

Axiom Mining Limited
ARBN 81 119 698 770

Interim Financial Report
for the half-year ended 31 March 2015

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial report for the year ended 30 September 2014 and any public announcements made by Axiom Mining Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

All amounts in this interim financial report are in Australian dollars unless stated otherwise.

Axiom Mining Limited
Results for Announcement to the market

Key Information	Half-year Ended 31 March 2015 \$000	Half-year Ended 31 March 2014 \$000	% Change
Revenues from ordinary activities	-	27	down 100%
Loss after tax from ordinary activities attributable to members	(4,204)	(8,361)	down 50%

Explanation of Key Information and Dividends

An explanation of the above figures is contained in the "Review of Operations" included within the attached directors' report.

Net Tangible Assets per Share

	Half-year Ended 31 March 2015 Cents/Share	Half-year Ended 31 March 2014 Cents/Share
Net tangible assets per share	1.8	1.8

Axiom Mining Limited

Directors' Report

Your directors submit the financial report of the consolidated group for the half-year ended 31 March 2015.

Directors

The names of directors who held office during or since the end of the half-year:

Mr. Ryan R Mount	Executive Director-Chief Executive Officer
Mr. Stephen Williams	Non-Executive Director and Chairman

Review of Operations

Solomon Islands

Isabel Nickel Project

Axiom commenced drilling on the Isabel Nickel Project in late November 2014 and intersected high grade nickel laterite. Grades and depths of mineralisation in the first holes drilled exceeded that recorded by previous explorers INCO and Kaiser Engineers during their exploration efforts.

In the first quarter of 2015, Axiom continued the orientation and twinning drilling program around the Kolosori Ridge and Havihua Ridge prospects on the Kolosori tenement of the Isabel Nickel Project.

Axiom also advanced development of project infrastructure and logistics, approvals and permitting, safety and environmental management, and community and stakeholder engagement.

In mid-March 2015, the company was granted a Prospecting Licence for the San Jorge tenement, which measures 36km² and is located less than 5km south-west of the Kolosori tenement.

West Guadalcanal Project

Close to 1400m were drilled with eight holes completed at the Tahoe prospect area.

Mineral assemblages indicate the deposit is part of a carbonate base metal low sulphidation epithermal system—these minerals include rhodochrosite, ankerite, siderite, pyrite, galena, and various silver-based sulphides (similar to Porgera, PNG).

This initial drilling has assisted in building the 3D geological model and interpreting the orientation of the mineralised structures.

Currently, a technical review is underway to assess the further potential at Tahoe prospect and along the 14km long Hoilava River mineralised corridor.

Litigation proceedings

Following is a summary of proceedings relating to the Solomon Islands High Court civil case 258/2011 in the last half-year:

- 8 October 2014: Interim injunction by Solomon Metals Mining Limited ('Sumitomo') dismissed by the Court of Appeal.
- 25 October 2014: Sumitomo filed a notice of appeal to the Solomon Islands Court of Appeal against the judgment in the High Court civil case 258/2011.
- 28 October 2014: Axiom filed submissions and supporting evidence to recover costs.
- December 2014: The High Court ordered that Sumitomo pay Axiom's costs of SBD29.3 million (~\$5 million).
Axiom will be entitled to recover the funds, which are being held in bank guarantees, upon obtaining a favourable judgment in the Court of Appeal of Solomon Islands.
- 16 January 2015: Sumitomo provided the High Court of the Solomon Islands with two bank guarantees for the full sums of:

Axiom Mining Limited

Directors' Report

- US\$3.9 million for Axiom's costs relating to the original High Court case
- US\$177,200 as security for Axiom's costs of the appeal.
- 13 February 2015: Sumitomo's appeal was listed before the Court of Appeal, for a nine-day hearing from 26 May 2015 to 5 June 2015.

Corporate

On 30 December 2014, Axiom announced a funding agreement and strategic partnership with Anitua, a highly experienced exploration and mining services contractor in the Pacific region.

Under the agreement, Anitua provided Axiom with an unsecured loan of \$5 million, which was repayable either in cash or in fully paid ordinary shares in Axiom at \$0.02 per share, at the sole discretion of Axiom by no later than 7 July 2015. Axiom and Anitua further agreed to negotiate arms' length commercial terms for a range of services to be provided by Anitua to develop the Isabel Nickel Project.

On 30 January 2015, an Extraordinary General Meeting was held at Kemp Strang Lawyers in Sydney to achieve resolutions on matters including ratifications on issues of shares and attaching options and appointment of new Hong Kong auditors.

On 13 February 2015, Anitua's \$5 million unsecured loan was converted to equity at \$0.02 per share (\$0.30 per share, post share consolidation), resulting in Anitua holding 6.93% of Axiom's issued capital at the time of the transaction.

Axiom's Annual General Meeting was held on 31 March 2015. Each of the resolutions put to the shareholders was passed by the requisite majority.

Rounding of Amounts

The consolidated group has applied the relief available to it in ASIC Class Order 98/100 and accordingly certain amounts in the financial report and the directors' report have been rounded off to the nearest thousand dollars.

Auditor's Independence Declaration

The lead auditor's independence declaration under S 307C of the *Corporations Act 2001* is set out on page 5 for the half-year ended 31 March 2015.

This directors' report is signed in accordance with a resolution of the Board of Directors.

Director


Stephen Williams

Dated this 29th day of May 2015

**AXIOM MINING LIMITED
ABN 81 119 698 770
AND ITS CONTROLLED ENTITIES**

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF AXIOM MINING LIMITED**

SYDNEY

Level 40
2 Park Street
Sydney NSW 2000
Australia

GPO Box 3555
Sydney NSW 2001

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I declare that, to the best of my knowledge and belief, during the half year ended 31 March 2015 there have been no contraventions of:

- i. the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review, and
- i. any applicable code of professional conduct in relation to the review.

Hall Chadwick
Level 40, 2 Park Street
Sydney NSW 2000



Drew Townsend

Partner

Dated: 29 May 2015

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Axiom Mining Limited
Interim consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 March 2015

	Note	Consolidated	
		Half-year Ended	Half-year Ended
		31 March 2015	31 March 2014
		\$000	\$000
Revenue		-	27
Interest income		5	1
Employee benefits expense		(1,568)	(1,278)
Depreciation and amortisation expense		(133)	(94)
Finance costs		(285)	(129)
Exploration costs		(166)	(704)
Legal expenses		(1,011)	(3,878)
Other expenses		(1,379)	(2,189)
Impairment loss on mineral exploration expenditure		-	(378)
Loss before income tax		(4,537)	(8,622)
Income tax expense	2(b)	-	-
Loss for the period	2(a)	(4,537)	(8,622)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Exchange difference on translation of foreign operations		75	130
Other comprehensive income for the period		75	130
Total comprehensive loss for the period		(4,462)	(8,492)
Net loss attributable to:			
- members of the parent entity		(4,204)	(8,361)
- non-controlling interest		(333)	(261)
		(4,537)	(8,622)
Total comprehensive loss attributable to:			
- members of the parent entity		(4,129)	(8,355)
- non-controlling interest		(333)	(137)
		(4,462)	(8,492)
Loss per share			
From continuing operations:			
- basic loss per share (cents)	1(a)	(1.85)	(5.40)
- diluted loss per share (cents)	1(a)	(1.85)	(5.40)

The accompanying notes form part of these financial statements.

Axiom Mining Limited
Interim consolidated statement of financial position
As at 31 March 2015

	Consolidated	
	As at 31 March 2015 \$000	As at 30 September 2014 \$000
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	1,022	2,304
Trade and other receivables	1,069	1,091
TOTAL CURRENT ASSETS	2,091	3,395
NON-CURRENT ASSETS		
Property, plant and equipment	2,066	2,059
Mineral exploration expenditure	5 4,992	2,472
TOTAL NON-CURRENT ASSETS	7,058	4,531
TOTAL ASSETS	9,149	7,926
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	1,999	1,768
Borrowings	33	686
Lease liabilities	450	377
Provisions	159	153
TOTAL CURRENT LIABILITIES	2,641	2,984
NON-CURRENT LIABILITIES		
Lease liabilities	2,176	1,958
TOTAL NON-CURRENT LIABILITIES	2,176	1,958
TOTAL LIABILITIES	4,817	4,942
NET ASSETS	4,332	2,984
EQUITY		
Issued capital	6 83,599	77,902
Reserves	93	(95)
Retained losses	(77,599)	(73,395)
Equity attributable to owners of the company	6,093	4,412
Non-controlling interests	(1,761)	(1,428)
TOTAL EQUITY	4,332	2,984

The accompanying notes form part of these financial statements.

Axiom Mining Limited
Interim consolidated statement of changes in equity
For the half-year ended 31 March 2015

	Share capital	Convertible notes	Prepaid share reserve	Foreign currency translation reserve	Share-based payment reserve	Accumulated losses	Subtotal	Non-controlling interests	Total equity
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
At 1 October 2013	62,633	-	-	(1,125)	417	(57,702)	4,223	(1,241)	2,982
Loss for the half-year	-	-	-	-	-	(8,361)	(8,361)	(261)	(8,622)
Other comprehensive loss	-	-	-	130	-	-	130	-	130
Total comprehensive loss for the half-year	-	-	-	130	-	(8,361)	(8,231)	(261)	(8,492)
Transactions with owners in their capacity as owners									
Shares issued during the half-year	5,613	2,104	-	-	-	-	7,717	-	7,717
Pre-paid share capital	-	-	200	-	-	-	200	-	200
Equity-settled share-based settlement	-	-	-	-	666	-	666	-	666
Total transactions with owners and other transfers	5,613	2,104	200	-	666	-	8,583	-	8,583
As at 31 March 2014	68,246	2,104	200	(995)	1,083	(66,063)	4,575	(1,502)	3,073
At 1 October 2014	77,902	-	-	(1,215)	1,120	(73,395)	4,412	(1,428)	2,984
Loss for the half-year	-	-	-	-	-	(4,204)	(4,204)	(333)	(4,537)
Other comprehensive loss	-	-	-	75	-	-	75	-	75
Total comprehensive loss for the half-year	-	-	-	75	-	(4,204)	(4,129)	(333)	(4,462)
Transactions with owners in their capacity as owners									
Shares issued during the half-year	5,697	-	-	-	-	-	5,697	-	5,697
Share performance rights expense	-	-	-	-	113	-	113	-	113
Total transactions with owners and other transfers	5,697	-	-	-	113	-	5,810	-	5,810
As at 31 March 2015	83,599	-	-	(1,140)	1,233	(77,599)	6,093	(1,761)	4,332

Axiom Mining Limited
Interim consolidated statement of cash flows
For the half-year ended 31 March 2015

	Consolidated	
	Half-year Ended 31 March 2015	Half-year Ended 31 March 2014
	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(4,053)	(6,717)
Interest received	5	1
Sundry income	-	27
Finance costs	(3)	(5)
Net cash used in by operating activities	(4,051)	(6,694)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(93)	(12)
Payments for mineral exploration expenditure	(2,220)	(195)
Net cash used in investing activities	(2,313)	(207)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	91	7,782
Proceeds from borrowings and subsequently converted to equity	5,080	-
Repayment of borrowings	(55)	(15)
Finance lease payments	(45)	-
Net cash provided by financing activities	5,071	7,767
Net increase in cash held	(1,293)	866
Cash and cash equivalents at beginning of period	2,304	422
Effects of exchange rate changes on cash and cash equivalents	11	130
Cash and cash equivalents at end of period	1,022	1,418

The accompanying notes form part of these financial statements.

Axiom Mining Limited
Notes to the interim consolidated financial statements
For the half-year ended 31 March 2015

Note 1: Summary of significant accounting policies

Basis of preparation

This consolidated interim financial report for the half-year reporting period ended 31 March 2015 has been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. The group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Axiom Mining Limited and its controlled entities (referred to as the “consolidated group” or “group”). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the group for the year ended 30 September 2014, and any public announcements made during the interim reporting period in accordance with the continuous disclosure requirements.

In accordance with AASB 133 disclosures including earnings per share calculations for the half-year and the prior period are based on the new number of ordinary shares following a 15:1 share consolidation. The issued capital post consolidation on 15 April 2015 was 240,356,398.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as set out below.

Significant accounting policies

(i) New and amended standards adopted by the group

A number of new or amended statements became applicable for the current reporting period, however, the group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards. There will be some changes to the disclosures in the 30 September 2015 annual report as a consequence of these amendments.

(ii) Impact of standards issued but not yet applied by the group

AASB 9 Financial Instruments

Revised principles for accounting for financial assets and liabilities: recognition and derecognition, classification, measurement, hedge accounting and impairment. The standard is not applicable until 1 January 2017 and is not expected to materially impact the group’s accounting policies.

AASB 15 Revenue from Contracts with Customers

The AASB has issued a new standard for the recognition of revenue. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The standard is not applicable until 1 January 2017 and is not expected to materially impact the group’s accounting policies.

The group does not anticipate the early adoption of the above Australian Accounting Standards.

Axiom Mining Limited
Notes to the interim consolidated financial statements
For the half-year ended 31 March 2015

Note 1: Summary of significant accounting policies (continued)

Mineral exploration expenditure

Mineral exploration, evaluation and development expenditures incurred are capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to an abandoned area are written-off in full against profit or loss in the year in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area. Costs of site restoration are provided for over the life of the project from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with local laws and regulations and clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Going concern

The consolidated group has recorded a net loss of \$4.5 million for the half-year ended 31 March 2015 (2014: \$8.6 million), had net cash outflows from operations of \$4 million for the half-year ended 31 March 2015 and currently has no ongoing source of operating income. At 31 March 2015 the consolidated group had net assets of \$4.3 million and the working capital deficiency was \$550,000.

The financial report has been prepared on a going concern basis that assumes the realisation of assets and extinguishment of liabilities in the normal course of business and at the amounts stated in the financial statements.

The directors believe the going concern basis is appropriate for the following reasons:

- at 31 March 2015 the consolidated group had cash and cash equivalents of \$1.02 million
- the ability to raise additional share capital by share placements, options, convertible notes, or rights issue
- the ability to farm out all or part of its exploration projects
- the ability to sell particular exploration projects
- the group successfully raised \$5 million in the half-year ended 31 March 2015 in the form of convertible notes.
- Subsequent to the period end on 22 May 2015, Axiom announced it had raised \$4 million through the combination of a private placement and the issue of convertible notes.

Accordingly, the directors are confident in the ability of the group and the company to successfully secure sufficient cash inflows to enable it to continue as a going concern and that it is appropriate to adopt the going concern basis of accounting in the preparation of the financial statements.

Axiom Mining Limited
Notes to the interim consolidated financial statements
For the half-year ended 31 March 2015

Note 2: Loss for the period

	Consolidated group	
	Half-year Ended 31 March 2015	Half-year Ended 31 March 2014
	\$000	\$000
a. Significant items		
The following revenue and expense items are relevant in explaining the financial performance for the interim period:		
Write-off of capitalised exploration expenditure on areas of interest abandoned during the period	-	(378)
Solomon Islands related litigation costs (included in legal expenses)	(903)	(3,789)

b. Income tax

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the year ending 30 September 2015 is 0%. The group had losses as at 31 March 2014. As a result, no income tax was provided.

Note 3: Operating segments

The group's operations are predominately confined to mineral exploration within Australia, Solomon Islands and Vietnam.

The group has identified its operating segments based on the internal reports that are reviewed and used by the management team in assessing performance and determining the allocation of resources.

The operating segments are identified by management based on the manner in which the expenses are incurred and resources allocated. Discrete financial information about each of these operating segments is reported to the Board on a regular basis.

The reportable segments are based on aggregated operating segments determined by similarity of expenses, where expenses in the reportable segments exceed 10% of the total expenses for either the current and/or previous reporting period.

	Australia		Solomon Islands		Vietnam		Consolidated	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Segment revenue	-	7	-	20	-	-	-	27
Segment result (loss)	(1,440)	(2,441)	(3,080)	(6,121)	(17)	(60)	(4,537)	(8,622)
Segment assets	1,423	2,976	7,709	4,923	17	27	9,149	7,926
Segment liabilities	922	1,584	3,895	3,355	-	3	4,817	4,942

Axiom Mining Limited
Notes to the interim consolidated financial statements
For the half-year ended 31 March 2015

Note 4: Contingent asset

On 24 September 2014 the High Court of the Solomon Islands dismissed all of SMM Solomon Limited's claims and enabled Axiom to recommence exploration activities on the Isabel nickel deposit. On 29 October 2014, Axiom filed submissions and supporting evidence to recover costs from Sumitomo related to the Solomon Islands Court Case 258/2011.

On 16 January 2015, Sumitomo provided two irrevocable and unconditional bank guarantees with a commercial bank in Solomon Islands for the full sums of:

- US\$3.9 million (~\$4.9 million) for Axiom's costs relating to the original High Court case
- US\$177,200 (~\$222,000) as security for Axiom's costs of the appeal.

Axiom will be entitled to recover the costs upon obtaining a favourable judgment in the appeal in the Court of Appeal of Solomon Islands, which will be heard by a panel of three Commonwealth judges from 26 May 2015 to 5 June 2015.

Note 5: Exploration and evaluation expenditure

	Consolidated	
	Half-year Ended 31 March 2015	As at 30 September 2014
	\$000	\$000
Opening balance	2,472	2,796
Exploration costs capitalised	2,220	2,385
Less: exploration costs expensed	-	(1,425)
Exchange alignment	300	276
Impairment loss on mineral exploration	-	(1,560)
Closing balance	4,992	2,472

Axiom Mining Limited
Notes to the interim consolidated financial statements
For the half-year ended 31 March 2015

Note 6: Contributed equity

	Consolidated			
	Half-year Ended 31 March 2015		As at 30 September 2014	
	\$000		\$000	
Issued and fully paid 3,605,373,832 (2014: 3,289,552,750) ordinary shares	83,599		77,902	
	31 March 2015		30 September 2014	
	Number of shares	\$000	Number of shares	\$000
Movements in issued shares:				
Balance at 1 October 2014	3,289,552,750	77,902	2,335,067,445	62,633
Issue of new shares				
Share placement issue	-	-	332,383,597	5,390
Shares issued as payment for services	1,923,077	25	22,966,727	361
Shares issued to employees	-	-	2,133,334	30
Exercise of options	13,305,556	91	64,208,203	1,119
Shares issued under agreement	-	-	144,134,202	1,900
Shares issued on conversion of convertible notes	50,592,449	581	224,000,014	3,136
Shares for commencement fee for funding facility	-	-	7,956,153	113
Shares used for convertible notes	-	-	15,000,000	210
Rights issue	-	-	141,703,075	2,834
Shares issued on loan conversion	250,000,000	5,000	-	-
	3,605,373,832	83,599	3,289,552,750	77,726
Options exercised during the year and paid but shares not allotted until after 30 September 2014	-	-	-	176
Balance at 31 March 2015*	3,605,373,832	83,599	3,289,552,750	77,902

* The share consolidation of Axiom's capital, on the basis of one share for every fifteen shares was completed post balance date. The issued capital post consolidation on 15 April 2015 was 240,356,398.

Axiom Mining Limited
Notes to the interim consolidated financial statements
For the half-year ended 31 March 2015

Note 7: Events after the end of the interim period

Since the end of the interim period and until the date of this report the company raised a total of \$4.0 million through the issue of convertible notes and share placements as announced on 22 May 2015.

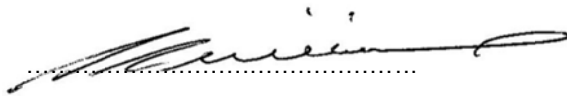
Other than the above, the directors are not aware of any other significant events since the end of the interim period.

Axiom Mining Limited
Directors' declaration

In accordance with a resolution of the directors of Axiom Mining Limited, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 6 to 15, are in accordance with the *Corporations Act 2001*, including:
 - a. complying with Accounting Standard AASB 134: *Interim Financial Reporting*; and
 - b. giving a true and fair view of the consolidated entity's financial position as at 31 March 2015 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Director



Stephen Williams

Dated this 29th day of May 2015

**AXIOM MINING LIMITED
ABN 81 119 698 770
AND CONTROLLED ENTITIES****INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
AXIOM MINING LIMITED****SYDNEY**Level 40
2 Park Street
Sydney NSW 2000
AustraliaGPO Box 3555
Sydney NSW 2001Ph: (612) 9263 2600
Fx: (612) 9263 2800**Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Axiom Mining Limited, which comprises the consolidated statement of financial position as at 31 March 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of Axiom Mining Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standards on Review Engagements ASRE 2410: Review of an Interim and other Financial Reports Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of Axiom Mining Limited's financial position as at 31 March 2015 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Axiom Mining Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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**AXIOM MINING LIMITED
ABN 81 119 698 770
AND CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
AXIOM MINING LIMITED**

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Axiom Mining Limited is not in accordance with the Corporations Act 2001 including:

- a. giving a true and fair view of Axiom Mining Limited's financial position as at 31 March 2015 and of its performance for the half-year ended on that date; and
- b. complying with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001

Emphasis of Matter

Without modifying our conclusion, we draw attention to Note 1 in the financial report which indicates that the consolidated entity incurred a net comprehensive loss of \$4,462,000; incurred net cash outflows from operations of \$4,051,000; had a working capital deficiency of \$550,000 and had no ongoing source of operating income for the half year ended 31 March 2015. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

Hall Chadwick
Level 40, 2 Park Street
Sydney NSW 2000



Drew Townsend

Partner

Dated: 29 May 2015