

AXIOM MINING LIMITED

ARBN 119 698 770

ANNUAL REPORT 2009



TABLE OF CONTENTS

	Page No.
Chairman's Address	3
Review of Operations	4
Highlights- Australia	5
- Vietnam	5
Principal Projects- Australia	6
<i>Mountain Maid gold</i>	6
<i>Split Rock copper</i>	12
<i>Cardross-Arizona-Nisha copper-gold-silver-(zinc)</i>	13
<i>OK Mines copper-zinc-(gold)</i>	16
Principal Project- Vietnam	18
<i>Quang Binh gold</i>	18
Other Projects- Australia	23
<i>Mt Molloy copper-zinc</i>	23
<i>White Hills gold</i>	24
<i>Pinevale copper-gold-(molybdenum)</i>	24
Other Projects- Vietnam	25
<i>Quang Tri gold-silver</i>	25
<i>Khanh Hoa gold</i>	25
<i>Pu Sam Cap copper-gold</i>	26
Tenement Schedule	27
Director's Report	28
Director's Meetings	30
Corporate Governance Statement	30
Directors Declaration	36
ASX Additional Information	37
Corporate Directory	38
Independent Auditor's Report	Attached
Income Statements	Attached
Balance Sheets	Attached
Statement of Changes in Equity	Attached
Cash Flow Statements	Attached
Notes to Financial Statements	Attached

CHAIRMAN'S ADDRESS

On behalf of the Board of Directors of Axiom Mining Limited, I am pleased to report that Axiom has succeeded in getting through a very difficult period brought on by the Global Financial Crisis that delayed the Company's ability to complete its audit for the 2008 financial year. The audit was completed and filed with the Annual Report 2008 on 17 November and trading in shares Axiom resumed on 20 November 2009.

During the trading suspension one of Axiom's subsidiaries, Ozmin Resources Pty Ltd was placed into Voluntary Administration by its sole director. Ozmin entered into a Deed of Company Arrangement (DOCA) with its creditors and emerged from administration on July 5, 2009. As a consequence Axiom Mining Limited's interest in Ozmin was reduced to 30%. Directors of Axiom understand that the investors who acquired the Ozmin interest will offer Axiom an opportunity to reacquire 70% of Ozmin for equity in Axiom. Shareholder approval will be required for any such offer.

Another consequence of the DOCA was provision of funds to complete a seven-hole diamond drilling program on an Intrusive Related Gold System (IRGS) known as the Mountain Maid gold project, northwest of Chillagoe, North Queensland. This drill program was completed in late October 2009 and assay results show the presence of a large, modest grade gold bearing system that may develop into a bulk tonnage gold deposit exploitable by low cost dump leach methods. Further drilling is needed to determine the full extent of the system and for calculation of resources compliant with JORC¹ code guidelines.

Other very prospective targets on the Cardross EPM's include a strong Induced Polarisation anomaly called Nisha along the partially drilled Cu-Au-Ag bearing Cardross zone and the Split Rock porphyry copper prospect, particularly a large IP anomaly associated with high grade Ag-Pb-Zn mineralisation in outcrop south of Mountain Maid. Nearby Axiom also owns the promising OK Mines VMS Cu-Zn target.

Having incorporated in June 1992 as a Vietnam dedicated exploration-mining company, Vietnam continues to be important to the Company's future. Exploration on the Vietnamese properties has outlined large gold-silver target with geological and structural settings similar to nearby gold deposits being mined at Sepon, Laos by Min Metals. Drilling of 58 diamond holes into coincident Induced Polarization and gold-in-soil geochemical anomalies has shown that a alteration and mineralisation has impacted large volumes of country rock. Prominent structures acted as conduits for hydrothermal fluids bearing precious metals.

Gold-silver mineralisation is present as high-grade sediment replacement pods and more dominantly as widespread disseminations with quartz-sericite alteration at generally grades between 0.5 and 1g/t Au. Closer spaced drilling of the gold-bearing zones is proposed to delineate open pit resources compliant with JORC guidelines and to obtain bulk samples for cyanide leach testing. The objective is to outline a multi million ounce deposit suitable for large scale open pit mining and simple dump leach recovery of gold and silver.

Your board holds the opinion that Axiom's projects and the calibre of management are capable of delivering great exploration success. The rapid recovery in metal prices, particularly gold has created an investment climate with a strong appetite for metal projects. Axiom has projects where drilling has encountered economically important concentrations of copper, zinc and of course gold and silver. Delineation of one or more of these deposits will rapidly add value to the Company. As Chairman of Axiom, I look forward to seeing you at the Annual General Meeting of the Company on 2 March 2010.

John Cook
Chairman
February 5, 2010

¹ JORC – The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves; 'The JORC Code' 2004 Edition'.

REVIEW OF OPERATIONS

Principal Projects – Australia

- Mountain Maid gold
- Split Rock copper
- Cardross-Arizona-Nisha copper-gold-silver-(zinc)
- OK Mines copper-zinc-(gold)

Principal Project – Vietnam

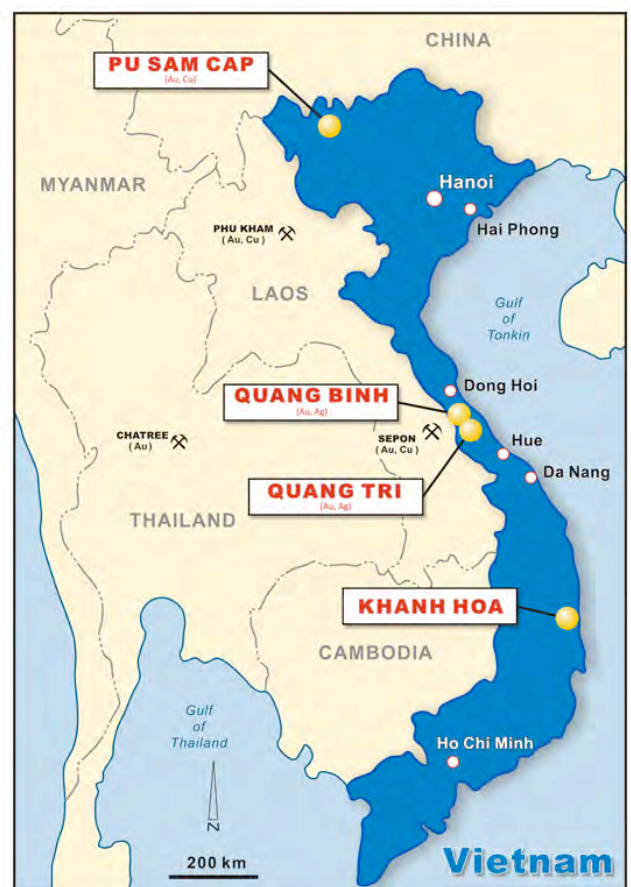
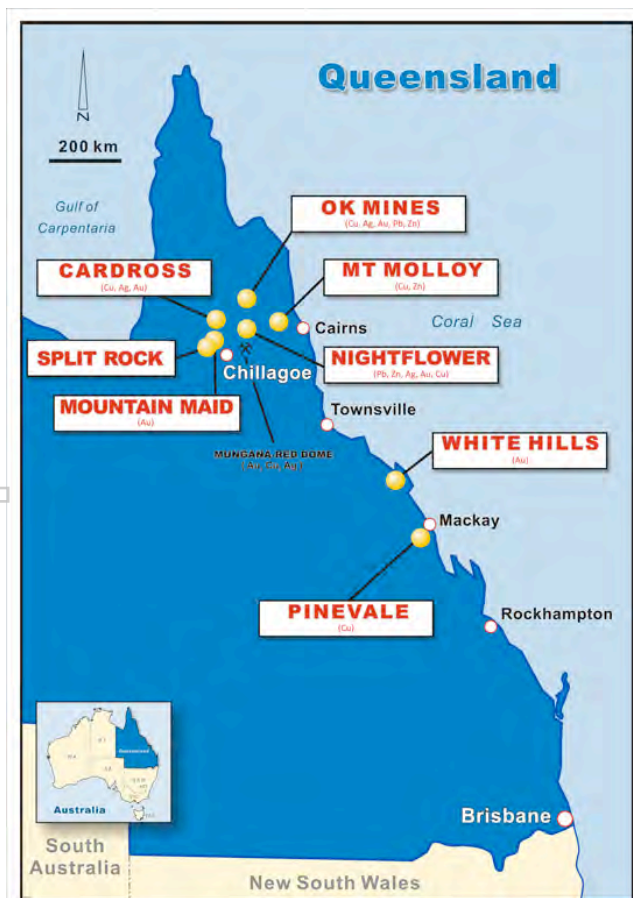
- Quang Binh gold-silver

Other Projects – Australia

- Mt Molloy copper-zinc
- White Hills gold
- Pinevale copper-gold-(molybdenum)

Other Projects – Vietnam

- Quang Tri gold-silver
- Khanh Hoa gold-silver
- Pu Sam Cap copper-gold (carried interest)



Note: The option on the Nightflower Project expired on the 14/1/2009 and Axiom retains no interest in the property.

Slowing demand for metals and speculator fund deleveraging as a consequence of the unprecedented and rapid economic contraction across the globe has greatly reduced investment interest and support for mineral exploration in 2008 and the first half of 2009. Axiom therefore took measures to reduce expenditure to levels that were designed to maintain the Company and its property assets through the crisis.

Although uncertainty about growth prospects for the world economy dramatically dropped US\$ metal prices, under-investment in exploration since the 1980's, a lack of new major mine discoveries and higher mining costs has seen a rapid return to the supply-demand imbalance with resumption in economic growth in China. Metal prices have resumed an upward trend once again.

Unlike other metals, gold on the back of a weakening US\$ has sustained a value above A\$1,000 per ounce. Many analysts are predicting gold to rise further as a consequence of safe haven investor demand having exceeded physical output. The enormous expansion of paper money supply in response to the credit crisis encourages investors toward owning gold as one method of wealth preservation. We therefore anticipate growing investor enthusiasm for companies with near development gold prospects such as those held by Axiom in Australia and in Vietnam.

Later in this Annual Report are provided updates on exploration results for Axiom's advanced projects in Australia, namely Mountain Maid, Split Rock, Cardross-Arizona-Nisha and OK Mines as well as the Quang Binh project in Vietnam. Projects are termed advanced where systematic drilling has partially delineated mineral targets and further drilling is expected to generate substantial precious and/or base metal resources and reserves. For example, past and recent drilling undertaken on the Mountain Maid property has produced broad gold-bearing intercepts that along with geological and geochemical information confirm the presence of an intrusive related gold system (IRGS). Further drilling at Mountain Maid is expected to produce an initial resource estimate and samples for metallurgical testing and scoping studies.

Australian Highlights

- The grant of EPM 15449 gave the Company control over most of the extensively mineralized Nundah Batholith, and provided access to the highly prospective Split Rock porphyry copper and Mountain Maid gold prospects (see figures 1 and 2 and table 1). At Mountain Maid assay results from drilling and surface sampling have confirmed the presence of an Intrusive Related Gold System (IRGS) of substantial potential size with contiguous mineralisation in 9 drill holes.
- Geological mapping, surface sampling and IP surveys show that shear-hosted copper-gold-silver mineralisation drilled on the Cardross Mining Lease (ML) extends for approximately two kilometres along the Cardross shear to the southwest beyond the ML as well as to the northeast. The zone and several similar structures nearby at the Arizona prospect warrant drilling.
- Compilation of drill hole assay and surface and drill hole geological and structural data has been used to develop a 3-dimensional model of the OK Mines VMS deposit to better target future drilling.

Vietnam Highlights

- Forty-seven of 58 diamond drill holes on two prospects on the Quang Binh mineral exploration licence (MEL) have confirmed the presence of large tonnage-modest grade porphyry-style gold systems. Systematic infill drilling has been designed at 25 to 50 m centres for JORC resource definition in advance of feasibility studies on two prospects.
- Also at Quang Binh, a large (0.5 km x 2.5 km) gold-in-soil anomaly has been outlined at the Vit Thu Lu prospect that is targeted for drill testing.
- Final approvals have been obtained for the grant of the Quang Tri MEL, an area known from Government geological surveys and artisanal mining to be prospective for gold with strong similarities to Sepon sediment-hosted gold deposits.
- Application documents have been completed for a new gold MEL in Khanh Hoa province, Southern Vietnam.

PRINCIPAL PROJECTS – AUSTRALIA

Mountain Maid Gold

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 (see figure 1 and 2). Its plutonic setting, geochemical signature (anomalous silver, bismuth, copper and tungsten), quartz monzonite porphyry intrusive association and scarcity of sulphide minerals are typical features of Intrusive Related Gold Systems.

Drilling has confirmed that gold dissemination occurs in felsic porphyry intrusive dykes or stocks and well into the adjacent sericite-quartz altered granodiorite host. Steeply west dipping multiple gold zones correlate well on and between drill sections (see figures 2, 3 and 4).

To date nine holes (5 recent and 4 earlier) have intersected contiguous and 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.

Importantly, as figure 2 shows, the Split Rock porphyry copper prospect and a large gradient array IP anomaly (1.5 km south) are located along a regional north-south structure that links to Mountain Maid based on interpretation of aeromagnetic and IP survey data. Excellent potential exists for discovery of new mineralised intrusive systems in the area.

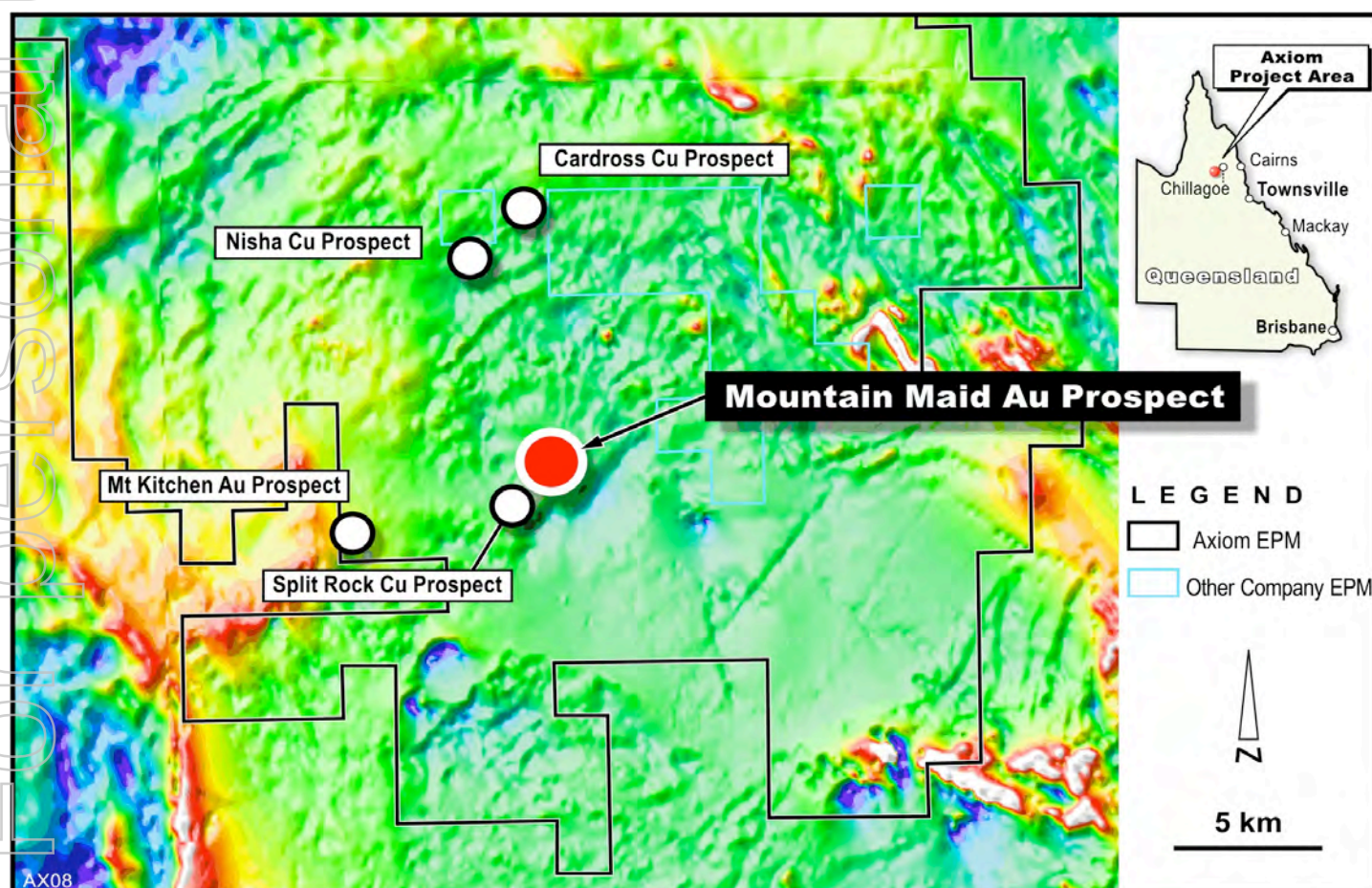
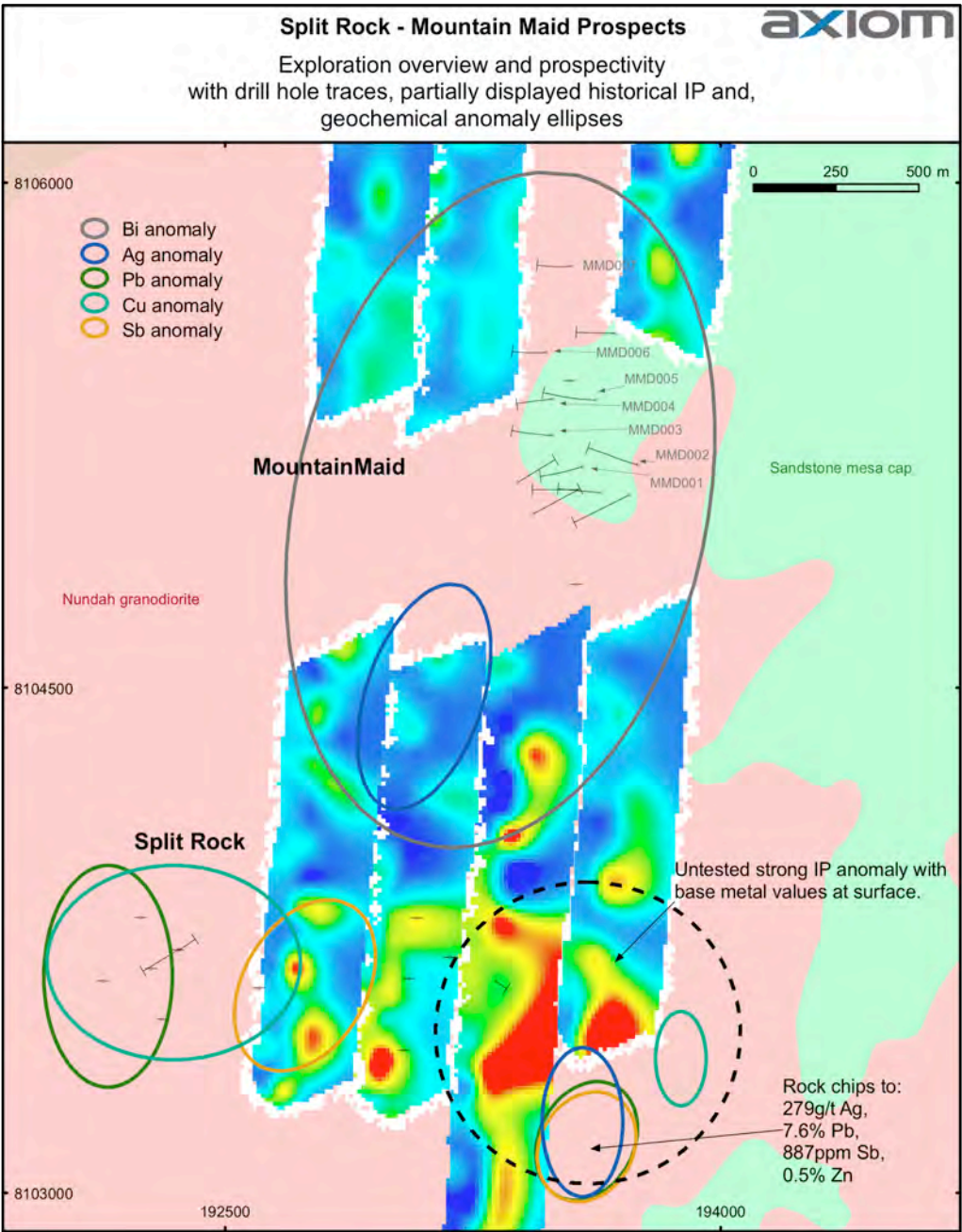


Figure 1 Location of Mountain Maid gold prospect and other exploration targets in the greater Cardross area on an aeromagnetic intensity image.

Figure 2 A compilation of gradient array IP geophysics (blue-yellow-red areas), geology in the immediate area of the Mountain Maid prospect and drilling locations. Importantly, a large gradient array anomaly on a north-south trending structure that links areas on anomalous mineralisation has yet to be drill tested.



Assay results (see table 1) from the drilling program combined with earlier exploration data show an increase in gold concentration and width of mineralisation toward the south and with depth. Although gold concentrations encountered to date are modest, potential has clearly been demonstrated to develop a sizable deposit with potential for exploitation by open pit mining and low cost dump or heap leach extraction of gold and silver.

Results show elevated gold over broad zones in 6 of the 7 holes drilled by Axiom with 5 of the holes having gold zones that are contiguous with zones in 4 historical holes. The holes demonstrated that the parallel gold zones strike in a north-south direction and dip steeply west. The results of Axiom's drilling and earlier work indicate an increase in gold concentration and width toward the south and at depth. Drill hole fire assay results for gold are summarised as follows:

Table 1 Summary of gold results from fire assay of drill hole samples at Mountain Maid

Drill Hole	Cumulative Width of Au Zones	Weighted Average (g/t Au)
------------	------------------------------	------------------------------

Axiom Drilling

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
MMD 007	(anomalous)	

Historic Drilling

BMD – 4	40 m	0.74
(including)	188 m	0.34
MMD 98-1	28 m	1.11
(including)	197 m	0.40
MMD 98-2	67 m	0.66
(including)	188 m	0.40
MMD – 37	73 m	0.51

Petrographic studies completed on core samples from Axiom's drilling as well as earlier work has identified that the gold is closely associated with bismuth and experimental work has shown that in igneous environments a bismuth fluid will form at relatively high temperatures and will act as a gold collector.

Gold:bismuth ratios sampled to date at Mountain Maid represent concentrations well below theoretical maximums indicating that present surface may represent the top of the system. In the Chillagoe region well-known deposits such as Red Dome and Mungana have been confirmed to extend to depths of over 1 km.

In preparation for the next phase of infill holes and drilling of the gold zones along strike, particularly toward the south, the leach characteristics of the gold from Mountain Maid will be confirmed by metallurgical testwork. A technical report issued in 2004 summarised testwork completed in 2002 by Newmont Metallurgical Services on composite drill core samples from drill hole MMD 98-1 at Mountain Maid stated that "**cyanide leaching of up to 90.6% of the gold was leached in 24 hour bottle roll tests**". These results are very encouraging.

Axiom is instigating a column cyanide leach test program designed and supervised by an expert in heap leach operations to obtain a better understanding of the potential of the process for use at Mountain Maid. The program will use residual drill core from the recent program. Initial results are expected to be available before drilling resumes.

The next drill program will provide the sampling density/drill hole spacing needed to calculate resources in accordance with the JORC code as well as further samples for heap or dump leach test work. The objective is to as rapidly as possible establish economic parameters sufficient to complete a mine development scoping study.

Figure 3 Section showing drill holes MMD 001 and MMD 002

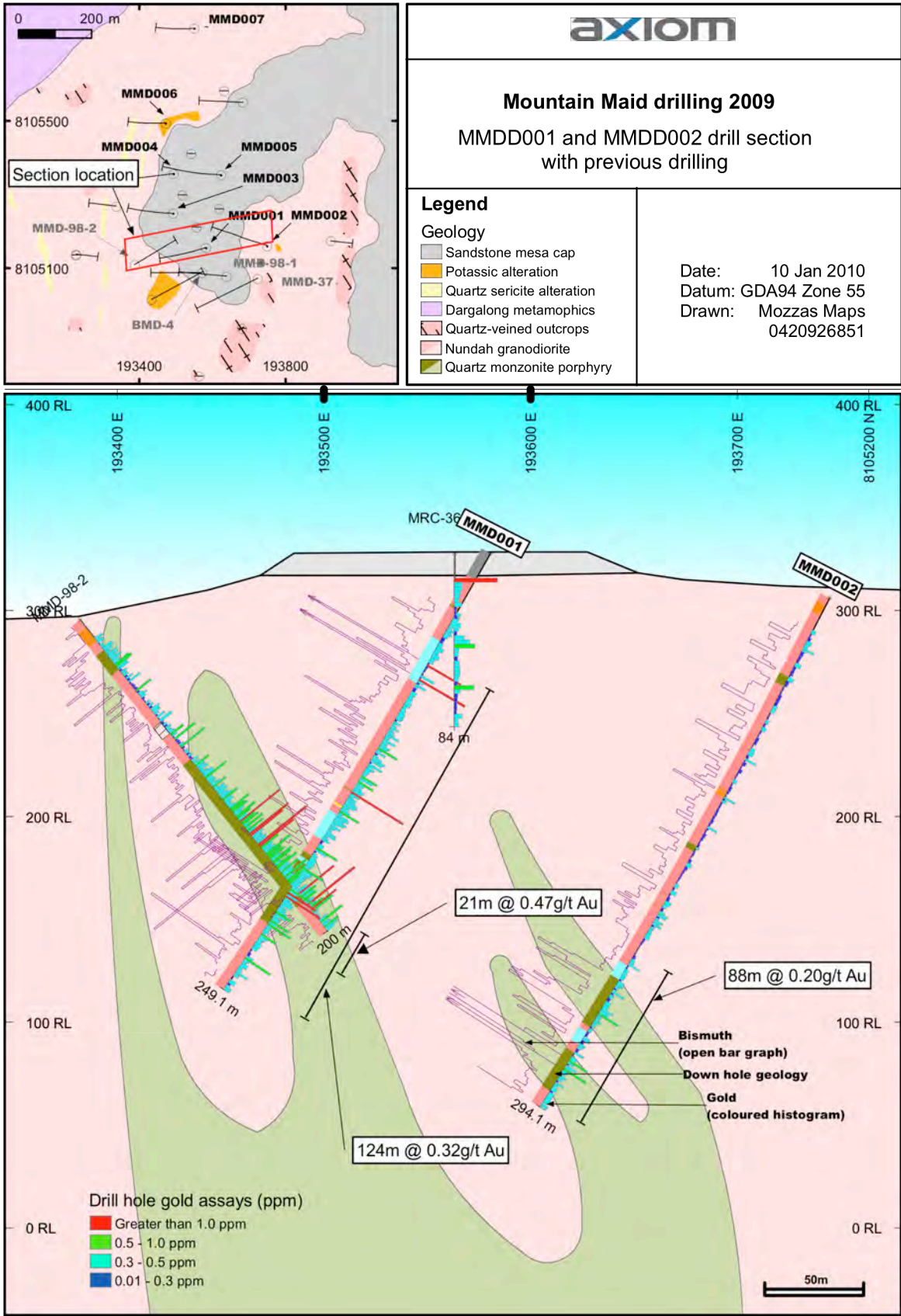


Figure 4 Section showing drill holes MMD 002 and MMD 003

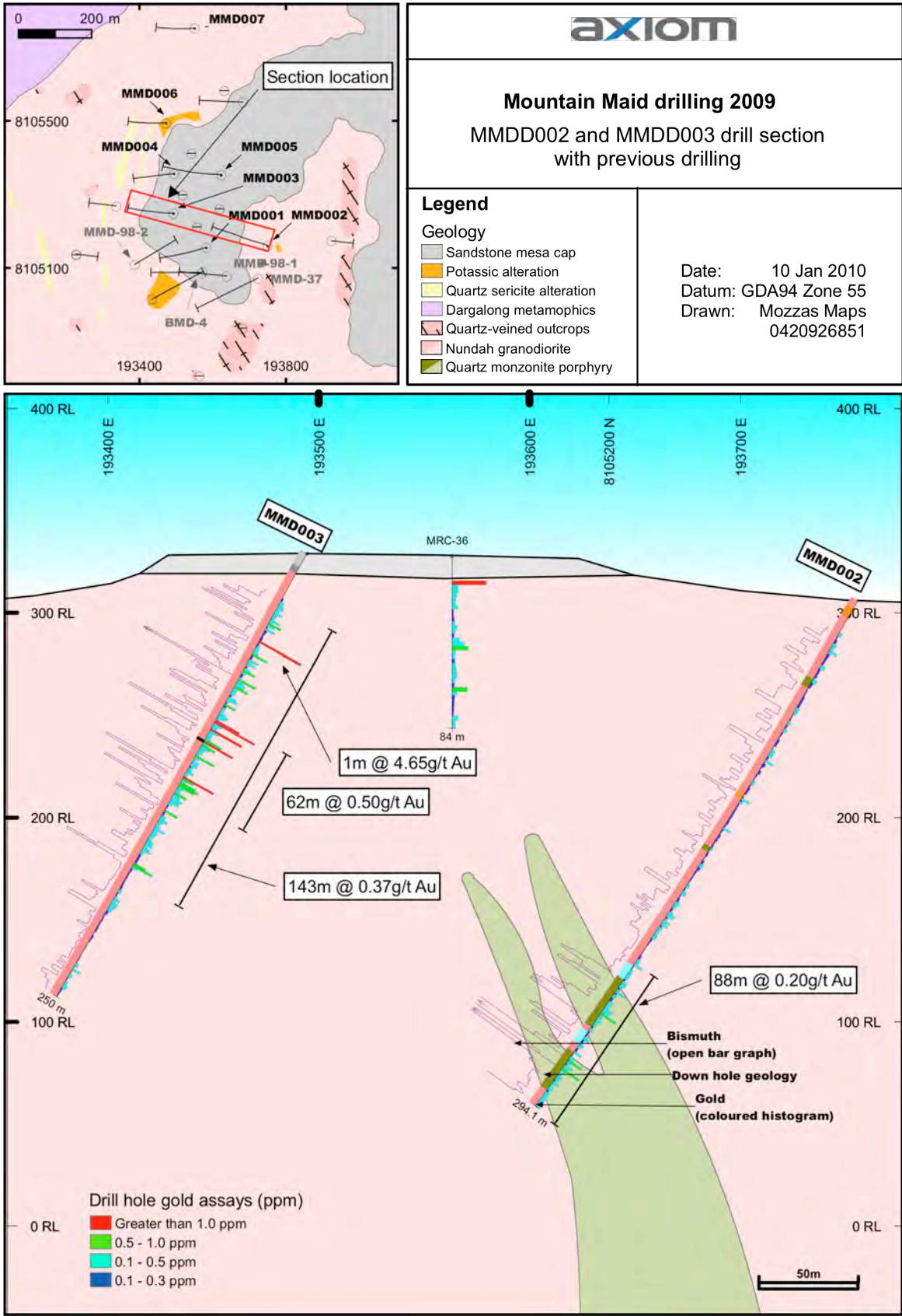
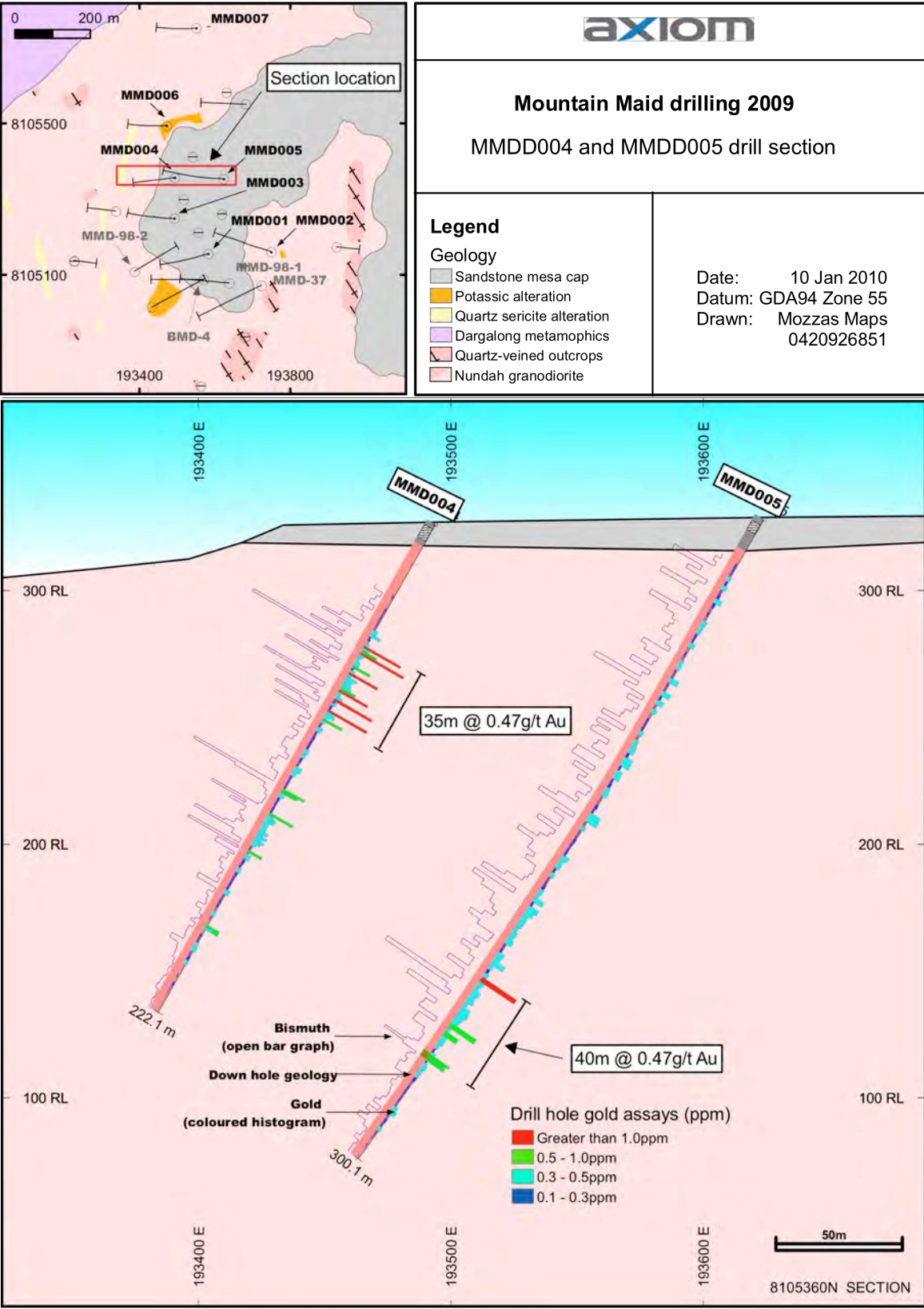


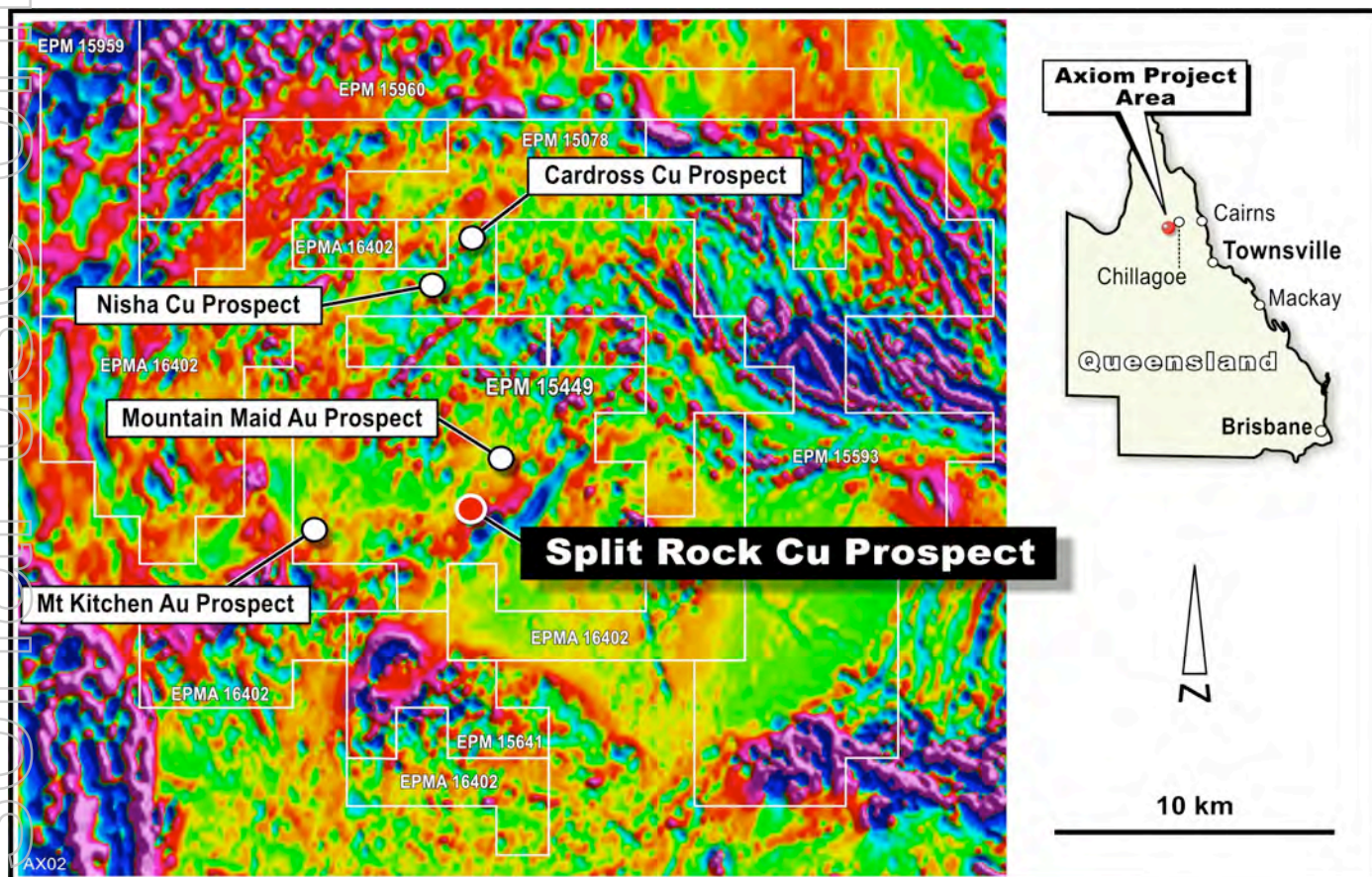
Figure 5 Section showing drill holes MMD 004 and MMD 005



Split Rock Copper Project

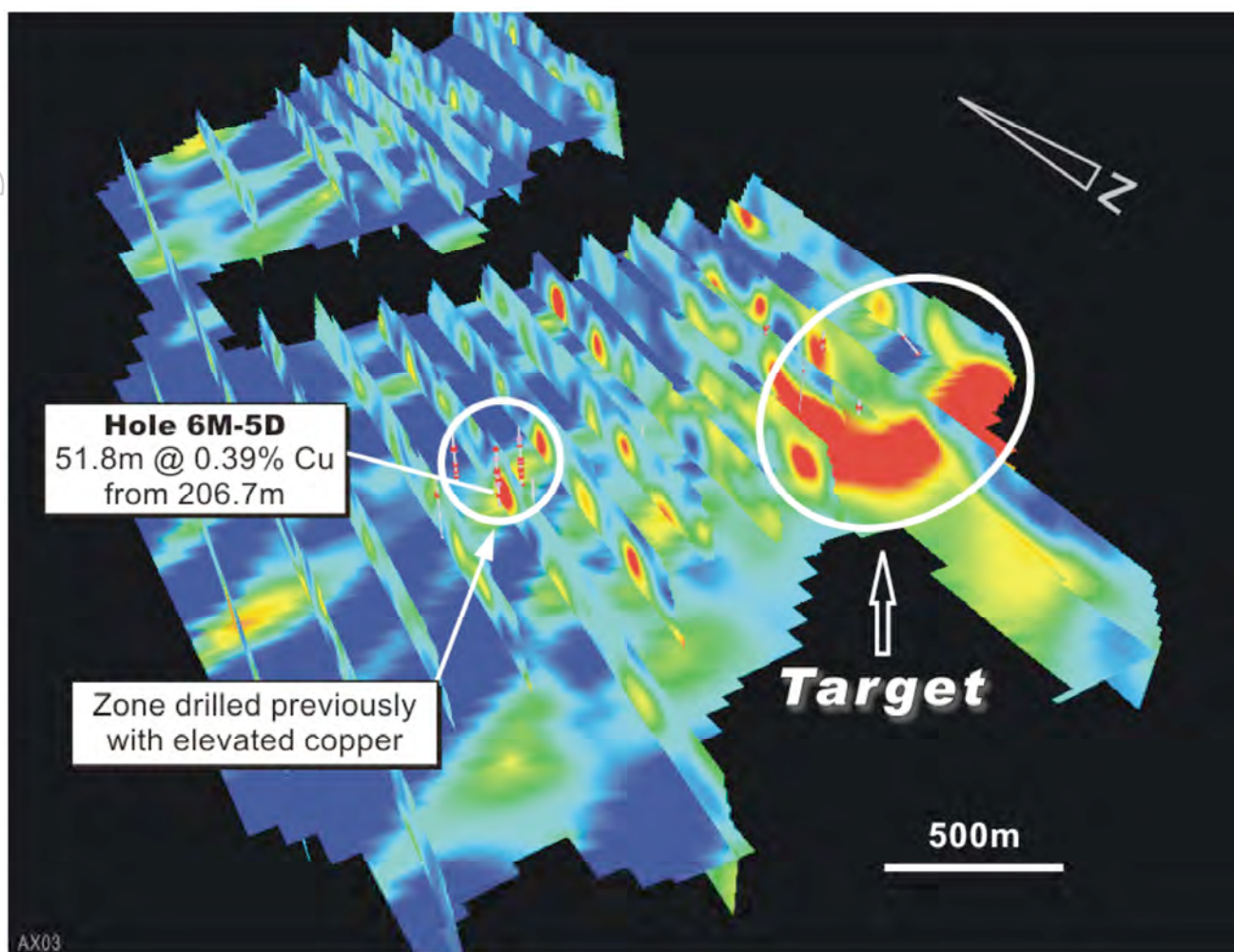
Split Rock copper prospect is located 1.5 km southwest of the Mountain Maid IRGS gold prospect (see figure 6). Previous exploration soil sampling and scout drilling had defined a widespread low-to-moderate-grade copper mineralised system associated with extensive stockwork quartz veining and quartz-sericite alteration. Mineralization appears related to felsic porphyry dykes that have intruded a granitoid host.

Figure 6 Location of the Split Rock copper prospect on an image of aeromagnetic intensity.



Computer reprocessing and enhancement of the historical geophysical IP/resistivity data showed localised zones of increased IP response in the vicinity of previous drilling (see figure 7). Additionally, a large moderate-strength IP anomaly was discovered in the southeast section of the prospect area that remains largely untested by drilling.

Figure 7 Reprocessed historic Split Rock IP data showing large gradient array anomaly target that has not yet been effectively drill tested.



Soil sampling was conducted by Axiom to the west, south and northeast of Split Rock to establish limits to anomalous areas of Cu, Zn and Pb still open from the previous soil programs. The soil survey west of Split Rock and to the northeast closed off the large Cu anomaly. However, a new zone of strongly anomalous Au (+40ppb) was defined and given the proximity of the Split Rock copper prospect to Mountain Maid gold, this is an important discovery.

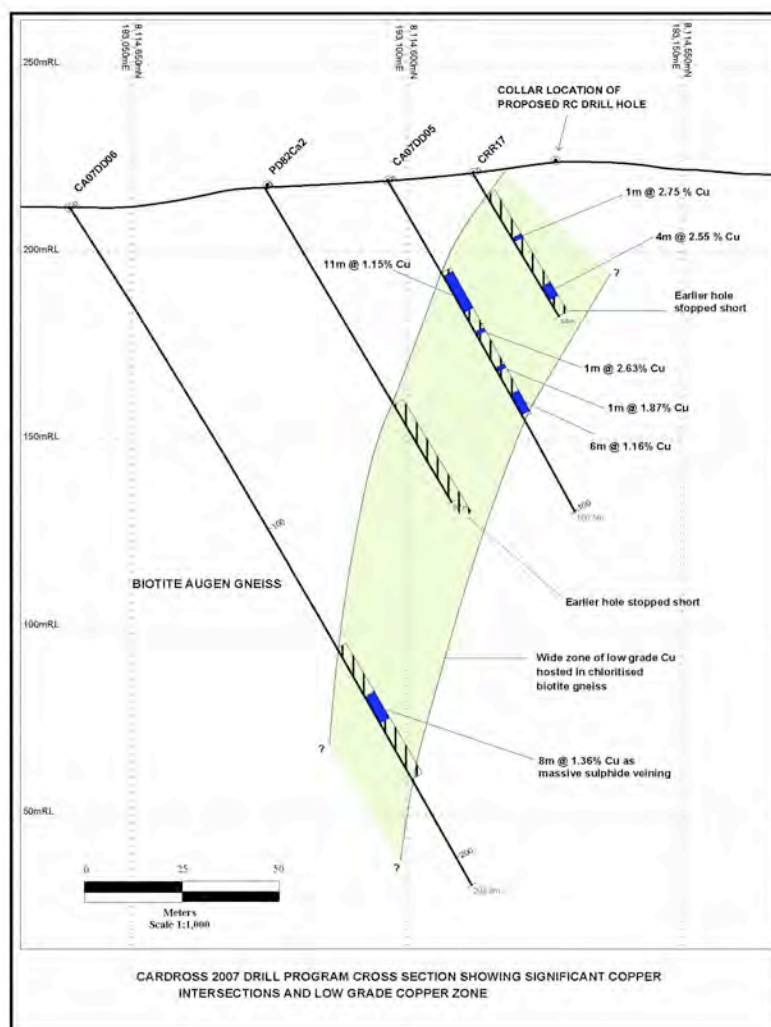
Cardross-Arizona Copper-Gold-Silver-(Zinc) Project

Two scout drill programs totalling 3,231m of drilling have been completed at the Cardross Mining Lease in the past year and have produced promising results. A broad zone of copper enrichment (see figure 8) has been confirmed with copper concentrations averaging as high as 0.7% over wide intervals such as 28m in CA07DD20. Within this interval are often multiple thick drill intercepts containing massive chalcopyrite veining that are much higher in metal concentration, for example 4m @ 7.55g/t Au, 47g/t Ag and 2.95% Cu as in CA07DD10 (see table 2).

Table 2 – Cardross Project drill hole assay intercepts (>0.5% Cu shown)

Hole No.	From (m)	To (m)	Down-Hole Interval (m)	Copper (%)	Gold (g/t)	Silver (g/t)
CA06DD01	72	73	1	1.71	0.23	20
	79	80	1	2.28	0.34	28
	88	96	8	1.47	0.35	18
	137	140	3	3.43	0.70	31
CA06DD02	128	134	6	4.80	3.00	90
CA07DD05	29	40	11	1.15		
	57	58	1	1.87	0.26	18.4
	65	71	6	1.16		23.5
CA07DD06	151	159	8	1.36	0.10	23
CA07DD07	131	134	3	3.21	0.43	42.2
	141	144	3	1.52		
CA07DD08	56	57	1	0.62	0.25	7.7
	93	94	1	0.74		16.2
CA07DD09	86	88	2	1.57	0.27	18.1
	135	137	2	1.05		7.2
	208	211	3	0.73		11
	217	220	3	0.94		15.8
CA07DD10	29	30	1	0.83	0.5	22.8
	56	57	1	1.23	6.16	20.2
	70	74	4	2.95	7.55	46.8
	87	91	4	1.35	4.50	24
	108	109	1	0.83	0.50	16.8
	113	114	1	2.45	5.50	22.8
CA07DD11	84	85	1	0.76	0.69	9.5
	127	128	1	0.66		10.5
	133	134	1	0.72		13.8
	170	172	2	0.79	0.26	12.8
CA07DD12	32	33	1	1.05	0.11	10
	248	249	1	0.72		8.9
CA07DD13	21	22	1	0.63	0.25	11.3
CA07DD14	156	158	2	2.42	0.18	66.6
	226	227	1	0.94	0.14	50.9
CA08DD15	165	166	1	2.1	0.11	30.1
CA08DD16	134	135	1	2.2	0.38	32.6
	150	154	4	0.62	0.06	11.5
CA08DD17	122	123	1	1.73	0.05	25.4
CA08DD18	140	143	3		1.10	
CA08DD20	97	125	28	0.7	0.23	13
CA08DD21	67	68	1	1.55	0.78	34.5
CA08DD22	56	57	1	1.55	0.52	23.7
	85	87	2	1.85	0.13	21.7
	168	169	1	1.33	0.13	27.7
	185	186	1	1.82	1.12	20.3
CA08DD24	78	79	1	0.76	0.83	22.7
	175	176	1	0.90	0.97	13.7

Figure 8 Drill section on Cardross ML showing higher-grade copper zones within a broad mineralised envelope.



When Axiom commenced exploration at Cardross in 2006, activities such as geophysics and drilling were confined to the ML 20003. The ML is now surrounded by EPM 15449, which was granted to the Company in December 2007 greatly expanding the area available for exploration.

An IP/resistivity survey conducted over 2km of strike of the Cardross Shear immediately southwest of the Cardross ML identified a moderate-strength chargeability anomaly within the shear zone over a length of approximately 400m and at an interpreted depth of approximately 100m. The strength of the chargeability anomaly is similar to that associated with mineralization intersected in drill hole CA08DD02 (6m @ 4.8% Cu, 3g/t Au and 90g/t Ag) providing a new prospect for drilling (the Nisha target).

Soil sampling surveys were completed along the Cardross shear to the southwest and northeast of the Cardross ML in areas of limited outcrop. The soil sampling was aimed at testing the structures for further extension of the known Cu-Zn-Au mineralization. Assays returned for the area to the southwest show a weakly anomalous Cu-Au response, encouragingly in the vicinity of the Nisha chargeability target.

Reconnaissance mapping and rock chip sampling was undertaken north and northwest of the Cardross ML in the Arizona area. A number of discrete mineralised shear zones are present showing strong similarities in mineralization style to that present at the Cardross ML. Rock chip results returned strongly anomalous Cu-Au-Ag +/-Bi and provide considerable encouragement. A dipole-dipole IP survey is planned for this area to generate drill targets.

Based on the work described above, Axiom now considers the Cardross ML-Nisha-Arizona areas as one large target for shear hosted copper-precious metal mineralization with multiple deposition centres that in combination could provide substantial value in contained metal. Exploration has also demonstrated that IP is an effective tool to detect such mineralising centres for drilling.

OK Mines Copper-Zinc (Gold-Silver) Project

Diamond drilling designed to follow up high-grade copper-gold-zinc intersections from Axiom's 2006 drill program commenced in early October and was completed in early November 2007. A total of 1,822.2m were completed in 10 drill holes, for a combined total of 5,372.3m drilled by Axiom on the property to date.

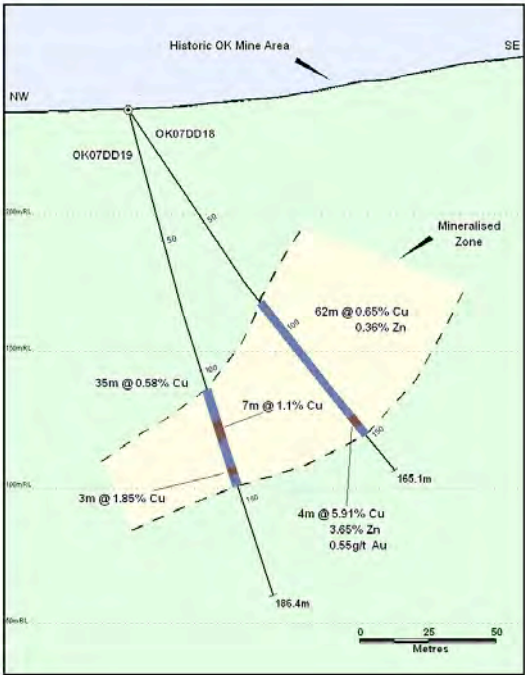
Table 3 below presents assays of mineral zones intersected.

Table 3 OK Mines Prospect – significant assay intercepts for copper, zinc, gold and silver from 2007 drilling program

Hole No.	From (m)	To (m)	Down- Hole Interval (m)	Copper (%)	Zinc (%)	Gold (g/t)	Silver (g/t)
OK06DD01	431	435	4	4.7			
OK06DD02	332	336	4	0.3			
OK06DD03	160	169	9	4.2	2.6	1.49	17
	186	188	2	3.5	1.0	1.47	16
OK06DD08	151	158	7	3.5	0.8		
OK07DD13	42	46	4	2.64	3.81	1.59	21.6
OK07DD14	40	41	1	0.72	0.06		
	65	67	2	2.95	1.69	0.98	20.4
OK07DD15	168	169	1	0.05	1.4		1.5
OK07DD16	205	212	7	0.08	0.68	0.12	2.5
OK07DD17	117	121	4	1.07			
	136	141	5	0.63	0.35	0.07	2.7
OK07DD18	86	87	1	1.87			
	90	95	5	0.68	0.05		
	99	110	11	0.47	0.1		
	121	123	2	0.56	0.07		1.2
	129	134	5	0.51	0.63		1.5
	140	144	4	5.91	3.64	0.55	13.6
OK07DD19	107	111	4	0.74			
	115	117	2	0.36	0.64		1.2
	119	126	7	1.10			
	127	129	2	0.78			
	137	141	3	1.85	0.13		2.2

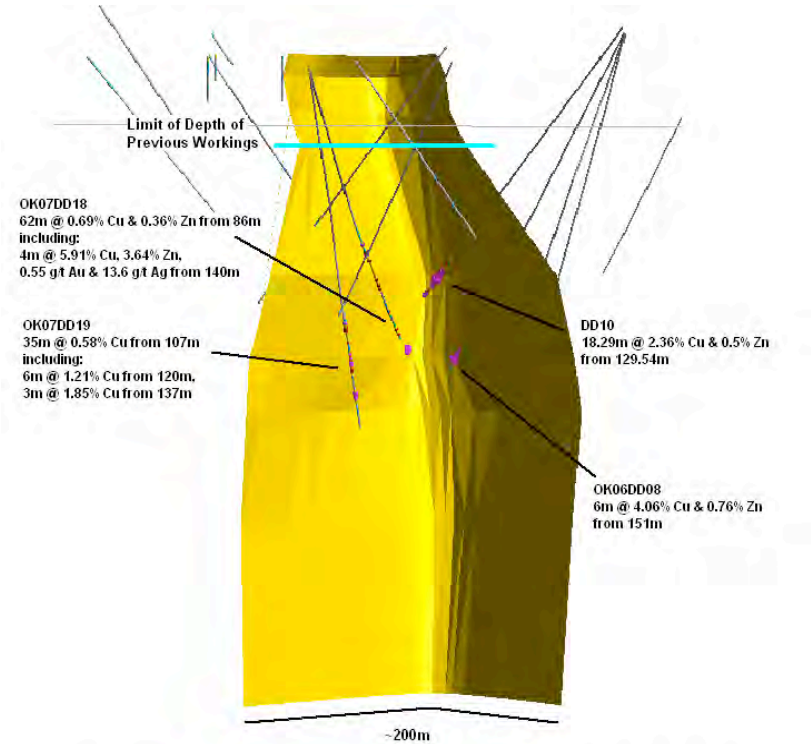
Drilling intersected zones of significant massive sulphide (pyrite-chalcopyrite-sphalerite) mineralization related to altered chert horizons with intervals of moderate to high grade Cu-Zn (see figure 9) typical of volcanogenic massive sulphide (VMS) deposits. Best results were obtained from the area close to the OK Mines historic mine workings.

Figure 9 Section showing holes 18 and 19 with continuous thick Cu-Zn mineralised envelope enclosing high-grade intervals down-plunge of the historic mine workings.



A 3D model of the VMS deposit has been prepared based on historic data and Axiom's recent drill programs (see figure 10). This model provides a clear target for future drilling.

Figure 10 3D model of the OK Mine Cu-Zn mineralization. Drill holes are displayed with pink indicating >1% Cu. The bronze surface is the interpreted footwall to mineralization marked by a folded chert unit.



NOTE - Yellow surface is folded chert unit which acts as marker.

OK Mine Cu-Zn-Au Target
(to 250m below surface)

PRINCIPAL PROJECT – VIETNAM

Quang Binh Gold

Axiom Mining Limited has produced detailed plans for an exploration program to define resources in compliance with the JORC code and is preparing an application for a Mining Licence from the Vietnam Ministry of Natural Resources and Environment. A 12-month extension of its Exploration Licence 154/GPTNMT is also pending and when granted up to 15,000 m of drilling is proposed to obtain resource definition data, to drill test the large Vit Thu Lu prospect gold-in-soil anomaly and to provide representative samples for column leach and other metallurgical testwork.

The drilling of 58 diamond drill holes since 2006 has confirmed that there are predominantly two types mineralization present in the Quang Binh project area: high-grade sediment-hosted replacement style gold-silver and very large porphyry-style gold zones.

The project includes the following prospects (see figure 11):

<i>Xa Khia-Mu Me</i>	Porphyry-style gold mineralization in at least six distinct mineralized structural domains; and sediment-hosted replacement mineralization found principally in the XK open pit area (see figures 12 and 13 and holes XK1A, XK6, XK14, XK15XK29 and XK32)
<i>Bach Dan</i>	Porphyry-style gold mineralization (see figure 14 and table 4)
<i>Vit Thu Lu</i>	Large gold-in-soil anomaly >2500m long, max. width >500m (see figure 15)

Porphyry-style gold mineralization was discovered at both the XKM and the BD prospects. In contrast to high-grade replacement gold-silver mineralization in and beneath the Xa Khia open pit, porphyry-style zones are low in sulphides and the gold grade ranges from 0.25 to +1g/t Au over wide intercepts (see figure 13) and Table 4. Many early holes incorrectly targeted IP anomalies represented by widespread disseminated pyrite.

Table 4 Summary of gold results from fire assay of drill hole samples at Quang Binh

Drill Hole	Cumulative Width Au/Ag Zones (m)	Weighted Average (g/t Au)	(g/t Ag)
<i>Xa Khia-Mu Me Prospect</i>			
XK1	1.65	1.65	7.8
XK1A	17.25	2.93	54.0
XK2	19	0.33	0.5
XK4	5	0.52	3.6
XK5	4	0.30	-
XK6	3	7.19	432.0
XK8	7	0.40	0.5
XK9	5	0.51	8.3
XK10	34	0.33	2.6
XK11A	8	0.40	0.4
XK13	5	0.29	4.7
XK14	5	7.85	9.0
XK15	10	6.10	130.8
XK16A	25	0.58	0.9
XK19	11	0.46	0.6
XK22	24	0.64	0.7
XK23	11	0.79	0.9
XK25	30	0.32	0.3
XK26	43	0.44	0.4
XK27	128	0.47	0.1
XK28	9	0.70	5.8
XK29	3	10.98	584.1
XK31	17.6	0.09	18.8
XK32	29	-	8.7
XK33	9	3.69	411.6

Table 4 (continued)

Drill Hole	Cumulative Width Au/Ag Zones (m)	Weighted Average (g/t Au) (g/t Ag)	
Xa Khia-Mu Me Prospect			
XK34	47	0.62	-
XK36	10	0.52	0.6
XK37	3	1.45	3.8
XK38	8	1.19	1.1
XK39	4	1.17	0.2
XK41	19	0.71	1.3
XK42	4	0.88	6.4
XK43	64	0.45	0.1
XK44	15	0.56	0.5
XK45	24	0.68	0.2
Xa Khia-Mu Me Prospect			
BD1	5	1.28	24.8
BD2	6	0.24	0.8
BD4	8	0.52	4.0
BD5	8	1.09	0.6
BD6	4	0.63	0.3
BD7	15	0.81	0.8
BD8	13	0.73	0.7
BD9	10	0.40	0.4
BD10	15	0.34	1.5
BD11	4	0.33	1.6
BD12	42	0.66	1.1

XKM porphyry-style gold mineralization is most often hosted by brecciated rhyo-dacite porphyry sub-intrusives and extends over 1.5 km in WNW-ESE direction and varies between 20 and 100 m in width (see figure 13). Gold-silver mineralisation continues both to the west and the east beyond current drilling and is present to the depth of present drilling. The deepest intercept in hole XK16A is at an approximate depth of 280 m from surface.

As the XKM drilling program progressed and oriented core was structurally analysed it was determined that the targeted brecciated gold zones dipped steeply northward and therefore sub-parallel to the direction of many of the earlier holes. Later holes angled at -60° toward the south produced broader more strongly mineralised intercepts (see table 4 summaries for XK34, XK38 and XK43).

It was also noted that north-south trending structures influenced the tenor of mineralisation. Gold concentrations strengthened as these structures are approached indicating they acted as conduits for hydrothermal mineralizing fluids.

Although drill hole assay intercepts at the currently wide collar spacing contain modest gold concentrations, rock chip samples within the gold-in-soil anomaly at XKM have assayed as high as 28g/t Au suggesting that higher-grade bodies are present within areas of typical porphyry style grades of between 0.4 and 1 g/t Au. Closer spaced drilling is expected to discover these much stronger grade deposits.

Based on detailed surface mapping and the drilling results the XKM mineralized zone has been divided into six structural domains separated by sets of NE-SW and N-S trending faults. Systematic resource definition drilling is proposed for each of these domains. Figure 12 shows the domains defined along the XKM prospect and also the 1.5 km gold-in-soil anomaly overlying it. Figure 13 shows a section through drill holes XKM27, XKM41 and XKM43 indicating the steep northward dip of the mineralisation.

Figure 11 3D topographic diagram showing the locations of the project area. The three prospects are outlined by solid lines and the MEL boundaries by dashed lines.

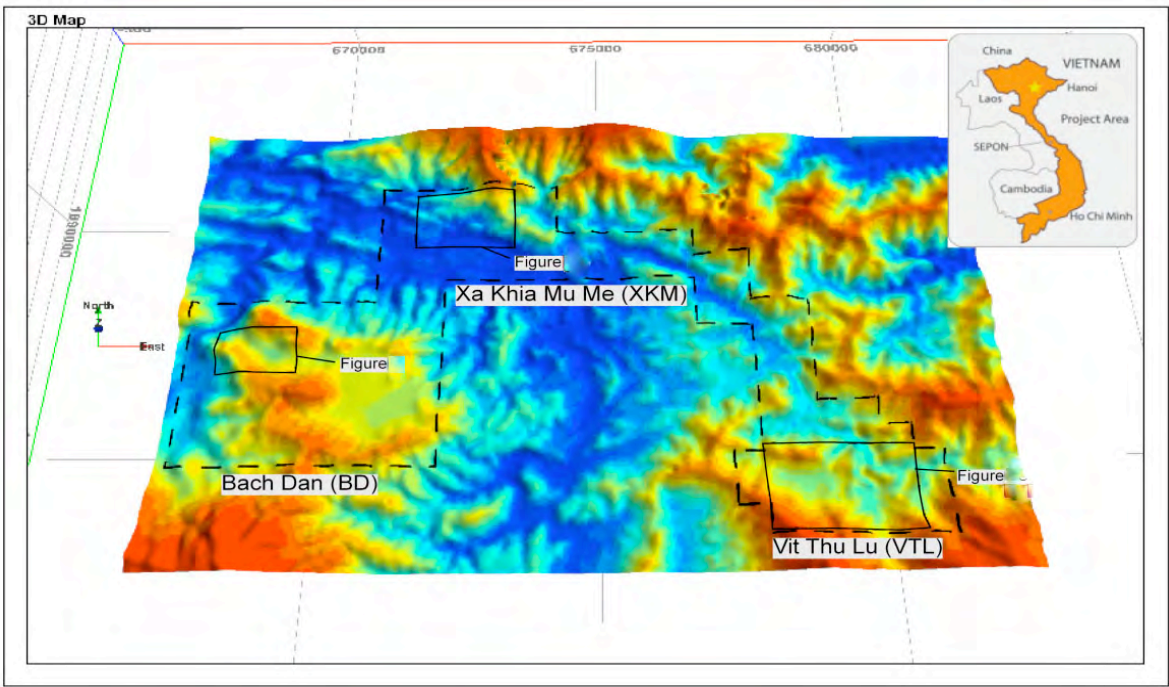


Figure 12 Map showing the relative locations of the two types of mineralization identified on the XKM prospect. Domains 1 through 6 will be drilled systematically to define bulk tonnage mineral resources with potential for open pit mining and dump leaching.

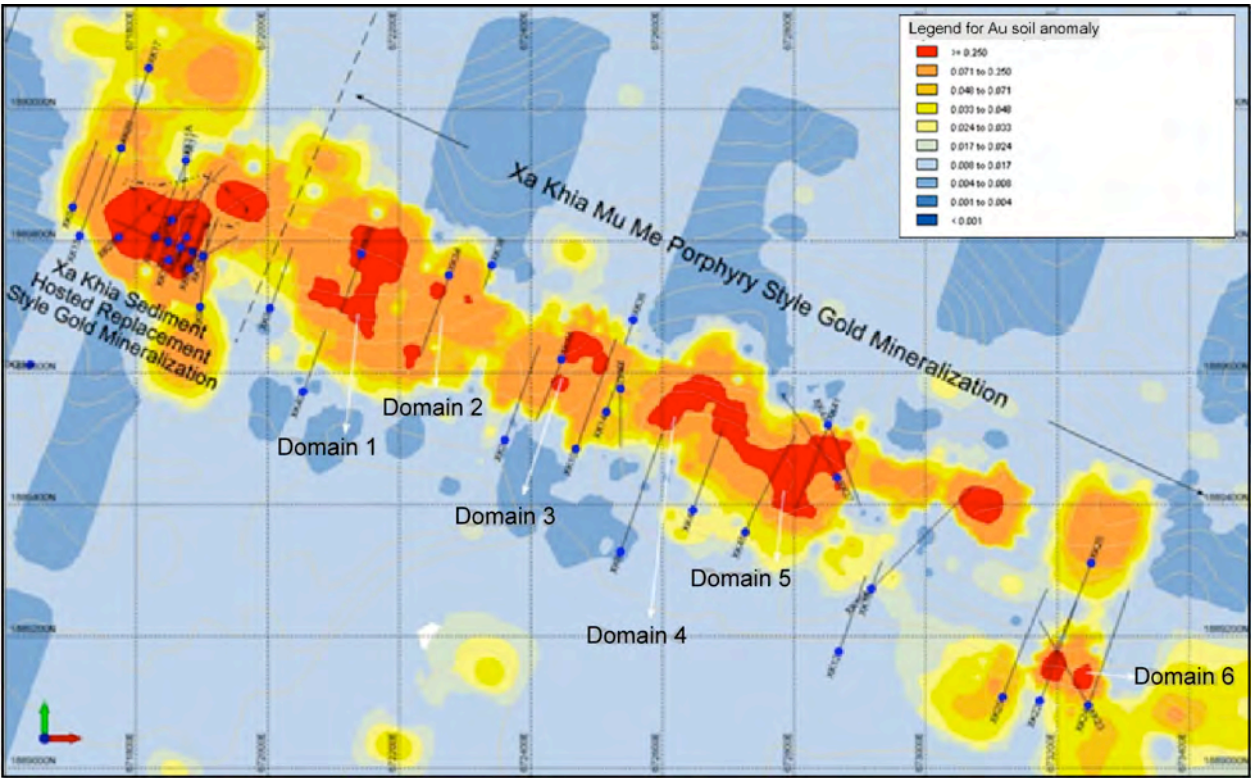


Figure 13 Cross section through Domain 5 showing the target porphyry-style quartz-sericite-gold zone.

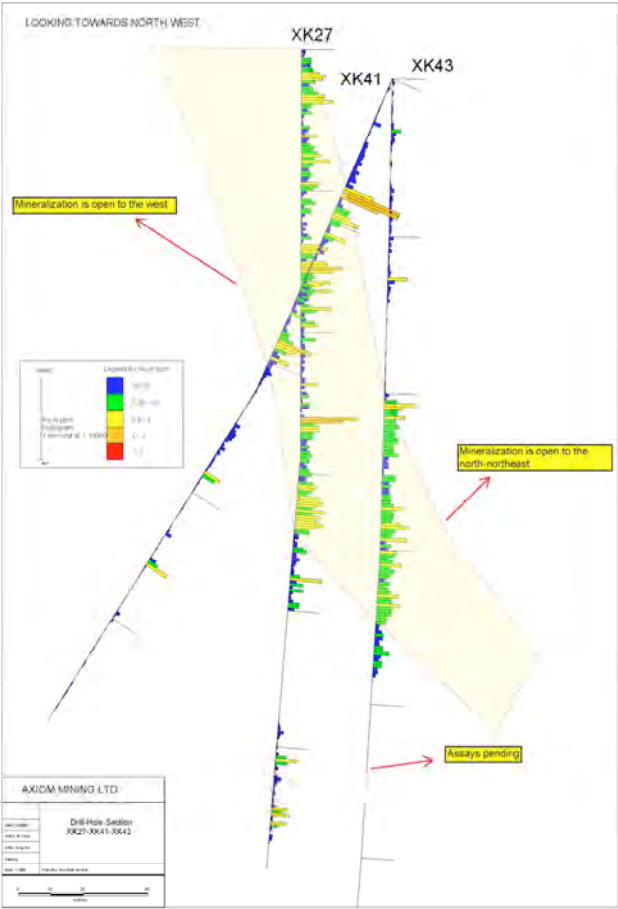


Figure 14 Bach Dan exploration holes BD01 to BD12. Black dots are proposed infill drill holes.

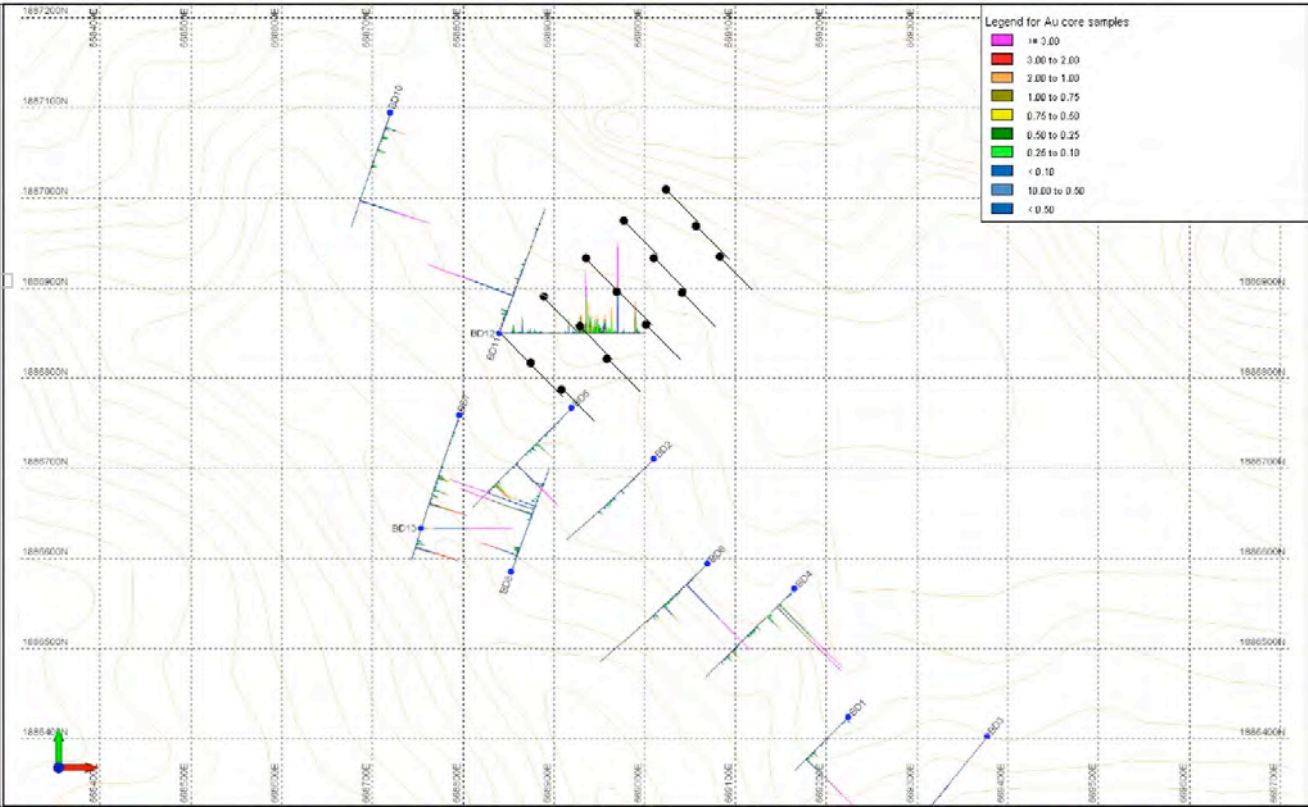
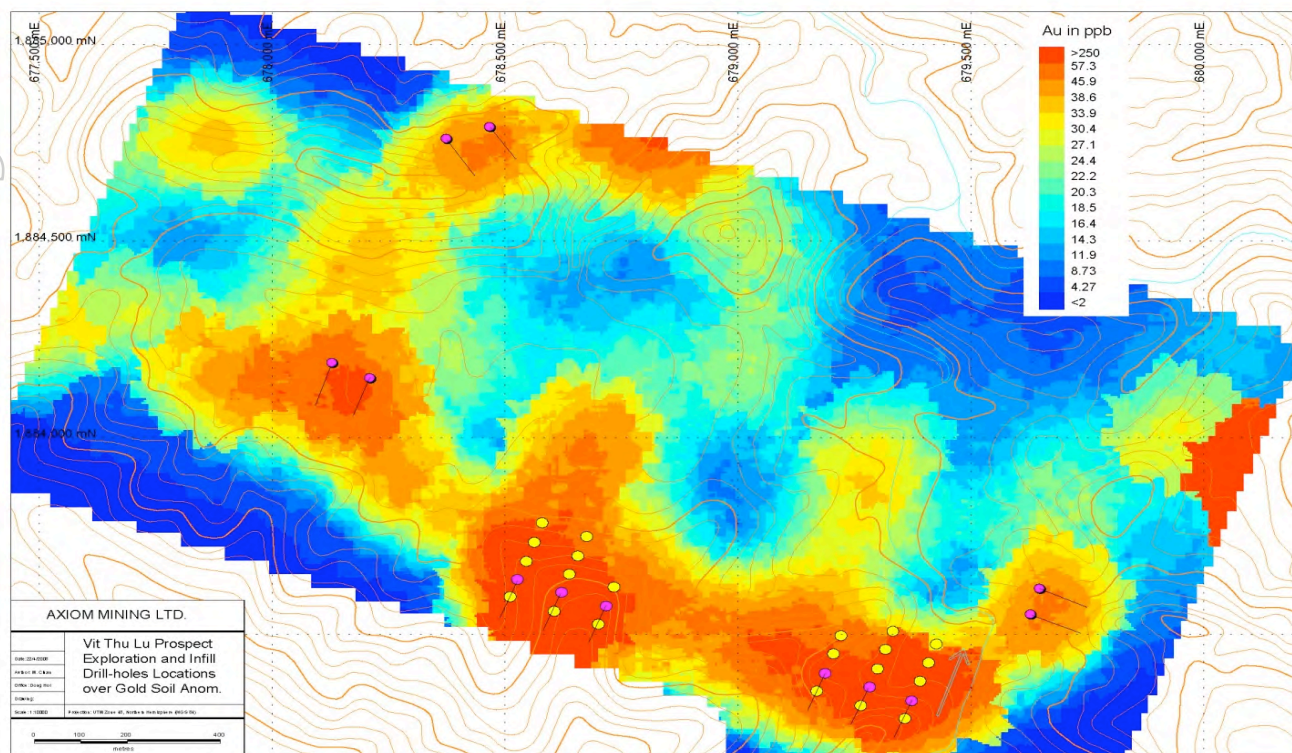


Figure 15 Vit Thu Lu prospect gold-in-soil anomaly map showing proposed first (purple) and second (yellow) stage exploration drill-hole locations. Peak gold-in-soil value for this large anomaly is greater than 3,000 ppm Au.



Proposed resource definition drill program will involve two campaigns. In the first stage, drill-holes will be spaced 40 to 50 m apart. Following geo-statistical analysis, a second campaign with drill-hole spacing reduced to 20 to 25 m centres will be completed where additional data is geologically and/or statistically required. Up to 15,000 m of drilling is proposed for both the resource definition drilling and also to test the large Vit Thu Lu prospect gold-in-soil anomaly (see figure 16).

Gold grades produced by Axiom's drilling to date indicate that a dump or heap leach processing option could apply to the mineralization at both XKM and Bach Dan. The highly prospective drill target at Vit Thu Lu could add to this resource potential.

Large-tonnage, low-grade gold deposits using heap leach methods have recently been put into production by Sino Gold at its million-ounce Beyinhar deposit (50MT at an average of 0.62 g/t Au) and by Jinshan Gold at its multi-million ounce CSH 217 deposit (171MT at an average of 0.71 g/t Au). Profitable exploitation of these and similar low-grade bulk tonnage gold deposits is possible because open pit mining and dump or heap leach operations require less front-end capital expenditure and have substantially lower per tonne treatment costs than conventional slurry processing mines where higher capital, energy and labour inputs are required.

Should as anticipated the infill drill programs at Quang Binh define substantial resources at grades that can be profitably exploited then establishment and operating costs for the deposits will benefit from Vietnam's low labour costs and their being proximal to the national power grid, a major cement factory and sea, land and air transportation infrastructure.

OTHER PROJECTS – AUSTRALIA

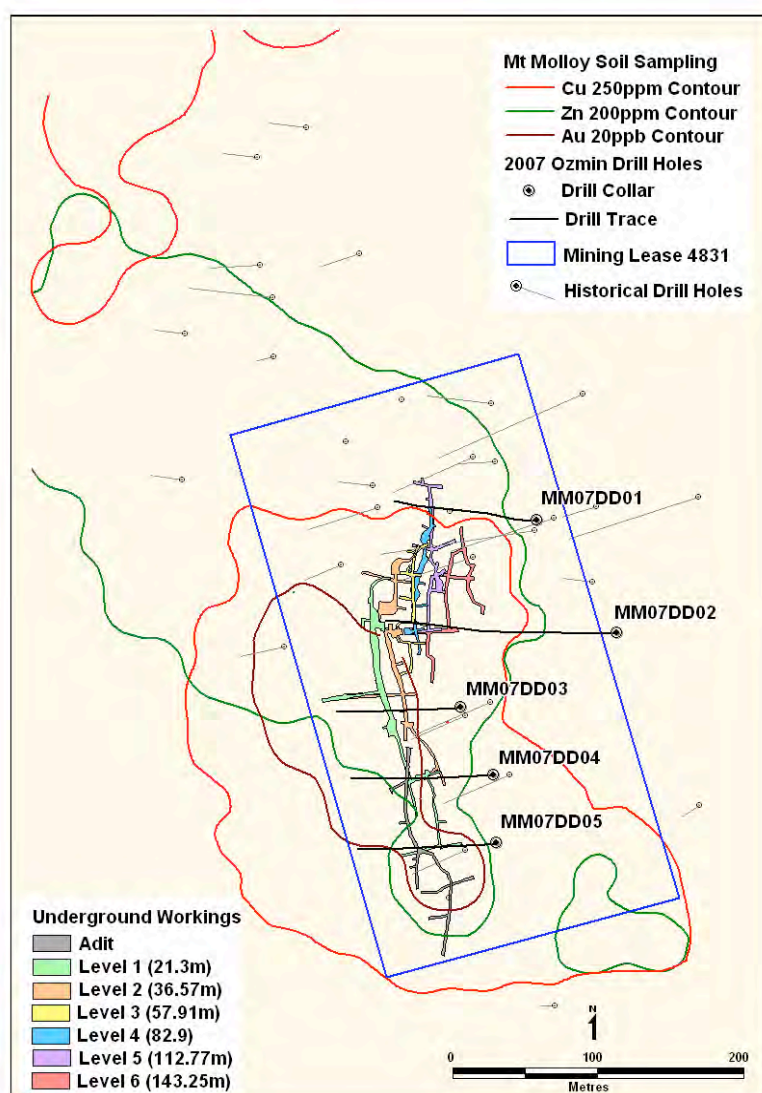
Mt Molloy Copper-Zinc Project

During the year geological mapping and soil sampling campaigns and five diamond drill holes were completed on the Mt Molloy ML and surrounding EPM 12998. A program of 1,025 m of drilling was designed to test for proximal extension of high-grade VMS copper-zinc mineralization down-plunge from the old mine workings. The best result was obtained in drill hole MM07DD03 with a wide intercept of 43 m @ 0.4% Cu and 0.23% Zn from 30m, which included 6 m @ 1.1% Cu and 0.22% Zn from 64 m. Holes MM07DD04 and MM07DD05 also had several zones up to 6 m wide of similar low tenor copper and/or zinc that appear to represent the same mineralised horizon. Drill holes MM07DD01 and 02 failed to intersect significant mineralization.

It is now believed that the lode is displaced down and to the west by faulting at the north end, and MM07DD01 did not drill far enough to reach it. It is also believed that MM07DD02, the deepest hole, either drilled under the plunge of the lode or was also limited by faulting.

Soil sampling shows strongly anomalous levels of copper and zinc extending from the historic Mt Molloy mine workings for over 200m to the northwest. The anomaly remains open and when fully closed off provides a new drilling target. A discrete gold-in-soil and rock chip anomaly also was found to occur 100m to the south-southeast of the mine workings and is another target for drilling.

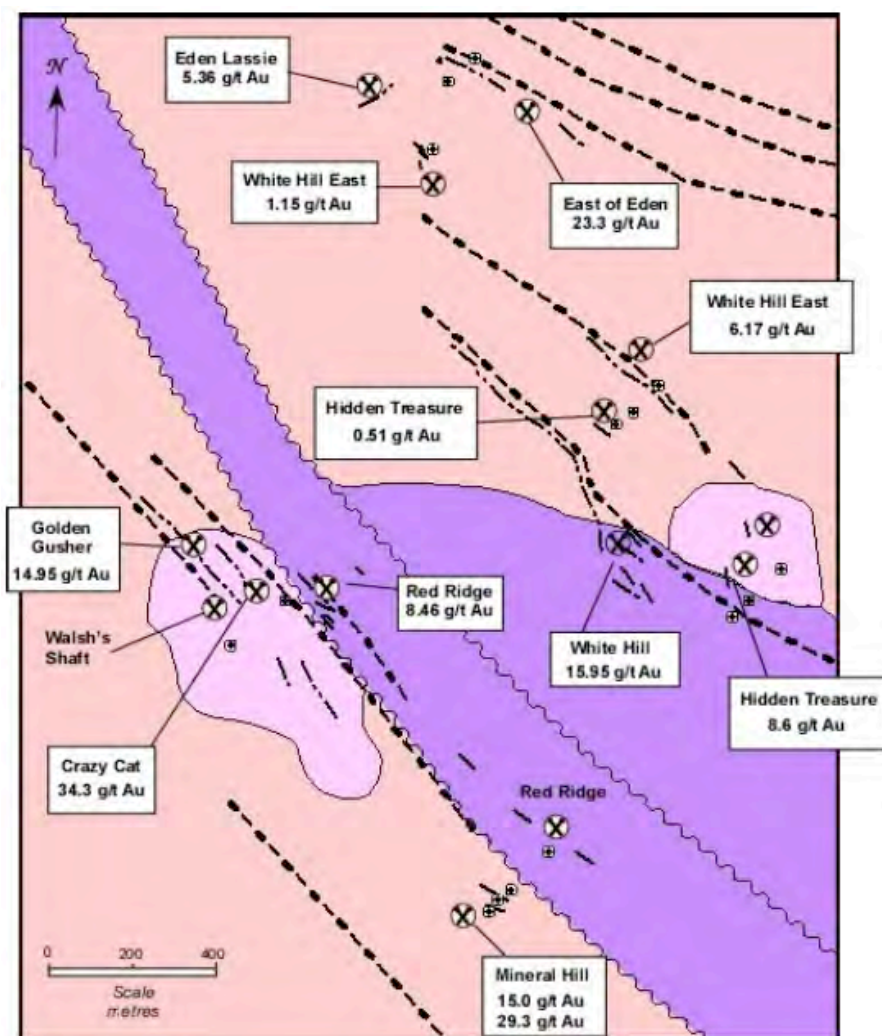
Figure 16 Mt Molloy plan showing projected underground workings, the location of the five holes drilled by Axiom and the copper and zinc soil anomalies that extend northwest off the ML



White Hills Gold Project

At White Hills historic mining took place on a series of sub-parallel northwest trending auriferous quartz veins within altered granitic rocks and roof pendants on the eastern and western sheared margins of a diorite intrusive. Exploration by Axiom included locating and geological mapping of all old workings, a ground magnetometer survey and a soil sampling survey. Targets have been identified as shallow to steeply dipping mesothermal vein systems and associated alteration zones that are now ready for drilling. The principal workings with average rock chip assays are presented on figure 17.

Figure 17 White hills geology plan (pink is Lower Cretaceous Hecate granite and light purple microgranite and purple is Upper Carboniferous diorite) with major NW trending gold veins and Axiom rock chip gold assay results. Major structural features also have NW trend.



Pinevale Copper-Gold Project

The Pinevale Project consists of ML 4775. The Mining Lease is highly prospective for shear-hosted low tonnage high-grade copper-gold mineralization (Gympie style deposits) in quartz monzonite of the Ben Mohr Igneous complex. Porphyry style copper-molybdenum mineralization is also a prime target.

Mineralization is exposed along the shear zone at surface and in underground workings for 700 m and over a width of 50 m. A deposit was estimated in 1953 at 26,700t of 6.8% Cu, 117g/t Ag and 0.6g/t Au from sampling historic workings that requires new drilling and sampling to qualify for JORC reporting.

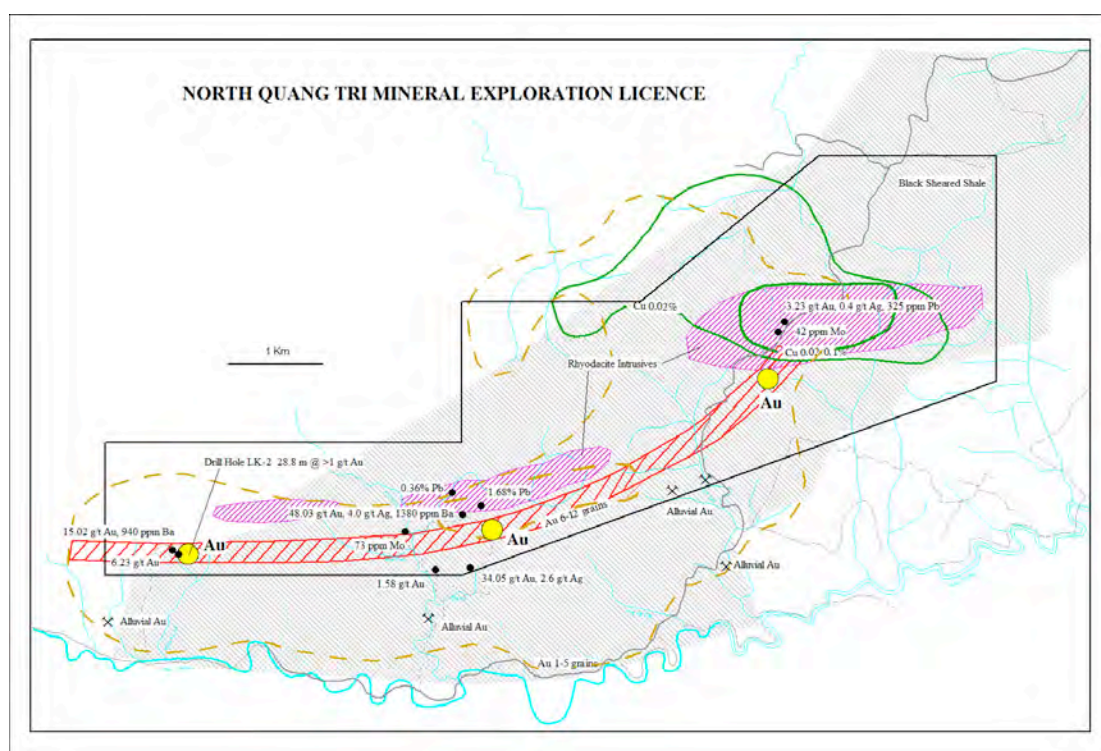
OTHER PROJECTS – VIETNAM

Quang Tri Gold Project

On 12 December 2007, the Company was formally issued a Certificate of Investment providing for the establishment of a 100% foreign owned Vietnamese incorporated company in the Province of Quang Tri, central Vietnam. This gives Axiom a wholly owned corporate entity that has equivalent legal status as Vietnamese enterprises under the New Enterprise Law.

In June 2008 all Government approvals for grant of the 23 sq km Quang Tri MEL (see figure 18) were signed off with the final step for MEL grant being an Assessment Meeting and final negotiation of the proposed work program and budgets. Following the assessment meeting Department of Mining and Geology requested certain amendments to the proposed work program. Axiom has submitted the requested revisions and is continuing discussions to obtain the MEL.

Figure 18 Map of the Quang Tri MEL application area showing sediment hosted mineralised trend (red cross hatch), known rhyodacite intrusive centres (pink cross hatch) and selected rock chip assay results. Drill hole LK-2 was drilled by the Geological Survey of Vietnam in 2000.



Khanh Hoa Gold Project

The proposed Khanh Hoa MEL is located in near the coast in Khanh Hoa Province, southern Vietnam. The application covers 25.28 sq km within which is an epithermally altered and mineralised zone and associated quartz veining that was mined on an artisanal level for gold in the 1990's.

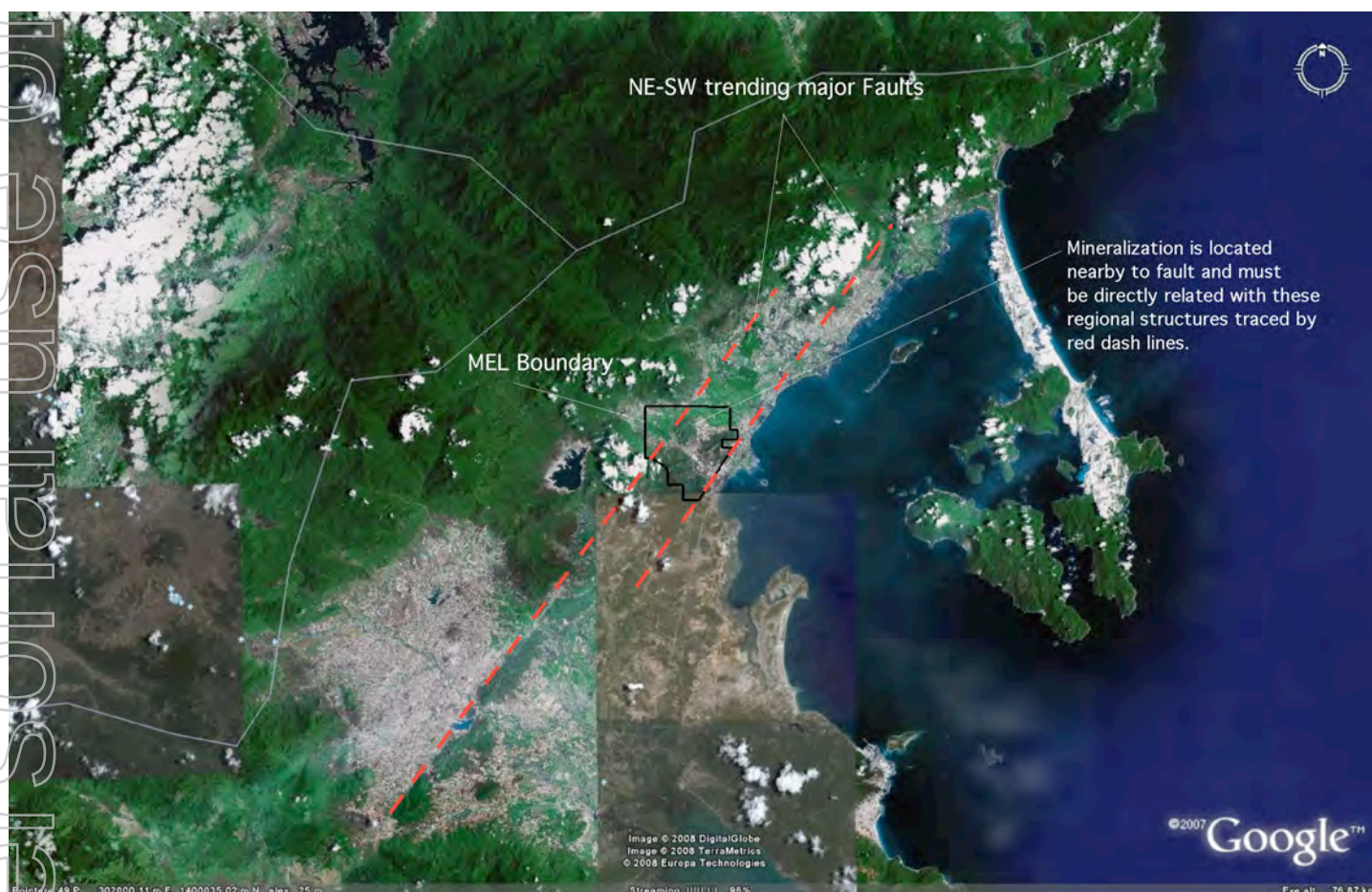
A broad NE-SW trending shear zone (see figure 19) has been intruded by porphyritic, granitic and sub-volcanic units. These rocks and overlying volcanoclastics and other sedimentary units have been locally sheared, hydrothermally altered and mineralised.

The presence of arsenopyrite in some mineralised exposures has resulted in an area of subdued vegetation and along with the presence of artisanal mine workings; this feature provides an immediate focus for exploration drilling.

An immediate target is an epithermal gold-silver system that has a mapped strike of 2.5 km and is up to 500 m in width. Past work by others including sampling of 10 vertical pits to a depth of 15m in an area within this zone of 500 x 120 m are reported to have indicated a potential for approximately 300,000 ounces of gold. This is an historic estimate only. It has not been confirmed by Axiom nor is it to be confused with a JORC resource estimation.

Axiom's exploration program is designed to confirm these past results by drilling and to undertake sampling to greater depth and over a larger part of the zone.

Figure 19 Satellite imagery showing the proposed Khanh Hoa MEL and main regional structural features.



PSC Gold-Copper Project

Pu Sam Cap consists of two MEL's surrounded by a 406 sq km Prospecting Licence. The project is operated by Triple Plate Junction Plc. Triple Plate has reported Newmont has withdrawn from the joint venture and that although the two MEL's are under application for renewal there is no certainty the licences will be granted by the Government. Axiom will continue to monitor the situation. Now that Newmont has withdrawn, Axiom's interest, which is free carried until a decision to establish a mine is made is 8.47%.

TENEMENT SCHEDULE

Project/Tenement	Area	Holder	Axiom Interest	Expiry Date	Statutory/Rent per annum	Notes
QUEENSLAND						
Cardross						
ML 20003	67.2 ha	Ozmin	30%	31/7/17	2973.45	
EPM 15078	32.8 sq km	Ozmin	30%	4/12/12	1215.00	
EPM 15243	13.1 sq km	Ozmin	30%	26/9/11	466.80	
EPM 15449	154.3 sq km	Ozmin	30%	4/12/12	5856.20	
EPM 15641	26.2 sq km	Ozmin	30%	22/8/12	972.00	
Jessica						
EPM 15593	183.8 sq km	Ozmin	30%	4/12/12	6977.60	
OK Mines						
ML 4805	18 ha	Ozmin	30%	28/2/11	830.82	
ML 4806	18 ha	Ozmin	30%	28/2/11	830.82	
ML 4809	8 ha	Ozmin	30%	28/2/11	393.55	
ML 4813	127 ha	Ozmin	30%	30/9/11	5553.36	
ML 5038	3 ha	Ozmin	30%	31/7/11	131.18	
EPM 14534	85.6 sq km	Ozmin	30%	10/3/10	3239.60	
EPM 15445	92.1 sq km	Ozmin	30%	22/8/12	3267.60	
Mt Molloy						
ML 4831	8.1 ha	Ozmin	30%	31/10/17	393.55	
EPM 12998	36.74 sq km	Ozmin	30%	23/5/11	4577.80	
White Hills						
EPM 14409	32.9 sq km	Ozmin	30%	2/8/10	1246.00	
Pinevale						
ML 4775	12.5 ha	Ozmin	30%	31/3/11	568.45	
EPMA 16924	192 sq km	Ozmin	30%	n/a	n/a	
Nightflower						
EPM 12345	32.9 sq km	Laing	100%	26/1/10	1246.00	Option expired
EPM 16030	328.7 sq km	Laing	100%	15/1/13	12460.00	14/1/2009
VIETNAM						
Quang Binh						
MEL 154	35 sq km	VRC (QB)	70%	15/2/08*	n/a	*Renewal appl.
Pu Sam Cap						
MEL 316*	70 sq km	Triple Plate	8.47%	27/4/09	n/a	Free carried
MEL 317*	84 sq km	Triple Plate	8.47%	27/4/09	n/a	Free carried
Quang Tri						
MELA	23.5 sq km	VRC (Quangtri)	80%	n/a	n/a	Application
Khanh Hoa						
MELA	25.28 sq km	AZZU	100%	n/a	n/a	Application

Notes:

"Ozmin" means Ozmin Resources Pty Limited, presently owned 30% by Axiom with plans to acquire 100%
 "Laing" means William Peter Laing with whom Axiom Mining Limited had an option agreement now expired
 "VRC (QB)" means Vietnam Resources Corporation (QB) Pty Ltd, a subsidiary owned 80% by Axiom Mining Limited
 "VRC (Quangtri)" is VRC (Quangtri) Pty Ltd a wholly owned subsidiary of Axiom Mining Limited
 "ML" means Mining Lease, Queensland
 "EPM" means Exploration Permit Mining, Queensland
 "MEL" means Mineral Exploration Licence, Vietnam
 "MELA" means approved application for an MEL, Vietnam
 "MEL 316 and 317" are under renewal application by Triple Plate Junction plc

DIRECTORS REPORT

The Directors of the Company during the half-year and to the date of this report are:

<i>Name of Director</i>	<i>Period of Directorship</i>
John A Cook	Non-Executive Chairman, appointed 4 June 2007
John V McCarthy	Executive Director-Geology, appointed 21 September 1997
Neil F Stuart	Non-executive director appointed by the board on the 24 th March 2009
Ryan R Mount	Non-executive director appointed to the board on the 22 nd April 2009
Jake W Gray	Executive director and Chief Executive Officer, appointed 18 June 1992 (ceased being a director by vote of Members at an Extraordinary General Meeting held on the 14 th April 2009)
Kelvin Lee	Non-Executive Director, appointed 14 June 2006 (resigned as a non-executive director on the 2 nd March 2009)

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 2009 was US\$1,488,014 (30 September 2008, US\$16,018,952).

Events Subsequent to Period Ended September 30, 2009

Your Company's effort to secure new investment capital was severely impacted by the deepening credit crisis leading up to its financial year-end of 30 September 2009. In order to preserve assets it was necessary for Axiom to make redundant its geological staff and to suspend exploration activities.

On 11 November 2009 the Company completed the audit to 30 September 2008 and on filing this audit and updated "Additional Information" in the Annual Report 2008 with the ASX the Company's securities were readmitted to trading on 20 November 2009. Once trading resumed the Company was able to complete a placement to sophisticated and professional investors raising USD347,980 by issuing 34,798,000 ordinary shares. A second placement to sophisticated and professional investors raised USD818,181.81 by issuing 81,818,181 ordinary shares and was approved by shareholders at an Extraordinary General Meeting of members held on 22 December 2009.

Now that the board has been able to secure funding to develop the Company's assets your directors are confident that exploration activity will unlock the value of the Company's mineral exploration tenements, particularly now that metal markets are recovering returning Axiom to growth in the year to come.

Company Secretary

As the Company is incorporated in Hong Kong it is a requirement under the Hong Kong Companies Ordinance to have a resident Company secretary and Boacoh Secretarial Limited of Hong Kong act as Company Secretary for the Company. Boacoh 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. During the 2008 financial year this role was filled by Mr Richard Lane who also acted as Chief Financial Officer until health concerns lead to his retirement in November 2008. Mr John McCarthy, director of the Company has been appointed Local Agent and Richard Lane continues to provide accounting services to Axiom on a consulting basis.

Principal Activities

The principle activities of the Company and the group during the year were mineral exploration and assessment of potential mining acquisition opportunities in Australia and Vietnam.

No significant change in these activities occurred during the year.

Operating Results

The net loss of the Company for the year after provision for income tax amounted to US\$400,074 (2008 US\$16,364,952).

Risk Management

The Board is responsible for ensuring that risks, and also opportunities are identified on a timely basis and that activities are aligned with risks and opportunities identified with the Board. The Company believes that it is crucial for all Board members to be part of this process, and as such the Board has not established a separate risk management committee.

The Board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with risks identified by the Board. These include the following;

- Board approval of a strategic plan, which encompasses strategy statements designed to meet shareholders needs and manage business risks.
- Implementation of Board approved operating plans and budgets and Board monitoring of progress against these budgets.

The Board will on a regular basis, identify likely risks and ways to mitigate such risks.

Changes in the State of Affairs

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

Significant Events after Balance Date

The Company's securities, which had been subject to a suspension were readmitted to quotation on the ASX on 20 November 2009.

Dividends

The Directors do not recommend the payment of any dividend for the year.

Share Options

During the year no options of the Company to acquire ordinary share were exercised.

Likely Developments and Expected results

The group that the present status and level of operations will be impacted by the severe fall seen in equity markets and metal prices and anticipates that until market and investment conditions stabilize exploration activity will be reduced.

Environmental Regulation

The group is subject to significant environmental regulation in respect to its exploration activities. The group aims to ensure 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.

Indemnification of Officers and Auditors

During the financial year, the Company has paid an insurance premium in respect of a contract insuring against liability of directors and officers against 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 prohibits disclosure of the amount of the premium and the nature and the amount of the liability covered. A claim against the insurer has been made to cover the cost of legal advice and settlement in respect to a claim for compensation by a former employee and a contractor. These claims have been successfully concluded.

Directors Meetings

During the year the Company held 11 meetings of directors. The attendance of directors at meetings of the Board were:

	Directors Meetings	
	A	B
John Cook	11	11
John McCarthy	11	11
Neil Stuart (appointed to board 24/03/2009)	8	11
Ryan Mount (appointed to board 22/04/2009)	7	11
Kelvin Lee (retired from board 2/03/2009)	3	11
Jake Gray (retired from board 14/04/2009)	3	11

Notes:

A -- Number of meetings attended.

B -- Number of meetings held during the time the director held office during the year.

Auditors

The group's financial statements have been audited by Baker Tilly Hong Kong Certified Public Accountants who retire, and being eligible, offer themselves for re-appointment. Rothsay Chartered Accountants Sydney has also provided auditing services to the Company.

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Axiom Mining Limited 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 they are elected and to whom they are accountable. The Board has adopted a Corporate Governance Charter.

The format of this section is guided by the ASX Corporate Governance Council's best practice recommendations. In accordance with the Council's recommendations, this section contains specific information, and also 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 oversight |
| Principle 2 | Structure the Board to add value |
| Principle 3 | Promote ethical and responsible decision making |
| Principle 4 | Safeguard integrity in financial reporting |
| Principle 5 | Make timely and balanced disclosure |

Principle 6	Respect the rights of Shareholders
Principle 7	Recognise and manage risk
Principle 8	Remunerate fairly and responsibly

The corporate governance practices of Axiom Mining Limited are compliant with the Council's best practice recommendations to the extent that they are relevant to the Company at this stage of its development. The Board will consider on an ongoing basis its corporate governance procedures and whether they are sufficient given the Company's operations and size.

The Board and its responsibilities

The Board usually schedules monthly meetings and other meetings as and when required. For the purposes of the proper performance of their duties, directors are entitled to seek independent professional advice at the Company's expense. The Directors stand for re-election by shareholders in accordance with the requirements of the Articles of Association on a three-year rotational basis.

Independence

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 as are deemed desirable as the Company continues to grow.

The Board notes Mr Cook is not an executive of the Company; rather he is precluded from being considered independent because of his shareholding. In this regard, the Board considers the scope for conflict between interests of the Chairman and other shareholders is minimal. To the contrary, the Board considers that Mr Cook's interests are aligned with that of other shareholders, and in this regard he has acted, and continues to act, in the best interests of the Company's shareholders.

Nomination and remuneration committee

The full Board considers those matters that would usually be the responsibility of a nominated committee. The Board considers that no efficiencies or other benefits would be gained by establishing a separate nomination committee. The Board considers that no other benefits would be gained by establishing a separate remuneration committee.

Audit, risk and compliance committee

The composition of the Board is not suitable for the formation of an audit sub-committee; however, the Company has developed an audit review process whereby directors meet with the external auditor bi-annually and with finance management as required to ensure the highest possible degree of the integrity of the Company's financial operations.

The committee's primary responsibilities are to:

1. oversee the existence and maintenance of internal controls and accounting systems;
2. oversee the management of risk within the Company;
3. oversee the financial reporting process;
4. review the annual and financial year financial reports and recommend them for approval by the Board of Directors;
5. nominate external auditors for consideration of the full Board;
6. review the performance of the external auditors and existing audit arrangements; and
7. ensure compliance with laws, regulations and other statutory or professional requirements and the Company's governance policies set out in the Corporate Governance Charter.

Review of Board performance

There is currently no formal process for performance evaluation of the Board, individual directors or chief executive officer.

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 at inappropriate times. It is the duty of the designated person to seek to avoid any such dealing at a time when the designated person is prohibited from dealing.

Continuous disclosure

Axiom Mining Limited must comply with the continuous disclosure requirements of the ASX Listing Rules and Corporation Act, which requires Axiom 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 has nominated itself as responsible for all disclosure matters.

Identification and management of business risk

The Board has identified the significant areas of potential business and legal risk of Axiom Mining Limited. The identification, monitoring and, where appropriate, the reduction of significant risk is the responsibility of the Board. The Board reviews and monitors the parameters under which such risks will be managed. Management accounts are prepared and reviewed at subsequent Board meetings. Budgets are prepared and compared against actual results.

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. The Company officers and employees are required to act in accordance with the law and with the highest ethical standards. In addition to the Securities Trading Disclosure 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. 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.

Shareholder communication

The Board strives to ensure that shareholders are provided with sufficient information to assess the performance of the Company and its directors and for the shareholders to make well informed investment decisions. Information is communicated to shareholders through:

- quarterly, bi-annual and audited annual financial reports;
- annual and other general meetings convened for shareholder review and 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; and
- the Company maintains a 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.

The auditor is invited to attend the annual general meeting of shareholders. The Chairman will permit shareholders to ask questions of the auditor about the conduct of the audit and the preparation and content of the audit report.

Risk factors

There are a number of risk factors that may affect the financial performance of Axiom Mining Limited and the value of an investment in shares. 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.

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 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 which 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.

Resource estimates

In this report and in the future operations of 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'). Resource 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, indigenous representative bodies to gain access to the underlying land. There is no guarantee that negotiations will be successful.

Also, carrying out mining and exploration 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.

Funding requirements

The company's activities will require significant expenditure. Axiom'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. 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 of 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.

Dependence on third party contractors

Axiom 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.

Environmental regulations

Axiom Mining Limited's operations and projects are subject to the law and regulations of the jurisdictions it operates in regarding environmental matters, including discharge of hazardous waste and materials. Although the Company endeavours to comply in all material respects with all applicable environmental laws and regulations, there are risks inherent in its activities, such as spills, leakages or other unforeseen circumstances, which could expose the Company to liability.

The Company is required, and has obtained, approval from all relevant authorities to undertake prescribed activities. Failure to maintain such approvals may prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations which 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 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 product is not always possible. Accordingly, the Company will not be insured against all possible losses, whether because of unavailability of cover or because the premiums may be excessive relative to benefits that would accrue.

Country risk and foreign operations

There are risks associated with operating in foreign countries. There can be no guarantee that the government regulations in Australia, Hong Kong or Vietnam, in particular in relation to foreign investment, repatriation of foreign currency, taxation and the regulation of the mineral exploration and mining industry, including exploration and mining rights, will not be amended in the future to the detriment of Axiom's business. As Axiom Mining Limited 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. Costs of compliance with laws and regulations in Australia, Hong Kong and Vietnam may vary from current estimates.

Vietnam's economy is undergoing a transition from a planned to a more market-oriented economy. Although in recent years the Vietnamese government has implemented economic reforms and reduced state ownership, a substantial portion of productive assets in Vietnam are still owned by the government. In addition, the Vietnamese government continues to exercise significant control over Vietnam's economic growth through allocation of resources, control of foreign currency denominated obligations, setting of monetary policy and providing preferential treatment to particular industries or companies. Axiom's future earnings could be affected if the Vietnamese government was to reverse recent trends and impose restrictions on the Company's business. Axiom undertakes its activities in Vietnam 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.

Currency and exchange rate risk

Movements in currency exchange rates can be volatile. The Company's expenditure obligations for exploration in Vietnam are incurred predominantly in US\$ and in Australia in A\$. Currency risk may result in an exchange rate loss or gain to the Company, depending on the value movement between currencies.

As a Hong Kong incorporated company, Axiom is required to prepare accounts denominated in US\$. For ASX reporting purposes, quarterly statements and accounts are provided in both US\$ and A\$.

The return on equity and any dividends for Australian Shareholders may be exposed to fluctuations and volatility of the exchange rates among US\$, A\$ and Vietnamese dong.

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. Movements 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 could impact adversely on the assets, operations and ultimately financial performance of the Company.

Directors' Declaration

The Directors of the Company declare that:

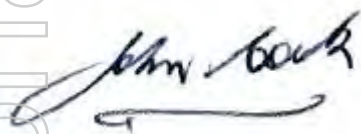
The audited financial statements and notes and the additional disclosures included in the Directors' report designated of the Company and of the consolidated entity have been prepared in accordance with the Hong Kong Companies Ordinance, including:

- (i) giving a true and fair view of the Company's and consolidated entity's financial position as at 30 September 2009 and of their performance, for the year ended on that date; and
- (ii) complying with applicable accounting standards; and

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

The audited financial statements and the auditors report dated 21 December 2009 are available to shareholders on the Company's website and will be mailed to shareholders on request.

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



John Cook
Director

Dated at Sydney this 5th day of February 2010

Australasian Securities Exchange additional information

Substantial shareholders

VOF Investment Limited – 10.80%

Analysis of equity security holders

Sector	Number of shareholders	Number of shares	
1 – 1,000	21	3,058	0.001%
1,001 – 5,000	74	261,824	0.070%
5,001 – 10,000	121	1,040,515	0.277%
10,001 – 100,000	587	24,225,342	6.461%
100,001 – and over	277	349,439,258	93.191%
Totals	1,080	374,969,997	100.000%

Distribution as marketable parcels

Holding Range	Holders	Number of shares	
Unmarketable (1 – 17,857)	304	2,497,649	0.66%
Marketable (>16,666)	776	372,681,896	99.34%

Note: Based on closing price of AVQ on 3/02/10 and criteria that a “Marketable” holding has a value of \$A500.00.

Top-twenty shareholders as at 3 February 2010

VOF Investment Limited	40,500,000	10.80%
John Cook	17,649,486	4.71%
Tulla Resources Group Pty Ltd	15,250,000	4.07%
John V McCarthy	11,410,741	3.04%
Lisa Katrina Lee	9,820,357	2.62%
Jack Tian-Hock Tan	9,545,455	2.55%
Napoleon Giannoudis	9,545,455	2.55%
Neil Francis Stuart	9,448,181	2.52%
Brian Siemsen	9,359,934	2.50%
Donald Mackay Macintosh	9,090,909	2.42%
Super Sun Consultants Limited	8,200,000	2.19%
Methos Pty Ltd	8,125,000	2.17%
Claire Plumbing Services Pty Ltd	7,332,869	1.96%
Aurum Securities Limited	7,133,927	1.90%
Tamie McLachlan	6,489,909	1.73%
Mine Finance Corporation	5,849,859	1.56%
Neil Norman Mount	5,545,455	1.48%
Balclutha Investments Pty Ltd	5,455,000	1.45%
UBS Nominees Pty Ltd	5,125,000	1.37%
Prime Securities Investment Group Pty Ltd	4,000,000	1.07%
Total	204,877,537	54.64%

Voting rights

On a show of hands, every member present in person or by attorney or by proxy or by representative shall have one vote. Upon a poll, every member present in person or by attorney or by proxy or by representative shall have one vote for every share held.

Corporate Directory

Directors

John Cook
John V McCarthy
Neil F Stuart
Ryan R Mount
Jake W Gray
Kelvin Lee

Chairman
Director Geology
Non Executive Director (Appointed 24 March 2009)
Non Executive Director (Appointed 22 April 2009)
Director (Retired 20 April 2009)
Director (Retired 2 March 2009)

Local Agent

John V McCarthy

Company Secretary

Boacoh Secretarial Limited
2303-4 Dominion Centre
43-59 Queens Road
Hong Kong SAR

Registered Office Australia

Suite 14, Level 4
3 Spring Street
Sydney NSW 2000
Phone: 61 2 9247 0169
Fax: 61 2 9247 0243
Email: admin@axiom-mining.com

Auditors Hong Kong

Baker Tilly Hong Kong Limited
12th Floor, China Merchants Tower
Shun Tax Centre
168-200 Connaught Road
Hong Kong

Share Registrar

Registries Limited
Level 7, 207 Kent Street
Sydney NSW 2000
Phone: 61 2 9290 9600
Fax: 61 2 9279 0664
Email: registries@registries.com.au

Legal Advisors

John Walsh & Partners
Level 10, 32 Martin Place
Sydney NSW 2000

ASX Code: AVQ

Registered Office Hong Kong

C/- Boase Cohen & Collins Solicitors
2303-7 Dominion Centre
43-59 Queens Road
Hong Kong SAR

Australia

Rothsay Chartered Accountants
Level 1, 2 Barrack St
Sydney NSW 2000

Internet Address: www.axiom-mining.com

Axiom Mining Limited

**Audited consolidated financial statements
for the year ended 30 September 2009**

Axiom Mining Limited

Contents

	Page
Independent auditor's report	1 - 2
Income statements	3
Balance sheets	4
Statements of changes in equity	5 - 6
Cash flow statements	7
Notes to the financial statements	8 - 34



BAKER TILLY

HONG KONG LIMITED

CERTIFIED PUBLIC ACCOUNTANTS

香港天華會計師事務所有限公司

12/F, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong
香港干諾道中168-200號信德中心招商局大廈12樓

Independent auditor's report to the shareholders of Axiom Mining Limited

(Incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of Axiom Mining Limited (the "company") set out on pages 3 to 34, which comprise the consolidated and company balance sheets as at 30 September 2009, and the consolidated and company income statements, the consolidated and company statements of changes in equity, and the consolidated and company cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The directors of the company are responsible for the preparation and the true and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to you, as a body, in accordance with section 141 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.

Except for the limitation in the scope of our work as described in the basis for qualified opinion paragraph, we conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to 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 and true and fair presentation of the financial statements 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 to the shareholders of Axiom Mining Limited

(Incorporated in Hong Kong with limited liability)

Basis for qualified opinion

Included in the consolidated financial statements are a loss on deconsolidation of a subsidiary and a write-off of other subsidiaries' assets and liabilities totalling US\$1,087,940 in the consolidated income statement and a transfer of US\$742,798 from the exchange reserve to accumulated losses arising on the deconsolidation of the subsidiary first referred to above, in the consolidated balance sheet. During the year, the company disposed of a 40% equity interest in a direct subsidiary which issued and allotted shares to dilute the company's equity interest to 30%. Along with the write-off of other subsidiaries' assets and liabilities, the company recorded a loss on deconsolidation of a subsidiary in the consolidated income statement and transferred the related exchange reserve to accumulated losses in the consolidated balance sheet, details of which are disclosed in note 13. We have not been provided with sufficient and appropriate evidence to enable us to verify the calculations and the accounting entries. We have not been able to carry out alternative audit procedures we consider necessary to satisfy ourselves that the accounting entries were properly accounted for in the income statement and cash flow statement of the group. Any adjustments in respect of these accounting entries found to be necessary would affect the group's loss and cash flows for the year ended 30 September 2009 and the related disclosures thereof in the financial statements.

Qualified opinion arising from limitation of audit scope

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to the matters described in the basis for qualified opinion, the consolidated financial statements give a true and fair view of the state of affairs of the company and of the group as at 30 September 2009 and of the company's and the group's loss and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

In respect alone of the limitation on our work as described above, we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and we are unable to determine whether proper books of account had been kept.

Without qualifying our opinion, we draw attention to note 2(b) to the financial statements which indicates that if the group is unable to raise additional equity or is unable to farm out or dispose of its exploration assets, there is significant uncertainty as to whether the group can continue as a going concern.



Baker Tilly Hong Kong Limited

Certified Public Accountants

Hong Kong, 21 December 2009

Andrew David Ross

Practising certificate number P01183

Axiom Mining Limited
Income statements
for the year ended 30 September 2009
(Expressed in United States dollars)

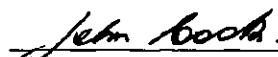
	Note	Group		Company	
		2009	2008	2009	2008
		US\$	US\$	US\$	US\$
Revenue					
Interest income		1,649	164,406	1,649	164,374
Sundry income		-	3,347	-	-
Write-back of other payables and accruals		<u>84,288</u>	<u>-</u>	<u>84,288</u>	<u>-</u>
Total revenue from ordinary activities		85,937	167,753	85,937	164,374
Depreciation and amortisation		(11,853)	(143,724)	(11,853)	(18,888)
Salaries, directors and employee benefits expense		(75,941)	(1,508,885)	(75,941)	(725,723)
Interest		-	(9,581)	-	(9,061)
ASX fees		(14,422)	(114,837)	(14,422)	(114,099)
Audit fees		(26,403)	(71,736)	(26,403)	(70,801)
Provision for non-recovery of intercompany receivables	6	-	-	-	(8,136,333)
Impairment loss on exploration expenditure	10	-	(13,244,574)	-	(6,801,713)
Exploration costs		(108,636)	-	(108,636)	-
Foreign exchange loss		-	(24,002)	-	(23,824)
Administration, accounting and secretarial costs		(124,001)	(544,116)	(124,001)	(262,032)
Rent and occupancy costs		(19,730)	(271,665)	(19,730)	(112,409)
Float costs		-	(76,871)	-	(76,871)
Other expenses		-	(176,714)	-	(176,714)
Write-off of assets		(105,025)	-	(105,025)	-
Loss on deconsolidation of a subsidiary and write-off of subsidiaries' assets and liabilities		<u>(1,087,940)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Loss before income tax		(1,488,014)	(16,018,952)	(400,074)	(16,364,094)
Income tax	4	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net loss attributable to shareholders		<u>(1,488,014)</u>	<u>(16,018,952)</u>	<u>(400,074)</u>	<u>(16,364,094)</u>
Loss per share (US cents)					
Basic	5(a)	<u>(0.64)</u>	<u>(7.6)</u>		
Diluted	5(b)	<u>N/A</u>	<u>N/A</u>		

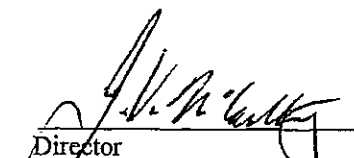
The notes on page 8 to 34 form part of these financial statements.

Axiom Mining Limited
Balance sheets
As at 30 September 2009
(Expressed in United States dollars)

		Group		Company	
		2009	2008	2009	2008
	Note	US\$	US\$	US\$	US\$
Current assets					
Cash and cash equivalents		59,332	206,594	59,332	194,297
Trade and other receivables	6	<u>27,150</u>	<u>12,363</u>	<u>27,150</u>	<u>138</u>
Total current assets		<u>86,482</u>	<u>218,957</u>	<u>86,482</u>	<u>194,435</u>
Non-current assets					
Investments in subsidiaries	7	-	-	-	5,412
Other investments	8	-	-	-	-
Property, plant and equipment	9	10,183	450,268	10,183	70,156
Mineral exploration expenditure	10	<u>500,000</u>	<u>1,500,000</u>	<u>500,000</u>	<u>500,000</u>
Total non-current assets		<u>510,183</u>	<u>1,950,268</u>	<u>510,183</u>	<u>575,568</u>
Total assets		<u>596,665</u>	<u>2,169,225</u>	<u>596,665</u>	<u>770,003</u>
Current liabilities					
Trade and other payables	11	516,342	592,835	516,342	291,228
Provisions	12	<u>38,086</u>	<u>46,139</u>	<u>38,086</u>	<u>38,853</u>
Total current liabilities		<u>554,428</u>	<u>638,974</u>	<u>554,428</u>	<u>330,081</u>
NET ASSETS		<u>42,237</u>	<u>1,530,251</u>	<u>42,237</u>	<u>439,922</u>
CAPITAL AND RESERVES	14				
Share capital		2,319,902	2,319,902	2,319,902	2,319,902
Reserves		25,807,151	26,549,949	25,807,151	25,804,762
Accumulated losses		<u>(28,084,816)</u>	<u>(27,339,600)</u>	<u>(28,084,816)</u>	<u>(27,684,742)</u>
TOTAL EQUITY		<u>42,237</u>	<u>1,530,251</u>	<u>42,237</u>	<u>439,922</u>

Approved and authorised for issue by the board of directors on 21/12/2009


Director


Director

The notes on page 8 to 34 form part of these financial statements.

Axiom Mining Limited
Statements of changes in equity
for the year ended 30 September 2009
(Expressed in United States dollars)

Group

	Share capital US\$	Share premium US\$	Exchange reserve US\$	Asset revaluation reserve US\$	Accumulated losses US\$	Total US\$
At 1 October 2007	2,080,828	25,508,360	401,009	81,100	(11,320,648)	16,750,649
Issue of new shares						
- placement for cash	232,374	1,615,425	-	-	-	1,847,799
- in lieu of professional fees/salaries	6,700	65,100	-	-	-	71,800
Exchange differences on translation of financial statements of overseas subsidiaries	-	-	(1,121,045)	-	-	(1,121,045)
Net loss for the year	-	-	-	-	(16,018,952)	(16,018,952)
At 30 September 2008	<u>2,319,902</u>	<u>27,188,885</u>	<u>(720,036)</u>	<u>81,100</u>	<u>(27,339,600)</u>	<u>1,530,251</u>
At 1 October 2008	2,319,902	27,188,885	(720,036)	81,100	(27,339,600)	1,530,251
Deconsolidation of a subsidiary (note 13)	-	-	(742,798)	-	742,798	-
Net loss for the year	-	-	-	-	(1,488,014)	(1,488,014)
At 30 September 2009	<u>2,319,902</u>	<u>27,188,885</u>	<u>(1,462,834)</u>	<u>81,100</u>	<u>(28,084,816)</u>	<u>42,237</u>

The notes on page 8 to 34 form part of these financial statements.

Axiom Mining Limited

Statements of changes in equity (continued)

for the year ended 30 September 2009

(Expressed in United States dollars)

Company

	Share capital US\$	Share premium US\$	Exchange reserve US\$	Asset revaluation reserve US\$	Accumulated losses US\$	Total US\$
At 1 October 2007	2,080,828	25,508,360	401,009	81,100	(11,320,648)	16,750,649
Issue of new shares						
- placement for cash	232,374	1,615,425	-	-	-	1,847,799
- in lieu of professional fees/salaries	6,700	65,100	-	-	-	71,800
Exchange differences on translation of financial statements of overseas subsidiaries	-	-	(1,866,232)	-	-	(1,866,232)
Net loss for the year	-	-	-	-	(16,364,094)	(16,364,094)
At 30 September 2008	<u>2,319,902</u>	<u>27,188,885</u>	<u>(1,465,223)</u>	<u>81,100</u>	<u>(27,684,742)</u>	<u>439,922</u>
At 1 October 2008	2,319,902	27,188,885	(1,465,223)	81,100	(27,684,742)	439,922
Exchange differences on translation of financial statements of overseas subsidiaries	-	-	2,389	-	-	2,389
Net loss for the year	-	-	-	-	(400,074)	(400,074)
At 30 September 2009	<u>2,319,902</u>	<u>27,188,885</u>	<u>(1,462,834)</u>	<u>81,100</u>	<u>(28,084,816)</u>	<u>42,237</u>

The notes on page 8 to 34 form part of these financial statements.

Axiom Mining Limited
Cash flow statements
for the year ended 30 September 2009
(Expressed in United States dollars)

	Note	Group		Company	
		2009 US\$	2008 US\$	2009 US\$	2008 US\$
Cash flows from operating activities					
Payments to suppliers and employees		(729,473)	(2,628,620)	(427,996)	(6,148,433)
Interest paid		-	(9,581)	-	(9,061)
Interest received		<u>1,649</u>	<u>164,406</u>	<u>1,649</u>	<u>164,374</u>
Net cash used in operating activities	15	<u>(727,824)</u>	<u>(2,473,795)</u>	<u>(426,347)</u>	<u>(5,993,120)</u>
Cash flows from investing activities					
Purchase of property, plant and equipment		-	(283,902)	-	(5,194)
Proceeds from disposal of a subsidiary	13(a)	2	-	2	-
Movement in mineral exploration expenditure		<u>-</u>	<u>(3,550,879)</u>	<u>-</u>	<u>530,610</u>
Net cash generated from/(used in) investing activities		<u>2</u>	<u>(3,834,781)</u>	<u>2</u>	<u>525,416</u>
Cash flows from financing activities					
Proceeds from issue of ordinary shares		-	1,847,799	-	1,847,799
Proceeds from non-interest bearing borrowings		345,657	-	345,657	-
Share application funds received in advance		<u>-</u>	<u>150,325</u>	<u>-</u>	<u>150,325</u>
Net cash generated from financing activities		<u>345,657</u>	<u>1,998,124</u>	<u>345,657</u>	<u>1,998,124</u>
Net decrease in cash and cash equivalents		<u>(382,165)</u>	<u>(4,310,452)</u>	<u>(80,688)</u>	<u>(3,469,580)</u>
Cash and cash equivalents at 1 October		206,594	5,544,615	194,297	5,501,838
Effect of exchange rate changes		<u>234,903</u>	<u>(1,027,569)</u>	<u>(54,277)</u>	<u>(1,837,961)</u>
Cash and cash equivalents at 30 September		<u>59,332</u>	<u>206,594</u>	<u>59,332</u>	<u>194,297</u>

The notes on page 8 to 34 form part of these financial statements.

Axiom Mining Limited
Notes to the financial statements
(Expressed in United States dollars)

1 Company information

Axiom Mining Limited (the “company”) is a company incorporated in Hong Kong and has its registered office and principal place of business at 2303-7 Dominion Centre, 43-59 Queen’s Road East, Hong Kong and 199 Ingham Road, West End Townsville, QLD 4810, Australia respectively. The company’s shares are listed on the Australian Securities Exchange.

The group is principally engaged in mineral exploration in Australia and Vietnam.

2 Significant accounting policies

(a) Statement of compliance

The financial statements constitute a general-purpose financial report, which have been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Hong Kong Companies Ordinance. The financial statements also comply with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (“IASB”). A summary of the significant accounting policies adopted by the group is set out below.

The IASB has issued certain new and revised IFRSs that are first effective or available for early adoption for the current accounting period of the group and of the company. There have been no significant changes to the accounting policies applied in these financial statements as a result of these developments.

The group has not applied any new standard or implementation that is not yet effective for the current amounting period (see note 24).

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 30 September 2009 comprise the company and its subsidiaries (the “group”).

The financial statements have been prepared under the historical cost basis except that the property, plant and equipment are stated at their fair value as explained in the accounting policy set out in note 2(e). The financial statements are presented in United States dollars (“US\$”).

The preparation of financial statements in conformity with IFRSs 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.

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 IFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 23.

Axiom Mining Limited
Notes to the financial statements
(Expressed in United States dollars)

2 Significant accounting policies (continued)

(b) Basis of preparation of the financial statements (continued)

In preparing the financial statements, the directors consider that the going concern basis for preparation of the financial statements for the group is appropriate and recognise that additional funding is required to ensure that the group can continue its operations for the next twelve months.

This basis has been determined after consideration of the following factors:

- the ability to raise additional share capital by share placements or a rights issue;
- the option of farming out all or part of the group's exploration projects; and
- the ability, if required to dispose of interests in exploration assets.

Accordingly, the directors believe that the group will obtain sufficient cash inflows to enable it to continue as a going concern and that it is appropriate to adopt that basis of accounting in the preparation of the financial statements.

(c) Basis of consolidation

The consolidated financial statements include the financial statements of the company and its subsidiaries made up to 30 September each year.

Subsidiaries are entities controlled by the group. Control exists when the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

In the company's balance sheet, an investment in a subsidiary are stated at cost less any impairment losses (see note 2(h)(ii)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(d) Other investments

Investments in equity securities are initially stated at fair value, which is their transaction price. Cost includes attributable transaction costs. These investments are subsequently measured at cost less impairment losses (see note 2(h)(i)).

Axiom Mining Limited
Notes to the financial statements
(Expressed in United States dollars)

2 Significant accounting policies (continued)

(e) Property, plant and equipment

Property, plant and equipment are stated in the balance sheet at cost or valuation less accumulated depreciation and impairment losses (see note 2(h)(ii)).

Revaluations are performed with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the balance sheet date.

Where assets have been revalued, the potential effect of the capital gains tax on disposal has not been taken into account in the determination of the revalued carrying amount. Where it is expected that a liability for capital gains tax will arise, this expected amount is disclosed by way of note.

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 on the date of retirement or disposal. Any related revaluation surplus is transferred from the revaluation reserve to retained profits.

Depreciation is calculated to write off the cost or valuation of items of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives at 33% per annum.

Both the useful life of an asset and its residual value, if any, are reviewed annually.

(f) Mineral exploration expenditure

Costs arising from exploration and evaluation activities are carried forward provided such costs are expected to be recouped through successful development, or by sale, or where exploration and evaluation activities have not, the balance sheet date, reached a stage to allow a reasonable assessment regarding the existence of economically recoverable reserves.

Development costs related to an area of interest are carried forward to the extent that they are expected to be recouped either through sale or successful exploitation of the area of interest.

Costs carried forward in respect of an area of interest that is abandoned are written off in the year in which the decision to abandon is made.

(g) Leased assets

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 use 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 and is regardless of whether the arrangement takes the legal form of a lease.

Assets that are held by the group under leases which 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.

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.

Axiom Mining Limited
Notes to the financial statements
(Expressed in United States dollars)

2 Significant accounting policies (continued)

(h) Impairment of assets

(i) Impairment of investments in equity securities and trade and other receivables

Investments in equity securities and 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 about 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; and
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

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 costs 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 which 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.

Axiom Mining Limited
Notes to the financial statements
(Expressed in United States dollars)

2 Significant accounting policies (continued)

(h) Impairment of assets (continued)

(i) Impairment of investments in equity securities and trade and other receivables (continued)

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade and 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 trade and 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.

(ii) 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;
- mineral exploration expenditure; and
- investments in subsidiaries.

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 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.

Axiom Mining Limited
Notes to the financial statements
(Expressed in United States dollars)

2 Significant accounting policies (continued)

(h) Impairment of assets (continued)

(ii) Impairment of other assets (continued)

- **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.

(i) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost less allowance for impairment of doubtful debts (see note 2(h)(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.

(j) Trade and other payables

Trade and 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.

(k) 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.

(l) 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.

Axiom Mining Limited
Notes to the financial statements
(Expressed in United States dollars)

2 Significant accounting policies (continued)

(m) Share-based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date using the binomial lattice model, 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/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 capital 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 capital 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 capital reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained earnings).

(n) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised directly in equity, in which case they are recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits. Apart from differences which arise on initial recognition of assets and liabilities, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

(o) 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.

Axiom Mining Limited
Notes to the financial statements
(Expressed in United States dollars)

2 Significant accounting policies (continued)

(o) Goods and services tax (GST) (continued)

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.

(p) 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.

(q) 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.

(r) 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 United States dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Balance sheet items are translated into United States dollars at the foreign exchange rates ruling at the balance sheet date. The resulting exchange differences are recognised directly in a separate component of equity.

On disposal of a foreign operation, the cumulative amount of the exchange differences recognised in equity which relate to that foreign operation is included in the calculation of the profit or loss on disposal.

Axiom Mining Limited
Notes to the financial statements
(Expressed in United States dollars)

2

Significant accounting policies (continued)

(s)

Related parties

For the purposes of these financial statements, a party is considered to be related to the group if:

- (i) the party has the ability, directly or indirectly through one or more intermediaries, to control the group or exercise significant influence over the group in making financial and operating policy decisions, or has joint control over the group;
- (ii) the group and the party are subject to common control;
- (iii) the party is an associate of the group or a joint venture in which the group is a venturer;
- (iv) the party is a member of key management personnel of the group or the group's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
- (v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or
- (vi) the party is a post-employment benefit plan which is for the benefit of employees of the group or of any entity that is a related party of the group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

(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 ordinary shareholders 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 ordinary shareholders 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

A segment is a distinguishable component of the group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

In accordance with the group's internal financial reporting system, the group has chosen business segment information as the primary reporting format and geographical segment information as the secondary reporting format for the purposes of these financial statements.

Segment revenue, expenses, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to the segment. For example, segment assets may include property, plant and equipment, inventories and trade and other receivables. Segment revenue, expenses, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group entities within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

Axiom Mining Limited
Notes to the financial statements
(Expressed in United States dollars)

2 Significant accounting policies (continued)

(u) Segmental reporting (continued)

Segment capital expenditure is the total cost incurred during the year to acquire segment assets (both tangible and intangible) that are expected to be used for more than one year. Unallocated items mainly comprise financial and corporate assets, interest-bearing loans, borrowings, tax balances, corporate and financing expenses.

3 Turnover and revenue and segment information

The group is principally engaged in mineral exploration in Vietnam. The group only derived interest and sundry income during the year.

4 Income tax

(a) Income tax expense

The prima facie tax, using tax rates applicable in the country of operation, on the operating loss differ from the income tax provided in the financial statements as follows:

	Group		Company	
	2009	2008	2009	2008
	US\$	US\$	US\$	US\$
Prima facie tax from ordinary activities	-	-	-	-
Tax effect of permanent differences:				
- non-deductible items	-	-	-	-
- amount not brought to account as a carried forward future income tax benefit	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income tax attributable to loss from ordinary activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Provision for Hong Kong Profits Tax is deemed unnecessary as the group does not have any business carried out in Hong Kong and is therefore not subject to Hong Kong taxation.

(b) Income tax losses

Future income tax benefit arising from tax losses not brought to account at balance sheet date as realisation of the benefit is not regarded as virtually certain.

The benefit for tax losses will only be obtained if:

- Future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
- The conditions for deductibility imposed by tax legislation continue to be complied with; and
- No changes in tax legislation adversely affect the group in realising the benefit.

Axiom Mining Limited
Notes to the financial statements
(Expressed in United States dollars)

5 Loss per share

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the company of US\$1,488,014 (2008: US\$16,018,952) and the weighted average number of 231,990,181 ordinary shares (2008: 211,353,688 shares) in issue during the year, calculated as follows:

Weighted average number of ordinary shares	2009	2008
Issued ordinary shares at 1 October (note 14(a))	231,990,181	208,082,681
Effect of placement of shares	-	3,105,160
Effect of shares issued in lieu of professional fees/salaries	<u>-</u>	<u>165,847</u>
Weighted average number of ordinary shares at 30 September	<u>231,990,181</u>	<u>211,353,688</u>

(b) Diluted loss per share

No diluted loss per share has been presented as there were no dilutive events during the year.

6 Trade and other receivables

	Group		Company	
	2009	2008	2009	2008
	US\$	US\$	US\$	US\$
Trade and other receivables	27,150	12,363	27,150	8,136,471
Less: Allowance for doubtful debts	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,136,333)</u>
	<u>27,150</u>	<u>12,363</u>	<u>27,150</u>	<u>138</u>

Terms and conditions

Trade and other receivables comprise sundry debtors and intercompany receivables.

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

Intercompany receivables are non-interest bearing and have no fixed terms of repayment.

Impairment losses in respect of trade and other receivables are recorded using an allowance account unless the group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade and other receivables directly (see note 2(h)(i)).

Axiom Mining Limited
Notes to the financial statements
(Expressed in United States dollars)

6

Trade and other receivables (continued)

The movement in the allowance for doubtful debts during the year, including both specific and collective loss components, is as follows:

	Group		Company	
	2009 US\$	2008 US\$	2009 US\$	2008 US\$
At 1 October	-	-	8,136,333	506,292
Impairment loss recognised	-	-	-	8,136,333
Uncollectible amounts written off	<u>-</u>	<u>-</u>	<u>(8,136,333)</u>	<u>(506,292)</u>
At 30 September	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,136,333</u>

At 30 September 2009, the directors determined no trade and other receivables (2008: US\$8,136,333) to be impaired.

7

Investments in subsidiaries

	Group		Company	
	2009 US\$	2008 US\$	2009 US\$	2008 US\$
Unlisted shares, at cost	-	-	4,810	5,412
Less: Provision for impairment loss	<u>-</u>	<u>-</u>	<u>(4,810)</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,412</u>

At 30 September 2009, the directors determined all investments in subsidiaries of US\$4,810 (2008: nil) to be impaired.

Axiom Mining Limited
Notes to the financial statements
(Expressed in United States dollars)

7

Investments in subsidiaries (continued)

Details of the subsidiaries are as follows:

Name of subsidiaries	Place of incorporation	Percentage of equity interest held by the group		Investment cost	
		2009 %	2008 %	2009 US\$	2008 US\$
Vietnam Resources Corporation Pty Ltd.	Australia	100	100	4,736	4,736
Vietnam Resources Corporation (QB) Pty Ltd.	Australia	100	100	3	3
VRC Quangtri Pty Ltd.	Australia	100	100	1	1
Vietnam Resources Corporation (VN Holdings) Pty Ltd.	Australia	100	100	70	70
Ozmin Resources Pty Ltd. #	Australia	30	100	-	602
Azzu Mining Ltd.	British Virgin Islands	100	100	-	-
Laos Resources Ltd.	British Virgin Islands	100	100	-	-
				<u>4,810</u>	<u>5,412</u>

All of the above companies were audited by a firm other than Baker Tilly Hong Kong Limited.

On 15 July 2009, the company disposed of a 40% equity interest in Ozmin Resources Pty Ltd. for a cash consideration of A\$2.

On the same day, Ozmin Resources Pty Ltd. allotted and issued shares to dilute the company's interest to 30%.

8

Other investments

	Group		Company	
	2009 US\$	2008 US\$	2009 US\$	2008 US\$
Unlisted equity securities	-	-	361	-
Less: Provision for impairment loss	<u>-</u>	<u>-</u>	<u>(361)</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Other investments represent a 30% equity interest in Ozmin Resources Pty Ltd..

Axiom Mining Limited
Notes to the financial statements
(Expressed in United States dollars)

8 Other investments (continued)

At 30 September 2009, the directors determined all equity securities of US\$361 (2008: nil) to be fully impaired.

9 Property, plant and equipment

	Group		Company	
	2009	2008	2009	2008
	US\$	US\$	US\$	US\$
Measured at cost and valuation	35,774	721,319	35,774	114,218
Accumulated depreciation	(25,591)	(271,051)	(25,591)	(44,062)
	<u>10,183</u>	<u>450,268</u>	<u>10,183</u>	<u>70,156</u>

Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the financial year:

	Group		Company	
	2009	2008	2009	2008
	US\$	US\$	US\$	US\$
Carrying amount at 1 October	450,268	482,091	70,156	190,646
Additions	-	283,902	-	5,194
Disposals	-	(70,976)	-	(70,150)
Write-off	(61,293)	-	(61,293)	-
Depreciation	(11,853)	(143,724)	(11,853)	(18,888)
Deconsolidation of a subsidiary and write-off of subsidiaries' assets (note 13)	(380,112)	-	-	-
Foreign exchange adjustment to opening balance	<u>13,173</u>	<u>(101,025)</u>	<u>13,173</u>	<u>(36,646)</u>
Carrying amount at 30 September	<u>10,183</u>	<u>450,268</u>	<u>10,183</u>	<u>70,156</u>

10 Mineral exploration expenditure

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

	Group		Company	
	2009	2008	2009	2008
	US\$	US\$	US\$	US\$
Carrying amount at 1 October	1,500,000	11,193,695	500,000	7,832,323
Movements during the year	-	3,550,879	-	(530,610)
Provision for impairment loss	-	(13,244,574)	-	(6,801,713)
Deconsolidation of a subsidiary and write-off of subsidiaries' assets (note 13)	<u>(1,000,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Carrying amount at 30 September	<u>500,000</u>	<u>1,500,000</u>	<u>500,000</u>	<u>500,000</u>

Axiom Mining Limited
Notes to the financial statements
(Expressed in United States dollars)

11 Trade and other payables

	Group		Company	
	2009	2008	2009	2008
	US\$	US\$	US\$	US\$
Trade payables	119,486	306,254	119,486	66,874
Other payables and accruals	51,199	286,581	51,199	224,354
Non-interest bearing borrowings				
- from directors	184,821	-	184,821	-
- from third parties	<u>160,836</u>	<u>-</u>	<u>160,836</u>	<u>-</u>
	<u>516,342</u>	<u>592,835</u>	<u>516,342</u>	<u>291,228</u>

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

Non-interest bearing borrowings are unsecured, interest free and have no fixed terms of repayment.

12 Provisions

	Group		Company	
	2009	2008	2009	2008
	US\$	US\$	US\$	US\$
Provision for employee benefits	<u>38,086</u>	<u>46,139</u>	<u>38,086</u>	<u>38,853</u>

13 Deconsolidation of a subsidiary and write-off of subsidiaries' assets and liabilities

(a) Disposal of a subsidiary

On 15 July 2009, the company disposed of a 40% equity interest in a direct subsidiary, Ozmin Resources Pty Ltd. ("Ozmin"), leaving a 60% equity interest, representing 1,200 ordinary shares out of 2,000 issued ordinary shares of Ozmin, for a consideration of A\$2.

On the same day, Ozmin allotted and issued 2,000 new ordinary shares to increase its paid-up share capital to 4,000 ordinary shares. The company's equity interest in Ozmin is then diluted to 30%, representing 1,200 ordinary shares out of 4,000 issued ordinary shares of Ozmin.

The disposal took place whilst Ozmin was in administration and the company did not have access to Ozmin's accounting records. It was not therefore possible to determine the exact accounting entries and include full disclosure of the effect of the disposal and deconsolidation which was therefore accounted for in equity.

(b) Write-off of subsidiaries' assets and liabilities

During the year, the company determined all assets and liabilities held by other dormant subsidiaries to be impaired, resulting in a write-off of subsidiaries' assets and liabilities in the income statement.

As a consequence of the disposal of the subsidiary and a write-off of other subsidiaries' assets and liabilities, the company recorded a loss on deconsolidation of a subsidiary and a write-off of the subsidiaries' assets and liabilities totaling US\$1,087,940 in the consolidated income statement and a transfer of US\$742,798 from the exchange reserve to accumulated losses arising on the deconsolidation of the subsidiary as noted in (a), in the consolidated balance sheet.

Axiom Mining Limited
Notes to the financial statements
(Expressed in United States dollars)

14 Capital and reserves

(a) Authorised and issued share capital

	Group		Company	
	2009	2008	2009	2008
	US\$	US\$	US\$	US\$
Authorised				
1,000,000,000 ordinary shares of US\$0.01 each	<u>10,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>
Issued and fully paid				
231,990,181 ordinary shares of US\$0.01 each	<u>2,319,902</u>	<u>2,319,902</u>	<u>2,319,902</u>	<u>2,319,902</u>
Movements in issued shares				
	2009		2008	
	Number of shares	US\$	Number of shares	US\$
Balance at 1 October	231,990,181	2,319,902	208,082,681	2,080,828
Issue of new shares				
- placement for cash	-	-	23,237,500	232,374
- in lieu of professional fees/salaries	-	-	<u>670,000</u>	<u>6,700</u>
Balance at 30 September	<u>231,990,181</u>	<u>2,319,902</u>	<u>231,990,181</u>	<u>2,319,902</u>

(b) Reserves and accumulated losses

	Group		Company	
	2009	2008	2009	2008
	US\$	US\$	US\$	US\$
Share premium	27,188,885	27,188,885	27,188,885	27,188,885
Asset revaluation reserve	81,100	81,100	81,100	81,100
Exchange reserve	<u>(1,462,834)</u>	<u>(720,036)</u>	<u>(1,462,834)</u>	<u>(1,465,223)</u>
	<u>25,807,151</u>	<u>26,549,949</u>	<u>25,807,151</u>	<u>25,804,762</u>
Accumulated losses	<u>(28,084,816)</u>	<u>(27,339,600)</u>	<u>(28,084,816)</u>	<u>(27,684,742)</u>

(i) Share premium

The share premium contains amounts received as a premium on the issue of shares and options.

Movements in share premium:

	Group		Company	
	2009	2008	2009	2008
	US\$	US\$	US\$	US\$
Balance at 1 October	27,188,885	25,508,360	27,188,885	25,508,360
Premium on issue of ordinary shares	-	<u>1,680,525</u>	-	<u>1,680,525</u>
Balance at 30 September	<u>27,188,885</u>	<u>27,188,885</u>	<u>27,188,885</u>	<u>27,188,885</u>

Axiom Mining Limited
Notes to the financial statements
(Expressed in United States dollars)

14 Capital and reserves (continued)

(b) Reserves and accumulated losses (continued)

(ii) Asset revaluation reserve

The asset revaluation reserve has been set up and is dealt with in accordance with the accounting policies for property, plant and equipment in note 2(e).

During the year ended 30 September 2004, the directors revalued plant and equipment to reflect its then realisable value:

	Group		Company	
	2009	2008	2009	2008
	US\$	US\$	US\$	US\$
Balance at 30 September	<u>81,100</u>	<u>81,100</u>	<u>81,100</u>	<u>81,100</u>

(iii) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations as well as the effective portion of any foreign exchange differences arising from hedges of the net investment in these foreign operations. The reserve is dealt with in accordance with the accounting policy set out in note 2(r).

This reserve represents the effect of translating opening cash and other balance sheet items to the year end exchange rate:

	Group		Company	
	2009	2008	2009	2008
	US\$	US\$	US\$	US\$
Balance at 30 September	<u>(1,462,834)</u>	<u>(720,036)</u>	<u>(1,462,834)</u>	<u>(1,465,223)</u>

(iv) Accumulated losses

	Group		Company	
	2009	2008	2009	2008
	US\$	US\$	US\$	US\$
Balance at 1 October	(27,339,600)	(11,320,648)	(27,684,742)	(11,320,648)
Deconsolidation of a subsidiary (note 13)	742,798	-	-	-
Net loss attributable to equity shareholders of the company for the year	<u>(1,488,014)</u>	<u>(16,018,952)</u>	<u>(400,074)</u>	<u>(16,364,094)</u>
Balance at 30 September	<u>(28,084,816)</u>	<u>(27,339,600)</u>	<u>(28,084,816)</u>	<u>(27,684,742)</u>

Axiom Mining Limited
Notes to the financial statements
(Expressed in United States dollars)

14 Capital and reserves (continued)

(c) Distributability of reserves

At 30 September 2009, the aggregate amount of reserves available for distribution to shareholders of the company was US\$nil (2008: US\$nil).

(d) Movements in unlisted options in issue

	Group and Company	
	2009	2008
Balance at 1 October	66,151,616	51,651,616
Issued during the year	-	14,500,000
Lapsed during the year	(21,651,616)	-
Balance at 30 September	<u>44,500,000</u>	<u>66,151,616</u>

During the year, 21,651,616 loyalty options outstanding over ordinary shares exercisable at US\$0.25 each were expired on 10 November 2008.

At 30 September 2009, there were 30,000,000 general options granted to directors, management and staff over ordinary shares exercisable within 60 months at an initial exercise price of A\$0.25 each, increasing by A\$0.025 per annum.

At 30 September 2009, there were 14,500,000 options over ordinary shares pursuant to the executive and employee option plan exercisable at A\$0.25 each by 5 November 2012.

No share-based payments were recognised in the financial statements in accordance with the accounting policy set out in note 2(m) in respect of the share options in issue as at 30 September 2009.

(e) 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 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.

Axiom Mining Limited
Notes to the financial statements
(Expressed in United States dollars)

15 Note to cash flow statements

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

	Group		Company	
	2009	2008	2009	2008
	US\$	US\$	US\$	US\$
Net loss	(1,488,014)	(16,018,952)	(400,074)	(16,364,094)
Non-cash items				
Depreciation	11,853	143,724	11,853	18,888
Loss on deconsolidation of a subsidiary and write-off of subsidiaries' assets and liabilities	1,087,940	-	-	-
Provision for impairment loss on exploration expenditure	-	13,244,574	-	6,801,713
Provision for impairment loss on investments in subsidiaries and other investments	361	-	5,171	-
Provision for non-recovery of intercompany receivables	-	-	-	8,136,333
Write-back of other payables	(84,288)	-	(84,288)	-
Write-off of cash and cash equivalents	43,732	-	43,732	-
Write-off of property, plant and equipment	61,293	-	61,293	-
Changes in assets and liabilities				
(Increase)/decrease in trade and other receivables	(14,787)	217,853	(27,012)	(4,437,149)
Decrease in trade and other payables	(337,861)	(54,828)	(36,254)	(159,568)
(Decrease)/increase in provisions	(8,053)	(6,166)	(768)	10,757
Net cash used in operations	(<u>727,824</u>)	(<u>2,473,795</u>)	(<u>426,347</u>)	(<u>5,993,120</u>)

16 Short term employee benefits and superannuation commitments

	Group		Company	
	2009	2008	2009	2008
	US\$	US\$	US\$	US\$
Employee benefits				
The aggregate employee benefit liability comprised provisions (current)	<u>38,086</u>	<u>46,139</u>	<u>38,086</u>	<u>38,853</u>

Axiom Mining Limited
Notes to the financial statements
(Expressed in United States dollars)

17 Expenditure commitments

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

	Group		Company	
	2009	2008	2009	2008
	US\$	US\$	US\$	US\$
Not later than one year	-	80,000	-	50,000
Later than one year and not later than five years	-	-	-	-
	<u>-</u>	<u>80,000</u>	<u>-</u>	<u>50,000</u>

These commitments may be carried by seeking exemptions, relinquishment or by joint venture arrangements. Subsequent to year end the group has exceeded its exploration commitments through exploration work.

18 Contingent liabilities

Details and estimates of maximum amounts of contingent liabilities are as follows:

The group has entered into a heads of agreement with Long Dai Forest and Industrial Company for the exploration and development of the Southern Quang Binh Gold-Copper project. Under this agreement, US\$150,000 is payable upon drilling results confirming the presence of an economic mineral deposit and a subsequent payment of US\$100,000 is payable upon exploration confirming that the project is a commercially viable mineral deposit. These contingent payments may be varied by mutual consent of the parties.

19 Auditor's remuneration

	Group		Company	
	2009	2008	2009	2008
	US\$	US\$	US\$	US\$
Amount received or due and receivable by auditors for:				
- an audit of the financial statements of the group by Baker Tilly Hong Kong Limited	5,000	4,500	5,000	4,500
- audit services by firms other than Banker Tilly Hong Kong Limited	<u>21,403</u>	<u>35,000</u>	<u>21,403</u>	<u>35,000</u>
	<u>26,403</u>	<u>39,500</u>	<u>26,403</u>	<u>39,500</u>

Axiom Mining Limited
Notes to the financial statements
(Expressed in United States dollars)

20 Director and executive disclosures

(a) Details of specified directors and specified executives

(i) Specified directors

Mr. John Cook	Non-executive Chairman
Mr. Jake W Gray	Chief Executive Officer and director (removed on 14 April 2009)
Mr. John V McCarthy	Executive director
Mr. Kelvin Lee	Non-executive director (resigned on 2 March 2009)
Mr. Ryan Mount	Non-executive director (appointed on 22 April 2009)
Mr. Neil Stuart	Non-executive director (appointed on 24 March 2009)

(ii) Specified executives

Mr. Richard J Lane Chief Financial Officer and Local Agent (resigned on 17 October 2008)

(b) Remuneration of specified directors and 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 from time to time determined by the company in general meeting currently set at US\$300,000. 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 A\$60,000 per annum and non-executive directors are remunerated at A\$36,000 per annum.

Directors may be paid fees or other amounts as the directors determine where a director performs special duties or otherwise performs service 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.

(c) Service agreements

The group has the service agreements with the following officers:

Jake W Gray, Chief Executive Officer and director

Terms of agreement – 2 years commencing 1 July 2006 with Mine Finance Corporation, a company in which Mr. Gray has a beneficial interest at US\$225,000 to be reviewed annually by the remuneration committee. This agreement was temporarily extended to 31 December 2009 from which date it has lapsed. Mr. Gray was removed as a director at an extraordinary general meeting held on 14 April 2009.

John V McCarthy, Executive director

Terms of agreement – 3 years commencing 1 July 2007, base salary, inclusive of superannuation of A\$200,000 to be reviewed annually by the remuneration committee.

Axiom Mining Limited
Notes to the financial statements
(Expressed in United States dollars)

20 Director and executive disclosures (continued)

(c) Service agreements (continued)

Remuneration of specified directors and specified executives:

	Primary salary and fees US\$	Post employment superannuation US\$	Equity share-based payments US\$	Total US\$
Specified directors:				
John Cook				
2009	-	-	-	-
2008	47,976	-	-	47,976
Jake W Gray				
2009	-	-	-	-
2008	199,802	-	-	199,802
John V McCarthy				
2009	30,000	-	-	30,000
2008	119,940	39,980	-	159,920
Ryan Mount				
2009	-	-	-	-
2008	-	-	-	-
Kelvin Lee				
2009	-	-	-	-
2008	40,311	-	-	40,311
Neil Stuart				
2009	-	-	-	-
2008	-	-	-	-
Total remuneration:				
Specified directors:				
2009	30,000	-	-	30,000
2008	408,029	39,980	-	448,009

Axiom Mining Limited
Notes to the financial statements
(Expressed in United States dollars)

20 Director and executive disclosures (continued)

(c) Service agreements (continued)

	Primary salary <u>and fees</u> US\$	Post employment <u>superannuation</u> US\$	Equity share-based <u>payments</u> US\$	<u>Total</u> US\$
Specified executives:				
Richard J Lane				
2009	-	-	-	-
2008	87,957	38,994	-	126,951
Lincoln P Gray				
2009	-	-	-	-
2008	232,498	-	-	232,498
Total remuneration:				
Specified executives:				
2009	-	-	-	-
2008	320,455	38,994	-	359,449

(d) Balances with related parties are disclosed in note 11.

21 Financial instruments

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

These risks are limited by the group's financial management policies and practices described below.

(a) Credit risk

The group's credit risk is primarily attributable to trade and other receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

In respect of trade and other receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade and other receivables are due within 30 days to 90 days from the date of billing. Normally, the group does not obtain collateral from customers.

At the balance sheet date, the group has no concentration of credit risk.

The group minimises concentrations of credit risk in relation to trade receivables by undertaking transactions with credit worthy customers from across the range of business segments in which the group operates. Refer also to note 3 – Turnover and revenue and segment information.

Axiom Mining Limited
Notes to the financial statements
(Expressed in United States dollars)

21 Financial instruments (continued)

(b) Liquidity risk

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:

Financial instruments	Floating interest rate		Non-interest bearing		Total carrying amount as per the balance sheet		Weighted average effective interest rate	
	2009 US\$	2008 US\$	2009 US\$	2008 US\$	2009 US\$	2008 US\$	2009 %	2008 %
(i) Financial assets								
Cash	59,332	206,594	-	-	59,332	206,594	3.5	5.4
Trade and other receivables	-	-	27,150	12,363	27,150	12,363		
Total financial assets	59,332	206,594	27,150	12,363	86,482	218,957		
(ii) Financial liabilities								
Trade and other payables	-	-	516,342	592,835	516,342	592,835	-	-
Provisions	-	-	38,086	46,139	38,086	46,139	-	-
Total financial liabilities	-	-	554,428	638,974	554,428	638,974		

(d) Currency risk

The group operates internationally and is exposed to foreign currency risk arising from various currency exposures, primarily with respect to the Australian dollars.

Foreign currency risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the group's functional currency and net investments in foreign operations. The group has not formalised a foreign currency risk management policy, however, it monitors its foreign currency expenditure in light of exchange rate movements.

Axiom Mining Limited
Notes to the financial statements
(Expressed in United States dollars)

21 Financial instruments (continued)

(d) Currency risk (continued)

The group's and the company's exposure to foreign currency risk at the balance sheet date was as follows:

	Group		Company	
	2009	2008	2009	2008
	A\$	A\$	A\$	A\$
Cash and cash equivalents	67,415	242,159	67,415	242,576
Trade and other receivables	30,849	427	30,849	173
Trade and other payables	(629,960)	(735,981)	(629,960)	(364,487)

Sensitivity analysis

Based on the financial instruments held at 30 September 2009, had the Australian dollars weakened/strengthened by 2.5% against the United States dollars with all other variables held constant, there would have been an immaterial impact on the group's post-tax loss for the year and immaterial movements to the group's equity for both years presented.

Foreign exchange risk

The group has exploration commitments in Australian dollars. There are no forward exchange contracts in place at the time.

(e) Fair values

All financial instruments are carried at amounts not materially different from their fair values as at 30 September 2009 and 2008.

22 Subsequent events

On 2 December 2009, the company has issued 34,798,000 ordinary shares at US\$0.01 each, which raised a total fund of US\$347,980.

23 Significant accounting estimates and judgements

Estimates and judgments used in preparing the 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 to the related actual results. The estimates and assumptions that have a significant effect on the carrying amounts of assets and liabilities are discussed below:

Axiom Mining Limited
Notes to the financial statements
(Expressed in United States dollars)

23

Significant accounting estimates and judgements (continued)

(a) Impairment of non-financial assets

The group tests at least annually whether goodwill and 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, that 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.

(d) Share-based payments

The fair value of option granted is measured using Trinomial model 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.

Axiom Mining Limited
Notes to the financial statements
(Expressed in United States dollars)

24 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 30 September 2009

Up to the date of issue of these financial statements, the IASB has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 30 September 2009 and which have not been adopted in these financial statements.

The group is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the group's results of operations and financial position.