



AXG Mining exercises option over second Fraser Range license

- **AXG Mining** is pleased to announce that it has exercised its option to acquire a 100% interest in the Mt Ridley E-W Exploration License (E63/1564) situated in the Albany-Fraser Range Province of Western Australia.
- Consideration for the acquisition will be the issue of approximately 14.3 million fully paid ordinary shares in **AXG Mining**.
- This tenement represents the second granted Exploration License in the Albany-Fraser Range province and takes the Company's holding to over 700 square kilometres.

Introduction

In March 2013, **AXG Mining Ltd** (ASX: **AXC**) or ("**AXG**") executed an option to acquire 100% of three tenements covering over 800km² in the Albany-Fraser Range province from **XTL Energy International Ltd** ("**XTL**"), a Perth based unlisted Public company (**AXG Mining Ltd**, ASX Announcement 5/3/2013).

Sirius Resources NL (ASX: **SIR**) recently announced (**SIR**, ASX Announcement 24/7/2014) a positive Definitive Feasibility Study at its Albany-Fraser Range Nova-Bollinger Project that contemplates a 10 year operation based on a 14.2Mt JORC Reserve @ 2.0% Ni, 0.80% Cu and 0.07% Co. CAPEX is estimated at around A\$473 million with an estimated A\$2.7 billion in net cash flow on the back of A\$4.5 billion in revenue.

The Nova-Bollinger Ni-Cu-Co massive sulphide deposit is located ~100 kilometres to the NNE and appears to be remobilised sulphides from an ultramafic layered intrusion.

There is potential for both in-situ and remobilised Ni, Cu and Co massive sulphides in this emerging province which also hosts the well mineralised Ravensthorpe area to the south west and **Anglo Gold Ashanti** 70% / **Independence Group** 30% Tropicana 5 million ounce gold deposit in the north east of the Albany Fraser province.

Albany-Fraser Range Tenements

AXG Mining now holds over 700 square kilometres of tenements in the Fraser Range...

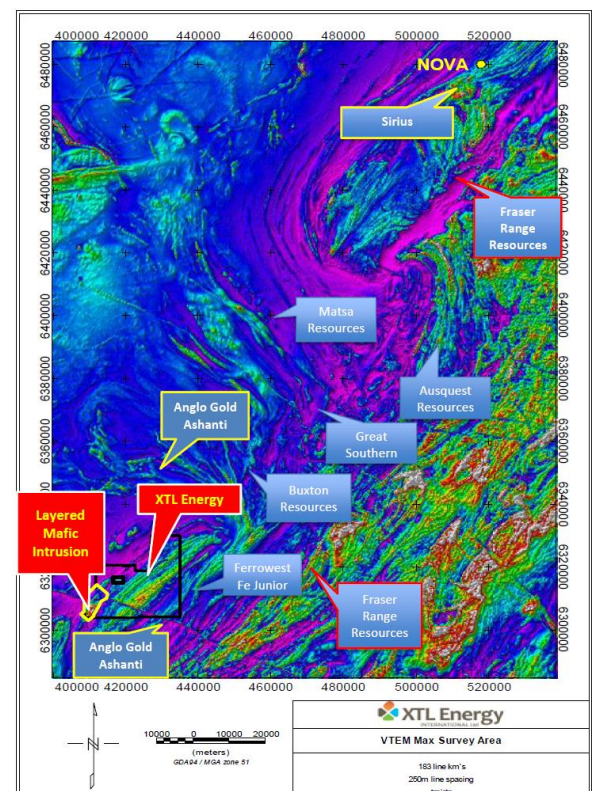
- **E63/1547 (Mt Ridley): (AXG Mining: 100%)** was granted on 13 February 2013 and acquired by the Company on 5 March 2014. The license consists of 165 blocks covering approximately 475 km². Perth based Southern Geoscience Consultants have been engaged to complete the

interpretation of the 2012 Airborne EM survey with results due shortly. Subject to results it is proposed to follow up with a ground EM survey in the near term. 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): (AXG Mining 100%).** 87 tenement blocks covering around 250km². The tenement was granted on 31 July 2013.

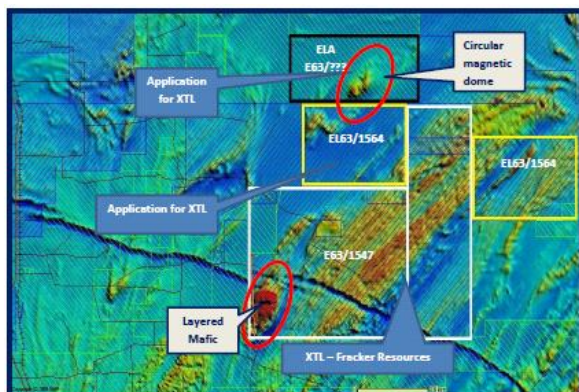
One Exploration License remains under application

- **E63/1617 (Mt Ridley North): (XTL - 100%).** This application is likely to cover approximately 153km² and is yet to be granted.



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

ASX Announcement
25 July 2014



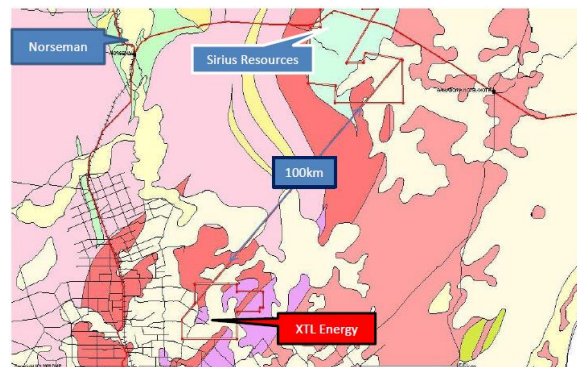
XTL Energy International-Option

- **Option:** **AXG** executed an option in March 2013 to acquire a 100% interest in EL63/1547 (Mt Ridley), EL63/1564 (Mt Ridley E-W) and EL63/1617 (Mt Ridley N) from **XTL** (see **AXG Mining** ASX Announcement, 5/3/2013).
- **Option Period:** The option period on the last remaining tenement EL63/1617 will commence for 12 months from the date of the grant and can be extended for a further 6 months 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 remaining option is set out as follows:
 - **EL63/1617:** 14.3 million **AXG** 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 this tenement at any time 12 months from the date of grant. The issue of Shares is subject to shareholder approval.

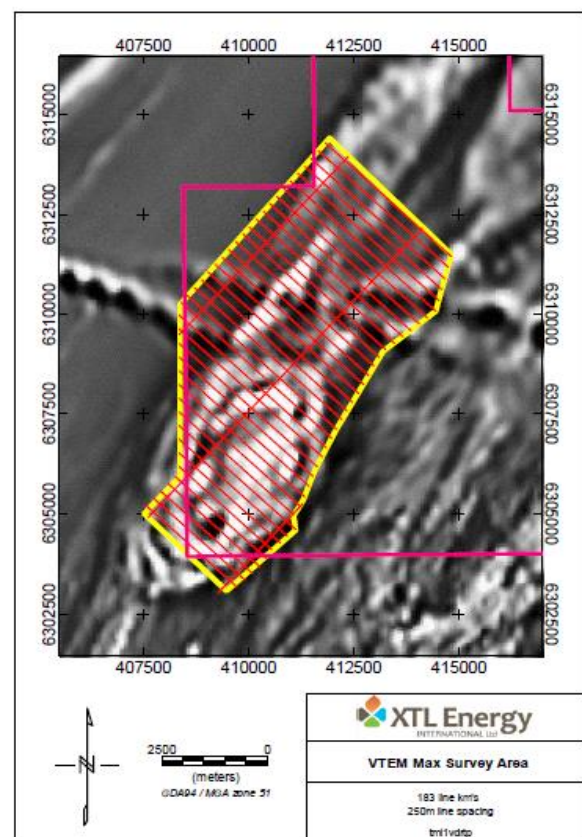
Highlights

- 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



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E63/1617

E63/1617: 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, reading '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 2004 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.