KB Limited was then granted over the Perpetual Estate.

The lease is for 50 years, is exclusive to Axiom KB Limited, has a permitted use for all mineral prospecting and mining and related activities (assuming the appropriate licences are in place with authorities). It has been approved and registered at the Honiara Land Registry with stamp duty and rent paid in advance.

The terms of the lease give Axiom (through its interest in Axiom KB Limited) great scope and commercial flexibility to deliver on its business plan.

Axiom KB Limited

On 20 October 2010 Axiom announced it had entered into an exclusive agreement with the Kolosori and Bungusule Landowner Trustees and was granted an option to acquire an 80% interest in a joint company subject to certain milestones being achieved.

The parties agreed to accelerate that agreement and Axiom KB Limited was incorporated in the Solomon Islands with Axiom owning 80% and the Kolosori and Bungusule Landowner Trustee groups jointly owning 20%. The Solomon Islands Foreign Investment Board has granted approval to this registration and ownership.

Axiom KB has five directors, with one each from the two landowner groups and three from Axiom that include its Chairman and Chief Executive Officer. It is this company that will apply for the relevant prospecting licences and subsequent mining licences under the Mines and Minerals Act and other Laws of the Solomon Islands.

Axiom's history in the Solomon Islands

Axiom has had a relationship with the customary landowners of the deposits since 2007. After its new Board and management team were appointed in 2010, the Company re-established these relationships – particularly with the Kolosori and Bungusule Trustees. This resulted in a commercial opportunity with an agreement signed in October 2010. The two landowner groups own the mineralised land on Santa Isabel and nearby San Jorge Islands. (See ASX Announcement 20/10/10)

History of the Isabel Nickel deposits

The Isabel deposits are laterite nickel and are located on Santa Isabel Island and San Jorge Island in the Solomon Islands. These typical tropical nickel and cobalt laterite deposits were first explored and defined by International Nickel Company Limited (INCO) between 1957 and 1975.

Between 1993 and 1995 Kaiser Engineering (now Hatch Limited) undertook a validation program, excavating 34 pits to compare analytical results with 43 INCO pits. Kaiser classified the laterite deposits into high Fe Limonite and low Fe Saprolite separated by a narrow transition zone up to a metre thick. The company also reported that less than 10% of the deposits had any overburden cover.

Although historical exploration involved over 6,000 drill holes and pits it did not test the full extent of the deposits as the total thickness of the Saprolite zone of the deposit had not been sampled and large areas of Limonite were not sampled at all as land access was not possible for either Kaiser or INCO. Kaiser pits averaged 5.2m in depth and they commented “most of the pits failed to penetrate the entire laterite profile...” and “any future work will require a larger excavator and other equipment”. The full thickness of the Saprolite will need to be tested as this zone contains the highest concentrations of Ni in tropical laterite deposits.

Various large and small mining companies have tried to secure the deposit from 1975 to today, but all failed. The principal reason Isabel has not proceeded to mine development so far is due to a lack of support from the customary landowners. All past development attempts were based on an erroneous assumption that the central government would force landowner cooperation. Solomon Islands law and rights lean heavily in favour of the landowners.

Land ownership in the Solomon Islands

There are two main forms of land ownership in the Solomon Islands – customary land and perpetual estate. Most land falls under customary land ownership, where the land is passed down through family and traditional tribal lines. Within the islands the true customary landowners are mostly known, but there are sometimes conflicting claims to the land.

All aspects of Solomon Islands law clearly provide for customary landowner(s) to participate in most commercial activities. Customary landowners can further define their land ownership through a registration process, which if successful grants them a Perpetual Estate title. This has two main benefits: it deals with any competing claims to the land, which are eventually resolved and confirmed in the High Court of the Solomon Islands; and it allows the landowner (Perpetual Estate holder) to have a full range of commercial options such as being able to lease their land.

The Constitution of the Solomon Islands provides more rights and powers for its landowners than any other ‘Western nation’. Most commercial activities on land require the express consent and agreement from its landowners. This includes mining exploration and development, which also require the requisite consents and licences under the Mines and Minerals Act of the Solomon Islands.

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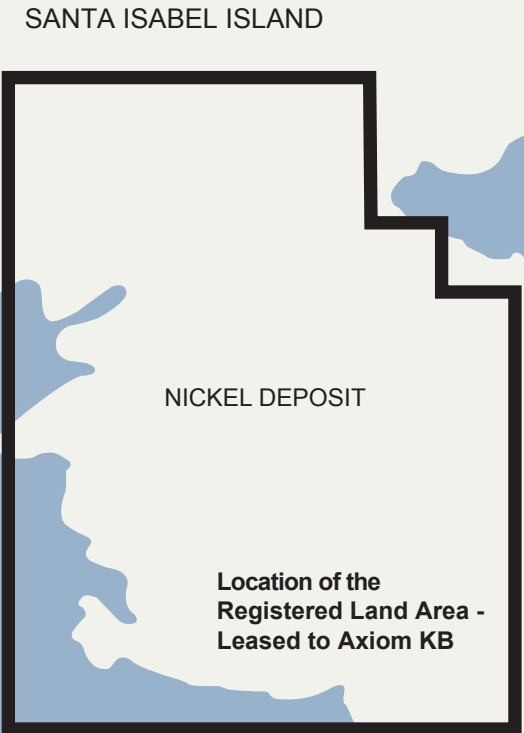
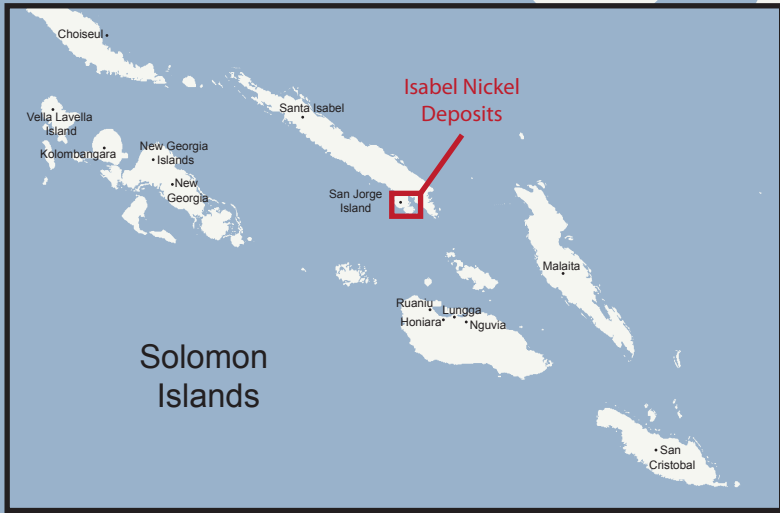
About Axiom Mining Limited

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

For more information on Axiom Mining and details of our Australian and Vietnamese 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



SAN JORGE ISLAND

DEEP WATER CHANNEL



axiom

LATERITE NI - CO DEPOSITS
SANTA ISABEL and SAN JORGE ISLANDS
SOLOMON ISLANDS

0 1 2 3
Kilometres