



AXG Mining exercises option over Fraser Range project

- **AXG Mining** is pleased to announce that it has exercised its option to acquire a 100% interest in the Mt Ridley Exploration License (E63/1547) situated in the Fraser Range Province of Western Australia.
- Consideration for the acquisition will be the issue of approx. 35.7 million fully paid ordinary shares in **AXG Mining**.
- Interpretation of airbourne EM data is now complete and it is anticipated a follow up ground EM survey will be undertaken shortly. The primary target is a layered mafic intrusion identified by previous explorers that has potential to host Cu-Ni-Co mineralisation similar to that outlined at the Albany-Fraser Range Nova-Bollinger Deposit by **Sirius Resources NL** (ASX: **SIR**).

Introduction

In March 2013, **AXG Mining Ltd** (ASX: **AXC**) or ("**AXG**") executed an option to acquire 100% of three exploration licenses (see Figure opposite) covering over 800km² in the Albany-Fraser Range province from **XTL Energy International ("**XTL**")**, a Perth based unlisted Public company engaged in mineral exploration.

AXG is pleased to advise that it has exercised its option over EL63/1547 (Mt Ridley) and still has options in place to acquire a 100% interest in EL63/1564 (Mt Ridley E-W) and EL63/1617 (Mt Ridley N) – see **AXG Mining** ASX Announcement 5/3/2013. Consideration is the issue of 35,714,285 Shares in **AXG** (250,000,000 pre consolidation).

Sirius Resources NL's (ASX: **SIR**) announced earlier in 2012 JORC Indicated and Inferred Resources of 14.6Mt @ 2.2% Ni, 0.90% Cu, 0.08% Co (325K tonnes Ni, 134K tonnes Cu and 11K tonnes Co) for the Nova-Bollinger Ni-Cu-Co massive sulphide deposit. Nova-Bollinger is ~100 kilometres to the NNE and appears to be remobilised sulphides from an ultramafic layered intrusion. A recently completed Scoping Study (**SIR**, ASX Announcement 19/2/2014) by the Company supports a 10 year operation producing 28K tpa Ni, 11K tpa Cu and 940tpa Co.

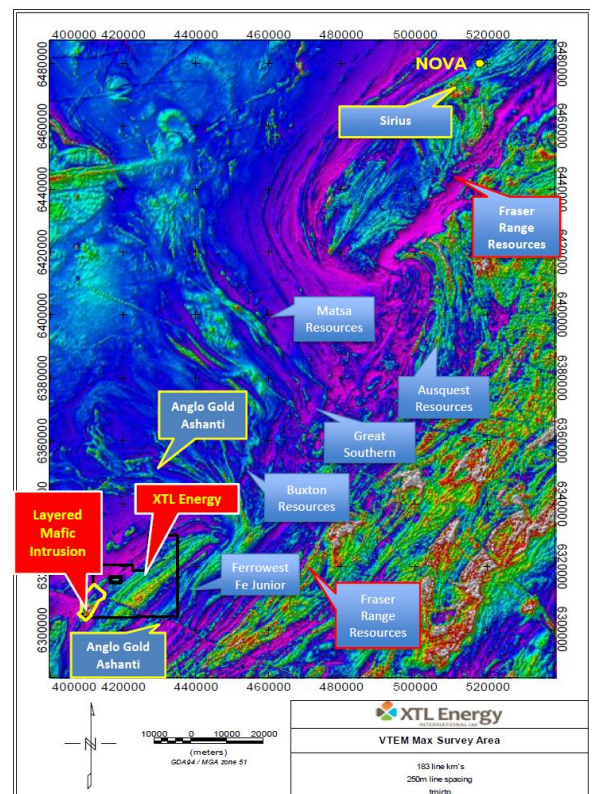
Albany-Fraser Range Tenements

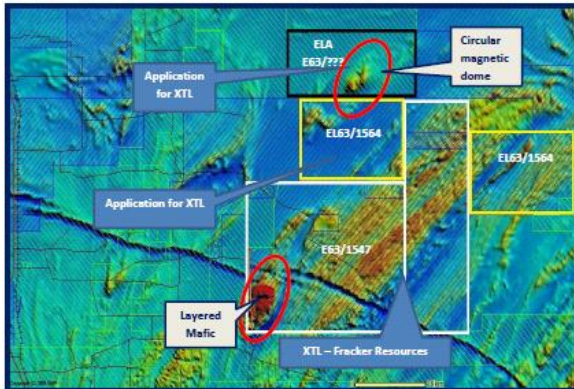
- **E63/1547 (Mt Ridley): (Fraka Investments Pty Ltd 100% in trust for AXG)** was granted on 13 February 2013 and consists of 165 blocks covering approximately 475 km². Perth based Southern Geoscience Consultants have been engaged to complete the interpretation of the

2012 Airborne EM survey with results due shortly.

a ground EM survey this quarter. Previous explorers have identified a layered mafic intrusion that is yet to be subject to any detailed follow up exploration.

- **E63/1564 (Mt Ridley E-W): (XTL 100%)**. 87 tenement blocks covering around 250km². The tenement was granted on 31 July 2013.
- **E63/1617 (Mt Ridley North): (XTL - 100%)**. This application is likely to cover approximately 153km² and is yet to be granted.





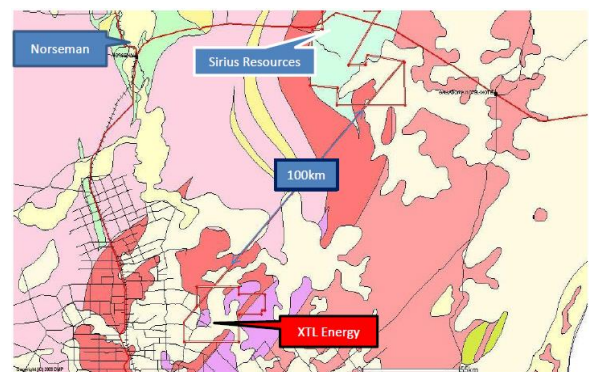
Option with XTL Energy

- **Option:** AXG has options with XTL over two other tenements that remain on foot, namely EL63/1564 (Mt Ridley E-W) and EL63/1617 (Mt Ridley N) – see AXG Mining ASX Announcement 5/3/2013.
- **Option Period:** The option periods will commence for 12 months from the date of the respective tenements - EL63/1564 (granted 31 July 2013) and EL63/1617 (in application) respectively. These options can be extended for a further 6 months (on any tenement) from the date of expiry. In the case of issuing Shares, the deemed price will be a 5-day volume weighted average share price (“VWAP”) prior to the expiration of the respective option (s).
- **Consideration on Exercise of Option:** The consideration payable on exercise of the Options in AXG Shares is set out as follows:
 - **EL63/1564:** 14.285 million Shares, &
 - **EL63/1617:** 14.285 million Shares.
- The Shares are to be issued at a deemed issue price of A\$0.014 per AXG Share. The Shares are to be issued within 60 days from exercise of the Option. The Option can be exercised over any/all of the tenements at any time 12 months from the date of grant. The issue of Shares is subject to shareholder approval.

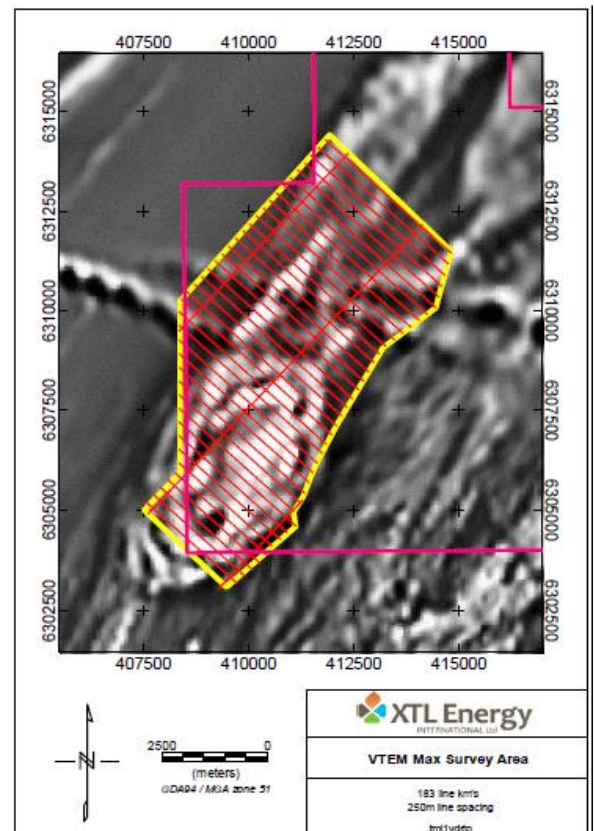
Highlights

- Base and precious metal focus, encouraging similarities of geology both Nova & Mt Ridley. Exposure to a range of potential commodities typical of these deposit styles: Ni, Cu, Co, PMG’s, Zn, Ag, Au.

- XTL’s Mt Ridley, Mt Ridley E-W and Mt Ridley North: Limited historical base metal and gold exploration has been undertaken on the project areas.
- Substantial ground holding covering three tenements for 840km² in an emerging greenfields nickel province.
- Western Australia’s only known analogous Proterozoic rock types to the world class Broken Hill (NSW), Mt Isa and Cannington (QLD), base metal deposits.



XTL Layered Mafic target area



AXG Mining Ltd
(ASX: **AXC**)

ASX Announcement
5 March 2014



EL63/1564 & EL63/1617

EL63/1564 and EL63/1617: The Company will advise the market in due course on the commencement of exploration on these licenses.

Contacts

For and on behalf of the board

A handwritten signature in black ink that reads "Guy T. Le Page".

Mr Guy T. Le Page. MAusIMM, FFIN.

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The interpretations and conclusions reached in this report are based on current geological theory and the best evidence available to the authors at the time of writing. It is the nature of all scientific conclusions that they are founded on an assessment of probabilities and, however high these probabilities might be, they make no claim for complete certainty. Any economic decisions that might be taken on the basis of interpretations or conclusions contained in this report will therefore carry an element of risk. The information in this announcement, insofar as it relates to Mineral Exploration and Mineral Resources is based on information compiled by Guy T Le Page, who is a member of the Australasian Institute of Mining and Metallurgy, and who has more than five years experience in the field of activity being reported on. Mr Le Page is a Director of the Company. Mr Le Page has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Le Page consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.