axiom

2015

Axiom Mining Limited Annual Report

Transition from explorer to miner

Axiom Mining continues to make this exciting journey as we develop the Isabel Nickel Project in Solomon Islands. As always, our values *Build Share Protect* are the guiding principles behind how we operate.

BUILD

profitable and sustainable operations through strong relationships with local communities and governments, and investment in skills development for our employees

SHARE

our knowledge, skills and economic rewards with our stakeholders

PROTECT

the health and wellbeing of our employees and local communities through safe and environmentally responsible mining

Contents

Highlights of 2015

Project

Received Prospecting Licence for the San Jorge tenement, Isabel Nickel Project, Solomon Islands.

Exploration

Announced maiden JORC Mineral Resource estimate over part of the Isabel Nickel Project's Kolosori tenement in September, and further upgraded the JORC Mineral Resource in December.

Board

New Board and executive appointments.

Strategic partnerships

Anitua extended support through conversion of their $5 million loan to equity.

Signed offtake agreement with Gunvor to potentially provide up to AU$5 million of ore pre-payment financing.

Entered into partnership with InCoR to provide up to $15 million funding.

Litigation

High Court of Solomon Islands ordered that Sumitomo pay Axiom's costs of approximately AU$5 million.

Chairman's review

It was another significant year for Axiom as we forged ahead with development of and planning for the Isabel Nickel Project in Solomon Islands. While the price for nickel metal, like other commodities, is subdued at the present, Axiom is well-positioned to be a significant nickel producer in the Pacific region and profitably meet current demand, as well as benefit when the market turns.

Even as we continue with our strategic review of other tenements in our portfolio and await judgement from the Solomon Islands High Court of Appeal, our focus remains on the Isabel Nickel Project as it continues to present the best opportunity for Axiom and its shareholders.

The first shipment of ore for our offtake partner Gunvor will be the first of many milestones in 2016, and I look forward to Axiom obtaining a Mining Lease, commencing commercial production, continuing to upgrade the JORC Mineral Resource and generating positive operating cash flow.

Our respectful and culturally attuned approach to all our operations has set us apart from industry peers and during the year we continued to invest in the local communities and relationships in Solomon Islands as we work towards establishing sustainable mining development in this region.

Our genuine commitment to Solomon Islands includes providing opportunities for capacity building in the communities where we operate, which has helped us lay the foundations for a long-term presence.

During the year we announced the appointment of a new Non-Executive Board member and three new executives to strengthen our commercial and technical capabilities as we continue to prepare to make the transition from explorer to producer.

We welcomed Jeremy Gray as a Non-Executive Director, Juan Jeffery as the Executive General Manager of Mining Operations, Dr Phillip Tagini as the General Manager of Sustainable Development, and Paul Frederiks as Company Secretary.

After five years at the helm, I recently made the decision to retire from the Board. One of my proudest moments was when the High Court upheld our claims to the Isabel Nickel Project after a four-year legal stoush. While still not entirely unencumbered by litigation, Axiom is well into the next phase in its evolution and it is time for a new Chairman to take the reins.

I would like to take this opportunity to thank our shareholders and other key stakeholders, especially those in Solomon Islands, for your support during my tenure. I will be eagerly watching for further achievements of the company in 2016 and beyond.

Stephen Williams
Chairman

CEO's report

This year's focus was progressing with the development of one of the Pacific's largest known nickel laterite deposits– our flagship Isabel Nickel Project in Solomon Islands.

From a standing start in late 2014 to December 2015, we completed the first two phases of drilling, and *achieved and subsequently upgraded* a JORC Mineral Resource estimate. These achievements in such a short timeframe are a testament to our 'can do' culture.

We announced our maiden JORC Mineral Resource estimate in September 2015, and upgraded it within three months. The total Mineral Resource tonnage for high grade saprolite almost doubled that of the maiden Resource estimate, from 2.0 Mt @ 1.7 Ni to 3.9 Mt @ 1.7% Ni, while the total Mineral Resource tonnage for limonite increased to 8.4 Mt @ 1.0% Ni and 0.11% Co.

We also made good progress on site infrastructure development, recruitment and training of a local workforce, baseline studies and project approvals, and preparations to commence exploration on the project's second tenement at south San Jorge Island. We provided a large number of local jobs, and continued our investment in local community initiatives. We are also proud to report that during the year we did not lose a single day of work on site due to safety or community issues, and we congratulate our employees, the government and our landowner partners for their role in this.

Driven by our values *Build Share Protect*, we continued to maintain strong relationships with key stakeholders including our landowner partners in Solomon Islands, whom I continue to admire for their tenacity over these past four years while subject to litigation. I also have been impressed with their leadership and sense of community in ensuring efficient development of the project.

Global economic conditions of 2015 created challenging times for nickel producers and mine developers, and Axiom has had the added complication of continuing to wait for the Court of Appeal decision on the Isabel Nickel Project. But despite these factors, Axiom continued to attract strong support in our quest to build Solomon Islands' first nickel mine and become a significant miner in the Pacific region. We are confident that even under current conditions we will build a profitable mine.

We welcomed the Solomon Islands Government's grant of the prospecting licence for the Isabel Nickel Project's second tenement at south San Jorge in early 2015. We also entered into a strategic partnership with InCoR that will provide up to $15 million and gives us access to innovative beneficiation technology, and an offtake agreement and finance facility with global trading house Gunvor that provides up to AU$5 million of ore pre-payment funding.

In 2016, Axiom's focus will be on delivering a mine, and this year is shaping up to be a transformational one for our company.

On a final note, on behalf of myself and all Axiom staff, I would like to thank and congratulate Stephen Williams for his support, guidance and leadership over the past five years, which ensures we have a strong platform for progress.

We are on track to deliver a safe, sustainable and profitable mine. We remain optimistic about the Court of Appeal decision. We will also continue to invest in the local communities and relationships in Solomon Islands that we are privileged to be part of.

Ryan Mount
Chief Executive Officer

Board of Directors

Mr Stephen Williams

Chairman and Non-Executive Director

Mr Williams was appointed Chairman of Axiom Mining Limited in July 2010. Since then, he has overseen the implementation of best practice in corporate governance and has also ensured that the expertise of the Board has been channelled to the appropriate focus areas of the business. He has played an integral role overseeing our business development in Solomon Islands and is also Chairman of Axiom KB Limited – Axiom Mining's 80%-owned subsidiary company in Solomon Islands.

Mr Williams is a corporate lawyer by profession and is an experienced director and chairman of public companies from IPO through to maturity. He is also currently a Non-Executive Director of Millennium Services Group Limited and a Non-Executive Director and Chairman of Australian Careers Network Limited, both ASX listed companies.

Mr Ryan Mount

Chief Executive Officer and Managing Director

Mr Ryan Mount joined the Axiom Mining Board as a Director in April 2009. In mid-2010 he accepted the Board's offer of the CEO position. Since his appointment, he has been relentless in driving and refining Axiom's operations, and has achieved strategic corporate objectives. Mr Mount led the pursuit of the world-class Isabel nickel deposit in Solomon Islands, which included securing title to the deposit in Axiom's favour.

He has an extensive background in Australian and international financial markets, as well as corporate advisory. Mr Mount is also a member of the Australian Institute of Company Directors.

Mr Jeremy Gray
Non-Executive Director

Mr Jeremy Gray was appointed to the Axiom Mining Board as a Non-Executive Director in July 2015.

Mr Gray is an investment professional with 20 years' experience in global capital markets as a Mining Equity Analyst, Mining Portfolio Manager and Investment Banker. His career in mining investment includes appointments as the global head of basic materials at Standard Chartered Bank Plc, head of metals and mining research at Morgan Stanley in London, and head of mining research at Credit Suisse in London.

He is currently a Director and a Managing Partner of Chancery Asset Management, and Co-Managing Partner of Cartesian Royalty Holdings. Mr Gray holds an Honours degree in Finance from Melbourne University.

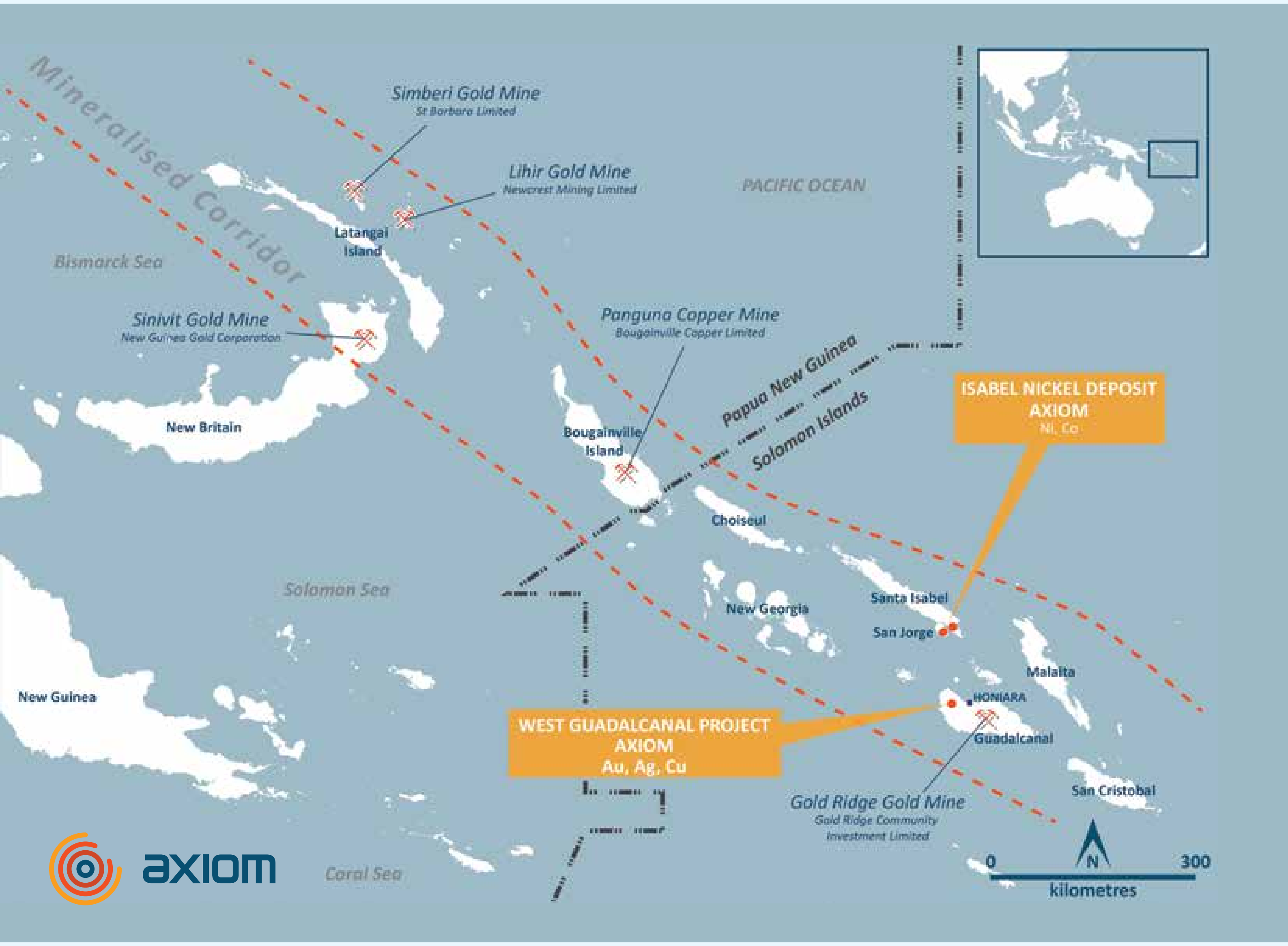
Mr Paul Frederiks
Company Secretary

Mr Frederiks has more than 30 years' experience as a finance and corporate governance executive in the Australian resources sector, with an extensive knowledge base in listed public company reporting and compliance. He previously held Company Secretary positions for Auzex Resources Limited, Billabong International Limited and China Steel Australia Limited and was also previously the Company Secretary and Chief Financial Officer at Geodynamics Limited and Ross Mining N.L.

Mr Frederiks holds a Bachelor of Business from QUT, and is also a Fellow of CPA Australia, the Governance Institute of Australia and the Australian Institute of Company Directors.

Operations

Solomon Islands



Mineral-rich Solomon Islands offers Axiom a multitude of opportunities.

The Solomon Islands archipelago represents a double chain of islands that span 1300km in the western part of the Pacific Ocean. Both chains follow a northwest/south-east alignment and comprise nearly 1000 islands in total.

This archipelago forms part of an arc with a line of very specific volcanic rocks known as the 'Andesite Line'. This circumscribes the Pacific Ocean in a clockwise direction, from New Zealand to Chile[1], and is commonly known as the Pacific Rim of Fire.

Being bounded by these major tectonic plate boundaries has resulted in the presence of favourable geological structures as well as rock types that are conducive to hosting gold-copper massive sulphide systems and nickel-cobalt deposits.

As such, this area is considered fertile ground for large tonnage gold and copper deposits – for example Gold Ridge, Lihir and Panguna. Axiom Mining has two major projects located within the Solomon Islands archipelago – the Isabel Nickel Project and the West Guadalcanal Project.

Isabel Nickel Project

Tenements:	Kolosori (PL 74/11) San Jorge (PL 01/15)
Ownership:	80% Axiom KB Limited Mining 20% interest held by the original landowning tribes
Location:	Santa Isabel Island (Kolosori tenement) San Jorge Island (San Jorge tenement)
Area:	42km^2 (Kolosori) 36km^2 (San Jorge)

From an orientation drilling program in November 2014 to a Maiden JORC Mineral Resource estimate and its upgrade in a little over a year—Axiom has proven that we have the capability and determination to deliver.

After receiving a favourable outcome in the Solomon Islands High Court, Axiom commenced drilling on the Kolosori tenement and intersected high grade nickel laterite.

The Isabel nickel deposit shows high mineability, which means a quick transition from ground to market. The main area of nickel-cobalt mineralisation occurs from the surface and is free from human habitation, and as such mining development will have minimal social impacts. The deposit is also located close to the shore line, allowing easy seaborne access to regional processing hubs.

In early 2015, the Project achieved the grant of a Prospecting Licence for the adjacent San Jorge tenement.

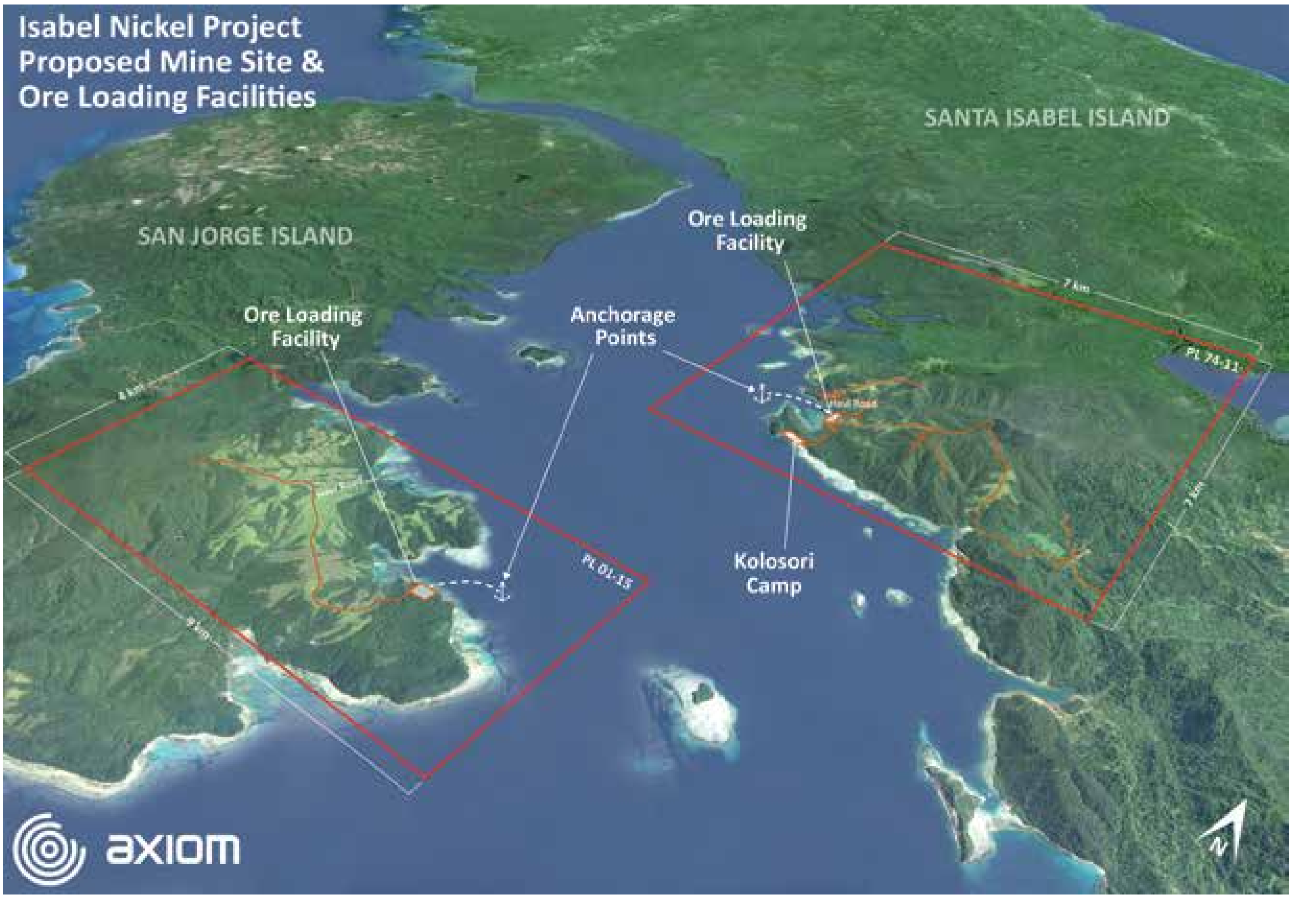
In mid-2015, Axiom commenced a resource definition drilling program designed to facilitate mining operations. At the same time, development activities progressed at an accelerated pace, including camp refurbishment works, recruitment and training of a local workforce, and preparations to commence initial exploration on the San Jorge tenement.

On 30 September 2015, Axiom announced a Maiden JORC Mineral Resource estimate from part of the Kolosori tenement, based on 542 drill holes with 6864m of core samples and 7859 assayed intervals.

References

1 Neall. V.E., Trewick.S.A. 2008. The age and origin of the Pacific islands: a geological overview, Philosophical Transactions of the Royal Society of Biological Sciences.

Operations



The estimate revealed a total Measured, Indicated and Inferred Mineral Resource of 4.8 million tonnes (Mt) at 1.3% nickel and 0.08% cobalt, including saprolite total Mineral resource of 2.0 Mt @ 1.7 Ni, including 0.9 Mt @ 1.8 Ni of Measured Mineral Resource.

The total limonite (iron oxide) Mineral Resource at a 0.7% Ni cut-off was:

- Measured 0.9 Mt @ 1.1% Ni, 0.12% Co
- Indicated 1.0 Mt @ 1.0% Ni, 0.11% Co
- Inferred 1.0 Mt @ 1.0% Ni, 0.11% Co
- **Total 2.9 Mt @ 1.1% Ni, 0.11% Co**

The total saprolite (magnesium silicate) Mineral Resource at a 1.0% Ni cut-off was:

- Measured 0.9 Mt @ 1.8% Ni, 0.03% Co
- Indicated 0.6 Mt @ 1.6% Ni, 0.03% Co
- Inferred 0.5 Mt @ 1.6% Ni, 0.03% Co
- **Total 2.0 Mt @ 1.7% Ni, 0.03% Co**

The combined total laterite Mineral Resource at a 0.7% or 1.0% Ni cut-off was:

- Measured 1.8 Mt @ 1.4% Ni, 0.07% Co
- Indicated 1.6 Mt @ 1.3% Ni, 0.08% Co
- Inferred 1.5 Mt @ 1.2% Ni, 0.08% Co
- **Total 4.8 Mt @ 1.3% Ni, 0.08% Co**

On 29 December 2015 (outside this reporting period), Axiom successfully upgraded the Project's JORC Mineral Resource estimate and defined the first five years of production. The total saprolite (magnesium silicate) Mineral Resource at a:

- 1.0% Ni cut-off is:
  - Measured 1.0 Mt @ 1.7% Ni, 0.03% Co
  - Indicated 3.4 Mt @ 1.5% Ni, 0.03% Co
  - Inferred 3.3 Mt @ 1.4% Ni, 0.03% Co
  - **Total 7.7 Mt @ 1.5% Ni, 0.03% Co**
- 1.4% Ni cut-off is:
  - Measured 0.8 Mt @ 1.8% Ni, 0.03% Co
  - Indicated 1.8 Mt @ 1.7% Ni, 0.03% Co
  - Inferred 1.3 Mt @ 1.6% Ni, 0.03% Co
  - **Total 3.9 Mt @ 1.7% Ni, 0.03% Co**

The total limonite (iron oxide) Mineral Resource at a 0.7% Ni cut-off is:

- Measured 0.9 Mt @ 1.1% Ni, 0.11% Co
- Indicated 3.5 Mt @ 1.1% Ni, 0.10% Co
- Inferred 3.9 Mt @ 1.0% Ni, 0.11% Co
- **Total 8.4 Mt @ 1.0% Ni, 0.11% Co**

Axiom will continue to upgrade the Resource estimate when drilling recommences in early 2016. Site infrastructure development will continue to progress and set Axiom on track to meet customer requirements for first shipment of ore.

West Guadalcanal Project

Tenements: West Guadalcanal (PL 0114)

Ownership: 100%

Location: West of Guadalcanal Island

Area: 485km²

The tenement is adjacent to known gold-silver (Au-Ag) deposits, including the Gold Ridge Mine and boasts potential for epithermal Au and porphyry Cu-Au style deposits. The exploration targets of Taho, Polo and Mt Tanjili lie within a 10km long carbonate base metal gold epithermal corridor.

Axiom gained a Prospecting Licence in January 2014, and an application for renewal is underway.

In late 2014, Axiom commenced a 2500m initial drill program at Taho. Mineral assemblages indicate the deposit is part of a carbonate base metal low sulphidation epithermal system—minerals include rhodochrosite, ankerite, siderite, pyrite, galena, sphalerite and various silver-based sulphides (similar to Porgera, Papua New Guinea).

By mid-2015, Axiom completed a technical review to assess the further potential at Taho prospect and along the 14km Hoilava River mineralised area. Drilling highlights included:

- 7.7m @ 1.05 g/t Au and 13.87 g/t Ag from 19.6m
- 7.0m @ 0.69 g/t Au and 28.43 g/t Ag from 32.0m
- 13.5m @ 0.52 g/t Au and 6.52 g/t Ag from 56.0m

While Axiom's focus in 2015 has been on the Isabel Nickel Project, we will utilise this technical review to focus the next phase of work in the West Guadalcanal tenement at the appropriate time.

Operations

Community report

Axiom's ongoing commitment to community relations is grounded in our values of *Build Share Protect*. Our genuine approach has ensured the establishment of strong bonds with the local landowners and stakeholders and resulted in the unique partnership agreement with the landowners of the Isabel Nickel Project.

Axiom has successfully overcome barriers to development through a genuine commitment to community involvement, demonstrated by our integration with Solomon Islands culture and providing opportunities for capacity building in the communities where we operate.

"As a company our roots are growing deeper in the community each day, so we will support events that make a difference."

Dr Phillip Tagini, General Manager of Sustainable Development

Commitment to health and safety

During the year, we sponsored a basic first aid training course for locals from Kolosori in Isabel who joined Axiom KB workers to undertake the training provided by St John Ambulance Service from Honiara. Further to this training, Axiom continued to invest in health and safety for its employees on Santa Isabel Island through the completion of advanced first aid training and community first aid training.

Supporting sports development

Sport is an excellent vehicle to promote community health, and Axiom is pleased to sponsor sports organisations in the local communities where we operate. During the year, Axiom provided sports uniforms and equipment for the Isabel Games, organised by the Isabel Provincial Government.

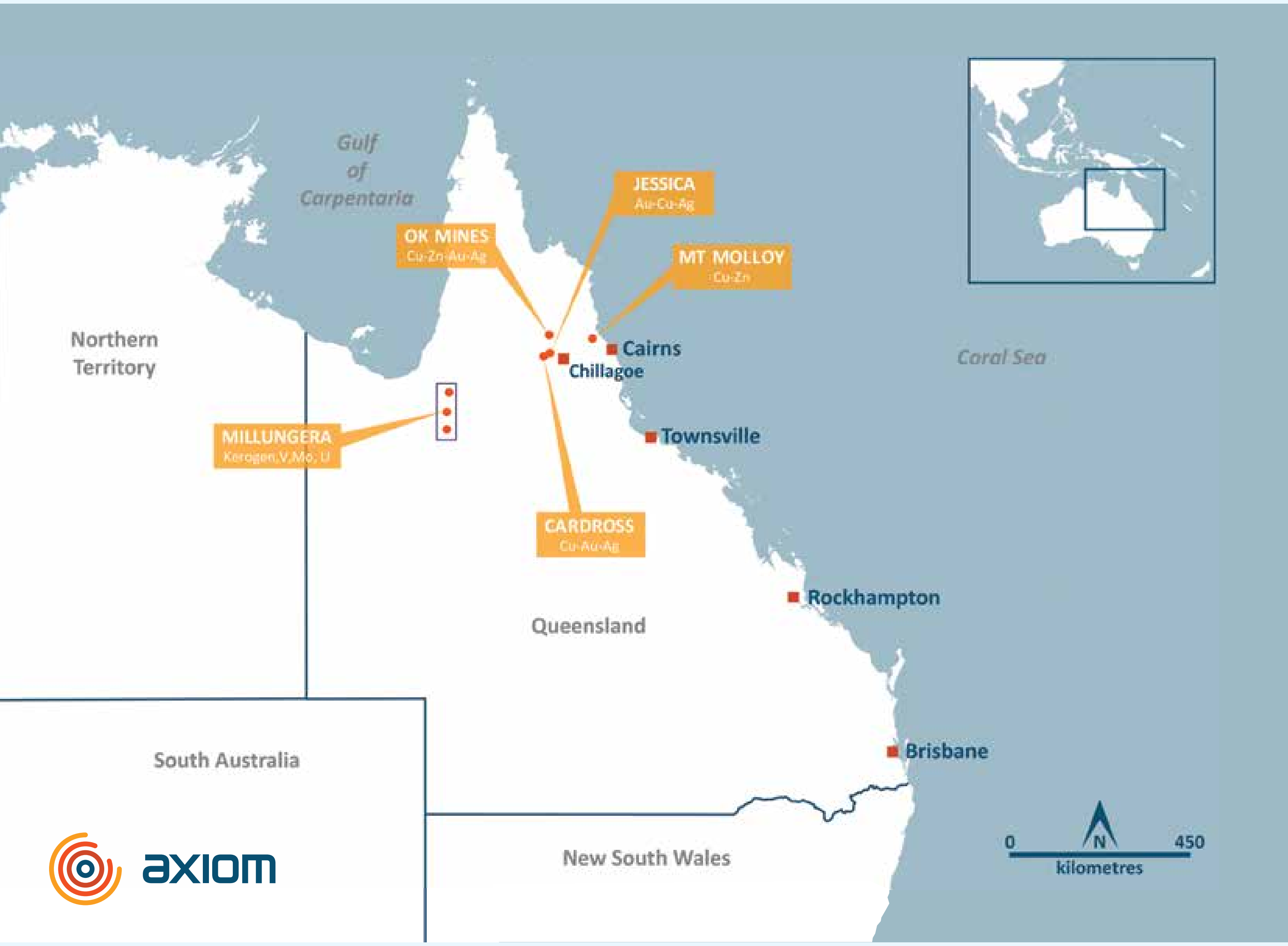
Training the next generation of professionals

During the year, Axiom provided invaluable hands-on experience for science and engineering university students who spent more than a month working with experienced geologists on the Isabel Nickel Project.

Operations

Australia

With five Exploration Permits and seven Mining Leases in its portfolio, Axiom Mining has a strategic mineral tenement holding in the Chillagoe region of North Queensland. A review of North Queensland tenements continued in 2015.



Schedule of tenements

Country	Name and location	Tenement number	Interest held	Status
AUSTRALIA	**Cardross Project, Chillagoe, Qld**			
	Cardross	ML 20003	100%	Granted
	Jessica	EPM 15593	100%	Granted
	Cardross	EPM 19821	100%	Granted
	Mount Molloy Project, Mareeba, Qld			
	Mt Molloy copper mines	ML 4831	100%	Granted
	Millungera Project, Georgetown, Qld			
	Blackbull	EPM 25252	100%	Granted
	Whitebull	EPM 25256	100%	Granted
	Redbull	EPM 25257	100%	Granted
	OK Mines Project, Chillagoe, Qld			
	OK North	ML 4805	100%	Granted
	OK South	ML 4806	100%	Granted
	OK Extended	ML 4809	100%	Granted
	OK Extended No. 2	ML 4813	100%	Granted
	OK	ML 5038	100%	Granted
	Miscellaneous Project, Mareeba, Qld			
	Minnamolka	EPM 25255	100%	Granted*
	Miscellaneous Project, Georgetown, Qld			
	Edenvale	EPM 25119	100%	Granted*
VIETNAM	**Miscellaneous Project, Quang Tri**			
	Quang Tri	MEL 1636/ GP BTNMT	72%	Granted
	Miscellaneous Project, Quang Binh			
	Quang Binh	MEL 154	63%	Application; subject to rewriting of Vietnam mineral law
	Miscellaneous Projects, Lai Chau			
	Pu Sam Cap	MEL 316	8.40%	Free carried interest; subject to further negotiation.
	Pu Sam Cap	MEL 317	8.40%	Free carried interest; subject to further negotiation.
SOLOMON ISLANDS	**Isabel Nickel Project, Santa Isabel Island and San Jorge Island**			
	Kolosori	PL 74/11	80%	Granted
	San Jorge	PL 01/15	80%	Granted
	West Guadalcanal Project			
	West Guadalcanal	PL 01/14	100%	Application for renewal

* Relinquished in December 2015, outside this reporting period.

Abbreviations

EPM	Queensland	Exploration Permit for Minerals
ML	Queensland	Mining Lease
PL	Solomon Islands	Prospecting Licence
MEL	Vietnam	Mineral Exploration Licence

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.

The information in this Annual Report relating to exploration results for the Isabel Nickel Project is extracted from releases to the ASX on 30 September 2015 and 29 December 2015, and exploration results for the West Guadalcanal Project is extracted from a release to the ASX on 31 July 2015. Axiom is not aware of any new information or data that materially affects the information in the original market announcements and that all material assumptions and technical parameters underpinning these exploration results continue to apply and have not materially changed.

Corporate Governance

The Board of Directors of Axiom Mining Limited ('the Company') is responsible for the corporate governance of the group. The Board guides and monitors the business and affairs of the Company on behalf of shareholders by whom it is elected and to whom it is accountable. Accordingly, the Board has adopted a Corporate Governance Charter, guided by the ASX Corporate Governance Council's Corporate Governance Principle and Recommendations third edition released in March 2014.

In accordance with the Council's recommendations, this section contains specific information, and reports on the Company's adoption of the Council's best practice recommendations on an exception basis. Disclosure is made of any recommendations that have not been adopted by the Company, together with the reasons why they have not been adopted. The Company's corporate governance principles and policies are therefore structured as follows:

Principle 1	Lay solid foundations for management and oversight
Principle 2	Structure the Board to add value
Principle 3	Act ethically and responsibly
Principle 4	Safeguard integrity in corporate reporting
Principle 5	Make timely and balanced disclosure
Principle 6	Respect the rights of security holders
Principle 7	Recognise and manage risk
Principle 8	Remunerate fairly and responsibly

The corporate governance practices of the Company are compliant with the Council's best practice recommendations to the extent that they are relevant to the Company's business activities and the stage of its development as a listed exploration and mining company. The Board will consider on an ongoing basis its corporate governance procedures and whether they are sufficient given the Company's operations and size.

Principle 1: Lay solid foundations for management and oversight

A listed entity should establish and disclose the respective roles and responsibilities of its board and management and how their performance is monitored and evaluated.

The Board and its responsibilities

The Board operates in accordance with the following principles and guidelines:

- The Board does comprise a majority of Non-Executive Directors
- The Chairperson is an independent Director
- The Board does comprise Directors with an appropriate range of qualifications and expertise
- The terms and conditions of the appointment of Non-Executive Directors are set out in a letter of appointment
- The Company Secretary is accountable directly to the board, through the chair, on all matters to do with proper functioning of the board.

The Board is of a size that is satisfactory for its current stage of development and it schedules formal quarterly board meetings and other meetings as and when required having regard to the relevant business activities.

For the purposes of the proper performance of their duties, Directors are entitled to seek independent professional advice at the Company's expense subject to having first advised the Chairman of the necessity to do so. The Directors stand for re-election by shareholders in accordance with the requirements of the Articles of Association on a three-year rotational basis.

The Board is responsible for the direction and supervision of the Company's business on behalf of the shareholders, by whom they are elected and to whom they are accountable. This includes ensuring that internal controls and reporting procedures are adequate and effective. The Directors recognise the need to maintain the highest standards of behaviour, ethics and accountability. The primary functions of the Board include responsibility for:

- approving objectives, goals and strategic direction for management
- monitoring financial performance including adopting annual budgets and approving the Company's financial statements
- ensuring that adequate systems of internal control exist and are appropriately monitored for compliance
- selecting, appointing and reviewing the performance of the Chief Executive Officer and reviewing the performance of senior operational management
- ensuring significant business risks are identified and appropriately managed
- reporting to shareholders on performance.

The Company's Managing Director's performance and remuneration is reviewed annually by the Non-Executive Directors. The performance criteria against which executives are assessed is aligned with the financial and non-financial objectives of Axiom Mining Limited.

Principle 2: Structure the Board to add value

A listed entity should have a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively.

Skills, experience and expertise of Directors

The Directors in office at the date of this statement are:

Name	Position	Independent	Term in Office	Expertise
Robert Barraket	Non-Executive Chairman	Yes	0.02 years	Legal, strategy, communication, risk and management
Ryan Mount	Managing Director	No	6.8 years	Strategy, communication, fundraising, corporate finance risk and management
Jeremy Gray	Non-Executive Director	Yes	0.6 years	Finance, management and asset evaluation

Independence

Directors of Axiom Mining Limited are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with the exercise of their unfettered and independent judgement.

In the context of director independence, 'materiality' is considered from both the Company and individual director perspective. The determination of materiality requires consideration of both quantitative and qualitative elements. Qualitative factors considered include whether a relationship is strategically important, the competitive landscape, the nature of the relationship and the contractual or other arrangements governing it and other factors which point to the actual ability of the Director in question to shape the direction of the Company's loyalty.

In accordance with the definition of independence above, and the materiality thresholds set, the Directors as marked in the previous table are considered to be independent.

Given the size and scope of the Company's operations, the Board considers that it is appropriately structured to discharge its duties in a manner that is in the best interests of the Company and its shareholders from both a long-term strategic and day to day operations perspective, and to achieve the objectives of the Company. Furthermore, mechanisms are in place to ensure the integrity of the financial accounts. The Board will continue to monitor the effectiveness of its structure and will make any changes that are deemed desirable as the Company continues to grow.

Induction of new directors and professional development

A new Director is provided with an induction pack that outlines the expectation of the Director and includes a portfolio of the Company's significant policies and procedures. The Company encourages appropriate professional development of its Directors and will pay for relevant courses and seminars that enable the Directors to develop and maintain the skills and knowledge needed to perform their role.

Corporate Governance

Review of Board performance

There is currently no formal process for performance evaluation of the Board, individual Directors or CEO. The Board has considered this aspect of governance over the past year and more recently, but considers that until the commencement of its mining operations was more imminent the matter would be deferred until the 2016 calendar year when the resolution of the Solomon Islands litigation is clearer and the timing of its mining operations more certain.

Nomination and remuneration committee

The full Board considers those matters that would usually be the responsibility of a nomination committee. The Board considers that no efficiencies or other benefits would be gained by establishing a separate nomination committee at this stage of the development of the Company.

The Board will collectively consider the requirement from time to time for new Directors, always mindful that any appointment should ensure there is a complementary mix of necessary skills. In addition, the Board will ensure that the candidacy of any new Director will be measured against a criteria for necessary and desirable competencies and appropriate validation checks will be made before such an appointment.

Principle 3: Act ethically and responsibly

A listed entity should act ethically and responsibly.

The Company supports and has adopted the Code of Conduct published by The Australian Institute of Company Directors in 2005. This code recognises the need for Directors and employees to observe the highest standards of behaviour and business ethics and its commitment to ensuring compliance with the insider trading laws.

Diversity

The Company has reviewed the recommendations on diversity introduced by the ASX Corporate Governance Council. As far as practical, given the current size, scope and requirements of the Company's operations in the locations in which it operates, the Company is committed to putting these recommendations into practice. Given the multinational scope of its operations, the Company will consider not only gender, but also ethnicity and cultural background in reporting its diversity performance.

As the Company has a relatively small workforce with many requiring specific skills that may not be widely available, the Company has not deemed it appropriate to set specific numeric targets as these could be inappropriately skewed by the small sample size. Axiom Mining currently has participation from a diverse workforce, with gender diversity being in advance of industry averages for its sector.

Securities trading disclosure

The purpose of the Company's securities dealing policy is to create awareness of the legal prohibition on dealing in securities of the Company. The policy also aims to ensure that the Company's reputation and those of its employees and Directors is not adversely impacted by perceptions of dealing in the Company's securities at inappropriate times. It is the duty of each person to seek to avoid any such dealing at a time when persons are prohibited from dealing in the Company's securities and in any event each person is required to inform the Chairman before they intend dealing in the Company's securities and secure his consent to do so, unless it is proposed to do so in a period when it is otherwise permitted and the market is fully informed. A copy of the Trading Policy was released to the ASX on 24 December 2010 and is also available on the Company's website.

Principle 4: Safeguard integrity in corporate reporting

A listed entity should have formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting.

Audit, risk and compliance committee

The composition of the Board is not suitable for the formation of separate sub-committees and these responsibilities are undertaken by the whole Board. The Company has developed an audit review process whereby Directors meet with the external auditor bi-annually and with management responsible for the finance functions of the Company as required to ensure the highest possible degree of the integrity of the Company's financial operations to prepare the relevant Financial Statements for the Company.

The Board, acting in this role, has the primary responsibility to:

- oversee the existence and maintenance of internal controls and accounting systems
- oversee the management of risk within the Company
- oversee the financial reporting process
- review the half year and full financial year Financial Statements and recommend them for approval by the Directors
- review the performance of the external auditors and existing audit arrangements
- ensure compliance with laws, regulations and other statutory or professional requirements and the Company's governance policies set out in the Corporate Governance Charter
- recognise and respect the rights of shareholders and its obligations to all legitimate stakeholders.

Principle 5: Make timely and balanced disclosure

A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

Continuous disclosure

The Company must comply with the continuous disclosure requirements of the ASX Listing Rules and Corporation Act, which requires it to disclose to the ASX any information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities unless certain exemptions from the requirements apply. To ensure it meets its continuous disclosure obligations, the Board itself, through the CEO, is responsible for determining and approving all continuous disclosure matters.

The Company rigorously polices its continuous disclosure responsibilities to ensure a fully informed market at all times. The Company's Continuous Disclosure Policy is available on the Company's website.

Ethical standards

The Board recognises the need for Directors and employees to observe the highest standards of behaviour and business ethics when engaging in corporate activity especially in developing jurisdictions.

The Company officers and employees are required to act in accordance with the law and with the highest ethical standards and in compliance with Australian and the laws of each country in which it operates. In addition to the Trading Policy, on joining the Board, the Directors are required to sign a Director's disclosure statement. This sets out their obligations regarding disclosure of dealing in the Company's securities.

Each quarter at formal Board meetings or other meetings when convened Directors are required to make disclosures of any matters that may have altered or where any matter to be discussed by the Board might give rise to a conflict of interest. Where a conflict of interest may arise the relevant Director(s) may be asked to leave the meeting to ensure full and frank discussion of the matter(s) under consideration for determination.

Principle 6: Respect the rights of security holders

A listed entity should respect the rights of its security holders by providing them with appropriate information and facilities to allow them to exercise those rights effectively.

Shareholder communication

The Board strives to ensure that shareholders are provided with sufficient information on a continual basis to assess the activities and performance of the Company and its Directors to enable shareholders to make well informed investment decisions. Information is communicated to shareholders through:

- quarterly, half-yearly and audited annual financial reports
- annual and other general meetings convened for shareholder review and where necessary approval of Board proposals
- continuous disclosure of material changes to the ASX for open access to the public, as set out in the Company's continuous disclosure policy
- the Company's website at www.axiom-mining.com where all ASX announcements, notices and financial reports are published as soon as possible after release to the ASX.

Shareholders are actively encouraged to become 'online shareholders' by registering electronically with the Company to receive an email notification of announcements as they are made. The Company endeavours to respond to all shareholder queries on a prompt and courteous basis.

All information disclosed to the ASX is automatically posted on the Company's website as soon as it is disclosed to the ASX. This is achieved through a sophisticated web interface with the ASX online lodgement system.

The auditor is invited to attend the Annual General Meeting of shareholders.

Corporate Governance

Principle 7: Recognise and manage risk

A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.

Identification and management of business risk

The Board is responsible for identifying, monitoring and reducing the significant areas of potential business and legal risk of the Company. The Board continually reviews the risks associated with its exploration activities and also reviews and monitors the parameters under which such risks will be managed.

Management, through the Managing Director and CEO, is responsible for designing, implementing and reporting on the adequacy of the Company's risk management and internal control system. Management reports to the Board on the Company's key risks and the extent to which it believes these risks are being managed. This is performed on an annual basis or more frequently as required by the Board.

The Board is responsible for satisfying itself annually, or more frequently as required, that management has developed and implemented a sound system of risk management and internal control. It reviews strategic, operational and technical risks in conjunction with, and as a key input to an annual corporate strategy workshop attended by the Board and senior management. This workshop reviews the Company's strategic direction in detail and includes specific focus on the identification of business risks which could prevent the Company from achieving its objectives. Management are required to ensure that appropriate controls and mitigation strategies are in place to effectively manage those risks. Compliance and reporting risks and reviewed on an ongoing basis. The Board oversees the adequacy and comprehensiveness of risk reporting from management.

The Board receives a written assurance from the CEO and the Chief Financial Officer (CFO) that to the best of their knowledge and belief, the declaration provided by them in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in relation to financial reporting risks. The Board notes that due to its nature, internal control assurance from the CEO and CFO can only be reasonable rather than absolute. This is due to such factors as the need for judgement, the use of testing on a sample basis, the inherent limitations in internal control and because much of the evidence available is persuasive rather than conclusive and therefore is not and cannot be designed to detect all weaknesses in control procedures.

Risk factors

There are a number of risk factors that may affect the financial performance of the Company and the value of an investment in shares issued in the Company. While some of these risks can be minimised, some are outside the control of the Company. There are also specific risks associated with the Company's business and investment in the mineral exploration and mining industry and in the jurisdictions in which it operates including but not limited to sovereign risks.

Business risks

Exploration

The business of mineral exploration, project development and mining, by its nature, contains elements of significant risk with no guarantee of success.

There is no assurance that exploration on any of the Company's projects described in this report, or on any other projects that may be acquired, will result in the discovery of a mineral deposit. If there is a discovery, it may not prove to be economically viable to exploit the discovery.

General mineral operation risks

The business of the Company may be disrupted by a variety of risks and hazards, which are beyond the control of the Company, including sovereign or political risks, environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, severe seismic activity, flooding and extended interruptions due to inclement or hazardous weather conditions, fire, explosions, customs and port delays. These risks and hazards could also result in damage to or destruction of mining facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability.

Development capital costs

Should the Company be successful with exploration, the capital cost of the Company's future mine development could vary with changes in a variety of factors, including exchange rates that affect imported capital equipment prices, geological and technical conditions encountered during drilling and mine development, and the construction of new production facilities. A substantial development cost overrun could have a material adverse effect on the Company. At the current stage of development of the Company's operations, mine development and production related risks are low but this is expected to change over the next one to two years.

Resource estimates

In this report and in future reporting by the Company, references to reserves and resources and their classifications, are in accordance with the Australasian Code for Reporting of Mineral Resources and Ore Reserves ('JORC Code'). Estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates, which were valid when made, may change significantly when new information becomes available. In addition, resource estimates are necessarily imprecise and depend to some extent on interpretations, which may ultimately prove to be inaccurate.

Should the Company encounter mineralisation different from that predicted by past drilling, sampling and similar examination, resource estimates may have to be adjusted. This adjustment could affect development and mining plans, which could adversely impact the Company.

Title rights

There is no guarantee that any tenement applications or conversions in which the Company has a current or potential interest will be granted. Tenement applications may require the Company to commence negotiations with relevant government body, minister or official, landholder, and, in Australia, Vietnam and Solomon Islands, indigenous representative bodies to gain access to the underlying land. There is no guarantee that such negotiations will be successful or that having been successful the Company will not be challenged by third parties as it is currently in the Solomon Islands.

Also, due to its exploration activities in Queensland, the Company must observe its “duty of care” under Aboriginal Cultural Heritage Act 2003 (Qld) to ensure that its activities do not harm Aboriginal cultural heritage.

Price volatility

Most of the Company’s revenues from any successful exploration and mine development will ultimately be derived from sale of metals. Consequently, the Company’s expected earnings will be closely related to metal prices. Metal prices fluctuate and are affected by numerous factors beyond the control of the Company.

These factors include world demand, forward selling by producers, and production cost levels in major metal producing regions. Metal prices may also be affected by macro-economic factors such as expectations regarding inflation, interest rates, and global and regional demand for and supply of metals as well as global economic conditions. These factors may have an adverse effect on the Company’s exploration, development and production activity as well as its ability to fund these activities. The Company will consider developing a suitable hedging strategy as and when appropriate.

Funding requirements

The Company’s exploration and mining activities will require significant expenditure. The Company’s ability to effectively implement its business strategy over time may depend in part on its ability to raise additional funds, either in the form of debt or equity. Any additional equity funding may dilute holdings of shareholders and any debt financing, if available, may involve restrictive covenants, which may limit the Company’s operations and business strategy. Whilst the Board constantly reviews its capital requirements and expenditure there can be no assurance that the Company will be able to raise additional funding or that such funding will be on favourable terms. If adequate funds are not available on acceptable terms, the Company may not be able to take advantage of opportunities or otherwise respond to competitive pressures. This may have a material adverse effect on the Company’s activities and the price of its shares.

Dependence on key personnel

The Company’s success depends to a significant extent on key management personnel, as well as other management and technical personnel including those employed on a contractual basis. The loss of the services of certain personnel could have an adverse effect on the Company and its operations. The Board has implemented a long-term incentive plan for senior management and Directors through a Performance Rights Plan that aligns the employee with the success of the Company and shareholder returns. Otherwise the Board is satisfied that the Company remunerates fairly and responsibly and where necessary independent remuneration advice is obtained.

Dependence on third party contractors

The Company will be contracting third parties to provide surface exploration services and equipment in relation to its exploration activities. Failure or termination of a contract with those third parties at any time may result in significant delays in the Company’s exploration program that may have a material effect on the Company. The Company will mitigate these risks through the use of multiple suppliers where feasible and by actively managing its supplier relationships and procurement policies.

Corporate Governance

Environmental regulations

The Company's operations and projects are subject to the law and regulations of the jurisdictions in which it operates relating to environmental matters.

Although the Company endeavours to comply in all material respects with all applicable environmental laws and regulations, there are risks inherent in its activities, which could expose the Company to liability.

The Company may require, and has obtained or will obtain, approvals from all relevant authorities to undertake prescribed exploration or mining activities.

Failure to maintain such approvals may prevent the Company from undertaking such activities. The Company is unable to predict the effect of additional environmental laws and regulations that may be adopted in the future, including whether such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

There can be no assurance that the implementation of new environmental laws and regulations or stricter enforcement policies would not oblige the Company to incur expenses and investments which could have a material adverse effect on the Company's business, financial condition or operational results. The cost and complexity of complying with applicable environmental laws and regulations in any relevant jurisdiction may prevent the Company from being able to develop mineral deposits.

Insurance

The Company intends to maintain adequate insurance over its operations within ranges of coverage that the Company understands to be consistent with industry practice and having regard to the nature of activities being conducted. However, insurance of all risks with mineral exploration, project development and production is not always possible. Accordingly, the Company may not be insured against all possible losses, either because of unavailability of cover or because the premiums may be excessive relative to benefits that would accrue.

Sovereign risk and foreign operations

There are risks associated with operating internationally.

There can be no guarantee that the government regulations in Australia, Hong Kong, Vietnam or Solomon Islands, in particular in relation to foreign investment, repatriation of foreign currency, taxation and the regulation of the mineral exploration and mining industry, will not be amended in the future to the detriment of the Company's business. Costs of compliance with laws and regulations in Australia, Hong Kong, Vietnam and Solomon Islands may vary from current estimates.

The Company undertakes its activities in Vietnam and in Solomon Islands in conjunction with other local partners. There can be no guarantee that the Company will be able to enter into commercially satisfactory arrangements with other local partners for any future operations in Vietnam and/or Solomon Islands.

The Company is incorporated in Hong Kong; changes in Hong Kong laws may have an adverse effect on non-Hong Kong holders of shares. Reporting requirements of the Company in Hong Kong may impose onerous obligations on the Company.

The Company also currently operates in Vietnam in maintenance mode. As the Company awaits clarity in Vietnam mining legislation, exploration activities have been wound down. The Company currently maintains a small office with minimal staff.

The Solomon Islands economy and political environment remains fragile. The Company is currently involved in litigation in respect of the Prospecting Licence and Registered Lease it was granted on Isabel Island and whilst the Company is confident that its rights will be upheld, this cannot be guaranteed.

Currency and exchange rate risk

Movements in currency exchange rates can be volatile.

The Company's expenditure obligations in Vietnam are incurred predominantly in US dollars (USD) and Vietnamese dong (VND), in the Solomon Islands in Solomon Bolona dollars (SBD) and in Australia in Australian dollars (AUD). Currency risk may result in an exchange rate loss or gain to the Company, depending on the value movement between currencies.

The Company has prepared its accounts denominated in AUD. For ASX reporting purposes, quarterly statements and accounts are provided in AUD.

The return on equity and any dividends for Australian Shareholders may be exposed to fluctuations and volatility of the exchange rates among USD, AUD, SBD, and VND.

General risks

Economic conditions

General economic conditions may affect interest rates, inflation rates and other economic variables. Movements in these factors may benefit or adversely affect the Company. Movement in general economic conditions may also affect companies with which the Company conducts its business, which may also affect the Company's earnings.

Changes to laws and regulations

The introduction of new policies, legislation or amendments to existing policies or legislation by governments or the interpretation of those laws as noted above could impact adversely on the assets, operations and ultimately financial performance of the Company.

Principle 8: Remunerate fairly and responsibly

A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders.

It is the Company's objective to provide maximum stakeholder benefit from the retention of a high quality Board and executive team by remunerating Directors and key executives fairly and appropriately with reference to relevant employment market conditions. The Managing Director's and key executives' emoluments are structured to retain and motivate executives by offering a competitive base salary together with long term performance incentives through shares and/or options which allow executives to share in the success of the Company. The Board will assess the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit.

Where long term incentives are provided through shares and/or options, the Company does not permit participants to enter into arrangements which limit the economic risk of participating in the scheme.

The Board will collectively set policies for senior executive remuneration including the Chief Executive Officer and review from time to time as appropriate. The Board will also review and approve the recommendations of the Chief Executive Officer on the remuneration of senior executives and will set policies for non-executive director remuneration and determine the level of their remuneration with the assistance of external consultants as appropriate. A performance evaluation of the Company's senior executives was undertaken in the period.

The Company currently has two Non-executive Directors and a Managing Director. The Company's Managing Director does not receive Directors' fees and his remuneration package is formalised in a service agreement. The Non-executive Directors' maximum aggregate remuneration as approved by shareholders is currently US$300,000 per annum and is set at a level that compensates the directors for their significant time commitment in overseeing the progression of the Company's business plan.

There are no retirement benefits offered to Non-executive Directors other than statutory superannuation. For a full discussion of the Company's remuneration philosophy and framework and the remuneration received by Directors and Executives in the current period, please refer to the Remuneration Report, which is contained within the Directors' Report.

Group financial report

for the year ended 30 September 2015

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

Directors' report

Your directors present their report on the consolidated entity (referred to herein as the 'Group') consisting of Axiom Mining Limited ('the Company' or 'Axiom') and its controlled entities for the financial year ended 30 September 2015.

Directors

The following persons were Directors of the Company during the year and to the date of this report:

Stephen Ray Williams

(LLB, Solicitor of the Supreme Court of NSW and High Court of Australia, and Member of the Australian Institute of Company Directors)

Chairman and Non-Executive Director (age 62)

Stephen is a corporate lawyer by profession and is an experienced director and chairman of public companies from Initial Public Offering through to maturity.

Since his appointment, Stephen has overseen the implementation of best practice in corporate governance and has also ensured that the expertise of the Board has been channelled to the appropriate areas of the business. He has played an integral role overseeing recent business development in Solomon Islands.

Other current directorships:

- Australian Careers Network Limited – Chairman and Non-Executive Director
- Millennium Services Group Limited – Non-Executive Director

Former directorships:

- Prime Ag Australia Limited – Non-Executive Director
- Coffey International Limited – Non-Executive Director and Chairman

Ryan Richard Mount

Executive Director and Chief Executive Officer (age 36)

Ryan joined the Axiom Mining Board as a Director in April 2009. Following his appointment, he led the crucial restructure of the Company—an exercise that saw Axiom gain full control of the Company's assets, define a clear strategic direction appoint a new Board and management team and a listing on the Australian Securities Exchange ('ASX') by December 2009.

In mid-2010, Ryan accepted the Board's offer of the CEO position. Since his appointment, he has been relentless in driving and refining Axiom's operations, and as a result, key components of the business plan have been achieved.

Ryan led the pursuit of the world-class Isabel nickel deposit in Solomon Islands, which included securing title to the deposit in Axiom's favour after a three-year High Court battle.

He has an extensive background in Australian and international financial markets, as well as corporate advisory. Ryan is also a member of the Australian Institute of Company Directors.

Other directorships:

- Nil

Jeremy Robin Gray

(Honours degree in Finance from Melbourne University)

Non-Executive Director (age 45)

Appointed to the Board on 12 July 2015

Jeremy is an investment professional with 20 years' experience in global capital markets as a Mining Equity Analyst, Mining Portfolio Manager and Investment Banker.

Jeremy's career in mining investment includes appointments as the Global Head of Basic Materials Equity Research at Standard Chartered Bank Plc, Head of Metals and Mining Research at Morgan Stanley Equity in London, and the Head of Mining Equity Research at Credit Suisse in London.

Other directorships:

- Chancery Asset Management Pte Ltd

Directors' shareholdings

The following table sets out each director's relevant interest in shares and rights or options in shares of the Company or a related body corporate as at the date of this report:

Directors	Fully paid ordinary shares Number	Share rights Number
Stephen Ray Williams	166,666	–
Ryan Richard Mount	44,111	–
Jeremy Robin Gray	47,750	150,000

Except as disclosed in Note 20 to the financial statements, at no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' interests in contracts

Except as disclosed in Note 20 to the financial statements, no contracts of significance to which the Company or any of its subsidiaries was a party, and in which Directors of the Company had a material interest, subsisted at the end of the year or at any time during the year.

Directors' report
continued

Directors' meetings

During the year the Company held 18 meetings of Directors of which four were by attendance or teleconference and 14 were by circulating resolution. The attendances of Directors at meetings of the Board of Directors were:

	Directors' meetings		Audit meetings	
Directors	**A**	**B**	**A**	**B**
Stephen Ray Williams	16	16	2	2
Ryan Richard Mount	16	16	2	2
Jeremy Robin Gray	1	1	–	–

Notes:
A – Number of meetings attended.
B – Number of meetings held during the time the Director held office during the year.

The composition of the Board is not suitable for the formation of separate subcommittees and these responsibilities are undertaken by the whole Board.

Company secretary

Paul Frederiks

(Bachelor of Business from QUT, and is also a Fellow of CPA Australia, the Governance Institute of Australia and the Australian Institute of Company Directors).

On 21 August 2015, the Company appointed Paul Frederiks as Company Secretary in Australia to act as Local Agent. Paul has more than 30 years' experience as a finance and corporate governance executive in the Australian resources sector, with an extensive knowledge base in listed public company reporting and compliance.

He previously held Company Secretary positions for Auzex Resources Limited, Billabong International Limited and China Steel Australia Limited and was also previously the Company Secretary and Chief Financial Officer at Geodynamics Limited and Ross Mining N.L.

As the Company is incorporated in Hong Kong, it is a requirement under the Hong Kong Companies Ordinance to have a resident Company Secretary. Boacoh Secretarial Limited of Hong Kong acts as Company Secretary for the Company. Boacoh Secretarial Limited is a Company owned by the partners of Boase Cohen & Collins Solicitors.

Accountant and local agent

As Axiom is registered in Australia, it is required to appoint a Local Agent for receipt of notices from both the Australia Securities Exchange Limited and the Australian Securities and Investment Commission. Mr Paul Frederiks is the Local Agent and Company Secretary.

Principal activities

The principal activities of the Company and the Group during the year were mineral exploration and assessment of potential mining acquisition opportunities in Australia, Solomon Islands and Vietnam.

Axiom's key focus was the advanced exploration program and mine development on the Isabel Nickel Project.

Operating and financial review

Results of operations

The consolidated loss from ordinary activities of the Company and its controlled entities for the year ended 30 September 2015 after income tax was $12,460,000 (2014: $15,880,000).

Review of operations

Since Axiom's resounding win in the Solomon Islands High Court trial over the Isabel nickel deposit on 24 September 2014, the Company has undertaken an intensive exploration program to achieve its first Maiden JORC Resource Estimate.

In December 2014, Axiom announced a $5 million funding agreement and strategic partnership with mining services contractor Anitua. In March 2015, Axiom was granted a second Prospecting Licence for the Isabel Nickel Project over the south San Jorge tenement.

Axiom completed orientation drilling on the Isabel Nickel Project in May 2015 and commenced the first phase of resource definition drilling in June 2015. The Company announced its Maiden JORC Resource Estimate on 30 September 2015, and has plans to upgrade the resource before the end of 2015.

Review of Axiom's North Queensland, Vietnam and West Guadalcanal (in Solomon Islands) tenements continued as the Company focused on the Isabel Nickel Project.

Share capital

During the year the Company issued 45,374,975 (2014: 954,485,305, consolidated as 79,540,442) ordinary shares via placements, on exercise of performance rights, conversion of convertible shares, exercise of options and as payment for services.

Details of the movements in share capital of the Company during the year are set out in Note 16(a) to the consolidated financial statements.

Changes in the state of affairs

No significant changes to the state of affairs of the Group have occurred during the financial year.

Dividends

The Board of Directors do not recommend the payment of any dividend for the year (2014: nil).

Directors' report
continued

Events subsequent to period end

Subsequent to the year end, on 4 November 2015 the Company announced that it had entered into a convertible note facility agreement for up to $15 million to fund the development of the Isabel Nickel Project through a strategic partnership with experienced resource venture capitalist and project incubator InCoR Holdings Plc ('InCoR').

As part of the agreement, Axiom issued one secured convertible note with a face value of $5,000,000, convertible to a maximum issue of 13,513,514 fully paid ordinary shares based on a conversion price of $0.37 per share.

The note is for the period of 24 months with interest rate of 6% per annum payable in advance for the first 12 months and thereafter quarterly in advance. Interest obligations have been satisfied by the issuing shares at a fixed price of $0.37. The facility is secured through the first ranking charge over Axiom's assets in Australia and Hong Kong.

At the Extraordinary General Meeting held on 15 October 2015, the shareholders approved the issue of the 150,000 Performance Rights to the newly-appointed director, Mr Jeremy Gray.

Apart from the matters mentioned above, no other matters or circumstances have arisen since 30 September 2015 that significantly affected or could significantly affect the operations of the Consolidated Group in future years.

Proceedings on behalf of Company

Axiom had a resounding High Court victory against SMM Solomon Limited ('Sumitomo') in September 2014 in relation to the validity of the Prospecting Licence and 50-year registered lease over the land covering the Isabel Nickel Project.

On 27 October 2014, Sumitomo filed a notice of appeal in response to the High Court trial judgement, which was heard between 26 May 2015 and 5 June 2015 in the Court of Appeal of Solomon Islands.

The Court of Appeal has reserved judgement and no ruling has been handed down at the date of this report.

Apart from the matters discussed, no person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of such proceedings.

Remuneration report

The Remuneration Report sets out information relating to the remuneration of the Company's non-executive Directors and key management personnel. Key management personnel include the CEO as Executive Director, the Chief Financial Officer ('CFO'), Corporate Affairs Manager, Corporate Development & Strategy Manager and Executive General Manager – Mining Operations.

a. Details of specified Directors and specified Executives

i. Specified Directors

Mr Stephen Ray Williams	Non-Executive Director and Chairman
Mr Ryan Richard Mount	Executive Director and Chief Executive Officer
Mr Jeremy Robin Gray	Non-Executive Director

ii. Specified Executives

Mr Sailesh Solanki	Chief Financial Officer
Ms Vivian Lim	Corporate Affairs Manager
Mr Andrew Barber	Corporate Development & Strategy Manager (appointed 3 March 2015)
Mr Juan Jeffrey	Executive General Manager Mining Operations (appointed 29 July 2015)

iii. Former specified Executives

Mr John Donald Macansh	Exploration Manager (until 18 February 2015)
Mr Hans Vulker	Human Resources Manager (until 5 October 2015)

b. Remuneration of specified Directors and specified executives

The constitution of the Company provides that non-executive Directors may collectively be paid as remuneration for their services, a fixed sum not exceeding the aggregate maximum sum per annum as from time to time determined by the Company at a general meeting, which is currently set at US$300,000 per annum. The chairman's fees are determined independently of the fees of the non-executive Directors based on comparative roles in the market place.

The Chairman's fees have been set at $80,000 per annum (2014 – $50,000) and Non-Executive Directors are remunerated at $60,000 per annum (2014 – $35,000). Directors may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise perform services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred in carrying out their duties as a Director.

Directors' report

continued

Remuneration report (continued)

c. Performance rights plan

Director, Executive and Employee Performance Rights Plan

The establishment of the Axiom Director and Executive Performance Rights Plan was approved by shareholders at the 30 July 2010 Extraordinary General Meeting and refreshed at the Annual General Meeting ('AGM') held on 22 April 2013. The Director and Executive Performance Rights Plan provide appropriate incentives for the Board and management:

- to align the economic interests of the Board and management with shareholders
- to keep the Board and management focused on the long term growth of the Company
- to increase shareholder value by achieving certain milestones.

Under the plan, participants are granted rights that vest if certain performance conditions are met. Participation in the plan is at the Board's discretion. Certain employees of the Company have been granted share rights as set out in their service agreement with the Company. Apart from these, no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

When exercisable, each right is convertible into one ordinary share. At the AGM on 22 April 2013, shareholders approved the issue of:

- 6,666,661 performance rights to Ryan Richard Mount
- 833,332 performance rights to Stephen Ray Williams.

Details of the rights as at 30 September 2015 are as follows:

	Number of rights granted	Grant date	Expiry date	Fair value per share at approval date[3]	VWAP hurdle[4]	Number Vested
Directors						
Stephen Williams	166,666[1]	30/07/11	–	–	1.05	–
	133,333[2]	22/04/13	21/10/15	1.33	0.75	–
	133,333[2]	22/04/13	21/10/15	1.20	1.13	–
	400,000[2]	22/04/13	21/10/15	1.06	1.50	–
	833,332					
Ryan Mount	333,333	22/04/13	31/03/15	1.33	0.75	–
	666,666	22/04/13	31/03/15	1.20	1.13	–
	666,666	22/04/13	31/03/15	1.06	1.50	–
	666,666	22/04/13	31/03/15	0.98	1.88	–
	666,666	22/04/13	31/03/15	0.89	2.25	–
	666,666	22/04/13	31/03/15	0.77	3.00	–
	666,666	22/04/13	31/03/15	0.67	3.75	–
	1,000,000	22/04/13	31/03/15	0.60	4.50	–
	666,666	22/04/13	31/03/15	0.54	5.25	–
	666,666	22/04/13	31/03/15	0.50	6.00	–
	6,666,661[5]					

[1] Lapsed during the year.
[2] The VWAP hurdles relating to the rights were not met by 21 October 2015 and have lapsed.
[3] Pre-consolidation value using a Black-Scholes option pricing model.
[4] Post consolidation.
[5] Cancelled post year- end as detailed in the 31 March 2015 AGM Notice of Meeting.

Directors' report

continued

Remuneration report (continued)

c. Performance rights plan (continued)

The issue of shares on exercise of the performance rights must be within three years from the approval by the shareholders and:

- are subject to Volume Weighted Average Price ('VWAP') hurdles with rights vesting only after the 30 day VWAP has exceeded the relevant hurdles; and
- a further six months must elapse after satisfaction of the VWAP performance condition before the performance rights can be exercised.

A service-based vesting condition also applies. That is, Mr Mount and Mr Williams must remain in the service of the Company at the time the performance rights are exercised. Performance rights that do not vest will lapse. The performance rights are issued for nil consideration and have a nil exercise price.

The 6,666,661 rights relating to Mr Mount were cancelled subsequent to the year-end as detailed in Resolution 6 of the March 2015 AGM Notice of Meeting.

The shareholders at the 31 March 2015 AGM approved for 2,400,000 short term performance rights and 9,600,000 long term performance rights to be granted under the Axiom Director and Executive Performance Right Plan. As at the date of this report, the rights have not been issued.

	Number of rights	Expiry date	Fair value per share at approval date	VWAP hurdle	Number Vested
Ryan Mount					
Short term	2,400,000	–[1]	0.165	n/a	2,400,000
Long term	2,400,000	28 February 2017	0.057	34.5	–
	2,400,000	28 February 2018	0.054	43.5	–
	2,400,000	28 February 2019	0.052	55.5	–
	2,400,000	28 February 2020	0.050	69.0	–

[1] Expires 12 months after the date of issue.

Short Term Incentives Rights (STI Rights)

Mr Mount was to be issued 2,400,000 Rights (STI Rights) vesting immediately upon approval by the shareholders (approved on 31 March 2015) and execution of a service agreement between the Company and Mr Mount (executed 21 May 2015).

However, the rights can only be exercised by Mr Mount after the Appeal of the Proceedings has been completed and a decision handed down.

Long Term Incentive Rights (LTI Rights)

Mr Mount was to be issued 9,600,000 Rights (LTI Rights) upon approval by the shareholders (approved on 31 March 2015) and execution of a service agreement between the Company and Mr Mount (executed 21 May 2015) in tranches where the Company's Share price exceeds the following thresholds during the specified periods (each a Performance Condition):

Number of rights issued in each tranche	Period	Price threshold
2,400,000	1 March 2016 to 28 February 2017	34.5 cents
2,400,000	1 March 2017 to 28 February 2018	43.5 cents
2,400,000	1 March 2018 to 28 February 2019	55.5 cents
2,400,000	1 March 2019 to 28 February 2020	69.0 cents

Once vested, the LTI Rights will be exercisable six months after the end of the relevant measurement period.

Directors' report

continued

Remuneration report (continued)

c. Performance rights plan (continued)

The Company may cancel the Rights in the following circumstances:

a. In their entirety, in the event that, as a result of the Court's findings in the Appeal of the Proceedings, the Company is prevented from continuing exploration and subsequent mining activities in connection with the Isabel Nickel Project within 12 months after the Appeal decision is handed down; or

b. Pro-rata, in the event that Mr Mount ceases to be employed by the Company before the end of the five year term (other than termination by the Company without cause or where a change of control event (as defined under the Director and Executive Performance Rights Plan) occurs.

Each tranche of Rights will be issued at a nil exercise price. The rights are subject to the satisfaction of the relevant Performance Conditions, vesting and exercise, each Right entitles Mr Mount to one Share. The maximum number of Rights and hence the maximum number of Shares that may be issued to Mr Mount, and in the case of the LTI Rights, subject to the satisfaction of the relevant Performance Conditions, vesting and exercise is 12,000,000 Shares.

The Rights will lapse if not exercised or forfeited before the date which is 12 months from:

a. the date of issue of the STI Rights; or

b. the satisfaction of the Performance Condition, in the case of the LTI Rights.

Once the Rights become exercisable, the Rights may be exercised at any time prior to either their lapsing or being forfeited but subject to the following restrictions on their transfer:

a. 20% may be sold immediately

b. 15% restricted from transfer for three months

c. 15% restricted from transfer for six months and

d. the balance restricted from transfer whilst Mr Mount remains the Chief Executive Officer of the Company.

At the Extraordinary General Meeting held on 15 October 2015, the shareholders approved the issue of the 150,000 Performance Rights at an exercise price of $0.50. The Rights may not be exercised before 31 December 2015 and will expire on 30 June 2017.

	Number of rights	Expiry date	Fair value per share at approval date	Exercise price	Number vested
Jeremy Gray	150,000	30 June 2017	0.067 cents	0.50 cents	–

Once the Rights become exercisable, the Rights may be exercised at any time prior to either their lapsing or being forfeited but subject to the following restrictions on their transfer:

a. 20% may be sold immediately

b. 15% restricted from transfer for three months

c. 15% restricted from transfer for six months and

d. the balance restricted from transfer whilst Mr Gray remains the Director of the Company.

The Rights are subject to such other terms and conditions in relation to participation in share issues and bonus issues, takeover of the Company and other matters in accordance with the Director and Executive Performance Rights Plan and the invitation provided in connection with the Rights.

The fair value at grant date is independently determined using a Black-Scholes pricing model that takes into account the exercise price, the term of the rights, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the rights.

Directors' report
continued

Remuneration report (continued)

d. Service agreements

The Group has service agreements with the CEO, CFO and other key management personnel ('KMP'). The CEO's agreement contains provisions for payment of a cash bonus, other benefits including accommodation and living expenses in Honiara, and participation in the Senior Executive Performance Rights Plan. Key management personnel agreements contain provisions for participation where eligible in the Company's Performance Rights Plan.

Ryan Richard Mount, Chief Executive Officer and Executive Director

- Terms of agreement: Appointed as CEO and Executive Director — extended for a further five years commencing 1 March 2015.
- Total Remuneration Package of $750,000 plus superannuation per annum to be reviewed annually by the Board.
- Mr Mount is required to be frequently based in Solomon Islands, and accommodation and living expenses in Honiara are met by the Company.
- Non-cash benefits include life insurance cover, accommodation and a company vehicle whilst in Solomon Islands.
- 2.4 million Performance Rights were granted as short term incentives pursuant to the Director and Senior Executive Performance Rights Plan during the year.
- 9.6 million Performance Rights were granted as long term incentives pursuant to the Director and Senior Executive Performance Rights Plan.
- Mr Mount is also entitled to an additional bonus that may from time to time be approved at the discretion of the Board. No additional bonus has been granted for the 2015 year.
- Notice period by the Company: 24 months.
- Notice period by the employee: 12 months.

Sailesh Solanki, Chief Financial Officer

- Terms of agreement: Appointed as CFO with no fixed term commencing 8 September 2014.
- Total Remuneration Package of $185,000 plus superannuation per annum.
- Non-cash benefits represent car parking near the corporate office.
- Bonus scheme at the Board's discretion includes invitation to participate in the Employee Performance Rights Scheme.
- No bonus was issued in 2015.
- Notice period three months.

Vivian Lim, Corporate Affairs Manager

- Terms of agreement: Appointed with no fixed term commencing 1 May 2014.
- Total Remuneration Package of $155,606 plus superannuation per annum.
- Short term incentive scheme: Invitation to earn in 66,667 Performance Rights under the Employee Performance Rights Scheme.
- Long term incentive scheme: Entitled to 266,667 Performance Rights over the next three years, starting 1 May 2015 under the Employee Performance Rights Scheme at the Board's discretion.
- No bonus was issued in 2015.
- Notice period one month.

Juan Jeffery, Executive General Manager Mining Operations

- Terms of agreement: Appointed with no fixed term commencing 29 July 2015.
- Total Remuneration Package of $250,000 plus superannuation per annum.
- Long term incentive scheme: Invitation to participate in the Employee Performance Rights Scheme at the Board's discretion, with the opportunity to earn 500,000 Performance Rights over the next three years, starting 29 January 2016.
- No bonus was issued in 2015.
- Notice period of three months.

Andrew Barber, Corporate Development and Strategy Manager

- Terms of agreement: Appointed with no fixed term commencing 3 March 2015.
- Total Remuneration Package of $182,648 plus superannuation per annum.
- Non-cash benefits represent car parking near the corporate office.
- Long term incentive scheme: Invitation to participate in the Employee Performance Rights Scheme at the Board's discretion, with the opportunity to earn 266,667 Performance Rights over the next three years, starting 4 September 2015.
- No bonus was issued in 2015.
- Notice period one month.

Directors' report

continued

Remuneration report (continued)

d. Service agreements (continued)

Key management personnel employed during the current financial year but not at the date of this report:

Hans Vulker, Human Resources Manager (until 5 October 2015)

- Terms of agreement: Appointed with no fixed term commencing 4 August 2014.
- Total Remuneration Package of $160,000 plus superannuation per annum.
- Bonus scheme at the Board's discretion. Invitation to earn in 25,000 Performance Rights under the Employee Performance Rights Scheme.
- No bonus was issued in 2015.
- Notice period of one month.

John Donald Macansh, Manager Exploration – Oceania (until 18 February 2015)

- Terms of agreement: Appointed with no fixed term commencing 8 August 2014.
- Total Remuneration Package of $205,000 plus superannuation per annum.
- Bonus scheme at the Board's discretion includes invitation to participate in the Employee Performance Rights Scheme.
- No bonus was issued in 2015.
- Notice period three months.

e. Remuneration of specified Directors and specified executives

	Short-term benefits		Post-employment benefits		Share-based Payment			
Twelve months to 30 September	Directors' Fees $	Non-monetary benefits $	Super-annuation $	Retirement benefits $	Performance Rights* $	Total $	S300A(1) (e)(i) Proportion of remuneration performance related %	S300A(1) (e)(vi) Value of share rights as proportion of remuneration %
Non-executive Directors:								
Stephen Ray Williams								
2015	50,000**	–	4,750	–	27,205	81,955	–	33
2014	50,000	–	4,656	–	39,205	93,681	–	42
Jeremy Robin Gray								
2015	10,806	–	–	–	–	10,806	–	–
2014	–	–	–	–	–	–	–	–
Total Remuneration								
2015	**60,806**	**–**	**4,750**	**–**	**27,205**	**92,761**	–	29
2014	**50,000**	**–**	**4,656**	**–**	**39,205**	**93,861**	–	42

* Performance rights were granted in April 2013 following approval by shareholders at the Annual General Meeting held on 22 April 2013. The performance rights are charged to expense over the life of the rights. The expense in relation to the performance rights is calculated as fair value using the Black-Scholes model. For further disclosure in respect of the share-based payment see part (c) Performance Rights Plan of the remuneration report.

Performance rights issued will vest into fully paid ordinary shares upon specific conditions being achieved. The performance condition is a market hurdle as disclosed in part (c) Performance Rights Plan of the remuneration report. The amounts that appear are amounts required under Australian Accounting Standards to be expensed by the Company in respect of the allocation of long term incentives. Whether or not these performance rights are received will depend on achieving appropriate vesting conditions as discussed above. No performance rights were exercised during the year.

** Fees were set at $80,000 effective from 1 March 2015, and paid subsequent to the year-end.

Directors' report
continued

Remuneration report (continued)

e. Remuneration of specified Directors and specified executives (continued)

Twelve months to 30 September	Short-term benefits: Primary Salary and fees $	Short-term benefits: Non-monetary benefits $	Post-employment benefits: Super-annuation $	Post-employment benefits: Retirement benefits $	Share-based Payment: Performance Rights* $	Total $	S300A(1)(e)(i) Proportion of remuneration performance related %	S300A(1)(e)(vi) Value of share rights as proportion of remuneration %
Executive Director								
Ryan Richard Mount Chief Executive Officer and Managing Director								
2015	649,231	153,924	49,913	–	367,723	1,220,791	–	30%
2014	433,300	–	32,900	–	280,641	746,841	–	38%
Other key management personnel								
Sailesh Solanki Chief Financial Officer								
2015	192,747	15,052	17,575	–	–	225,374	–	–
2014	12,865	538	1,132	–	–	14,535	–	–
Juan Jeffery Executive General Manager Mining Operations								
2015	47,082	–	4,154	–	–	51,236	–	–
2014	–	–	–	–	–	–	–	–
Vivian Lim Corporate Affairs Manager								
2015	144,976	–	13,357	–	–	158,333	–	–
2014	54,157	–	5,091	–	–	59,248	–	–
Andrew Barber Corporate Development & Strategy Manager								
2015	125,661	7,677	11,200	–	–	144,538	–	–
2014	–	–	–	–	–	–	–	–
Former key management personnel								
John Donald Macansh Exploration Manager								
2015	88,757	–	7,550	–	–	96,307	–	–
2014	34,669	–	2,711	–	–	37,380	–	–
Hans Vulker Human Resources Manager								
2015	159,167	–	13,814	–	–	172,981	–	–
2014	26,461	–	2,318	–	–	28,779	–	–

Directors' report

continued

Remuneration report (continued)

e. Remuneration of specified Directors and specified executives (continued)

Twelve months to 30 September	Short-term benefits: Primary Salary and fees $	Short-term benefits: Non-monetary benefits $	Post-employment benefits: Super-annuation $	Post-employment benefits: Retirement benefits $	Share-based Payment: Performance Rights* $	Total $	S300A(1) (e)(i) Proportion of remuneration performance related %	S300A(1) (e)(vi) Value of share rights as proportion of remuneration %
Jess Timothy Oram General Manager Exploration								
2015	–	–	–	–	–	–	–	–
2014	172,270	–	16,000	–	–	188,270	–	–
Total Remuneration								
2015	**1,407,621**	**176,653**	**117,563**	**–**	**367,723**	**2,069,560**	–	–
2014	**733,722**	**538**	**60,152**	**–**	**280,641**	**1,075,053**	–	–

* For an explanation of performance rights refer to the footnote below the non-executive directors' remuneration table on page 29.

Share options and performance rights

Under the Directors and Executives Performance Rights Plan (approved by shareholders on 22 April 2013):

– No(1) performance rights were issued to Directors (2014: Nil)
– No performance rights were issued to employees (2014: Nil)
– Nil performance rights lapsed during the year (2014: Nil); and
– No performance rights were exercised by Directors and employees during the year (2014: Nil).

(1) 12 million Rights were approved by shareholders for Mr Mount on 31 March 2015. The Rights have not been issued. A further 150,000 Rights at the exercise price of $0.50 were issued to Mr Gray following approval at the Extraordinary General meeting held of 15 October 2015.

Details of the movements as at 30 September 2015 are as follows:

	No of rights outstanding as at 1 October 2014	Granted during the year	Exercised during the year	Lapsed during the year	No. of rights outstanding as at 30 September 2015
Stephen Ray Williams	833,332	–	–	(166,666)	666,666(2)
Ryan Richard Mount	6,666,661	–	–	(6,666,661)(3)	–
	7,499,993	–	–	(6,833,327)	666,666

(2) The VWAP hurdles relating to the 666,666 Rights were not met by 21 October 2015 and have lapsed.
(3) Cancelled post year-end as detailed in Resolution 6 of the Annual General Meeting dated 31 March 2015.

Directors' report

continued

Remuneration report (continued)

Share options and performance rights (continued)

During the year, 36,136,163 (2014: 37,427,040) options to acquire ordinary shares in the Company were issued and 57,553,885 (2014: 4,935,060) options expired.

Options over ordinary shares of the Company as at 30 September 2015 were as follows:

Grant date	Date of expiry	Exercise price	Number under option
24/09/12	20/12/15	$0.30	133,333
04/03/13	15/02/16	$0.30	1,666,667
04/03/13	15/02/16	$0.30	1,666,666
10/02/14	10/02/17	$0.2805	883,333
02/06/15	31/05/16	$0.30	2,000,000
10/07/15	31/05/16	$0.40	3,000,000
10/07/15	31/05/16	$0.55	4,500,000
10/07/15	31/05/16	$0.175	666,666
10/07/15	31/05/16	$0.35	400,000
10/07/15	31/05/16	$0.50	100,000
			15,016,665

Option holders do not have any rights to participate in any issues of shares or other interests in the Company or any other entity.

Details of shares or interests issued during or since the end of the financial year as a result of exercise of options are:

Number of shares issued	Class of shares	Amount paid for shares $000	Amount unpaid on shares $000
3,764,653	Ordinary	953	–

ASIC Class Order 98/100 rounding of amounts

The Company is an entity to which ASIC Class Order 98/100 applies and, accordingly, amounts in the financial statements and directors' report have been rounded to the nearest thousand dollars.

Likely developments and expected results

In the opinion of the Directors it may prejudice the interests of the Company to provide additional information in relation to the future developments and business strategies of the operations of the Company and the expected results of those operations in subsequent financial years.

Environmental regulation

The Group is subject to significant environmental regulation with respect to its exploration activities. The Group aims to ensure that the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all environmental legislation. The Directors of the Company are not aware of any breach of environmental legislation for the year under review.

Auditors

The Group's financial statements have been audited by Hall Chadwick Chartered Accountants and Business Advisors.

Other transactions with KMP and their related parties

Apart from the transactions disclosed in the remuneration report above and in Note 20 to the consolidated financial statements, there were no other transactions conducted between the Group and KMP or their related parties, relating to equity, compensation and loans, that were conducted other than in accordance with normal employee, customer or supplier relationships on terms no more favourable than those reasonably expected under arm's length dealings with unrelated persons.

Directors' report
continued

Remuneration report (continued)

Share options and performance rights (continued)

Indemnification of officers and auditors

During the financial year, the Company paid an insurance premium in respect of a contract insuring Directors and officers against liability arising from claims brought against them individually or jointly while performing services for the Company, and against expenses relating thereto, in accordance with the Company's constitution. In accordance with commercial practice, the insurance policy prohibits disclosure of the amount of the premium and the nature and the amount of the liability covered.

Non-audit services

The Board of Directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

– all non-audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and

– the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

Audit fees and fees for non-audit services are disclosed in Note 19 to the consolidated financial statements.

Auditor's independence declaration

The lead auditor's independence declaration for the year ended 30 September 2015 has been received and can be found on page 34 of the financial report.

This Directors' Report, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors.

Signed in accordance with a resolution of the Board of Directors.

Stephen Ray Williams
Chairman

Dated at Brisbane 21 December 2015

Auditor's independence declaration

to the Directors of Axiom Mining Limited

HALL CHADWICK (NSW)
Chartered Accountants and Business Advisers

SYDNEY
Level 40
2 Park Street
Sydney NSW 2000
Australia

GPO Box 3555
Sydney NSW 2001

Ph: (612) 9263 2600
Fx : (612) 9263 2800

AXIOM MINING LIMITED AND CONTROLLED ENTITIES
ABN 119 698 770

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

I declare that, to the best of my knowledge and belief, during the year ended 30 September 2015 there have been no contraventions of:

i. the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
ii. any applicable code of professional conduct in relation to the audit.

Hall Chadwick

Hall Chadwick
Level 40, 2 Park Street
Sydney NSW 2000

Drew Townsend
PARTNER
21 December 2015

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Consolidated statement of profit or loss

for the year ended 30 September 2015

	Notes	2015 $000	2014 $000
Revenue			
Interest income		12	3
Sundry income		7	92
Total revenue		**19**	**95**
Depreciation and amortisation	10	(326)	(206)
Employee benefits expense		(2,960)	(2,833)
Superannuation		(212)	(145)
Impairment loss on mineral exploration expenditure		(17)	(1,560)
Exploration costs		(471)	(1,425)
Foreign exchange (loss)/gain		(37)	49
Administration and other expenses	4	(6,386)	(9,291)
Rent and occupancy costs		(369)	(277)
Share-based payments		(902)	–
Write-off of subsidiary		(133)	–
Finance costs		(666)	(287)
Loss before income tax		**(12,460)**	**(15,880)**
Income tax benefit/(expense)	5	**–**	**–**
Loss for the year		**(12,460)**	**(15,880)**
Loss for the year after tax attributable to members of the Company:			
Owners of the Company		(11,931)	(15,692)
Non-controlling interests		(529)	(188)
		(12,460)	**(15,880)**

Loss per share		**Cents**	**Cents**
Basic and diluted	6	(5.0)	(0.57)

The notes on pages 43 to 70 form part of these financial statements.

Consolidated statement of comprehensive income

for the year ended 30 September 2015

	2015 $000	2014 $000
Loss for the year	(12,460)	(15,880)
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign controlled entities	385	(90)
Total comprehensive loss for the year	**(12,075)**	**(15,970)**
Total comprehensive loss for the year attributable to:		
Owners of the Company	(11,546)	(15,782)
Non-controlling interests	(529)	(188)
	(12,075)	**(15,970)**

The notes on pages 43 to 70 form part of these financial statements.

Consolidated statement of financial position

for the year ended 30 September 2015

	Notes	2015 $000	2014 $000
Assets			
Current assets			
Cash and cash equivalents	7	1,306	2,304
Other receivables	8	1,129	1,091
Total current assets		**2,435**	**3,395**
Non-current assets			
Property, plant and equipment	10	2,011	2,059
Mineral exploration expenditure	11	9,158	2,472
Total non-current assets		**11,169**	**4,531**
Total assets		**13,604**	**7,926**
Liabilities			
Current liabilities			
Trade and other payables	12	3,937	1,768
Borrowings	13	1,132	686
Lease liabilities	14	516	377
Provisions	15	340	153
Total current liabilities		**5,925**	**2,984**
Non-current liabilities			
Lease liabilities	14	2,332	1,958
Provisions	15	5	–
Total non-current liabilities		**2,337**	**1,958**
Total liabilities		**8,262**	**4,942**
NET ASSETS		**5,342**	**2,984**
Equity			
Issued capital	16(a)	91,433	77,902
Reserves	16(b)	1,192	(95)
Retained losses		(85,054)	(73,395)
Equity attributable to owners of the Company		7,571	4,412
Non-controlling interests		(2,229)	(1,428)
TOTAL EQUITY		**5,342**	**2,984**

The notes on pages 43 to 70 form part of these financial statements.

Consolidated statements of changes in equity

for the year ended 30 September 2015

	Share capital $000	Foreign currency translation reserve $000	Share-based payment reserve $000	Accumulated losses $000	Subtotal $000	Non-controlling interests $000	Total Equity $000
At 1 October 2013	62,633	(1,125)	417	(57,703)	4,222	(1,240)	2,982
Loss for the year	–	–	–	(15,692)	(15,692)	(188)	(15,880)
Other comprehensive loss	–	(90)	–	–	(90)	–	(90)
Total comprehensive loss for the year	**–**	**(90)**	**–**	**(15,692)**	**(15,782)**	**(188)**	**(15,970)**
Transactions with owners in their capacity as owners							
Shares issued during the year	15,093	–	–	–	15,093	–	15,093
Prepayment for exercise of options	176	–	–	–	176	–	176
Share performance rights expense	–	–	336	–	336	–	336
Share option expense	–	–	367	–	367	–	367
Total transactions with owners and other transfers	**15,269**	**–**	**703**	**–**	**15,972**	**–**	**15,972**
As at 30 September 2014	**77,902**	**(1,215)**	**1,120**	**(73,395)**	**4,412**	**(1,428)**	**2,984**
At 1 October 2014	77,902	(1,215)	1,120	(73,395)	4,412	(1,428)	2,984
Loss for the year				(11,931)	(11,931)	(529)	(12,460)
Other comprehensive loss	–	385	–	272	657	(272)	385
Total comprehensive loss for the year	**–**	**385**	**–**	**(11,659)**	**(11,274)**	**(801)**	**(12,075)**
Transactions with owners in their capacity as owners							
Shares issued during the year net of transaction costs	13,510	–	–	–	13,510	–	13,510
Prepayment for exercise of options	21	–	–	–	21	–	21
Share performance rights expense	–	–	395	–	395	–	395
Share option expense	–	–	507	–	507	–	507
Total transactions with owners and other transfers	**13,531**	**–**	**902**	–	**14,433**	**–**	**14,433**
As at 30 September 2015	**91,433**	**(830)**	**2,022**	**(85,054)**	**7,571**	**(2,229)**	**5,342**

The notes on pages 43 to 70 form part of these financial statements.

Consolidated statement of cash flows

for the year ended 30 September 2015

	Note	2015 $000	2014 $000
Cash flows from operating activities			
Payments to suppliers and employees		(8,498)	(12,480)
Interest received		12	3
Sundry income		7	91
Interest paid		(15)	(11)
Net cash outflow from operating activities	17	**(8,494)**	**(12,397)**
Cash outflows from investing activities			
Purchase of property, plant and equipment		(205)	(195)
Mineral exploration expenditure		(6,087)	(960)
Net cash outflow from investing activities		**(6,292)**	**(1,155)**
Cash flows from financing activities			
Proceeds from issue of ordinary shares		7,920	14,527
Proceeds from borrowings		6,080	650
Repayment of borrowings		(226)	(13)
Net cash inflow from financing activities		**13,774**	**15,164**
Net (decrease)/increase in cash and cash equivalents		(1,012)	1,612
Cash and cash equivalents at beginning of financial year		2,304	691
Effect of exchange rate changes		14	1
Cash and cash equivalents at end of financial year		**1,306**	**2,304**

The notes on pages 43 to 70 form part of these financial statements.

Notes to the financial statements

for the year ended 30 September 2015

1. Company information

Axiom Mining Limited (the 'Company') is a Company incorporated in Hong Kong.

Registered office: 2303-7 Dominion Centre, 43-59 Queen's Road East, Hong Kong.

Principal place of business: Level 6, 15 Astor Terrace, Spring Hill QLD 4000

The Company's shares are listed on the Australian Securities Exchange.

The Company and its subsidiaries (the 'Group') are principally engaged in mineral exploration in Australia, Solomon Islands and Vietnam.

2. Significant accounting policies

a. Statement of compliance

The consolidated financial statements and notes represent those of Axiom Mining Limited and the Controlled Entities (the 'Consolidated Group' or 'Group').

The separate financial statements of the parent entity, Axiom Mining Limited, have not been prepared within this financial report as permitted by the *Corporations Act 2001*.

The financial statements were authorised for issue on 21 December 2015.

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board ('AASB') and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The AASB has issued certain new and revised AASB Standards ('AASBs') that are first effective or available for early adoption for the current accounting period of the Group and of the Company. Note 2(x) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

b. Basis of preparation of the financial statements

The financial statements have been prepared under the historical cost basis except that property, plant and equipment are stated at their revalued amount, being the fair value at the date of revaluation as explained in the accounting policy set out in Note 2(e). The financial statements are presented in Australian dollars ('AUD'), which is also the functional currency of the Company.

The preparation of financial statements in conformity with AASBs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Significant accounting estimates and assumptions

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Judgements made by management in the application of AASBs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are disclosed in Note 24.

Going concern

The Group has recorded a net loss of $12,460K (2014: $15,880K), had net cash outflows from operations of $8,494K (2014: $12,397K) for the year and has no ongoing source of income. At 30 September 2015, the Group had net assets of $5,342K (2014: $2,984K).

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 30 September 2015, the Group had cash and cash equivalents of $1,306K
- on 4 November 2015 the Company announced that it had entered into a convertible note facility agreement for up to $15 million to project fund the development of the Isabel Nickel Project through a strategic partnership with experienced resource venture capitalist and project incubator InCor Holdings Plc ('InCoR'). As part of the agreement, Axiom issued one secured convertible note with a face value of $5,000,000, convertible to a maximum issue of 13,513,514 fully paid ordinary shares based on a conversion price of $0.37 per share
- 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; and
- the ability to renew pending exploration applications based on previous experience.

Notes to the financial statements

for the year ended 30 September 2015

2. Significant accounting policies (continued)

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.

c. Principles of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Axiom Mining Limited) and all of the subsidiaries (including any structured entities). Subsidiaries are entities that the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 9.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

d. Business combinations

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not re-measured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is re-measured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

e. Fair value of assets and liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

Notes to the financial statements

for the year ended 30 September 2015

2. Significant accounting policies (continued)

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

f. Property, plant and equipment

Property, plant and equipment are stated in the balance sheet at cost or revaluation less accumulated depreciation and impairment losses. Leasehold land is stated at its fair value, which has been determined considering future lease payments, term of the lease and implied interest.

Revaluations are performed with sufficient regularity to ensure that the carrying amount of these assets does not exceed their recoverable amount at balance sheet date.

Changes arising on the revaluation of property, plant and equipment are generally dealt with in other comprehensive income and are accumulated separately in equity in the asset revaluation reserve. The only exceptions are as follows:

- when a deficit arises on revaluation, it will be charged to profit or loss to the extent that it exceeds the amount held in the reserve in respect of that same asset immediately prior to the revaluation; and
- when a surplus arises on revaluation, it will be credited to profit or loss to the extent that a deficit in respect of that same asset had previously been charged to profit or loss.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss in the period in which they arise. Any related revaluation surplus is transferred from the revaluation reserve to accumulated losses. Depreciation is calculated to write off the cost or revaluation of items of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives. The principal annual rates used for this purpose are as follows:

– Leasehold land	over the lease term
– Leasehold improvements	over the lease term
– Plant and equipment	20% – 33%

Both the useful life of an asset and its residual value, if any, are reviewed annually, and adjusted if appropriate, at the end of each reporting period.

g. 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.

Any changes in the estimates for the costs are accounted for on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

h. Leases

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement regardless of whether the arrangement takes the legal form of a lease.

Assets that are held by the Group under leases that transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases, with the following exception: land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease. For these purpose, the inception of the lease is the time that the lease was first entered into by the Group, or taken over from the previous lessee.

Notes to the financial statements

for the year ended 30 September 2015

2. Significant accounting policies (continued)

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, of such assets is included in fixed assets and the corresponding liabilities, net of finance charges, are recorded as obligations under finance leases. Depreciation is provided at rates that write-off the cost or valuation of the assets over the term of the relevant lease or, where it is likely the Group will obtain ownership of the asset, the life of the asset, as set out in Note 2(f). Finance charges implicit in the lease payments are charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

i. Impairment of assets

i. Impairment of investments in equity securities and other receivables

Investments in other current and non-current receivables that are stated at cost or amortised cost are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group regarding one or more of the following loss events:

- Significant financial difficulty of the debtor
- A breach of contract, such as a default or delinquency in interest or principal payments
- It becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- Significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor
- A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

If any such evidence exists, any impairment loss is determined and recognised as follows:

- For unquoted equity securities carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses for equity securities carried at cost are not reversed.
- For trade and other current receivables, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where financial assets carried at amortised cost share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets that are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

Impairment losses are written-off against the corresponding assets directly, except for impairment losses recognised in respect of other receivables whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written-off against other receivables directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written-off directly are recognised in profit or loss.

Notes to the financial statements

for the year ended 30 September 2015

2. Significant accounting policies (continued)

ii. Impairment of mineral exploration expenditure

The carrying amount of the mineral exploration expenditure is reviewed annually and adjusted for impairment whenever one of the following events or changes in circumstances indicates that the carrying amount may not be recoverable:

- The period for which the Group has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Group has decided to discontinue such activities in the specific area; or
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the mineral exploration expenditure is unlikely to be recovered in full from successful development or by sale.

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset exceeds its recoverable amount.

iii. Impairment of other assets

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

- Property, plant and equipment
- Investments in subsidiaries in the parent company's balance sheet.

If any such indication exists, the asset's recoverable amount is estimated.

Calculation of recoverable amount

The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

Recognition of impairment losses

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

Reversal of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

j. Income tax

The income tax expense/(benefit) for the year comprises current income tax expense/(benefit) and deferred tax expense/(benefit).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities/(assets) are measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense/(benefit) are charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Notes to the financial statements

for the year ended 30 September 2015

2. Significant accounting policies (continued)

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

k. Other receivables

Other receivables are initially recognised at fair value and thereafter stated at amortised cost less allowance for impairment of doubtful debts (see Note 2(i)(i)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

l. Other payables

Other payables are initially recognised at fair value and are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

m. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the cash flow statement.

n. Employee benefits

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is defined and the effect would be material, these amounts are stated at their present values. Superannuation is paid in accordance with applicable local government legislation.

Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any re-measurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

o. Share-based payments

The fair value of share options granted to employees and others is recognised as an employee cost with a corresponding increase in a reserve within equity. The fair value of shares granted to service providers is recognised as an expense and classified by nature. The fair value is measured at grant date using the Black Scholes option pricing model, as appropriate, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

Notes to the financial statements

for the year ended 30 September 2015

2. Significant accounting policies (continued)

During the vesting period, the number of share options that is expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged or credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares.

p. Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expenses. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the balance sheet.

Cash flows are included in the cash flow statement on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

q. Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

r. Revenue recognition

Provided that it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

- Interest income is recognised as it accrues using the effective interest method
- Sundry income is recognised at the fair value of the consideration received or receivable.

s. Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the balance sheet date. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

The results of foreign operations are translated into Australian dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Balance sheet items are translated into Australian dollars at the foreign exchange rates ruling at the balance sheet date. The resulting exchange differences are recognised directly in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

t. Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to owners and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to.

u. Segmental reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocated resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

Notes to the financial statements

for the year ended 30 September 2015

2. Significant accounting policies (continued)

v. Convertible notes

Convertible notes that do not contain an equity component are accounted for as follows:

At initial recognition the derivative component of the convertible notes is measured at fair value and presented as part of derivative financial instruments (see Note 2(w)). Any excess of proceeds over the amount initially recognised as the derivative component is recognised as the liability component. Transaction costs that relate to the issue of the convertible note are allocated to the liability and derivative components in proportion to the allocation of proceeds. The portion of the transaction costs relating to the liability component is recognised initially as part of the liability. The portion relating to the derivative component is recognised immediately in profit or loss.

The derivative component is subsequently re-measured in accordance with Note 2(w). The liability component is subsequently carried at amortised cost. The interest expense recognised in profit or loss on the liability component is calculated using the effective interest method.

If the note is converted, the carrying amounts of the derivative and liability components are transferred to share capital as consideration for the shares issued. If the note is redeemed, any difference between the amount paid and the carrying amounts of both components is recognised in profit or loss.

w. Derivative financial instruments

Derivative financial instruments are recognised initially at fair value. At the end of each reporting period the fair value is re-measured. The gain or loss on re-measurement to fair value is recognised immediately in profit or loss.

x. New accounting standards for application in future periods

Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the company, together with an assessment of the potential impact of such pronouncements on the company when adopted in future periods, are discussed below:

AASB 9: Financial Instruments and associated Amending Standards (applicable to annual reporting periods commencing on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments, and simplified requirements for hedge accounting.

The key changes that may affect the company on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of this Standard, the application of such accounting would be largely prospective.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the company's financial instruments, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods commencing on or after 1 January 2018).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model.

Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services.

To achieve this objective, AASB 15 provides the following five-step process:

- Identify the contract(s) with a customer
- identify the performance obligations in the contract(s)
- Determine the transaction price
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding Revenue.

Notes to the financial statements

for the year ended 30 September 2015

3. Segment information

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 $000	**2014 $000**	**2015 $000**	**2014 $000**	**2015 $000**	**2014 $000**	**2015 $000**	**2014 $000**
Segment revenue	12	11	7	84	–	–	19	95
Segment result (loss)	(10,319)	(10,550)	(2,081)	(4,320)	(60)	(1,010)	(12,460)	(15,880)
Segment assets	1,774	2,976	11,820	4,923	10	27	13,604	7,926
Segment Liabilities	3,094	1,584	5,163	3,355	5	3	8,262	4,942

4. Loss for the year

	2015 $000	**2014 $000**
Loss before income tax includes the following specific expenses:		
Administration and other comprises:		
Legal	2,474	5,500
Consultants	524	1,564
Travel	521	882
Other	2,867	1,345
	6,386	**9,291**
Minimum lease payments on operating leases	50	217

Notes to the financial statements

for the year ended 30 September 2015

5. Tax expense

	2015 $000	2014 $000
The prima facie tax on loss from ordinary activities before income tax is reconciled to income tax as follows:		
Prima facie tax payable on loss from ordinary activities before income tax at 30% (2014: 30%)	(3,738)	(4,764)
Add:		
Tax effect of:		
Non-allowable items		
– share options expensed during year	271	211
– overseas exploration and other expenditure	705	1,741
– loss on disposal of subsidiary	40	–
– impairment loss on mineral exploration expenditure	5	–
Less:		
– difference in overseas tax rate	5	82
– tax losses and deferred tax not recognised	2,712	2,730
Income tax attributable to entity	**–**	**–**

6. Loss per share

a. Basic loss per share

The calculation of basic loss per share of 5.0 cents per share (2014: 0.57 of a cent per share) is based on the loss attributable to owners of the Company of $11,931,000 (2014: $15,692,000) and the weighted average number of 239,114,160 ordinary shares (2014: 2,743,020,471 shares) in issue during the year, calculated as follows:

b. Diluted loss per share

The diluted loss per share is the same as the basic loss per share as the exercise of the share options and the conversion of convertible notes would result in a decrease in loss per share.

	Consolidated Group	
	2015 $000	2014 $000
i. Reconciliation of earnings to profit or loss:		
Loss for the year	(12,460)	(15,880)
Loss attributable to non-controlling equity interest	(529)	(188)
Loss used to calculate basic EPS	(11,931)	(15,692)
Loss used in the calculation of dilutive EPS	(11,931)	(15,692)

Notes to the financial statements

for the year ended 30 September 2015

6. Loss per share (continued)

Weighted average number of *ordinary shares*

	2015 No. of shares	2014 No. of shares
Issued ordinary shares at 1 October (Note 16(a))	3,289,552,750	2,335,067,445
Effect of share consolidation*	(3,070,251,090)	
Effect of placement of shares	4,773,088	112,415,955
Effect of shares issued as payment for services	210,069	13,689,102
Effect of issue of shares to employees	–	586,667
Effect of issues under exercise of options	1,344,388	6,844,548
Effect of issues under share purchase plan and conversion of convertible notes	13,484,955	106,783,568
Effect of issue under agreement	–	43,680,887
Effect of commencement fee funding	–	5,035,264
Effect of Convertible note security	–	9,493,151
Effect of Rights issue	–	109,423,884
Weighted average number of ordinary shares at 30 September	**239,114,160**	**2,743,020,471**

* A share consolidation of Axiom's capital, on the basis of one share for every fifteen shares was completed on 14 April 2015.

7. Cash and cash equivalents

	2015 $000	2014 $000
Cash at bank and on hand	1,198	2,170
Short-term bank deposits	34	13
Funds held in trusts	74	121
	1,306	**2,304**
The effective interest rate on short-term bank deposits was 2.15% (2014: 3.54%). These deposits have an average maturity of 90 days.		
Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	**1,306**	**2,304**

8. Other receivables

	2015 $000	2014 $000
Prepayments	165	70
Other receivables	964	1,021
	1,129	**1,091**

Terms and conditions

Other receivables comprise sundry debtors.

Sundry debtors are non-interest bearing and have repayment terms between 30 to 90 days.

Notes to the financial statements

for the year ended 30 September 2015

9. Investments in subsidiaries

Details of the subsidiaries are as follows:

Name of subsidiaries	Place of incorporation	Ownership interest held by the Group 2015 %	Ownership interest held by the Group 2014 %	Proportion of Non-controlling interests 2015 %	Proportion of Non-controlling interests 2014 %
Axiom Vietnam JSC*	Vietnam	90	90	10	10
Axiom Nickel Pty Ltd	Australia	100	100	–	–
Axiom Nickel (SI) Ltd	Solomon Islands	100	100	–	–
Axiom KB Ltd	Solomon Islands	80	80	20	20
Azzu Mining Ltd	British Virgin Islands	100	100	–	–
Guadalcanal Resources Limited*	Solomon Islands	93	93	–	–
Laos Resources Ltd	British Virgin Islands	100	100	–	–
Ozmin Resources Pty Ltd	Australia	100	100	–	–
South Pacific Minerals Limited	Solomon Islands	100	100	–	–
Vietnam Resources Corporation Pty Ltd	Australia	100	100	–	–
Vietnam Resources Corporation (QB) Pty Ltd	Australia	100	100	–	–
VRC Quangtri Pty Ltd	Australia	100	100	–	–
Millungera Energy Pty Ltd	Australia	100	100	–	–
Vietnam Resources Corporation (VN Holdings) Pty Ltd	Australia	100	100	–	–

* The non-controlling interests of Axiom Vietnam JSC and Guadalcanal Resources Limited are not material to the Group.

Notes to the financial statements

for the year ended 30 September 2015

9. Investments in subsidiaries (continued)

Summarised Financial Information of Material Non-controlling Interest – Axiom KB Ltd

	2015 $000	2014 $000
Summarised Financial Position:		
Total Current Assets	952	737
Total Non-current Assets	7,072	2,523
Total Assets	**8,024**	**3,260**
Total Current Liabilities	1,777	551
Total Non-current Liabilities	17,520	8,617
Total Liabilities	**19,297**	**9,168**
Net Assets	(11,273)	(5,908)
Carrying amount of non-controlling interests	(2,255)	(1,182)
Summarised Financial Performance:		
Revenue	7	84
Loss after tax	(2,645)	(939)
Other comprehensive income after tax	–	–
Total Comprehensive loss	**(2,645)**	**(9339)**
Loss attributable to non-controlling interests	(529)	(188)
Distributions paid to non-controlling interests	–	–

Notes to the financial statements

for the year ended 30 September 2015

10. Property, plant and equipment

	Leasehold Land[1] $000	Leasehold improvements $000	Plant & Equipment $000	Total $000
At 1 October 2013				
Cost	1,502	190	990	2,682
Accumulated depreciation and amortisation	(108)	(148)	(367)	(623)
	1,394	42	623	2,059
Cost				
At 1 October 2013	1,659	179	793	2,631
Additions	–	–	195	195
Disposals	–	–	(2)	(2)
Exchange realignment	(157)	11	4	(142)
At 30 September 2014	1,502	190	990	2,682
Accumulated depreciation and amortisation				
At 1 October 2013	(85)	(135)	(212)	(432)
Disposals	–	–	–	–
Depreciation and amortisation charged	(23)	(4)	(179)	(206)
Exchange realignment	–	(9)	24	15
At 30 September 2014	(108)	(148)	(367)	(623)
Net carrying amount at 30 September 2014	1,394	42	623	2,059
Cost				
At 1 October 2014	1,502	190	990	2,682
Additions	–	–	187	187
Disposals	–	–	–	–
Exchange realignment	–	26	133	159
At 30 September 2015	1,502	216	1,310	3,028
Accumulated depreciation and amortisation				
At 1 October 2014	(108)	(148)	(367)	(623)
Disposals	–	–	–	–
Depreciation and amortisation charged	(38)	(44)	(244)	(326)
Exchange realignment	8	(24)	(52)	(68)
At 30 September 2015	(138)	(216)	(663)	(1,017)
Net carrying amount at 30 September 2015	**1,364**	**–**	**647**	**2,011**
At 30 September 2015				
Cost	1,502	216	1,310	3,028
Accumulated depreciation and amortisation	(138)	(216)	(663)	(1,017)
Net carrying amount at 30 September 2015	**1,364**	**–**	**647**	**2,011**

[1] Leasehold land includes a long term lease over land on Santa Isabel Island in Solomon Islands (refer Note 14).

Notes to the financial statements

for the year ended 30 September 2015

11. Mineral exploration expenditure

Exploration, evaluation and development costs carried forward in respect of mining areas of interest:

	2015 $000	2014 $000
Carrying amount at 1 October	2,472	2,796
Exploration costs	7,044	2,385
Less: Exploration costs expensed	(471)	(1,425)
Exchange alignment	130	276
Impairment loss on mineral exploration expenditure	(17)	(1,560)
Carrying amount at 30 September	**9,158**	**2,472**

Determining the recoverability of mineral exploration expenditure capitalised in accordance with the Group's accounting policy (see Note 2 (g)), requires estimates and assumptions as to future events and circumstances, in particular, whether successful development and commercial exploitation, or alternatively sale, of the respective exploration right will be achieved. During the period, an impairment charge was made to capitalised exploration expenditure in accordance with the Group's accounting policy (see Note 2(g)) to its recoverable amount.

During the year the company has spent less than the annual expenditure commitment under the amalgamated expenditure arrangement. However, the company expects to meet any shortfall in this arrangement in future periods.

The company is in process of renewing its tenement licenses in the West Guadacanal area, and the Kolosori area is subject to litigation matters.

The licence relating to the West Guadalcanal Project has not yet been renewed and is currently still proceeding through the renewal process. A significant assumption has been made by the directors that the application to renew will be successful. As the directors expect the licenses will be renewed, it is appropriate to continue to carry the capitalised expenditure relating to West Guadalcanal Project.

Recoverability of the carrying amount of exploration assets is dependent on the successful exploration and commercial exploitation of the tenements.

12. Trade and other payables

	2015 $000	2014 $000
Trade payables	2,362	854
Other payables and accruals	1,575	914
	3,937	**1,768**

All of the other payables are expected to be settled or recognised as an expense within one year or are repayable on demand.

Notes to the financial statements

for the year ended 30 September 2015

13. Borrowings

	2015 $000	2014 $000
Convertible notes (includes embedded derivative component)	1,132	678
Other borrowings	–	8
	1,132	**686**

On 22 May 2015, the Company raised $1 million through the issue of six Convertible Notes, pursuant to a number of Convertible Note Agreements.

The Convertible Notes were issued on the following terms:

- Each Convertible Note has a term of 18 months and can be converted at any time by the noteholder
- A coupon rate of 8% per annum applies to the Convertible Notes, which is quarterly
- A conversion price of $0.30 applies to each Convertible Note; and
- For every $5.00 worth of Convertible Notes, the Noteholder will be entitled to 10 free attaching Options, with an exercise price of $0.30, expiring 12 months from the date of issue.

One Note with face value of $100,000 was converted on 9 June 2015 at $0.30 cents with issue of 333,333 shares.

The convertible notes are considered to be a hybrid financial instrument with an amortised financial liability component and an embedded derivative liability component that are disclosed separately. The value of the embedded derivative liability at reporting date was $581,350 (initial recognition was $1,000,000 with the balance of $567,267 recognised as a financial liability). The amortised cost of the financial liability at reporting date was $550,547.

14. Capitalised lease liabilities

On 22 February 2011 the Group through its subsidiary Axiom KB Limited entered into a long term lease agreement (50 years) over land on Santa Isabel Island in the Solomon Islands. As at 30 September 2015, the Group had obligations under the finance lease as follows:

	2015		2014	
	Present value of the minimum lease payments $000	Total minimum lease payments $000	Present value of the minimum lease payments $000	Total minimum lease payments $000
Within one year	516	596	377	436
After one year but within five years	375	794	363	698
After five years	1,957	7,993	1,595	7,194
	2,332	8,787	1,958	7,892
	2,848	9,383	2,335	8,328
Less: total interest expenses	–	(6,535)	–	(5,993)
	2,848	2,848	2,335	2,335

Notes to the financial statements

for the year ended 30 September 2015

15. Provisions

Current	2015 $000	2014 $000
Employee benefits payable	340	153

The employee benefits relate to leave provisions and is presented as current as it is expected to be settled within 12 months.

Non-Current		
Employee benefits payable	5	–

The employee benefits relate to long service leave provisions not due for settlement within the next 12 months.

16. Capital and reserves

a. Authorised and issued share capital

	2015 $000	2014 $000
Issued and fully paid		
264,676,635* (2014: 3,289,552,750) ordinary shares	91,433	77,902

	2015		2014	
	Number of shares	$000	Number of shares	$000
Movements in issued shares:				
Balance at 1 October	3,289,552,750	77,902	2,335,067,445	62,633
Issue of new shares				
Effect of share consolidation*	(3,070,251,090)	–	–	–
Share placement issue	21,299,632	7,176	332,383,597	5,390
Shares issued as payment for services and interest	357,643	70	22,966,727	361
Shares issued to employees	–	–	2,133,334	30
Exercise of options	3,526,558	882	64,208,203	1,119
Shares issued under agreement	–	–	144,134,202	1,900
Shares issued on conversion of convertible notes	20,191,142	5,650	224,000,014	3,136
Shares used 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
	264,676,635	91,680	3,289,552,750	77,726
Less: Transaction costs arising from share issues	–	(268)	–	–
Options exercised during the year and paid but shares not allotted until after 30 September 2014	–	21	–	176
Balance at 30 September	**264,676,635**	**91,433**	**3,289,552,750**	**77,902**

* A share consolidation of Axiom's capital, on the basis of one share for every fifteen shares was completed on 14 April 2015.

Notes to the financial statements

for the year ended 30 September 2015

16. Capital and reserves (continued)

b. Reserves

	2015 $000	2014 $000
Exchange reserve	(830)	(1,215)
Share-based payment reserve	2,022	1,120
	1,192	**(95)**

Nature and purpose of reserves

i. Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy set out in Note 2(s).

ii. Share-based payments reserve

The share-based payments reserve is used to recognise:

- The grant date fair value of performance rights issued to employees and directors.
- The grant date fair value of shares issued to employees.
- The grant date fair value of options issued to consultants.

c. Distributability of reserves

At 30 September 2015, the aggregate amount of reserves available for distribution to shareholders of the Company was nil (2014: nil).

Notes to the financial statements

for the year ended 30 September 2015

16. Capital and reserves (continued)

d. Options

Details of the movements in options are as follows:

	Grant Date	Expiry Date	*No. of options outstanding as at 1/10/2014	Exercise price	Granted during the year	Exercised during the period	Expired during the year	No. of options outstanding as at 30/09/2015
Bergen agreement	02/04/12	02/10/14	666,667	0.4500			(666,667)	–
Consultants	24/09/12	20/12/15	133,333	0.3000				133,333
Option attached to private placement	25/10/12	30/10/14	555,556	0.4500			(555,556)	–
Consultants	30/10/12	30/10/14	433,333	0.4500			(433,333)	–
Option attached to private placement	04/03/13	15/02/16	1,666,667	0.3000				1,666,667
Consultants	04/03/13	15/02/16	1,666,666	0.3000				1,666.666
Consultants	10/02/14	10/02/17	883,333	0.2805				883,333
Consultants	11/02/14	30/11/14	1,066,667	0.2550			(1,066,667)	–
Option attached to private placement	10/04/14	31/03/15	25,169,525	0.3000			(25,169,525)	–
Consultants	10/04/14	31/03/15	666,666	0.3000			(666,666)	–
Consultants	10/04/14	31/03/15	300,000	0.3000			(300,000)	–
Option to attached private placement	08/09/14	30/11/14	5,199,223	0.3000			(5,199,223)	–
Option to attached private Placement	08/09/14	30/11/14	737,700	0.3000			(737,700)	–
Options approved for issue at AGM	01/05/15	30/09/15	–	0.3000	25,169,498	(2,710,949)	(22,458,549)	–
Options attached to convertible notes	02/06/15	31/05/16	–	0.3000	2,000,000			2,000,000
Consultants	10/07/15	30/09/15	–	0.3000	233,333		(233,333)	–
Option attached to private placement	13/07/15	30/09/15	–	0.3000	66,666		(66,666)	–
Consultants	10/07/15	31/05/16	–	0.4000	3,000,000			3,000,000
Consultants	10/07/15	31/05/16	–	0.5500	4,500,000			4,500,000
Consultants	10/07/15	31/05/16	–	0.1750	666,666			666,666
Consultants	10/07/15	31/05/16	–	0.3500	400,000			400,000
Consultants	10/07/15	31/05/16	–	0.5000	100,000			100,000
			39,145,336		**36,136,163**	**(2,710,949)**	**(57,553,885)**	**15,016,665**

* Post consolidation

Notes to the financial statements

for the year ended 30 September 2015

16. Capital and reserves (continued)

A share consolidation of Axiom's capital, on the basis of one share for every fifteen shares was completed on 14 April 2015. The number of options in the above table has been amended to reflect this consolidation.

The fair value of options granted is measured using the Black-Scholes option pricing model, as appropriate, based on various assumptions on volatility, option life, dividend yield and annual risk-free interest rate, excluding the impact of any non-market vesting conditions, which generally represent the best estimate of the fair values of the share options at date of grant.

Key inputs used in the calculation of the value of options granted during the year ended 30 September 2015 are:

Grant date	Expiry date	Spot price $	Volatility %	Risk free rate %
10 Jul 15	30 Sep 15	0.35	192	2.15
13 Jul 15	30 Sep 15	0.37	192	2.15
10 Jul 15	31 May 16	0.35	192	2.15
10 Jul 15	31 Mar 16	0.35	192	2.25
10 Jul 15	31 May 16	0.35	192	2.25

Expected volatility was determined based on historic volatility adjusted for any expected changes to future volatility based on publicly available information. All options granted during the year vested on grant date. None of the options issued have vesting conditions attached.

e. Performance rights

Details of the movements in rights granted are as follows:

	No of rights outstanding as at 1 October 2014	Granted during the year	Exercised during the year	Lapsed during the year	No. of rights outstanding as at 30 September 2015
Stephen Ray Williams	833,332	–	–	(166,666)	666,666[(1)]
Ryan Richard Mount	6,666,661	–	–	(6,666,661)[(2)]	–
	7,499,993	**–**	**–**	**(6,833,327)**	**666,666**

[(1)] The VWAP hurdles relating to the 666,666 Rights were not met by 21 October 2015 and have lapsed.
[(2)] Cancelled post year-end as detailed in Resolution 6 of the Annual General Meeting dated 31 March 2015.

f. Capital management

The Group's primary objectives when managing capital is to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

Notes to the financial statements

for the year ended 30 September 2015

17. Note to statement of cash flows

Reconciliation of loss from operations to net cash outflow from operating activities:

	2015 $000	2014 $000
Loss for the period	(12,460)	(15,880)
Non-cash items		
Depreciation and amortisation	326	206
Expense recognised in respect of shares issued in exchange for consulting services	10	714
Interest on lease liability	459	277
Impairment loss on mineral exploration expenditure	17	1,560
Share-based payments expense	902	703
Fair value (gains)/losses	86	–
Write-off of subsidiary	133	–
Net foreign exchange loss	–	16
Changes in operating assets and liabilities		
– (Increase) in other receivables	(354)	(772)
– Increase in other payables	2,208	719
– Increase in provisions	179	60
Net cash flows used from operations	**(8,494)**	**(12,397)**

18. Commitments

a. Expenditure commitments

Estimated capital expenditure required to maintain tenements by the balance sheet date, but not provided for, are payable as follows:

	2015 $000	2014 $000
Within one year	750	704
After one year but within five years	1,571	1,742
	2,321	**2,446**

These commitments may be achieved by seeking exemptions, relinquishment or by joint venture arrangements.

During the year the company has spent less than the annual expenditure commitment under the amalgamated expenditure arrangement. However, the company expects to meet any shortfall in this arrangement in future periods.

The company is in process of renewing its tenement licenses in the West Guadacanal area, and the Kolosori area is subject to litigation matters.

Recoverability of the carrying amount of exploration assets is dependent on the successful exploration and commercial exploitation of the tenements.

Notes to the financial statements

for the year ended 30 September 2015

18. Commitments (continued)

b. Operating lease commitments

	2015 $000	2014 $000
Within one year	50	128
After one year but within five years	–	10
	50	**138**

19. Auditor's remuneration

	2015 $000	2014 $000
Amount received or due and received by auditors for:		
Hall Chadwick		
Audit and review of financial reports under the Corporations Act 2001	57	80
Audit services by firms other than Hall Chadwick	29	10
	86	**90**

20. Related parties

a. Balances with related parties

During the 2014 year an advance of $28,093 was outstanding from Ryan Richard Mount at market rates. This advance was fully paid during the year including interest at market rates.

Transactions with related parties

Stephen Ray Williams is a consultant to Kemp Strang Lawyers. Mr Williams is not a partner of Kemp Strang Lawyers. During the year $132,550 (2014 $97,829) (exclusive of GST) was paid to Kemp Strang Lawyers for legal services on normal commercial terms.

Stephen Ray Williams provided consultancy services to the Company through Burrawong Holdings Pty Ltd. During the year Nil (2014: $8,000) (exclusive of GST) in consultancy fees were charged by Burrawong Holdings Pty Ltd to the Company.

During the year, advisory services were provided by JRG Consulting (JRG). Mr Jeremy Gray, who is a Non-executive Director, controls JRG. The Board considers that the JRG agreement is a commercial arrangement entered into on reasonable arm's length terms. There is no obligation for the Company to acquire services exclusively from JRG or for JRG to exclusively provide services to the Company. Total amount paid to JRG during the year including the provision of services provided by Mr Jeremy Gray was $28,650 (2014 Nil).

Notes to the financial statements

for the year ended 30 September 2015

20. Related parties (continued)

b. KMP and executive director remuneration summary

	2015 $000	2014 $000
Short term employee benefits:		
Salaries	1,408	734
Non-monetary benefits	176	1
Total short-term benefits	**1,584**	**735**
Post-employment benefits		
Superannuation	118	60
Other benefits		
Share-based payments - performance rights*	368	281
Total remuneration	**2,070**	**1,076**

* Performance rights were granted in April 2013 following approval by shareholders at the Annual General Meeting held on 22 April 2013. The performance rights are charged to expense over the life of the rights. The expense in relation to the performance rights is calculated as fair value using the Black-Scholes model. For further disclosure in respect of the share-based payment see part (c) Performance Rights Plan of the remuneration report in the Directors' report.

Performance rights issued will automatically vest into fully paid ordinary shares upon specific conditions being achieved. The performance condition is a market hurdle as disclosed in part (c) Performance Rights Plan of the remuneration report. The amounts that appear are amounts required under Australian Accounting Standards to be expensed by the Company in respect of the allocation of long term incentives. Whether or not these performance rights are received will depend on achieving appropriate vesting conditions as discussed above. No performance rights were exercised during the year.

21. Financial risk management and fair values

Exposure to credit, liquidity, interest rates and currency risks arises in the normal course of the Group's business.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group are described below and are limited by the Group's financial management policies and practices described below.

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk is managed through the maintenance of procedures (such procedures include the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring of the financial stability of significant customers and counterparties), ensuring to the extent possible, that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Credit terms are generally 14 to 30 days from the invoice date.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating, or in entities that the Board has otherwise cleared as being financially sound. Where the Group is unable to ascertain a satisfactory credit risk profile in relation to a customer or counterparty, the risk may be further managed through title retention clauses over goods or obtaining security by way of personal or commercial guarantees over assets of sufficient value that can be claimed against in the event of any default.

Notes to the financial statements

for the year ended 30 September 2015

21. Financial risk management and fair values (continued)

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position. Credit risk also arises through the provision of financial guarantees, as approved at Board level.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality.

The Group manages its credit risk associated with funds on deposit and cash at bank by only dealing with reputable financial institutions. At year end the Company has one material exposure of $1,094K (2014: $2,145K) to the Australia and New Zealand Banking Group Limited relating to funds on deposit and cash at bank.

b. Liquidity risk

Liquidity risk arises from the possibility that the Group may encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The Group manages this risk through the following mechanisms:

– Preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities
– Maintaining a reputable credit profile
– Managing credit risk related to financial assets; and
– Only investing surplus cash with major financial institutions.

Individual operating entities within the Group are responsible for their own cash management, including the short term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the parent Company's Board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

c. Interest rate risk

The Group's exposure to interest rate risk and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the balance sheet date, are as follows:

	Interest bearing		Non-interest bearing		Total carrying amount as per the balance sheet		Weighted average effective interest rate	
Financial instruments	**2015 $000**	**2014 $000**	**2015 $000**	**2014 $000**	**2015 $000**	**2014 $000**	**2015 %**	**2014 %**
(i) Financial assets								
Cash[1]	1,306	2,304	–	–	1,306	2,304	2.5	3.5
Other receivables	–	–	1,129	1,091	1,129	1,091	–	–
Total financial assets	**1,306**	**2,304**	**1,129**	**1,091**	**2,435**	**3,395**		
(ii) Financial liabilities								
Other payables	–	–	3,937	1,768	3,937	1,768	–	–
Borrowings – Convertible notes[2]	1,132	678	–	–	1,132	678	8.0	14.5
Borrowings – Other[1]	–	8	–	–	–	8	–	14.4
Capitalised lease liabilities[2]	2,848	2,335	–	–	2,848	2,335	10.0	10.0
Provisions	–	–	345	153	345	153	–	–
Total financial liabilities	**3,980**	**3,021**	**4,282**	**1,921**	**8,262**	**4,942**		

[1] At floating interest rates
[2] At fixed interest rates

The Group is not exposed to significant risk from interest rate sensitivity.

Notes to the financial statements

for the year ended 30 September 2015

21. Financial risk management and fair values (continued)

d. Currency risk

Functional currency of entity	AUD	SBD	VND	Total AUD
2015				
Australian Dollar	(1,687)			(1,687)
Solomon Islander Dollar		(4,142)		(4,142)
Vietnamese Dong			1	1
Statement of financial position exposure	(1,687)	(4,142)	1	(5,828)
2014				
Australian Dollar	1,031	–	–	1,031
Solomon Islander Dollar	–	(2,595)	–	(2,595)
Vietnamese Dong	–	–	17	17
Statement of financial position exposure	1,031	(2,595)	17	(1,547)

If the Solomon Islander Dollar and the Vietnamese Dong were to firm against the Australian dollar by 5% the Group loss would increase by $169K. If the Solomon Islander Dollar and the Vietnamese Dong were to weaken against the Australian dollar by 5% the Group loss would reduce by $153K.

e. Fair values

All financial instruments are carried at amounts not materially different from their fair values as at 30 September 2015 and 2014.

22. Contingent assets and contingent liabilities

Contingent assets

On 24 September 2014 the High Court of 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 for Axiom's costs relating to the original High Court case
- US$177,200 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 was heard by a panel of three Commonwealth judges from 26 May 2015 to 5 June 2015. The Court of Appeal has reserved judgement and no ruling has been handed down at the date of this report.

Contingent liabilities

As at the date of this report there are no contingent liabilities.

Notes to the financial statements

for the year ended 30 September 2015

23. Subsequent events

Subsequent to the year end, on 4 November 2015 the Company announced that it had entered into a convertible note facility agreement for up to $15 million to project fund the development of the Isabel Nickel Project through a strategic partnership with experienced resource venture capitalist and project incubator InCor Holdings Plc ('InCoR').

As part of the agreement, Axiom issued one secured convertible note with a face value of $5,000,000, convertible to a maximum issue of 13,513,514 fully paid ordinary shares based on a conversion price of $0.37 per share.

The note is for the period of 24 months with interest rate of 6% per annum payable in advance for the first 12 months and thereafter quarterly in advance. Interest obligations have been satisfied by the issuing shares at a fixed price of $0.37. The facility is secured through the first ranking charge over Axiom's assets in Australia and Hong Kong.

At the Extraordinary General Meeting held on 15 October 2015, the shareholders approved the issue of the 150,000 Performance Rights to the newly-appointed director, Mr Jeremy Gray.

Apart from the matters mentioned above, no other matters or circumstances have arisen since 30 September 2015 that significantly affected or could significantly affect the operations of the Consolidated Group in future years.

24. Significant accounting estimates and judgements

Estimates and judgements used in preparing the consolidated financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates may not equal the related actual results. The estimates and assumptions that have a significant effect on the carrying amounts of assets and liabilities are discussed below.

a. Impairment of non-financial assets

The Group tests at least annually whether other assets that have indefinite useful lives have suffered any impairment.

Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset of a cash-generating unit has been determined based on value-in-use calculations. These calculations require the use of estimates.

The value-in-use calculations primarily use cash flow projections based on five-year financial budgets approved by management and estimated terminal values at the end of the five-year period. There are a number of assumptions and estimates involved for the presentation of cash flow projections for the period covered by the approved budget and the estimated terminal value. Key assumptions include the expected growth in revenue and operating margin, effective tax rates, growth rates and selection of discount rates, to reflect the risks involved and the earnings multiple that can be realised for the estimated terminal value.

Management prepared the financial budgets reflecting actual and prior year performance and market development expectations. Judgement is required to determine key assumptions adopted in the cash flow projections and changes to key assumptions can significantly affect these cash flow projections and therefore the results of the impairment reviews.

b. Useful lives of property, plant and equipment

The Directors determine the estimated useful lives and residual values for its property, plant and equipment. The Directors revise the depreciation charge when useful lives are different from previous estimates. Obsolete or non-strategic assets, which have been abandoned or sold, shall be written-off or written-down.

c. Income tax

The Group is subject to income tax in a number of jurisdictions. Significant judgement is required in determining the provision for income tax for each entity in the Group. There are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for potential tax exposures based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made.

Notes to the financial statements

for the year ended 30 September 2015

25. Parent entity financial information

The accounting policies of the parent entity that have been applied in determining the financial information shown below are the same as those applied in the consolidated financial statements. Refer to Note 2 for a summary of the significant accounting policies relating to the Group.

	2015 $000	2014 $000
Financial position		
Current assets	1,359	2,586
Total assets	7,556	2,736
Current liabilities	2,347	1,578
Total liabilities	2,347	1,578
Shareholders' equity		
Issued capital	91,433	77,902
Reserves		
– Exchange reserve	(933)	(933)
– Share-based payment reserve	2,022	1,120
Accumulated losses	(87,313)	(76,931)
	5,201	**1,158**
Financial performance		
Loss for the year	(10,382)	(14,845)
Total comprehensive loss for the year	**(10,382)**	**(14,845)**

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The Company did not issue any shares as collateral security on issue of Convertible Notes during the year (2014: 15,000,000).

Commitments for the acquisition of property, plant and equipment by the parent entity

Nil (2014: nil)

Notes to the financial statements

for the year ended 30 September 2015

26. Fair value

The Group measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

– Embedded derivative liability (at fair value);

The Group does not subsequently measure any liabilities at fair value on a non-recurring basis.

Fair value hierarchy

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Company's embedded derivative liabilities are valued using Level 2, as follows:

	Note	2015 $000	2014 $000
Financial liabilities			
– Embedded derivative liability (fair value)	13	581	–

Directors’ declaration

The Directors of the Company declare that:

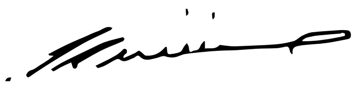
The financial statements and notes of the Company and of the consolidated entity, as set out on pages 38 to 70, have been prepared in accordance with the Corporations Act 2001, including:

i. giving a true and fair view of the consolidated entity’s financial position as at 30 September 2015 and of its performance for the year ended on that date; and

ii. comply with Australian Accounting Standards, which, as stated in accounting policy Note 2 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and

iii. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a Resolution of the Board of Directors.



Stephen Ray Williams
Chairman

Dated at Brisbane 21 December 2015

Independent auditor's report

to the members of Axiom Mining Limited

HALL CHADWICK (NSW)

Chartered Accountants and Business Advisers

AXIOM MINING LIMITED AND CONTROLLED ENTITIES
ABN 119 698 770

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

SYDNEY

Level 40
2 Park Street
Sydney NSW 2000
Australia

GPO Box 3555
Sydney NSW 2001

Ph: (612) 9263 2600
Fx : (612) 9263 2800

Report on the Financial Report

We have audited the accompanying financial report of Axiom Mining Limited which comprises the consolidated statement of financial position as at 30 September 2015, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards (IFRS).

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirement of the Corporation Act 2001.

Independent auditor's report

to the members of Axiom Mining Limited continued

HALL CHADWICK (NSW)
Chartered Accountants and Business Advisers

AXIOM MINING LIMITEDAND CONTROLLED ENTITIES
ABN 119 698 770

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AXIOM MINING LIMITED AND CONTROLLED ENTITIES

SYDNEY
Level 40
2 Park Street
Sydney NSW 2000
Australia
GPO Box 3555
Sydney NSW 2001
Ph: (612) 9263 2600
Fx : (612) 9263 2800

Auditor's Opinion

In our opinion:

a. the financial report of Axiom Mining Limited is in accordance with the Corporations Act 2001 including:
   i. giving a true and fair view of the consolidated entity's financial position as at 30 September 2015 and of its performance for the year ended on that date; and
   ii. complying with Australian Accounting Standards and the Corporations Regulations 2001; and

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Emphasis of matter

Without modifying our opinion:

(i) We draw attention to Note 2 (b) in the financial report which indicates that the consolidated entity incurred a net loss of $12,460,000 and incurred net cash outflows from operations of $8,494,000 and had no ongoing source of operating income for the year ended 30 September 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.

(ii) We draw attention to Note 11 that discloses the renewal progress of the West Guadacanal tenement license which has not been renewed at the date of this financial report. This condition indicates the existence of a material uncertainty which may cast a significant doubt about the recoverability of capitalised expenditures in relation to the West Guadacanal tenement. Should the license not be successfully renewed, the carrying value of capitalised exploration expenditures relating to the West Guadacanal tenement, amounting to $2,967,491 may be impaired as at 30 September 2015.

Report on the Remuneration Report

We have audited the remuneration report included in pages 5 to 9 of the directors' report for the year ended 30 September 2015. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the remuneration report of Axiom Mining Limited for the year ended 30 September 2015 complies with Section 300A of the Corporations Act 2001.

Hall Chadwick

Hall Chadwick
Level 40, 2 Park Street
Sydney NSW 2000

Drew Townsend
PARTNER
21 December 2015

Company financial report (Incorporated in Hong Kong)

for the year ended 30 September 2015

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

Directors' report

The directors present their report and the audited financial statements for the Company consisting of Axiom Mining Limited (the 'Company' or 'Axiom') for the year ended 30 September 2015.

Principal activity

The principal activity of the Company is investment holding and there was no significant changes in the nature of the Company's principal activity during the year.

Share issued

Details of movements in the Company's share capital during the year ended 30 September 2015, together with the reason therefor, are set out in Note 19(a) to the financial statements.

Directors

The directors during the year were:

- Stephen Ray Williams (Chairman and Non-Executive Director)
- Ryan Richard Mount (Executive Director and Chief Executive Officer)
- Jeremy Robin Gray (Non-Executive Director – appointed 12 July 2015)

In accordance with articles 114 and 115 of the Company's articles of association, Mr Stephen Ray Williams and Mr Ryan Richard Mount were re-elected at the last Annual General Meeting. The non-executive directors and executive directors are appointed for a period of three years.

Directors' interests

Details of share options scheme of the Company and performance rights are set out in the 2014/15 annual report of the Company.

Link: http://www.asx.com.au/asxpdf/20150306/pdf/42x3pdvglh2t83.pdf

Save as disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the Company's directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, nor were any such rights exercised by them.

Directors' interests in transactions, arrangements or contracts

Save as disclosed in Note 22 to the financial statements, no director had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Company to which the Company's subsidiaries was a party during the year.

Business review

Review of the Company's business

The Company's vision and strategy is to:

- develop mineral deposits in the Asia Pacific region into medium and long term tier 1 assets
- partner with Australian communities and governments
- provide and implement effective sustainability programs in communities where it operates
- maximise shareholder returns through cost effective exploration and growth through robust project development.

The Company's investments are still in the exploration phase of mineral deposit development, and it has accordingly recorded a net loss of AU$10,390,000 for the year. It has no other source of income. The financial position of the Company showed a strong improvement, with net assets increasing during the year from AU$1,158,000 to AU$5,201,000 at 30 September 2015.

Funding for the net operational cash outflows of AU$4,359,000 was provided through successful capital raisings of AU$7,920,000, and increased borrowings of AU$6,080,000. During the year AU$10,525,000 was advanced to certain subsidiaries for their ongoing operations, mainly in exploration activity.

The Company is confident of its ability to continue to raise additional share capital by share placements, options, convertible notes, or rights issues.

The Company has a low gearing ratio (borrowings:equity) of only 22%, a substantial improvement from 2014 (59%).

Principal risks and uncertainties facing

The Company is exploring a nickel laterite deposits in the Solomon Islands ('Isabel Nickel Project'). A major risk to the value of the Company's major investment's (Isabel Nickel Project) immediate development future is the outcome of the appeal with SMM Solomon Limited ('Sumitomo') related to the Solomon Islands Court Case 258/2011. The Court of Appeal has reserved judgement and no ruling has been handed down at the date of this report.

Low nickel prices are not expected to adversely impact the economic viability of the Isabel Nickel Project due to the low cost nature of the proposed operation.

The ability to attract suitable staff to remote areas can be uncertain, but three industry experts were appointed to the Axiom Mining executive management team to position for growth in the Solomon Islands.

Directors' report

continued

Future development

Axiom finalised a funding agreement and strategic partnership with Anitua Limited, a highly experienced exploration and mining services contractor in Asia. It has been agreed to negotiate arms' length commercial terms for a range of services to be provided by Anitua to develop the Isabel Nickel Project.

Events after the reporting period

Details of the significant events after the reporting period of the Company are set out in Note 25 to the financial statements.

Auditors

Zenith CPA Limited retires and a resolution for the reappointment as auditor of the Company will be proposed at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD

Stephen Ray Williams
Chairman

Brisbane, Australia 12 January 2016

Independent auditor's report

诚丰
Zenith

ZENITH CPA LIMITED
诚丰会计师事务所有限公司
10/F, China Hong Kong Tower,
8-12 Hennessy Road,
Wanchai, Hong Kong

香港湾仔轩尼诗道8-12号
中港大厦10楼

To the members of Axiom Mining Limited

(Incorporated in Hong Kong with limited liability)

We have audited the financial statements of Axiom Mining Limited (the "Company") set out on pages 79 to 104, which comprise the statement of financial position as at 30 September 2015, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. Our report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent auditor's report

continued

诚丰
Zenith

ZENITH CPA LIMITED
诚丰会计师事务所有限公司
10/F, China Hong Kong Tower,
8-12 Hennessy Road,
Wanchai, Hong Kong

香港湾仔轩尼诗道8-12号
中港大厦10楼

To the members of Axiom Mining Limited

(Incorporated in Hong Kong with limited liability)

Opinion

In our opinion, the financial statements give a true and fair view of financial position of the Company as at 30 September 2015, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 2 in the financial statements, which indicate that the Company incurred a net loss of AU$10,390,000 and reported net cash outflow from operating activities of AU$4,359,000 for the year ended 30 September 2015, and the Company has convertible notes with an aggregate principal amount of AU$900,000 as at 30 September 2015. These conditions, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern, and therefore, the Company may be unable to realise its assets and discharge its liabilities in the normal cause of business and at the amounts stated in the financial statements.

Zenith CPA Limited
Certified Public Accountants
Cheng Po Yuen
Practising Certificate Number: P04887
Hong Kong
12 January 2016

Statement of profit or loss and other comprehensive income

for the year ended 30 September 2015

	Notes	2015 AU$000	2014 AU$000
Revenue	6		
Interest income		12	3
Sundry income		–	8
		12	**11**
Depreciation		(66)	(57)
Employee benefits expense		(675)	(1,234)
Superannuation		(38)	(82)
Australian Securities Exchange fees		(100)	(108)
Auditors' remuneration		(69)	(143)
Impairment of amounts due from subsidiaries		(3,778)	(4,837)
Exploration costs		–	(96)
Foreign exchange differences, net		(19)	(7)
Administration expenses		(4,323)	(7,496)
Rent and occupancy costs		(35)	(55)
Share-based payments	7	(902)	(703)
Finance costs	8	(397)	(38)
Loss before tax	9	**(10,390)**	**(14,845)**
Income tax	10	–	–
Loss for the year and total comprehensive loss for the year		**(10,390)**	**(14,845)**

Statement of financial position

for the year ended 30 September 2015

	Notes	2015 AU$000	2014 AU$000
Assets			
Current assets			
Cash and cash equivalents	11	1,170	2,207
Prepayment and other receivables	12	189	379
Amounts due from subsidiaries	13	6,747	–
Total current assets		**8,106**	**2,586**
Non-current assets			
Investments in subsidiaries	14	–	–
Property, plant and equipment	15	150	150
Total non-current assets		**150**	**150**
Total assets		**8,256**	**2,736**
Liabilities			
Current liabilities			
Trade and other payables	16	1,767	753
Borrowings	17	1,132	686
Provisions	18	156	139
Total current liabilities		3,055	1,578
Total liabilities		3,055	1,578
Net current assets		**5,051**	**1,008**
NET ASSETS		**5,201**	**1,158**
Equity			
Share capital	19(a)	91,433	77,902
Reserves		(86,232)	(76,744)
TOTAL EQUITY		**5,201**	**1,158**

Ryan Richard Mount
Director

Stephen Ray Williams
Director

Statement of changes in equity

for the year ended 30 September 2015

	Share capital AU$000	Foreign currency translation reserve AU$000	Share based Payment reserve AU$000	Accumulated losses AU$000	Total equity AU$000
At 1 October 2013	62,633	(933)	417	(62,086)	31
Loss for the year and total comprehensive loss	–	–	–	(14,845)	(14,845)
Total comprehensive loss for the year	**–**	**–**	**–**	**(14,845)**	**(14,845)**
Transactions with owners in their capacity as owners					
Issue of shares	15,093	–	–	–	15,093
Prepayment for exercise of options	176	–	–	–	176
Equity-settled share option arrangements	–	–	703	–	703
Total transactions with owners and other transfers	**15,269**	**–**	**703**	**–**	**15,972**
At 1 October 2014	77,902	(933)*	1,120*	(76,931)*	1,158
Loss for the year and total comprehensive loss	–	–	–	(10,390)	(10,390)
Total comprehensive loss for the year	–	–	–	(10,390)	(10,390)
Transactions with owners in their capacity as owners					
Issue of shares	13,510	–	–	–	13,510
Prepayment for exercise of options	21	–	–	–	21
Equity-settled share option arrangements	–	–	902	–	902
Total transactions with owners and other transfers	**13,531**	**–**	**902**	**–**	**14,433**
As at 30 September 2015	**91,433**	**(933)***	**2,022***	**(87,321)***	**5,201**

* These reserve accounts comprised the total reserves of AU$86,232 (2014: AU$76,744) in the statement of financial position.

Statement of cash flows

for the year ended 30 September 2015

	Notes	2015 AU$000	2014 AU$000
Net cash used in operating activities	20	(4,359)	(9,468)
Cash flows from investing activities			
Purchase of items of property, plant and equipment		(66)	(7)
Advances to subsidiaries		(10,525)	(4,837)
Net cash flow used in investing activities		**(10,591)**	**(4,844)**
Cash flows from financing activities			
Proceeds from issue of shares		7,920	15,243
Proceeds from borrowings		6,080	650
Repayment of borrowings		(87)	(13)
Net cash flow from financing activities		**13,913**	**15,880**
Net (decrease)/increase in cash and cash equivalents		(1,037)	1,568
Cash and cash equivalents at beginning of year		2,207	639
Cash and cash equivalents at end of year	11	**1,170**	**2,207**

Notes to the financial statements

for the year ended 30 September 2015

1. Corporate information

Axiom Mining Limited (the 'Company') is a limited liability company incorporated in Hong Kong. The registered office of the Company is located at 2303-7 Dominion Centre, 43-59 Queen's Road East, Hong Kong, and the principal place of business is located at Level 6, 15 Astor Terrace, Spring Hill QLD 4000.

The Company's shares are listed on the Australian Securities Exchange.

The Company is engaged in investment holdings during the year.

2. Basis of presentation

Notwithstanding that the Company incurred a net loss of AU$10,390,000 and reported net cash outflows from operating activities of AU$4,359,000 for the year ended 30 September 2015, and the Company has convertible notes with an aggregate principal amount of AU$900,000 as at 30 September 2015, in the opinion of the directors, the Company will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due in the foreseeable future after taking into consideration the following:

- At 30 September 2015, the Company had cash and cash equivalents of AU$1,170,000.
- Subsequent to the reporting period, on 4 November 2015 the Company announced that it had entered into a convertible note facility agreement for up to AU$15,000,000 to project fund the development of the Isabel Nickel Project through a strategic partnership with experienced resource venture capitalist and project incubator InCor Holdings Plc ('InCoR'). As part of the agreement, Axiom issued one secured convertible note with a face value of AU$5,000,000, convertible to a maximum issue of 13,513,514 fully paid ordinary shares based on a conversion price of AU$0.37 per share.

Accordingly, the financial statements have been prepared on the going concern basis.

3. Basis of preparation

The financial statements and notes represent those of Axiom Mining Limited (the 'Company' or 'Axiom').

The 2015 consolidated financial statements of Axiom Mining Limited and its subsidiaries (collectively, the 'Group') can be found at http://www.axiom-mining.com, which have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board, which can be obtained at its registered office.

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ('HKFRSs') (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ('HKASs') and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the 'HKICPA'), accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance. These financial statements have been prepared under the historical cost convention and presented in Australian dollars (AU$) and all values are rounded to the nearest thousand except where otherwise indicated.

Notes to the financial statements

for the year ended 30 September 2015

3.1. Changes in accounting policies and disclosures

The Company has adopted the following new and revised standards and interpretation for the first time for the current year's financial statements:

Amendments to HKFRSs	*Annual Improvements to HKFRSs 2010-2012 Cycle*
Amendments to HKFRSs	*Annual Improvements to HKFRSs 2011-2013 Cycle*
Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	*Investment Entities*
Amendments to HKAS 19	*Defined Benefit Plans: Employee Contributions*
Amendments to HKAS 32	*Offsetting Financial Assets and Financial Liabilities*
Amendments to HKAS 36	*Recoverable Amount Disclosures for Non-Financial Assets*
Amendments to HKAS 39	*Novation of Derivatives and Continuation of Hedge Accounting*
HK(IFRIC) - Int 21	*Levies*

The adoption of the new and revised HKFRSs in the current year has had no material effect on the Company's financial performance and positions for the current year.

In addition, the requirements of Part 9, "Accounts and Audit" of the Hong Kong Companies Ordinance (Cap. 622) came into effect for the first time, during the current financial year. The main impact to the financial statements is on the presentation and disclosure of certain information in the financial statements.

3.2. Issued but not yet effective HKFRSs

The Company has not early applied any of the new and revised HKFRSs that have been issued but are not yet effective for the accounting year ended 30 September 2015, in these financial statements.

The Company is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, the Company considers these new and revised HKFRSs are unlikely to have a significant impact on the Company's results of operations and financial position.

4. Summary of significant accounting policies

Subsidiaries

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e. existing rights that give the Company the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

a. the contractual arrangement with the other vote holders of the investee;

b. rights arising from other contractual arrangements; and

c. the Company's voting rights and potential voting rights.

The results of subsidiaries are included in the Company's statement of profit or loss to the extent of dividends received and receivable. The Company's investments in subsidiaries that are not classified as held for sale in accordance with HKFRS 5 are stated at cost less any impairment losses.

Fair value measurement

The Company measures its certain financial liability at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Notes to the financial statements

for the year ended 30 September 2015

4. Summary of significant accounting policies (continued)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Related parties

A party is considered to be related to the Company if:

a. the party is a person or a close member of that person's family and that person
   i. has control or joint control over the Company;
   ii. has significant influence over the Company; or
   iii. is a member of the key management personnel of the Company or of a parent of the Company;

   or

b. the party is an entity where any of the following conditions applies:
   i. the entity and the Company are members of the same group;
   ii. one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
   iii. the entity and the Company are joint ventures of the same third party;
   iv. one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
   v. the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company;
   vi. the entity is controlled or jointly controlled by a person identified in (a); and
   vii. a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Property, plant and equipment and depreciation

Items of property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on a straight-line basis to write off the cost or valuation of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold improvements	Over the lease terms
Plant and machinery	20% to 33%

The gain or loss on disposal of items of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset and is recognised in profit or loss.

The assets' residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

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.

Notes to the financial statements

for the year ended 30 September 2015

4. Summary of significant accounting policies (continued)

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.

Any changes in the estimates for the costs are accounted for on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

The carrying amount of the mineral exploration expenditure is reviewed annually and adjusted for impairment whenever one of the following events or changes in circumstances indicates that the carrying amount may not be recoverable:

- The period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed
- Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area, or
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the mineral exploration expenditure is unlikely to be recovered in full from successful development or by sale.

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset exceeds its recoverable amount.

Impairment of non-financial assets

- The Company assesses at the end of each reporting period whether there is an indication that an asset may be impaired. If such an indication exists, the Company makes an estimate of the asset's recoverable amount.
- The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e., a cash-generating unit).
- An impairment loss is recognised in profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. A reversal of the impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. The reversal of the impairment loss is credited to the statement of profit or loss in the year in which it arises.

Leases

Where the Company is the leasee, rental payable under operating leases, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the lease terms.

Financial instruments

a. Financial assets

- The Company's financial assets include cash and cash equivalents, prepayment and other receivables and amounts due from subsidiaries are classified and accounted for as loans and receivables. Financial assets are recognised on the trade date.
- Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any impairment losses. Any changes in their value are recognised in profit or loss.
- Derecognition of financial assets occurs when the rights to receive cash flows from the financial assets expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

Notes to the financial statements

for the year ended 30 September 2015

4. Summary of significant accounting policies (continued)

– An assessment for impairments is undertaken at least at the end of each reporting period whether or not there is objective evidence that a financial asset or a group of financial assets is impaired. Impairment loss on loans and receivables is recognised when there is objective evidence that the Company will not be able to collect all the amounts due to it in accordance with the original terms of the receivables. The amount of the impairment loss is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

b. Financial liabilities

– The Company's financial liabilities include trade and other payables and borrowings. Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.
– Financial liabilities are initially recognised at fair value, net of transaction costs incurred and subsequently measured at amortised cost using the effective interest rate method. Financial liabilities are derecognised when the obligation specified in the contract is discharged or cancelled, or expire.

Convertible notes

Convertible notes which do not contain an equity component are accounted for as follows:

At initial recognition the derivative component of the convertible notes is measured at fair value and presented as part of derivative financial instruments. Any excess of proceeds over the amount initially recognised as the derivative component is recognised as the liability component. Transaction costs that relate to the issue of the convertible note are allocated to the liability and derivative components in proportion to the allocation of proceeds. The portion of the transaction costs relating to the liability component is recognised initially as part of the liability. The portion relating to the derivative component is recognised immediately in profit or loss.

At the end of each reporting period the derivative component is re-measured. The liability component is subsequently carried at amortised cost. The interest expense recognised in profit or loss on the liability component is calculated using the effective interest method.

If the note is converted, the carrying amounts of the derivative and liability components are transferred to share capital and share premium as consideration for the shares issued. If the note is redeemed, any difference between the amount paid and the carrying amounts of both components is recognised in profit or loss.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in profit or loss.

Provision for product warranties granted by the Company on certain products is recognised based on sales volume and past experience of the level of repairs and returns, discounted to its present value as appropriate.

Deferred tax

Deferred tax is provided using the liability method, on temporary differences at the end of the reporting period arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Tax rates enacted or substantively enacted by the end of the reporting period are used to determine the deferred tax.

Deferred tax liabilities are provided in full while deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, net of returns and discounts.

Interest income is recognised using the effective interest rate method.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with banks, and other short term highly liquid investments with original maturity of three months or less when acquired, less bank overdrafts.

Borrowing costs

Borrowing costs are expensed in profit or loss in the year in which they are incurred.

Notes to the financial statements

for the year ended 30 September 2015

4. Summary of significant accounting policies (continued)

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company using the exchange rates prevailing at the dates of the transactions. Exchange differences arising from the settlement of such transactions and from the retranslation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Employee benefits

Salaries, annual bonuses, paid annual leave, contributions to superannuation and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is defined and the effect would be material, these amounts are stated at their present values. Superannuation is paid in accordance with applicable local government legislation.

Short-term employee benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Company's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any re-measurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

Share-based compensation

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a reserve within equity. The fair value of shares granted to service providers is recognised as an expense. The fair value is measured at grant date using the binomial lattice model or the Black Scholes option pricing model, as appropriate, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged or credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when released to accumulated losses).

Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expenses. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the end of the reporting period.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Notes to the financial statements

for the year ended 30 September 2015

5. Significant accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

The Company makes impairment of amounts due from subsidiaries based on an assessment of the recoverability of the receivables. This assessment is based on the net asset value of these subsidiaries and the directors reassess the impairment at the end of each reporting period.

6. Revenue

The Company did not earn any revenue during the year (2014: Nil).

7. Share-based payment

	2015 AU$000	2014 AU$000
Share option expense	507	367
Share performance rights expense	395	336
	902	**703**

8. Finance costs

	2015 AU$000	2014 AU$000
Interest on convertible notes	311	36
Fair value loss on embedded derivative liability	86	–
Interest on bank borrowings	–	2
	397	**38**

9. Loss before tax

	2015 AU$000	2014 AU$000
Loss before tax is arrived at after charging:		
Lease payments under operating leases of land and buildings	27	45
Foreign exchange differences, net	19	7
Staff cost (excluding directors' remuneration (Note 26)		
Wages and salaries	395	751
Superannuation	18	44
	413	**795**

Notes to the financial statements

for the year ended 30 September 2015

10. Income tax

No provision for Hong Kong profits tax has been made as the Company did not generate any assessable profits arising in Hong Kong during the year (2014: Nil).

There is no significant unrecognised deferred tax in respect of the year and as at the end of the reporting period (2014: Nil).

11. Cash and cash equivalents

	2015 AU$000	2014 AU$000
Cash and bank balances	1,084	2,075
Non-pledged time deposits with original maturity of less than three months	12	11
Funds held in trusts	74	121
	1,170	**2,207**

All balances are denominated in AU$.

The effective interest rate on short-term bank deposits was 2.50% (2014: 3.54%); these deposits have an average maturity of 90 days.

12. Prepayment and other receivables

	2015 AU$000	2014 AU$000
Prepayments	102	43
Other receivables	87	336
	189	**379**

None of the above assets are either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default and are repayable between 30 to 90 days.

13. Amounts due from subsidiaries

	2015 AU$000	2014 AU$000
Amounts receivable from subsidiaries	30,284	19,759
Impairment	(23,537)	(19,759)
	6,747	**–**

The amounts due from subsidiaries are unsecured, non-interest bearing and have no fixed terms of repayment.

Notes to the financial statements

for the year ended 30 September 2015

14. Investment in subsidiaries

	2015 AU$000	2014 AU$000
Investment in subsidiaries – at cost	4,980	4,980
Impairment	(4,980)	(4,980)
	–	–

Particulars of the subsidiaries as at the end of the reporting period are as follows:

			Percentage of equity attributable to the Company	
Name of subsidiaries	**Principal activities**	**Place of incorporation**	**2015 %**	**2014 %**
Axiom Vietnam JSC*	Exploration	Vietnam	90	90
Axiom Nickel Pty Ltd	Investment	Australia	100	100
Axiom Nickel (SI) Ltd	Exploration	Solomon Islands	100	100
Axiom KB Ltd*	Exploration	Solomon Islands	80	80
Azzu Mining Ltd	Investment	British Virgin Islands	100	100
Guadalcanal Resources Limited*	Dormant	Solomon Islands	93	93
Laos Resources Ltd	Dormant	British Virgin Islands	100	100
Ozmin Resources Pty Ltd	Exploration	Australia	100	100
South Pacific Minerals Limited	Exploration	Solomon Islands	100	100
Vietnam Resources Corporation Pty Ltd	Investment	Australia	100	100
Vietnam Resources Corporation (VN Holdings) Pty Ltd	Investment	Australia	100	100
Vietnam Resources Corporation (QB) Pty Ltd	Investment	Australia	100	100
VRC Quangtri Pty Ltd	Investment	Australia	100	100

The companies shown above are not audited by Zenith CPA Limited.

* Indirectly held by the Company.

Notes to the financial statements

for the year ended 30 September 2015

15. Property, plant and equipment

	Leasehold improvements AU$000	Plant and equipment AU$000	Total AU$000
At 30 September 2014			
Cost			
At 1 October 2013	5	228	233
Additions	–	8	8
At 30 September 2014	5	236	241
Accumulated depreciation			
At 1 October 2013	(1)	(33)	(34)
Depreciation	(1)	(56)	(57)
At 30 September 2014	(2)	(89)	(91)
Net carrying amount at 30 September 2014	3	147	150
At 30 September 2015			
Cost			
At 1 October 2014	5	236	241
Additions	–	66	66
At 30 September 2015	5	302	307
Accumulated depreciation			
At 1 October 2014	(2)	(89)	(91)
Depreciation	(3)	(63)	(66)
At 30 September 2015	(5)	(152)	(157)
Net carrying amount at 30 September 2015	**–**	**150**	**150**

16. Trade and other payables

	2015 AU$000	2014 AU$000
Trade payables	732	420
Other payables and accruals	1,035	333
	1,767	**753**

The other payables are expected to be settled or recognised as an expense within one year or repayable on demand.

The trade payables are non-interest bearing and are normally settled on 45 day terms.

Notes to the financial statements

for the year ended 30 September 2015

17. Borrowings

	2015 AU$000	2014 AU$000
Convertible notes:		
Unsecured redeemable convertible notes (at amortised cost)	551	678
Embedded derivative liability (at fair value)	581	–
	1,132	678
Other borrowings	–	8
	1,132	**686**

On 7 February 2014, the Company arranged a partly secured convertible note facility of AU$650,000 with a face value of AU$700,000 at interest bearing at 10%. The facility was able to be drawn down in tranches.

The notes convert into ordinary shares at the election of the noteholder:

a. on the expiry date; or

b. at any time prior to the expiry date, by service on the issuer of a written notice of conversion of the note given by the noteholder; or

c. on redemption of the note if the convertible note facility is cancelled by the issuer in accordance with the convertible note facility agreement.

The issue price is AU$0.6 per share with an anti-dilution provision. The issue included a commencement fee of AU$112,500 settled by way of issuance of 7,956,153 ordinary shares to the investor and partially secured by issue of 15,000,000 ordinary shares held as collateral security. The Company also issued 13,250,000 options to the noteholder.

The facility was fully converted to shares on 23 December 2014 at AU$0.7 with the issue of 15,000,000 ordinary shares.

On 22 May 2015, the Company raised AU$1 million through the issue of six convertible notes, pursuant to a number of convertible note agreements.

The Convertible Notes were issued on the following terms:

– Each convertible note has a term of 18 months and can be converted at any time by the noteholder
– A coupon rate of 8% per annum applies to the convertible notes, which is quarterly
– A conversion price of AU$0.30 applies to each convertible note, and
– For every AU$5.00 worth of convertible notes, the noteholder will be entitled to 10 free attaching Options, with an exercise price of AU$0.30, expiring 12 months from the date of issue.

One note with face value of AU$100,000 was converted on 9 June 2015 at AU$0.30 cents with issue of 333,333 shares.

The convertible notes are considered to be a hybrid financial instrument with an amortised financial liability component and an embedded derivative liability component that are disclosed separately. The value of the embedded derivative liability at reporting date was AU$581,350 (initial recognition was AU$1,000,000 with the balance of AU$567,267 recognised as a financial liability). The amortised cost of the financial liability at reporting date was AU$550,547.

18. Provisions

	2015 AU$000	2014 AU$000
Employee benefits payable	156	139

The employee benefits payable relates to leave provisions and is presented as current as it is expected to be settled within 12 months.

Notes to the financial statements

for the year ended 30 September 2015

19. Share capital

a. Issued and fully paid share capital

	2015 AU$000	2014 AU$000
Issued and fully paid		
264,676,635* (2014: 3,289,552,750) ordinary shares	91,433	77, 902

	2015 Number of shares	AU$000	2014 Number of shares	AU$000
Movements in issued shares:				
Balance at 1 October	3,289,552,750	77,902	2,335,067,445	62,633
Issue of new shares				
Effect of share consolidation*	(3,070,251,090)	–	–	–
Share placement issue	21,299,632	7,176	332,383,597	5,390
Shares issued as payment for services and interest	357,643	70	22,966,727	361
Shares issued to employees	–	–	2,133,334	30
Exercise of options	3,526,558	882	64,208,203	1,119
Shares issued under agreement	–	–	144,134,202	1,900
Shares issued on conversion of convertible notes	20,191,142	5,650	224,000,014	3,136
Shares used 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
	264,676,635	91,680	3,289,552,750	77,726
Less: Transaction costs arising from share Issues		(268)		–
Options exercised during the year and paid but shares not allotted until after				
30 September 2014	–	21	–	176
Balance at 30 September	264,676,635	**91,433**	**3,289,552,750**	**77,902**

* A share consolidation of Axiom's capital, on the basis of one share for every fifteen shares was completed on 14 April 2015.

Notes to the financial statements

for the year ended 30 September 2015

19. Share capital (continued)

b. Share options

Details of the movements in options are as follows:

	Grant Date	Expiry Date	No. of options outstanding as at 1/10/2014	Exercise Price	Granted during the year	Exercised during the period	Expired during the year	No. of options outstanding as at 30/09/2015[1]
Bergen agreement	02/04/12	02/10/14	666,667	0.4500			(666,667)	–
Consultants	24/09/12	20/12/15	133,333	0.3000				133,333
Option to private placement	25/10/12	30/10/14	555,556	0.4500			(555,556)	–
Consultants	30/10/12	30/10/14	433,333	0.4500			(433,333)	–
Option to private placement	04/03/13	15/02/16	1,666,667	0.3000				1,666,667
Consultants	04/03/13	15/02/16	1,666,666	0.3000				1,666,666
Consultants	10/02/14	10/02/17	883,333	0.2805				883,333
Consultants	11/02/14	30/11/14	1,066,667	0.2550			(1,066,667)	–
Option to private placement	10/04/14	31/03/15	25,169,525	0.3000			(25,169,525)	–
Consultants	10/04/14	31/03/15	666,666	0.3000			(666,666)	–
Consultants	10/04/14	31/03/15	300,000	0.3000			(300,000)	–
Option to private placement	08/09/14	30/11/14	5,199,223	0.3000			(5,199,223)	–
Option to private Placement	08/09/14	30/11/14	737,700	0.3000			(737,700)	–
Options approved for issue at Annual General Meeting ('AGM')	01/05/15	30/09/15	–	0.3000	25,169,498	(2,710,949)	(22,458,549)	–
Options to convertible notes	02/06/15	31/05/16	–	0.3000	2,000,000			2,000,000
Consultants	10/07/15	30/09/15	–	0.3000	233,333		(233,333)	–
Option to private placement	13/07/15	30/09/15	–	0.3000	66,666		(66,666)	–
Consultants	10/07/15	31/05/16	–	0.4000	3,000,000			3,000,000
Consultants	10/07/15	31/05/16	–	0.5500	4,500,000			4,500,000
Consultants	10/07/15	31/05/16	–	0.1750	666,666			666,666
Consultants	10/07/15	31/05/16	–	0.3500	400,000			400,000
Consultants	10/07/15	31/05/16	–	0.5000	100,000			100,000
			39,145,336		**36,136,163**	**(2,710,949)**	**(57,553,885)**	**15,016,665**
Weighted average exercise prices			0.3047		0.3382	0.3000	0.3035	0.3909

[1] Option holders do not have any rights to participate in any issues of shares or other interests in the Company or any other entity.

Notes to the financial statements

for the year ended 30 September 2015

19. Share capital (continued)

The Company operates a share option scheme (the 'Scheme') for the purpose of remunerating consultants and/or suppliers of services to the Company.

General terms and conditions of the Scheme include:

- Each option entitles the holder the right to subscribe for one ordinary share in the capital of the Company for the relevant option exercise price
- Vesting requirements: An option may only be exercised by the option holder by lodging an exercise
- Notice with the Company when the option exercise price has been met
- Maximum term of options granted was 3.2 years, and
- Method of settlement is by cash.

The share options outstanding as at 30 September 2015 had a weighted average remaining contractual life of 1.5 years.

A share consolidation of Axiom's capital, on the basis of one share for every 15 shares was completed on 14 April 2015. The number of options in the above table has been amended to reflect this consolidation.

The weighted average fair value of the share options granted during the year was AU$0.1679 (2014: AU$0.0687), of which the Company recognised a share option expense of AU$506,805 (2014: AU$367,432) during the year 31 September 2015.

The fair value of options granted is measured using the Black Scholes option pricing model, as appropriate, based on various assumptions on volatility, option life, dividend yield and annual risk-free interest rate, excluding the impact of any non-market vesting conditions, which generally represent the best estimate of the fair values of the share options at date of grant.

Key inputs used in the calculation of the value of options granted during the year ended 30 September 2015 are:

Grant date	Expiry date	Spot price AU$	Volatility %	Risk free rate %
10 Jul 15	30 Sep 15	0.35	192	2.15
13 Jul 15	30 Sep 15	0.37	192	2.15
10 Jul 15	31 May 16	0.35	192	2.15
10 Jul 15	31 Mar 16	0.35	192	2.25
10 Jul 15	31 May 16	0.35	192	2.25

Expected volatility was determined based on historic volatility adjusted for any expected changes to future volatility based on publicly available information. All options granted during the year vested on grant date. None of the options issued have vesting conditions attached.

c. Share performance rights

Details of the movements in rights granted are as follows:

	Number of rights outstanding as at 1 October 2014	Granted during the year	Exercised during the year	Cancelled during the year	Number of rights outstanding as at 30 September 2015
Stephen Ray Williams[(1)]	833,332	–	–	–	833,332
Ryan Richard Mount[(2)]	6,666,661	–	–	(6,666,661)	–
	7,499,993	**–**	**–**	**(6,666,661)**	**833,332**

[(1)] 833,332 Rights lapsed post year end on 21 October 2015.

[(2)] Cancelled on 31 March 2015 as detailed in the 31 March 2015 AGM Notice of Meeting.

All share performance rights were issued for the directors of the Company. Details please refer to Note 26b.

Notes to the financial statements

for the year ended 30 September 2015

19. Share capital (continued)

d. Capital management

The Company's primary objectives when managing capital is to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Company actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

20. Note to statement of cash flows

Reconciliation of loss from operations to cash used in operations:

	2015 AU$000	2014 AU$000
Loss for the year	(10,390)	(14,845)
Adjustments for:		
Depreciation	66	57
Interest expense	189	28
Share based payments expense	902	703
Impairment of amounts due from subsidiaries	3,778	4,837
Fair value loss on embedded derivative liability	86	–
	(5,369)	(9,220)
– Decrease/(increase) in prepayment and other receivables	40	(199)
– Increase/(decrease) in trade and other payables	953	(104)
– Decrease in provisions	17	55
Cash used in operations and net cash flows used in operating activities	**(4,359)**	**(9,468)**

21. Commitments

Operating lease commitments

The Company leases its office premise under operating lease arrangements. Leases for the property are negotiated for two years.

At 30 September 2015, the Company had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	2015 AU$000	2014 AU$000
Within 1 year	15	41
After 1 year but within 5 years	–	10
	15	**51**

Notes to the financial statements

for the year ended 30 September 2015

22. Related parties

In addition to the transactions disclosed elsewhere in these financial statements, the Company had the following material transactions with related parties during the year:

a. Balances with related parties

For the year ended 30 September 2014, an advance of AU$28,000 to a director, Ryan Richard Mount was interest-bearing at market rate. This advance was fully paid as at 30 September 2015 including interest at market rates.

b. Transactions with related parties

Stephen Ray Williams, a director of the Company is a consultant of Kemp Strang Lawyers. For the year ended 30 September 2015, AU$133,000 (2014 AU$98,000) was paid to Kemp Strang Lawyers for legal services to the Company on normal commercial terms.

During the year, fund raising and advisory services were provided by JRG Consulting Pty Limited ('JRG'). Mr Jeremy Gray, a director of the Company, is a non-executive director and controlling shareholder of JRG. The Board considers that the JRG agreement is a commercial arrangement entered into on reasonable arm's length terms. There is no obligation for the Company to acquire services exclusively from JRG or for JRG to exclusively provide services to the Company. Total amount paid to JRG during the year including the provision of services provided by Mr Jeremy Gray was AU$29,000 (2014: Nil).

For the year ended 30 September 2015 (exclusive of GST), consultancy fees of AU$8,000 were charged by Burrawong Holdings Pty Limited to the Company on behalf of Stephen Ray Williams.

c. Key management personnel of the Company

In the opinion of the directors, the directors of the Company represented the key management personnel of the Company. Further details of directors' emoluments are included In Note 26 to the financial statements.

23. Financial risk management and fair values

Exposure to credit, liquidity, interest rates and currency risks arises in the normal course of the Company's business.

The Company's exposure to these risks and the financial risk management policies and practices used by the Company are described below and are limited by the Company's financial management policies and practices described below.

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Company.

Credit risk is managed through the maintenance of procedures (such procedures include the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring of the financial stability of significant customers and counterparties), ensuring to the extent possible, that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Credit terms are generally 14 to 30 days from the invoice date.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating, or in entities that the Board has otherwise cleared as being financially sound. Where the Company is unable to ascertain a satisfactory credit risk profile in relation to a customer or counterparty, the risk may be further managed through title retention clauses over goods or obtaining security by way of personal or commercial guarantees over assets of sufficient value which can be claimed against in the event of any default.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position. Credit risk also arises through the provision of financial guarantees, as approved at board level.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality.

The Company manages its credit risk associated with funds on deposit and cash at bank by only dealing with reputable financial institutions. At year end the Company has one material exposure of AU$1,094,000 (2014: AU$2,084,000) to the Australia and New Zealand Banking Group Limited relating to funds on deposit and cash at bank.

Notes to the financial statements

for the year ended 30 September 2015

23. Financial risk management and fair values (continued)

b. Liquidity risk

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The Company manages this risk through the following mechanisms:

- Preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities
- Maintaining a reputable credit profile
- Managing credit risk related to financial assets, and
- Only investing surplus cash with major financial institutions.

The Company's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The Company's exposure to liquidity risk is minimal as the Company had entered into a convertible note facility agreement for up to AU$15 million to enable it to meet its liabilities as and when they fall due. Further details of which are set out in Note 2 to the financial statements.

c. Interest rate risk

The Company's exposure to interest rate risk and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the end of the reporting period, are as follows:

	Interest bearing		Non-interest bearing		Total carrying amount as per the end of the reporting period		Weighted average effective interest rate	
Financial instruments	2015 AU$000	2014 AU$000	2015 AU$000	2014 AU$000	2015 AU$000	2014 AU$000	2015 %	2014 %
(i) Financial assets								
Cash[1]	1,170	2,207	–	–	1,170	2,207	2.5	3.5
Other receivables	–	–	189	379	189	379	–	–
Amount due from subsidiaries	–	–	6,747	–	6,747	–	–	–
Total financial assets	**1,170**	**2,207**	**6,936**	**379**	**8,106**	**2,586**		
(ii) Financial liabilities								
Other payables	–	–	1,767	753	1,767	753	–	–
Borrowings – Convertible notes[2]	1,132	678	–	–	1,132	678	8.0	14.5
Borrowings – Other[1]	–	8	–		–	8	–	14.4
Provisions	–	–	156	139	156	139	–	–
Total financial liabilities	**1,132**	**686**	**1,923**	**892**	**3,055**	**1,578**		

[1] At floating interest rates.

[2] At fixed interest rates.

The Company is not exposed to significant risk from interest rate sensitivity.

d. Fair values

All financial instruments are carried at amounts not materially different from their fair values as at 30 September 2015 and 2014.

Notes to the financial statements

for the year ended 30 September 2015

24. Contingent asset and contingent liabilities

Contingent assets

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 SMM Solomon Limited ('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:

- USAU$3.9 million for Axiom's costs relating to the original High Court case
- USAU$177,200 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 was heard by a panel of three Commonwealth judges from 26 May 2015 to 5 June 2015. The Court of Appeal has reserved judgement and no ruling has been hand down at the date of this report.

Contingent liabilities

As at the date of this report there are no contingent liabilities.

25. Events after the reporting period

Axiom had a resounding High Court victory against SMM Solomon Limited ('Sumitomo') in September 2014 in relation to the validity of the Prospecting Licence and 50-year registered lease over the land covering the Isabel Nickel Project.

On 27 October 2014, Sumitomo filed a notice of appeal in response to the High Court trial judgement, which was heard between 26 May 2015 and 5 June 2015 in the Court of Appeal of Solomon Islands.

The Court of Appeal has reserved judgement and no ruling has been hand down at the date of this report.

Subsequent to the year end, on 4 November 2015 the Company announced that it had entered into a convertible note facility agreement for up to AU$15 million to project fund the development of the Isabel Nickel Project through a strategic partnership with experienced resource venture capitalist and project incubator InCor Holdings Plc ('InCoR').

As part of the agreement, Axiom issued one secured convertible note with a face value of AU$5,000,000, convertible to a maximum issue of 13,513,514 fully paid ordinary shares based on a conversion price of AU$0.37 per share.

The note is for the period of 24 months with interest rate of 6% per annum payable in advance for the first 12 months and thereafter quarterly in advance. Interest has been satisfied by Axiom by issuing shares at a fixed price of AU$0.37. The facility is secured through the first ranking charge over Axiom's assets in Australia and Hong Kong.

Apart from the matters mentioned above, no other matters or circumstances have arisen since 30 September 2015 that significantly affected or could significantly affect the operations of the Consolidated Group in future years.

Apart from the matters discussed, no person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of such proceedings.

Notes to the financial statements

for the year ended 30 September 2015

26. Directors remuneration

a. Summary of Directors fees and emoluments

Directors' remuneration disclosed pursuant to section 383(1)(a) of the Hong Kong Companies Ordinance is as follows:

	2015 AU$000	2014 AU$000
Fees	24	50
Other emoluments		
– Salaries	256	433
– Superannuation	20	38
– Share-based payment – performance rights*	395	320
	695	**841**

* Performance rights were granted in April 2013 following approval by shareholders at the AGM held on 22 April 2013. The performance rights are charged to expense over the life of the rights. The expense in relation to the performance rights is calculated as fair value using the Black-Scholes model and Performance rights issued will automatically vest into fully paid ordinary shares upon specific conditions being achieved. The performance condition is a market hurdle as disclosed in part (c) Performance rights plan of the remuneration report. The amounts that appear are amounts required under Australian Accounting Standards to be expensed by the Company in respect of the allocation of long term incentives. Whether or not these performance rights are received will depend on achieving appropriate vesting conditions as discussed above. No performance rights were exercised during the year.

b. Performance rights plan

Director, Executive and Employee Performance Rights ('Rights') Plan

The establishment of the Axiom Mining Limited Director and Executive Performance Right Plan was approved by shareholders at the 30 July 2010 Extraordinary General meeting and refreshed at 22 April 2013 AGM. The Director and Executive Performance Right Plan provides appropriate incentives for the Board and management:

- to align the economic interests of the Board and management with shareholders
- to keep the Board and management focused on the long term growth of the Company, and
- to increase shareholder value by achieving certain milestones.

Under the plan, participants are granted rights that vest if certain performance conditions are met. Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

When exercisable, each right is convertible into one ordinary share for no consideration.

At the AGM on 22 April 2013, shareholders approved the issue of: 6,666,661 performance rights to Mr Ryan Mount, and 833,332 performance rights to Mr Stephen Williams. The performance rights are subject to Volume Weighted Average Price ('VWAP') hurdles and will vest only after the 30 day VWAP has exceeded the relevant hurdles.

Notes to the financial statements

for the year ended 30 September 2015

26. Directors remuneration (continued)

Details of the unexpired rights as at 30 September 2015 are as follows:

	Number of rights granted	Grant date	Expiry date	Fair value per share at grant approval date[3] cents	VWAP hurdle[4] cents	Number Vested
Directors						
Stephen Williams	166,666[1]	30/07/11	–	–	1.05	–
	133,333[2]	22/04/13	21/04/16	1.33	0.75	–
	133,333[2]	22/04/13	21/04/16	1.20	1.13	–
	400,000[2]	22/04/13	21/04/16	1.06	1.50	–
	833,332					

[1] lapsed and cancelled post year-end.
[2] The VWAP hurdles relating to the rights were not met by 21 October 2015 and have lapsed.
[3] Pre-consolidation value using a Black-Scholes option pricing model.
[4] Post consolidation.

The performance rights are charged to expense over the life of the rights. The expense in relation to the performance rights is calculated as fair value using the Black-Scholes and Monte Carlo models.

The issue of shares on exercise of the performance rights must be within three years from the approval by the shareholders and:

- were subject to Volume Weighted Average Price ('VWAP') hurdles with rights vesting only after the 30 day VWAP has exceeded the relevant hurdles; and
- a further six months must elapse after satisfaction of the VWAP performance condition before the performance rights can be exercised.

A service-based vesting condition also applies. That is, Mr Mount and Mr Williams must remain in the service of the Company at the time the performance rights are exercised. Performance rights that do not vest will lapse. The performance rights are issued for nil consideration and have a nil exercise price.

The shareholders at the 31 March 2015 AGM approved for 2,400,000 Short term performance rights and 9,600,000 Long term performance rights granted under Axiom director and executive performance right plan. As at the date of this report, the rights have not been issued.

	Number of rights	Expiry date	Fair value per share at approval date	VWAP hurdle	Number Vested
Ryan Mount					
Short term[2]	2,400,000	–[1]	0.165	n/a	2,400,000
Long term[3]	2,400,000	28 February 2017	0.057	34.5	–
	2,400,000	28 February 2018	0.054	43.5	–
	2,400,000	28 February 2019	0.052	55.5	–
	2,400,000	28 February 2020	0.050	69.0	–

[1] Expires 12 months after the date of issue. The rights have not been issued.
[2] Short term rights vest immediately upon approval by the shareholders.
[3] Long term rights vest where the Company's share price exceeds specified thresholds during the specified periods, and subject to employment continuation.

Notes to the financial statements

for the year ended 30 September 2015

26. Directors remuneration (continued)

Short term incentives Rights (STI Rights)

Mr Mount was to be issued 2,400,000 Rights (STI Rights) vesting immediately upon approval by the shareholders (approved on 31 March 2015) and execution of a service agreement between the Company and Mr Mount (executed 21 May 2015).

However the rights will not be exercisable by Mr Mount until after the Appeal of the Proceedings has been completed and a decision handed down.

Long term incentive Rights (LTI Rights)

Mr Mount was to be issued 9,600,000 Rights (LTI Rights) upon approval by the shareholders (approved on 31 March 2015) and execution of a service agreement between the Company and Mr Mount (executed 21 May 2015) in tranches where the Company's Share price exceeds the following thresholds during the specified periods (each a Performance Condition):

Number of Rights Issued in each Tranche	Period	Price Threshold
2,400,000	1 March 2016 to 28 February 2017	34.5 cents
2,400,000	1 March 2017 to 28 February 2018	43.5 cents
2,400,000	1 March 2018 to 28 February 2019	55.5 cents
2,400,000	1 March 2019 to 28 February 2020	69.0 cents

Once vested, the LTI Rights will be exercisable six months after the end of the relevant measurement period.

The Company may cancel the Performance rights in the following circumstances ('Performance Conditions'):

a. in their entirety, in the event that, as a result of the Court's findings in the Appeal of the Proceedings, the Company is prevented from continuing exploration and subsequent mining activities in connection with the Isabel Nickel Project within 12 months after the Appeal decision is handed down; or

b. pro-rata, in the event that Mr Mount ceases to be employed by the Company before the end of the five year term (other than termination by the Company without cause or where a change of control event (as defined under the Director and Executive Performance Rights Plan) occurs.

Each tranche of Rights will be issued at a nil exercise price. The rights are subject to the satisfaction of the relevant Performance Conditions, vesting and exercise, each Right entitles Mr Mount to one Share. The maximum number of Rights and hence the maximum number of Shares that may be issued to Mr Mount, and in the case of the LTI Rights, subject to the satisfaction of the relevant Performance Conditions, vesting and exercise is 12,000,000 Shares.

The Rights will lapse if not exercised or forfeited before the date which is 12 months from:

a. the date of issue of the STI Rights; or

b. the satisfaction of the Performance Condition, in the case of the LTI Rights.

Once the Rights become exercisable, the Rights may be exercised at any time prior to either their lapsing or being forfeited but subject to the following restrictions on their transfer:

a. 20% may be sold immediately

b. 15% restricted from transfer for 3 months

c. 15% restricted from transfer for 6 months and

d. the balance restricted from transfer whilst Mr Mount remains the Chief Executive Officer of the Company.

Notes to the financial statements

for the year ended 30 September 2015

26. Directors remuneration (continued)

At the extraordinary general meeting held on 15 October 2015, the shareholders approved the issue of the 150,000 Performance Rights at an exercise price of AU$0.50. The Rights may not be exercised before 31 December 2015 and will expire on 30 June 2017.

	Number of rights	Expiry date	Fair value per share at approval date	Exercise Price	Number Vested
Jeremy Gray	150,000	30 June 2017	0.067 cents	0.50 cents	–

Once the Rights become exercisable, the Rights may be exercised at any time prior to either their lapsing or being forfeited but subject to the following restrictions on their transfer:

a. 20% may be sold immediately

b. 15% restricted from transfer for 3 months

c. 15% restricted from transfer for 6 months and

d. the balance restricted from transfer whilst Mr Gray remains the Director of the Company.

The Rights are subject to such other terms and conditions in relation to participation in share issues and bonus issues, takeover of the Company and other matters in accordance with the Director and Executive Performance Rights Plan and the invitation provided in connection with the Rights.

The fair value at grant date is independently determined using a Monte Carlo pricing model that takes into account the exercise price, the term of the rights, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the rights.

27. Fair Value and fair value hierarchy of financial instruments

The following tables illustrate the fair value measurement hierarchy of the Company's financial instruments:

Assets/(liabilities) measured at fair value:

31 October 2015

	Fair value measurement using			
	Level 1 AU$	Level 2 AU$	Level 3 AU$	Total AU$
Embedded derivative liability (at fair value)	581	–	–	581

28. Approval of the financial statements

The financial statements were approved and authorised for issue by the Board of Directors on 12 January 2016.

ASX additional information

Top 20 holdings as at 12 February 2016

Holder Name	Balance at 12-02-2016	%
NATIONAL NOMINEES LIMITED	19,888,036	7.431
ANITUA LIMITED	16,666,666	6.227
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	5,791,643	2.164
CITICORP NOMINEES PTY LIMITED	5,385,074	2.012
UBS NOMINEES PTY LTD	3,866,388	1.445
ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD	3,426,329	1.280
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,362,031	1.256
MR DAVID JAMES AZAR	2,661,827	0.995
TPC PTY LTD	2,626,917	0.981
BANTRY HOLDINGS PTY LTD	2,567,780	0.959
ADRISA BUILDERS PTY LTD	2,485,000	0.928
MR BRADLEY GAVIN DOWNES	2,117,466	0.791
MR MICHAEL DEVIN	1,631,351	0.610
J P MORGAN NOMINEES AUSTRALIA LIMITED	1,597,427	0.597
BBB CAPITAL PTY LTD	1,500,000	0.560
MR MATTHEW ALLAN CHUNG	1,403,900	0.525
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,338,028	0.500
VLADORA PTY LIMITED	1,200,000	0.448
MR FREDDY JAJA	1,086,666	0.406
MR BRIAN ANTHONY SIEMSEN	1,058,576	0.396
Total	**81,661,105**	**30.511**
Issued Capital	**267,648,010**	

Axiom Mining Limited is incorporated in Hong Kong and is governed by Hong Kong Companies Ordinance with respect to its shareholdings. Accordingly, there are no limitations on the number of securities that may be held by a shareholder, nor are there any equivalent provisions to the takeovers provisions in Chapter 6 of the Australian *Corporations Act 2001 (Cth)*.

ASX additional information

Analysis of equity security holders*

Sector	Number of shareholders	Number of Shares	
Holdings Ranges	Holders	Total Units	%
1-1,000	311	139,686	0.052
1,001-5,000	1,717	4,792,898	1.791
5,001-10,000	964	7,378,366	2.757
10,001-100,000	2,098	70,653,705	26.398
100,001 and over	404	184,683,355	69.002
Totals	**5,494**	**267,648,010**	**100.000**

Distribution of marketable parcels*

Holdings Ranges	Holders	Total Units	%
Unmarketable (1-2083)	898	1,059,935	0.004
Marketable (<2083)	4,596	266,588,075	0.996
Holdings Ranges	**5494**	**267,648,010**	**1**

Performance rights*

Holdings Ranges	Holders	Total Units	%
1-1,000	0	0.00	0
1,001-5,000	0	0.00	0
5,001-10,000	0	0.00	0
10,001-100,000	0	0.00	0
100,001 and over	1	150,000	100
Totals	**1**	**150,000**	**100**

Unlisted options*

Holdings Ranges	Holders	Total Units	%
1-1,000	0	0	0.000
1,001-5,000	0	0	0.000
5,001-10,000	0	0	0.000
10,001-100,000	23	1,610,468	4.175
100,001 and over	46	36,964,412	95.825
Totals	**69**	**38,574,880**	**100.000**

* As at 12 February 2016

ASX additional information

Shareholder information

Voting rights

The voting rights attaching to each class of equity securities are set out below:

a. Ordinary shares
   On a show of hands, every member present at a meeting in person or by proxy shall have one vote and upon a poll, each share shall have one vote.

b. Options
   No voting rights.

Securities exchange listing

The shares of the Company are listed under the symbol AVQ on the Australian Securities Exchange Limited (ASX).

Shareholder enquiries

Shareholders with queries about their shareholdings should contact the Company's share registry as follows:

Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000

Phone: +61 2 9290 9600
Fax: +61 2 9279 0664
Email: enquiries@boardroomlimited.com.au

Change of address

Issuer sponsored shareholders should notify the share registry in writing immediately upon any change in their address quoting their Securityholder Reference Number. This can be done by phoning the share registry, by writing to them, or through their web portal at www.boardroomlimited.com.au. Changes in addresses for broker sponsored holders should be directed to the sponsoring brokers with the appropriate Holder Identification Number.

Annual report

The Company's annual report is posted on our website www.axiom-mining.com immediately upon release to ASX.
The Company encourages shareholders to register to receive the annual report electronically.

Consolidation of multiple shareholdings

If you have multiple shareholding accounts that you wish to consolidate into a single account, please advise the share registry in writing. If your holdings are broker sponsored, please contact the sponsoring broker directly.

Register for email alerts

Please note, that as a shareholder you can register through the Email Alerts section of our web site to receive electronic communications from the Company. To do so, you should select the Contact Us tab on our web site at www.axiom-mining.com.

Registration will provide you with an email alert with a link to www.axiom-mining.com each time a relevant announcement is made by the Company and posted on this site.

At www.axiom-mining.com shareholders can view:

– annual and half-year reports
– quarterly reports
– ASX announcements
– Axiom share price information
– general shareholder information.

Corporate directory

Directors

Mr Robert Barraket
(Non-Executive Director – Chairman)

Mr Ryan Mount
(Executive Director – Chief Executive Officer)

Mr Jeremy Gray
(Non-Executive Director)

Company Secretary

Boacoh Secretarial Limited
2303-4 Dominion Centre
43-49 Queens Road East
Hong Kong

Local Agent

Mr Paul Frederiks
Level 6, 15 Astor Terrace
Spring Hill QLD 4000
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Registered Office Australia

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Auditors Hong Kong

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Share Registry

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