

6 September 2010

The Manager, Companies
Australian Securities Exchange Ltd
Electronic Announcement System

Dear Sir,

AXIOM MINING LIMITED (ASX CODE: AVQ) UPDATE ON MOUNTAIN MAID RC DRILLING PROGRAM

- ❖ ***Significant gold intercepts in first 17 holes***
- ❖ ***Gold values over long intercepts e.g. – 108 m @ 0.59 g/t Au
– 101 m @ 0.63 g/t Au***
- ❖ ***Gold zones remain open at depth and along strike***
- ❖ ***Axiom owns a 100% interest in Mountain Maid***

Axiom has intercepted higher average gold grades and widths from the first 17 RC drill holes than last years drilling as well as receiving strongly consistent mineralisation at Mountain Maid on EPM15449 (figure 1 for location).

The multiple gold zones increase in grade and width and flatten with depth. Wider zones are correlated on and between completed drill sections intrusive dykes or stocks and well into the adjacent sericite-quartz altered intrusive host (figure 2 – drill hole locations and figures 2, 3, 4 and 5 – section lines from south to north).

“To date nine diamond drill holes and 17 RC holes have intersected contiguous and economically significant gold mineralisation from surface to vertical depths of at least 250 m and along strike for approximately 600 m. Extension to the zones to the north and south as well as to depth is highly probable.”

Assay results (table 1) from Axiom’s drilling program combined with earlier exploration data show an increase in gold concentration and width of mineralisation with depth. Gold concentrations and widths encountered to date are indicative of a sizable near surface deposit with potential for exploitation by open pit mining and low cost dump or heap leach extraction of gold. Metallurgical gold leach testing performed on milled samples in the past and on crushed drill core samples earlier this year confirmed that the gold is leachable.

Since current assay results are proving that a JORC compliant resource is likely once the designed program of 41 holes is completed at Mountain Maid, a review of plans to continue infill and additional drilling to expand the potential resource are under way. With gold grade increasing with depth, deeper drill holes are also being considered to indentify the source of the deposit.

Currently 28 holes of the planned 41 hole RC drill program have been completed and initial assays on the first 17 holes received. The program is due to be completed later this month. A final report will be delivered to the market as soon as assay data from the remaining holes are processed.

Table 1 Summary of gold results from fire assay of drill hole samples at Mountain Maid including values at or above 0.25 g/t Au.

Drill Hole	Cumulative Width of Au Zones	Weighted Average (g/t Au)
Axiom and Historic Core Drilling pre 2010		
MMD 001	83 m	0.47
MMD 002	23 m	0.38
MMD 003	79 m	0.53
MMD 004	34 m	0.50
MMD 005	39 m	0.49
MMD 006	4 m	0.44
BMD – 4	40 m	0.74
MMD 98-1	28 m	1.11
MMD 98-2	67 m	0.66
MMD – 37	73 m	0.51
Axiom Infill RC Drilling 2010		
MMRC001	17 m	0.36
MMRC002	64 m	0.58
MMRC003	33 m	0.47
MMRC004	86 m	0.56
MMRC005	82 m	0.61
MMRC006	57 m	0.61
MMRC007	108 m	0.59
MMRC008	48 m	0.37
MMRC009	101 m	0.63
MMRC010	38 m	0.51
MMRC011	68 m	0.46
MMRC012	93 m	0.63
MMRC013	12 m	0.45
MMRC014	69 m	0.38
MMRC015	67 m	0.52
MMRC016	19 m	0.49
MMRC017	25 m	0.36

Note: Weighted average intercepts above 0.50 g/t gold are highlighted in “red” font.

Mountain Maid is classified as an Intrusive Related Gold System (IRGS) and is located West of Chillagoe, North Queensland and west of the Red Dome/Mungana mine(s) owned by Kagara and Mungana Goldmines. The Mountain Maid IRGS prospect is situated centrally within the Nundah Batholith in the greater Cardross project area and is one of several prospects in a large area of anomalous mineralisation. Its plutonic setting, geochemical signature (anomalous bismuth, molybdenum and tungsten), porphyry intrusive association and scarcity of sulphide minerals are typical features of IRGS deposits.

Geological information presented in this announcement is based on exploration results compiled by Mr John McCarthy. Mr McCarthy is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the styles of mineralization and types of deposits under consideration and to the activity, which he is undertaking to qualify as Competent Person in accordance with Clause 8 of the JORC Code. Mr McCarthy is full-time employee of the Company and consents to inclusion in this report of the matters based on their information in the form and context in which it appears.

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.

Figure 1 – Chillagoe Area Prospect & Mine Location Map

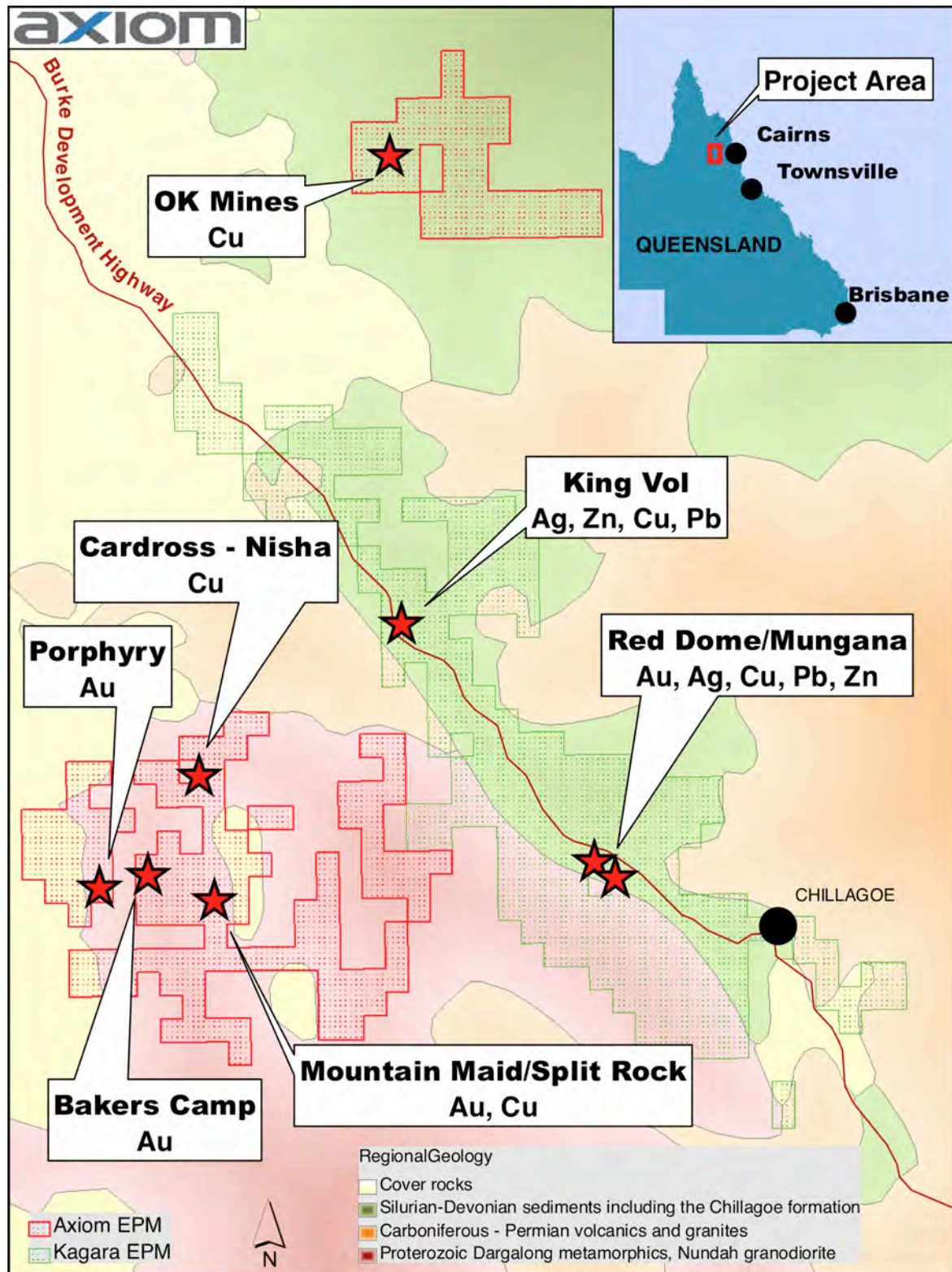


Figure 2 – RC Drill Hole Location Plan

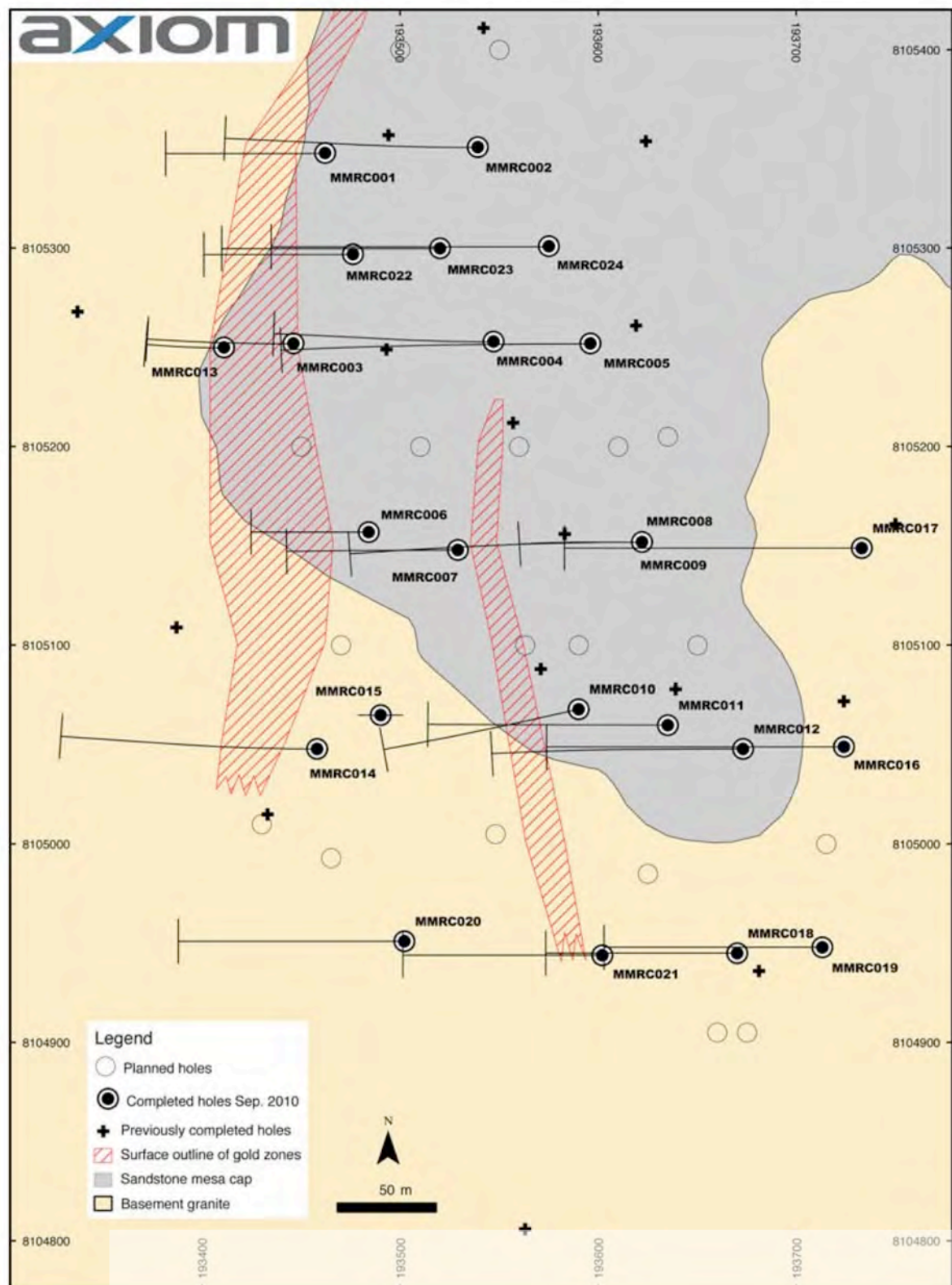


Figure 3 – Drill Section Line 8105050 North

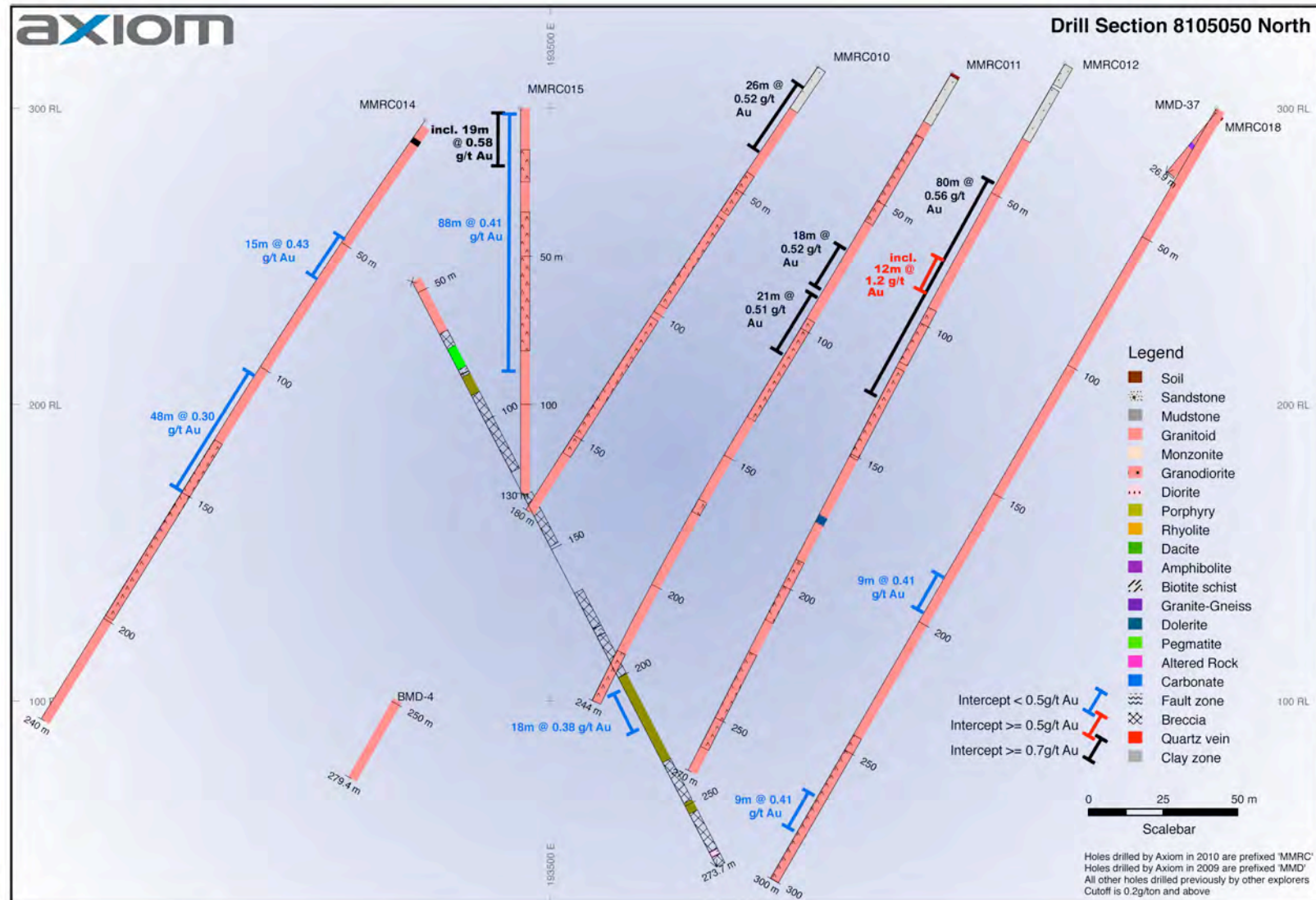


Figure 4 – Drill Section Line 8105150 North

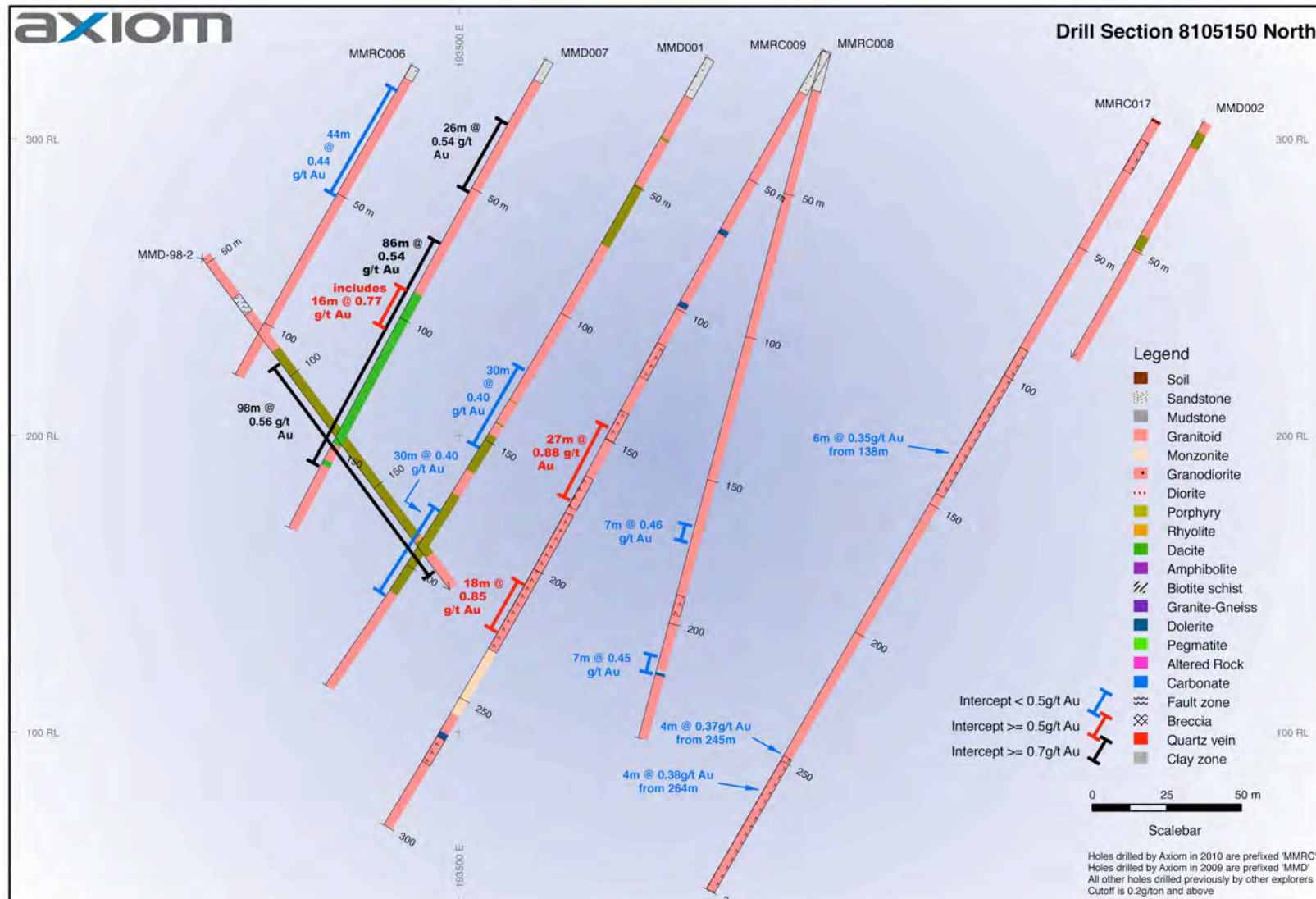


Figure 5 – Drill Section Line 8105250 North

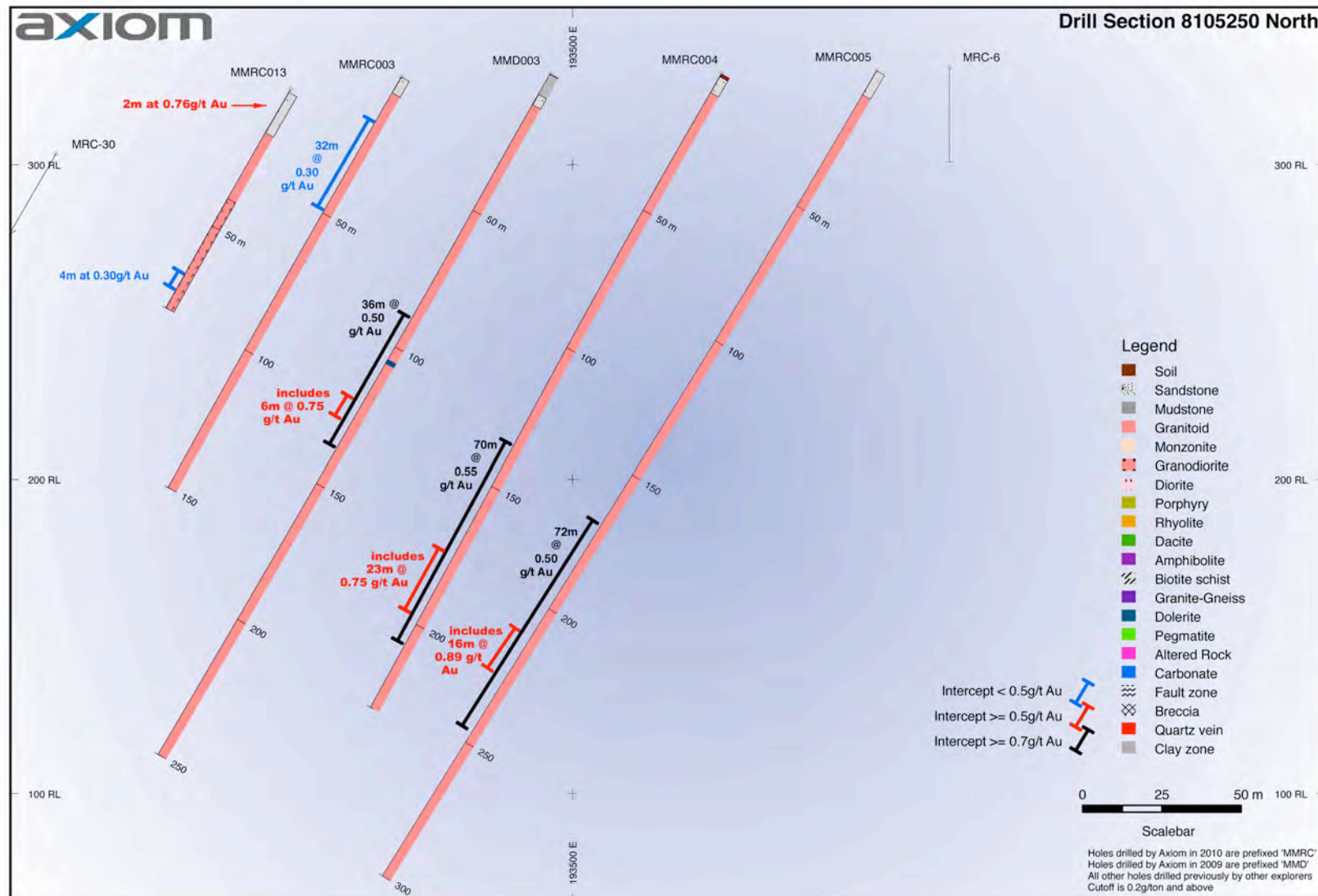


Figure 6 – Drill Section Line 8105350 North

