AXMIN

Second Quarter Report

Six Months Ended June 30, 2005

growth through discovery

AXMIN Inc. (TSX-V: AXM) a gold exploration company, offers dynamic growth with a track-record of finding mines in Africa. AXMIN's management team is committed to creating shareholder value through new gold discoveries within its highly prospective properties across central and west Africa.

Second Quarter 2005 Highlights

Central African Republic (Passendro project area, Bambari Permits)

- work completed for an updated resource estimate which more than doubled the indicated gold resources to **1.07 million ounces grading 2.5 g/t Au** and increased the inferred gold resources to **1.11 million ounces grading 1.8 g/t Au**
- hosted a visit to the Company's exploration site by the country's President, the Minister of Mines and other cabinet colleagues

During the second quarter 2005 exploration and development expenditure was US$2.754 million, contributing to a total of US$5.081 million for the six months ended June 30, 2005. As at June 30, 2005 the Company's cumulative capitalized carrying value of exploration and development expenditures was US$24.252 million. Of the exploration expenditure incurred during the six months ended June 30, 2005 US$3.595 million related to the Company's Bambari Permits project in the Central African Republic.

As at June 30, 2005 the Company had cash resources of US$2.747 million and a surplus of working capital which amounted to US$1.754 million. This excludes the proceeds from the conditional sale of the Bouroum Permit gold reserves in Burkina Faso for a total consideration of US$3.300 million. The net proceeds due to the Company after the deduction of reimbursable expenses is US$2.685 million. On June 22, 2005 an exploitation permit over the Bouroum Permit reserves was issued by the government and in accordance with the terms of the sale and purchase agreement the proceeds from the sale will be paid to the Company on or before September 20, 2005. As at the date of this report these proceeds have not been received and accordingly the sale of the Bouroum Permit reserves has not been recognised in the unaudited consolidated financial statements of the Company for the six months ended June 30, 2005.

Central African Republic

AXMIN recently announced the results of an updated mineral resource estimate at Passendro, located within the 100% owned *Bambari Permits*, wherein the Company more than doubled its indicated gold resources to **1.07 million ounces grading 2.5 g/t Au**. In addition, inferred gold resources were increased to **1.11 million ounces grading 1.8 g/t Au**. The updated mineral resource estimate was prepared by independent consultants, SRK Consulting ("SRK") of the United Kingdom.

The updated mineral resource estimates for Passendro are summarized in the table below (with the cut off grade taken at 1.2 g/t Au except at Main Zone where the distribution of mineralisation warrants a 0.8 g/t Au cut off):

		Indicated Mineral Resource			**Inferred Mineral Resource**		
		Tonnes Mt	Grade g/t Au	Ounces Au	Tonnes Mt	Grade g/t Au	Ounces Au
French Camp	oxide	1.21	3.7	143,500	0.10	3.4	10,400
	sulphide	1.51	2.6	125,700	0.81	2.3	58,300
Katsia	oxide	2.01	3.3	213,400	0.71	2.6	59,900
	sulphide	0.91	3.5	101,800	0.89	2.9	81,700
Bacanga Head	oxide	1.67	2.5	133,700	0.10	2.8	9,500
	sulphide	0.32	2.5	26,300	1.53	2.5	122,100
Main Zone	oxide	5.56	1.8	327,100	8.89	1.5	433,300
	sulphide	-	-	-	6.27	1.7	333,900
Sub- total	oxide	10.45	2.4	817,700	9.80	1.6	513,100
	sulphide	2.74	2.9	253,800	9.50	2.0	596,000
	Total	**13.19**	**2.5**	**1,071,500**	**19.30**	**1.8**	**1,109,100**

The four sites of mineral resources are all located within a 3 km radius. Previous metallurgical studies indicate that gold in both the oxide and sulphide zones appears to be amenable to conventional gravity and cyanide leach processes with recovery in excess of 90%. In addition, the indicated resource at Main Zone is estimated to depths of typically between 40 to 70 metres only. At Main Zone both mineralisation and waste is strongly oxidized, with the anticipation that the ore will be amenable to low cost mining and processing similar to lower grade operations throughout west Africa.

The updated mineral resource estimate at Passendro has been based on some 36,000 metres of RC and 18,500 metres of core drilling completed across the resource blocks, using assays that were available up to late May 2005. The mineral resource estimate has been compiled in accordance with National Instrument 43-101 by SRK, under the supervision of Dr John Arthur (CGeol, CEng). SRK's report is available on the SEDAR website. All indicated resources were established from drilling on 40 metre fence spacings and to a maximum vertical depth of 120 metres, with higher grades reduced where appropriate using statistical methodology. SRK considers that the grade, continuity, and geometry of these estimates are such that there is a high likelihood that a substantial portion of the reported indicated mineral resources have the potential to be exploited economically.

The updated resource estimate has acted as a catalyst for AXMIN to start a fast-track process leading towards a development decision for what would be the first ever commercial scale gold mine in the Central African Republic. AXMIN recently announced that it has initiated a pre-feasibility study on the Passendro project. AXMIN intends to set the initial project target at a minimum production profile of 150,000 ounces per annum, with a design criteria established that would facilitate subsequent expansion to take into account ongoing exploration across the 2,000 sq km Archaean greenstone belt covered by the Bambari Permits. The pre-feasibility study is scheduled for completion during the fourth quarter of 2005 after which, on the basis of positive results, AXMIN will proceed with a bankable feasibility study.

Independent engineering group GBM Ltd. of the United Kingdom will lead the pre-feasibility team, supported by Amec Earth and Environmental (UK) Ltd. which will report on tailings and waste management systems, Golder Associates (UK) Ltd. on the environment and SRK on the mining aspects. Moreover, a draft Mining Convention has recently been submitted to the government of the Central African Republic by AXMIN. This Convention will establish the fiscal and legal framework under which the future mining operation and continuing exploration will operate.

Drilling at the Bambari Permits will continue non-stop through to the end of the calendar year. AXMIN's four drill rigs (two core and two reverse circulation) continue to delineate resources at Passendro in parallel with testing further new drill targets on the adjacent Ndassima and Ao grids.

During the second quarter AXMIN hosted a visit to its exploration site by the country's President, the Minister of Mines and other cabinet colleagues. The President, the Minister of Mines and local administration officers expressed strong public support for AXMIN's activities at Bambari and an understanding of the important social and economic benefits that will accrue to the country through the development of a gold mining industry.

At *Pouloubou*, located about 150 km southeast of Bambari, follow up soil sampling of the previous reconnaissance grid has more closely defined three initial targets (>50 ppb gold in soil), ranging in length from 1,500-2,500 metres, and these are currently being tested by shallow reconnaissance rotary air blast ("RAB") drilling.

Mali, Senegal and Sierra Leone

In Mali, Senegal and Sierra Leone exploration activity has continued unabated and we look forward to announcing the results of these programs in due course.

AXMIN continues to be committed to further growth with the objective of providing added value to shareholders and to the countries in which it operates through new discoveries and developments.

For further information regarding AXMIN visit our website at *www.axmininc.com*.

Dr. Jonathan Forster
Chief Executive Officer & Director

August 26, 2005

Overview

AXMIN Inc. ("AXMIN", the "Company") is an international mineral exploration company with a substantial exploration portfolio in the mineral belts of central and west Africa. The Company is in its development stage and it is in the process of exploring its mineral properties and has not yet determined whether these properties contain reserves that are economically recoverable. To date the Company has raised funds to explore its mineral properties principally through the issuance of shares. In the foreseeable future the Company will remain dependent on the issuance of further shares to raise funds to explore its properties. In addition the success of the Company will be influenced by a number of factors including environmental risks, and legal and political risks.

The costs relating to the acquisition, exploration and development of mineral properties, less recoveries, are capitalized by property until the commencement of commercial production. If commercially profitable ore reserves are developed, capitalized costs of the related project are reclassified as mining assets and amortized on a unit of production method. If it is determined that capitalized acquisition, exploration and development costs are not recoverable over the estimated life of the property, or the project is sold or abandoned, the project is written down to its net realizable value.

The recoverability of amounts recorded for exploration and development costs is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development, and future profitable production or proceeds from the disposition thereof. The amounts shown as exploration and development costs do not necessarily represent present or future values.

On June 22, 2005 an exploitation permit over the Bouroum Permit gold reserves in Burkina Faso was issued by the government and in accordance with the terms of the sale and purchase agreement the proceeds from the sale, being US$3.300 million (US$2.685 million net of reimbursable costs), will be paid to the Company on or before September 20, 2005. As at the date of this report the proceeds have not been received and accordingly the sale of the Bouroum Permit reserves has not been recognised in the unaudited consolidated financial statements of the Company for the six months ended June 30, 2005.

As at June 30, 2005 the Company had capitalized US$24.252 million of exploration and development costs. The comparative figure as at December 31, 2004 was US$19.206 million.

Effective January 1, 2005, the Company adopted the recommendations (AcG-15) issued by The Canadian Institute of Chartered Accountants dealing with Variable Interest Entities ("VIE"). AcG-15 details the requirements on the consolidation of VIEs. VIEs include entities where the equity invested is considered insufficient to finance the entity's activities without additional subordinated financial support from other parties. AcG-15 requires the Company to consolidate VIEs if the investment it holds in those entities and / or the relationship it has with them result in it being exposed to a majority of their expected losses, being able to benefit from a majority of their expected residual returns, or both.

As a result of adopting AcG-15 there was no impact on the unaudited consolidated balance sheet as at June 30, 2005 and the unaudited consolidated statement of operations and deficit for the six months ended June 30, 2005, and no new significant VIEs were identified during the period.

(All tabular amounts stated in thousands of United States dollars unless otherwise indicated and except per share amounts)

Results of Operations

The following tables set out selected unaudited consolidated financial information for the Company for the first and second quarters in 2005, for each of the financial quarters in 2004, and for the third and fourth quarters in 2003.

	2005 1st quarter	*2005 2nd quarter*
Unaudited consolidated statements of operations and deficit		
Net loss for the period	(610)	(549)
Net loss per share	(0.0054)	(0.0045)
Unaudited consolidated balance sheets		
Working capital surplus	5,010	1,754
Total assets	27,674	27,403
Unaudited consolidated statements of cash flows		
Exploration and development costs outflow	(2,327)	(2,754)
Net cash inflow (outflow) from financing activities	6,265	(1)

	2004 1st quarter	*2004 2nd quarter*	*2004 3rd quarter*	*2004 4th quarter*
Unaudited consolidated statements of operations and deficit				
Net (loss) profit for the period	(346)	(1,126)	264	(761)
Net (loss) profit per share	(0.0033)	(0.0107)	0.0026	(0.0071)
Unaudited consolidated balance sheets				
Working capital surplus	7,224	5,466	3,761	1,461
Total assets	22,012	21,652	22,128	21,732
Unaudited consolidated statements of cash flows				
Exploration and development costs outflow	(1,334)	(1,493)	(2,111)	(2,058)
Net cash inflow from financing activities	1,269	560	-	344

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	2003 3rd quarter	*2003 4th quarter*
Unaudited consolidated statements of operations and deficit		
Net loss for the period	(216)	(147)
Net loss per share	(0.0030)	(0.0015)
Unaudited consolidated balance sheets		
Working capital (deficit) surplus	(1,407)	7,560
Total assets	11,184	21,084
Unaudited consolidated statements of cash flows		
Exploration and development costs outflow	(610)	(1,650)
Net cash inflow from financing activities	50	10,832

The current policy of the Company is not to pay dividends. Earnings, if any, will initially be retained to finance further exploration, development and acquisitions. This policy is reviewed from time to time by the board of directors of the Company.

Effective January 1, 2003 the Company recognizes compensation expense when stock options are granted. For the year ended December 31, 2002 the Company did not recognize compensation expense for stock options granted to employees. Had compensation expense for stock options granted to employees during the year ended December 31, 2002 under the Company's stock option plan been determined based on the fair value at the grant dates consistent with the fair value based method of accounting for stock-based compensation, the Company's net loss and net loss per share would have changed to the pro forma amounts indicated below:

	Year ended December 31, 2004	*Year ended December 31, 2003*
Net loss for the year, as reported	1,969	710
Stock-based compensation expense	-	228
Pro forma net loss for the year	1,969	938
Pro forma net loss per share	0.0185	0.0122

The fair value of options granted has been estimated at the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions: risk free interest rate of 3.96% (2003 - 3.96%), expected dividend yield of nil, expected volatility of 116.5% (2003 - 133.6%), and expected option life of 3 years. For purposes of the pro forma disclosure, the estimated fair value of the options is expensed over the options' vesting periods. The weighted average fair market value of options granted in 2004 was US$0.3832 (2003 - US$0.3914).

For the six months ended June 30, 2005 and the six months ended June 30, 2004 the full impact of the expense relating to all stock options granted (both to employees and non-employees) has been included in the unaudited consolidated statements of operations and deficit.

(All tabular amounts stated in thousands of United States dollars unless otherwise indicated and except per share amounts)

The cumulative stock-based compensation expense is as follows:

Stock options	*Six months ended June 30, 2005* (Unaudited)	*Year ended December 31, 2004*
Balance, beginning of period	847	185
Stock-based compensation expense	396	662
Balance, end of period	1,243	847

Six months ended June 30, 2005 compared to the six months ended June 30, 2004

There were no revenues in either period as the Company did not have any operations in production.

A period-end review of the carrying values of the Company's exploration and development property assets led to a write-down of US$0.035 million in 2005 compared to US$0.407 million in 2004. The write-down of exploration and development costs reflects the Company's policy of continually assessing the economic viability of its projects and where necessary writing them down to their net realizable value.

Administration costs in 2005 were US$0.695 million compared to US$0.478 million in 2004. The increased administration costs are the result of the Company's expansion to support its increased level of exploration and development activities.

The stock-based compensation expense in 2005 was US$0.396 million compared to US$0.335 million in 2004.

The net loss for the six months ended June 30, 2005 was US$1.159 million as compared to US$1.472 million in 2004.

Liquidity and Capital Resources

On June 22, 2005 an exploitation permit over the Bouroum Permit gold reserves in Burkina Faso was issued by the government and in accordance with the terms of the sale and purchase agreement the proceeds from the sale, being US$3.300 million (US$2.685 million net of reimbursable costs), will be paid to the Company on or before September 20, 2005. As at the date of this report the proceeds have not been received and accordingly the sale of the Bouroum Permit reserves has not been recognised in the unaudited consolidated financial statements of the Company for the six months ended June 30, 2005.

As at June 30, 2005 the Company had cash resources of US$2.747 million compared to the December 31, 2004 balance of US$2.280 million. During the six months ended June 30, 2005 the Company closed a brokered private placement of 13,383,467 Units, at a price of Cdn$0.60 per Unit, for total proceeds of Cdn$8,030,080 (US$6.238 million net of cost of share offerings). Each Unit consists of one common share plus one-half of one common share purchase warrant. Each whole common share purchase warrant entitles the holder to purchase one additional common share of AXMIN at a price of Cdn$0.75 expiring on September 5, 2006. As part of their compensation the agent to the brokered private placement was issued a total of 328,206 compensation options. Each compensation option entitles the holder to purchase one common share of the Company at a price of Cdn$0.60 expiring on September 5, 2006. The Company's cash resources were utilized mainly on capitalized exploration and development costs, and administration costs.

As at June 30, 2005 the Company had a surplus of working capital (defined as the difference between current assets and current liabilities) which amounted to US$1.754 million compared to the December 31, 2004 surplus of US$1.461 million.

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Hedging and Derivative Instruments

Since at this stage the Company has no economically recoverable reserves in production the decision has been made that it is inappropriate for the Company to have any hedging or derivative activities.

Related Parties

The Company's unaudited balances with related parties as at the balance sheet dates are summarized below:

Balances	Footnote	*June 30, 2005*	*December 31, 2004*
Due from Mali: Kofi Project Area joint venture	(c)	116	67
Due from related parties		116	67
Due to SAMAX Services Limited	(a)	-	11
Due to related parties		-	11

The Company's unaudited transactions with related parties included in the determination of results of operations for the period are summarized below:

Transactions	Footnote	*Six months ended June 30, 2005*	*Six months ended June 30, 2004*
Administration (management fees)	(a)	61	67
Administration and capitalized exploration and development costs (recharges)	(a)	3	46
Write-back of provision of amount due from related parties	(a)	(15)	-
Administration (recharges)	(b)	-	(16)
Other income (management fees)	(c)	50	40
Administration and capitalized exploration and development costs (recharges)	(c)	(132)	(112)
Administration (legal fees)	(d)	6	2
Other income (fees)	(e)	8	-

(a) Balances with SAMAX Services Limited ("SSL"), a company of which Michael Martineau and Jonathan Forster, both directors and officers of the Company, were shareholders until August 31, 2001, represent amounts advanced by the Company to fund its activities managed by, recharges of expenses owing to and services provided by SSL. Administration services provided by SSL comprise exploration, administrative and financial services. As at December 31, 2002 the balance due to the Company prior to making a provision was US$136,450. This balance may be irrecoverable in full or in part and accordingly a full provision against this balance was included in the consolidated statement of operations and deficit for the year ended December 31, 2002. As at December 31, 2004, net of the 2002 provision, the balance due to SSL was US$11,111. During the six months ended June 30, 2005 the contract with SSL for the provision of administration services was terminated by payment of a final management fee of US$60,000 and the residual balance of US$14,852 due to SSL, net of the 2002 provision, was credited to the unaudited consolidated statement of operations and deficit.

(b) Balances with Carpathian Gold Limited ("CGL") represent recharges of expenses owing to and services provided by the Company including the provision of the services of Jonathan Forster, a director and officer of the Company, and Craig Banfield, an officer of the Company, in accordance with their employment contracts. Jonathan Forster is a shareholder and a former director (retired

June 8, 2005) of Carpathian Gold Inc. ("CGI"), the parent company of CGL. Craig Banfield is a shareholder of CGI and until August 31, 2004 was an officer of CGI. In addition Michael Ebsary, a director of the Company, is a director of CGI and Michael Martineau, a director and officer of the Company, is a shareholder of CGI. CGI's major shareholder is Mavinaur LLP, a limited liability partnership of which Peter Lehner (a former director of the Company, retired November 29, 2002) is the principal partner. Mr. Lehner is the chairman and a director of CGI. Addax Mining Holdings BV, the Company's major shareholder, is a shareholder of CGI.

(c) Balances with the Mali: Kofi Project Area joint venture represent recharges of expenses owing to and services provided by the Company. The Company renders charges to the Mali: Kofi Project Area joint venture as a percentage of expenditures under management. The Mali: Kofi Project Area joint venture is being funded by a subsidiary of Newmont Mining Corporation.

(d) Legal services provided by Fasken Martineau DuMoulin LLP, a law firm to which Robert Shirriff, a director of the Company, is counsel. In addition to the value of transactions included in the determination of results of operations for the period Fasken Martineau DuMoulin LLP provided legal services in connection with share offerings made by the Company at a cost of US$46,442 (2004 - US$Nil). Fees relating to such transactions have been charged against the gross proceeds of the related share offerings.

(e) Fees rendered in connection with investor and public relations services provided by the Company to Guinor Gold Corporation, a company of which Edward Reeve, a director of the Company, is a director.

Risks and Uncertainties

Due to the nature of the Company's business and present stage of exploration and development of its mineral properties, the Company is subject to various financial, operational and political risks.

Mining industry

The exploration for and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of a mineral deposit may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration programs planned by the Company or its joint venture partners will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices, which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot accurately be predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

No production revenues; history of losses

To date, the Company has not recorded any revenues from its mining operations nor has the Company commenced commercial production on any of its properties. There can be no assurance that significant additional losses will not occur in the near future or that the Company will be profitable in the future. The Company's operating expenses and capital expenditures may increase in subsequent years as consultants, personnel and equipment associated with advancing exploration, development and commercial production of its properties are added. The amounts and timing of expenditures will depend on the progress of ongoing exploration and development, the results of consultants' analysis and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners, the Company's acquisition of additional properties and other factors, many of which are beyond the Company's control.

The Company does not expect to receive revenues from operations in the foreseeable future, if at all. The Company expects to continue to incur losses unless and until such time as its properties enter into commercial production and generate sufficient revenues to fund its continuing operations. The development of the Company's properties will require the commitment of substantial resources to conduct the time-consuming exploration and development of properties. There can be no assurance that the Company will generate any revenues or achieve profitability.

There can be no assurance that the Company's exploration programs will result in locating commercially exploitable mineral ores or that the Company's properties will be successfully developed. Further, there can be no assurance that the underlying assumed levels of expenses will prove to be accurate.

Nature of mineral exploration

Most of the properties in which AXMIN has an interest are in the exploration stage only and apart from the Bouroum-Taparko feasibility study none of these properties contain a known body of commercial ore. AXMIN currently operates at a loss. The exploration and development of mineral deposits involve significant financial risks over a significant period of time which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties which are explored are ultimately developed into producing mines. Major expenditures may be required to establish reserves by drilling and to construct mining and processing facilities at a site. It is impossible to ensure that the proposed exploration programs on the properties in which AXMIN has an interest will result in a profitable commercial mining operation.

AXMIN's exploration and, if such exploration is successful, development of its properties will be subject to all of the hazards and risks normally incident to gold exploration and development, any of which could result in damage to life or property, environmental damage and possible legal liability for any or all damage. AXMIN's activities may be subject to prolonged disruptions due to weather conditions, depending on the location of operations in which AXMIN has interests. Hazards, such as unusual or unexpected formations, rock bursts pressures, cave-ins, flooding or other conditions may be encountered in the drilling and removal of material. The nature of these risks are such that liabilities could exceed any insurance policy limits or could be excluded from any insurance coverage. There are also risks against which AXMIN could not insure or against which it may elect not to insure. The potential costs which could be associated with any liabilities not covered by insurance or in excess of insurance coverage or in compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays.

Whether a gold deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as its size and grade, proximity to infrastructure, financing costs and governmental regulations, including regulations relating to prices, taxes, royalties, infrastructure, land use, importing and exporting of gold and environmental protection. The effect of these factors cannot be accurately predicted, but the combination of these factors may result in AXMIN not receiving an adequate return on investment capital.

Additional funding requirements

If AXMIN's exploration programs are successful, additional funds over and above those currently held by the Company will be required for further exploration to prove economic ore bodies and to bring such ore bodies to production. The further exploration and development of AXMIN's properties will depend upon AXMIN's ability to obtain financing through the joint venturing of projects, equity financing, debt financing or other means. There is no assurance that AXMIN will be successful in obtaining the required financing. The location of AXMIN's properties in developing countries may make it more difficult for AXMIN to obtain debt financing from senior lenders. Failure to obtain additional financing on a timely basis could cause AXMIN to forfeit all or parts of its interest in some or all of its properties or joint ventures and reduce or terminate its operations.

Political risk

AXMIN currently conducts its exploration activities in the African countries of the Central African Republic ("CAR"), Mali, Burkina Faso, Senegal, Sierra Leone and Ghana. There is no assurance that future political and economic conditions in these countries will not result in their governments adopting different policies respecting foreign development and ownership of mineral resources. Any such changes in policy may result in changes in laws affecting ownership of assets, mining policies, monetary policies, taxation, rates of exchange, environmental protection, labour relations, repatriation of income and return of capital, which may affect both AXMIN's ability to undertake exploration and development activities in respect of present and future properties in the manner currently contemplated, as well as its ability to continue to explore, develop and operate those properties in respect of which it has obtained exploration rights to date. The possibility that future governments of these and other African countries may adopt substantially different policies, which might extend to expropriation of assets, cannot be ruled out.

Contractual arrangements

AXMIN has entered into, or AXMIN may enter into, contractual arrangements to acquire interests in mineral resource properties with governments or governmental agencies which contain time-sensitive performance requirements. The foundation of certain of these agreements may be based on recent political conditions and legislation and not supported by precedent or custom. As such, the contractual arrangements may be subject to cancellation or unilateral modification. Furthermore AXMIN will be dependent on the receipt of government approvals or permits to explore and develop its properties. Any change in government or legislation may affect the status of AXMIN's contractual arrangements or its ability to meet its contractual obligations and may result in the loss of its interests in mineral properties. In some cases, infrastructure has been put in place by AXMIN on the basis of verbal or preliminary governmental approval, which may or may not be confirmed by government order.

Gold prices

The price of gold has fluctuated widely. The future direction of the price of gold will depend on numerous factors beyond AXMIN's control including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and increased production due to new extraction developments and improved extraction and production methods. The effect of these factors on the price of gold, and therefore on the economic viability of AXMIN's properties, cannot accurately be predicted. As AXMIN is only at the exploration stage, it is not yet possible for AXMIN to adopt specific strategies for controlling the impact of fluctuations in the price of gold.

Competition

The mineral exploration business is competitive in all of its phases. AXMIN competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources than AXMIN, in the search for and the acquisition of attractive mineral properties. AXMIN's ability to acquire properties in the future will depend not only on its ability to develop its present properties, but also in its ability to select and acquire suitable producing properties or prospects for mineral exploration or development.

There is no assurance that AXMIN will be able to compete successfully with others in acquiring such properties or prospects.

Currency risk

AXMIN's costs are incurred in Canadian dollars, United States dollars, British pounds sterling and also in the currencies of the CAR, Mali, Burkina Faso, Senegal, Sierra Leone and Ghana. There is no guarantee that these other currencies will be convertible into Canadian and United States dollars in the future. AXMIN currently does not undertake hedging activities.

Title matters

No assurances can be given that applicable governments will not revoke or significantly alter the conditions of the applicable exploration authorizations of AXMIN and that such exploration authorizations will not be challenged or impugned by third parties. AXMIN has also applied for rights to explore various properties, but there is no certainty that such rights will be granted or granted on terms satisfactory to AXMIN. Local mining legislation of certain countries in which AXMIN operates requires AXMIN to grant to the government an interest in AXMIN's property rights. In addition, the properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects.

Conflict of interest

Certain of AXMIN's directors are directors or officers of, or have significant shareholdings in, other mineral resource companies and, to the extent that such other companies may have participated in ventures in which AXMIN may participate, the directors of AXMIN may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. Such other companies may also compete with AXMIN for the acquisition of mineral property rights. In the event that any such conflict of interest arises, a director who has such a conflict will disclose the conflict to a meeting of the directors of AXMIN and will abstain from voting for or against the approval of such a participation or such terms. In appropriate cases AXMIN will establish a special committee of independent directors to review a matter in which several directors or management may have a conflict. From time to time several companies may participate in the acquisition, exploration and development of natural resource properties allowing their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the arrangement. In accordance with the laws of Canada, the directors of AXMIN are required to act honestly, in good faith and in the best interest of AXMIN. No conflict of interest currently exists with any of AXMIN's directors.

Repatriation of earnings

Currently, there are no significant legal restrictions on the repatriation from the CAR, Mali, Burkina Faso, Senegal, Sierra Leone or Ghana of earnings to foreign entities with the exception of restrictions of legal capital (equity) until after dissolution. However, there can be no assurance that restrictions on repatriation of earnings from such countries will not be imposed in the future.

Management; dependence on key personnel

Investors will be relying on the good faith, experience and judgement of AXMIN's management and advisors in supervising and providing for the effective management of the business and the operations of AXMIN and in selecting and developing new investment and expansion opportunities. AXMIN may need to recruit additional qualified personnel to supplement existing management. AXMIN is currently dependent on a relatively small number of key personnel, the loss of any one of whom could have an adverse effect on the Company.

Environmental risk

Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that future changes to environmental regulation, if any, will not adversely affect AXMIN's operations. Environmental hazards may exist on the properties in which AXMIN holds interests that have been caused by previous or existing owners or operators.

Enforceability of civil liabilities

Certain of AXMIN's directors and officers reside outside of Canada. All of the assets of such persons are, and substantially all of the properties of AXMIN are, located outside of Canada. It may not be possible for investors to effect service of process within Canada upon such persons and it may also not be possible to enforce against AXMIN and / or such persons judgements obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada.

Concentration of share ownership

As at the date of this report, Addax Mining Holdings BV, a wholly owned subsidiary of The Addax & Oryx Group Limited, holds 45.2% of the common shares issued by the Company. Addax Mining Holdings BV is therefore able to exercise significant influence over all matters requiring shareholder approval, including the election of directors and approval of significant corporate transactions.

Liquidity; dilution

The public trading market for the Company's common shares (which are listed on the TSX Venture Exchange) is not an active one. There can be no assurance that an active public trading market will develop in the future. Various factors including AXMIN's and its competitors exploration results and general economic conditions could cause significant fluctuations in the price and volume of trading of the Company's common shares. Holders of AXMIN shares may suffer dilution by future share offerings.

Share Capital

As at the date of this report the Company's issued share capital comprises 121,399,746 common shares.

As at the date of this report the Company has on issue and outstanding stock options for:
(a) 3,075,000 common shares of the Company exercisable at Cdn$0.32 each expiring on January 17, 2007;
(b) 625,000 common shares of the Company exercisable at Cdn$0.34 each expiring on January 17, 2007;
(c) 1,550,000 common shares of the Company exercisable at Cdn$1.00 each expiring on December 18, 2008;
(d) 150,000 common shares of the Company exercisable at Cdn$0.70 each expiring on October 4, 2009; and
(e) 950,000 common shares of the Company exercisable at Cdn$0.67 each expiring on December 13, 2009.

As at the date of this report the Company has on issue and outstanding common share purchase warrants for 6,691,733 common shares of the Company exercisable at Cdn$0.75 each expiring on September 5, 2006.

As at the date of this report the Company has on issue and outstanding compensation options for 328,206 common shares of the Company exercisable at Cdn$0.60 each expiring on September 5, 2006.

Therefore, as at the date of this report on a fully diluted basis the common shares of the Company would be 134,769,685.

Outlook

The Company's priorities remain broadly consistent with those of the current and preceding year. At the project level, continuation of the planned work programs on the Company's projects. At the corporate level, raising the profile of the Company and continuing to assess market opportunities to raise additional funds.

Forward-Looking Statements

Some of the statements included in this report are "forward-looking" statements. They include statements about the Company's expectations, beliefs, plans, objectives and assumptions about future events or performance. These statements are often, but not always, made through the use of words or phrases such as "will likely result", "are expected to", "will continue", "anticipate", "believes", "estimate", "intend", "plan", "would" and "outlook" or statements to the effect that actions, events or results, "will", "may", "should" or "would" be taken, occur or be achieved. Statements and estimates concerning mineral resources may also be deemed to be forward-looking statements in that they involve estimates, based on certain assumptions, regarding the mineralisation that would be encountered if and when a mineral deposit were to be developed and mined. Forward-looking statements are not historical facts and are subject to a number of risks and uncertainties beyond the Company's control. Accordingly, the Company's actual results could differ materially from those suggested by these forward-looking statements for various reasons discussed throughout this report and particularly in the section entitled "Risks and Uncertainties". Forward-looking statements are made on the basis of the beliefs, opinions and estimates of the Company's management on the date the statements are made, and the Company does not undertake any obligation to update forward-looking statements if circumstances or management's beliefs, opinions or estimates should change. Readers should not place undue reliance on forward-looking statements.

Additional Information

Additional information relating to the Company may be obtained from the SEDAR website www.sedar.com.

On behalf of the Board of Directors

Dr. Jonathan Forster
Chief Executive Officer & Director

August 26, 2005

Notice to the Reader

In accordance with National Instrument 51-102, Part 4, sub-section 4.3(3)(a), notice is hereby given that the accompanying interim consolidated financial statements of AXMIN Inc. (the "Company") for the six months ended June 30, 2005 have not been reviewed by the Company's auditors.

The accompanying interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management. These interim consolidated financial statements are unaudited and include all adjustments, consisting of normal and recurring items, that management considers necessary for a fair presentation of the consolidated financial position, results of operations and cash flows.

AXMIN Inc.

Unaudited Consolidated Balance Sheets

(All tabular amounts stated in thousands of United States dollars)

As at June 30, 2005 and December 31, 2004	*June 30, 2005*	*December 31, 2004*
Assets		
Current assets		
Cash and cash equivalents	2,747	2,280
Prepaid expenses and sundry debtors	102	155
Due from related parties *(Note 5)*	116	67
	2,965	2,502
Exploration and development costs *(Note 3)*	24,252	19,206
Other assets	186	24
	27,403	21,732
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable	483	328
Accrued liabilities and sundry creditors	728	702
Due to related parties *(Note 5)*	-	11
	1,211	1,041
Shareholders' equity		
Share capital *(Note 4)*	32,413	26,149
Stock options *(Note 4(c))*	1,243	847
Deficit	(7,464)	(6,305)
	26,192	20,691
	27,403	21,732

See accompanying notes to the unaudited consolidated financial statements.

AXMIN Inc.

Unaudited Consolidated Statements of Operations and Deficit

(All tabular amounts stated in thousands of United States dollars except per share amounts)

	Three months ended June 30, 2005	Three months ended June 30, 2004	Six months ended June 30, 2005	Six months ended June 30, 2004
Revenue	-	-	-	-
Expenses				
Administration *(Note 5)*	294	275	695	478
Write-down of exploration and development costs *(Note 3)*	17	407	35	407
Stock-based compensation expense *(Note 4(c))*	189	260	396	335
Loss on foreign exchange	121	215	138	353
Write-back of provision of amount due from related parties *(Note 5(c))*	(15)	-	(15)	-
Taxation	-	21	-	21
	606	1,178	1,249	1,594
Other income				
Interest income	26	32	32	82
Other *(Note 5(c))*	31	20	58	40
	57	52	90	122
Net loss for the period	549	1,126	1,159	1,472
Deficit, beginning of period	6,915	4,682	6,305	4,336
Deficit, end of period	7,464	5,808	7,464	5,808
Net loss per share (basic and diluted)	0.0045	0.0107	0.0099	0.0140
Weighted average number of common shares outstanding	121,368,977	105,637,908	116,824,102	105,326,843

See accompanying notes to the unaudited consolidated financial statements.

AXMIN Inc.

Unaudited Consolidated Statements of Cash Flows

(All tabular amounts stated in thousands of United States dollars)

	Three months ended June 30, 2005	2004	*Six months ended June 30,* 2005	2004
Operating activities				
Net loss for the period	(549)	(1,126)	(1,159)	(1,472)
Write-down of exploration and development costs	17	407	35	407
Stock-based compensation expense	189	260	396	335
Write-back of provision of amount due from related parties	(15)	-	(15)	-
Change in working capital	143	(509)	189	(636)
Net cash outflow from operating activities	(215)	(968)	(554)	(1,366)
Investing activities				
Exploration and development costs	(2,754)	(1,493)	(5,081)	(2,827)
Other assets	(158)	(2)	(162)	(2)
Net cash outflow from investing activities	(2,912)	(1,495)	(5,243)	(2,829)
Financing activities				
Issuance of common shares, net of costs	(1)	560	6,264	1,829
Net cash outflow (inflow) from financing activities	(1)	560	6,264	1,829
Net cash inflow (outflow)	(3,128)	(1,903)	467	(2,366)
Cash and cash equivalents, beginning of period	5,875	8,224	2,280	8,687
Cash and cash equivalents, end of period	2,747	6,321	2,747	6,321

See accompanying notes to the unaudited consolidated financial statements.

1. Nature of Operations and Basis of Presentation

AXMIN Inc. (the "Company") is an international mineral exploration company with a substantial exploration portfolio in the mineral belts of central and west Africa. The Company is in its development stage and it is in the process of exploring its mineral properties and has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of the amounts shown for exploration and development costs is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development, and future profitable production or proceeds from the disposition of such properties. In addition the success of the Company will be influenced by a number of factors including environmental risks, and legal and political risks.

The unaudited consolidated financial statements have been prepared on the basis that the Company is a going concern, which contemplates the realization of its assets and the settlement of its liabilities in the normal course of operations. These unaudited consolidated financial statements do not include any adjustments related to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

A significant portion of the Company's exploration and development costs relate to its Bambari property in the Central African Republic ("CAR"). The Company holds its interest in this property through a CAR registered company, Aurafrique S.A.R.L., which holds prospecting and exploration permits for the property.

2. Significant Accounting Policies

Principles of consolidation

These unaudited interim consolidated financial statements have been prepared following the same accounting principles and methods of application as disclosed in note 2 of the Company's audited consolidated financial statements for the year ended December 31, 2004. The unaudited interim consolidated financial statements do not conform in all respects to Canadian generally accepted accounting principles for annual financial statements. Accordingly these unaudited interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and the accompanying notes included in the Annual Report 2004. The consolidated financial statements include the accounts of the Company and all of the AXMIN Inc. group's wholly owned subsidiaries (the "Company") which are listed below:

- AXMIN Limited ("AXMIN", incorporated in the British Virgin Islands)
- Golden Eagle Mining Limited (incorporated in the Isle of Man)
- Aurafrique S.A.R.L. ("Aurafrique", incorporated in the CAR)
- AXMIN (RCA) S.A.R.L. (incorporated in the CAR)
- AXMIN (SL) Limited (incorporated in Sierra Leone)

Effective January 1, 2005, the Company adopted the recommendations (AcG-15) issued by The Canadian Institute of Chartered Accountants dealing with Variable Interest Entities ("VIE"). AcG-15 details the requirements on the consolidation of VIEs. VIEs include entities where the equity invested is considered insufficient to finance the entity's activities without additional subordinated financial support from other parties. AcG-15 requires the Company to consolidate VIEs if the investment it holds in those entities and / or the relationship it has with them result in it being exposed to a majority of their expected losses, being able to benefit from a majority of their expected residual returns, or both.

As a result of adopting AcG-15 there was no impact on the unaudited consolidated balance sheet as at June 30, 2005 and the unaudited consolidated statement of operations and deficit for the six months ended June 30, 2005, and no new significant VIEs were identified during the period.

Comparative figures

Certain comparative figures have been reclassified to conform to the presentation adopted in the current period.

(All tabular amounts stated in thousands of United States dollars unless otherwise indicated and except per share amounts)

3. Exploration and Development Costs

	Six months ended June 30, 2005	*Year ended December 31, 2004*
Balance, beginning of period	19,206	12,265
Additions	5,081	7,360
Write-downs	(35)	(419)
Balance, end of period	24,252	19,206

Included in exploration and development costs are expenditures made by the Company on exploration properties which have been capitalized as follows:

	June 30, 2005	*December 31, 2004*
Central African Republic		
Bambari	14,964	11,369
Pouloubou	173	45
Mali		
Kofi Project Area	2,990	2,871
Burkina Faso		
Bouroum	2,015	2,010
Senegal		
Sonkounkou	1,957	1,534
Sabodala NW	133	109
Sierra Leone		
Nimini Hills	452	226
Matotaka	49	25
Gori Hills	107	70
Sokoya	39	30
Makong	277	106
Ghana		
Cape Three Points	957	672
Canada		
B-B Lake	139	139
	24,252	19,206

On June 14, 2004 the Company sold its 100% interest in the 109,896 ounce Bouroum Permit reserves to a subsidiary of High River Gold for a total consideration of US$3.300 million. The net proceeds due to the Company after the deduction of reimbursable expenses is US$2.685 million. In addition the Company and High River Gold have established a joint venture that will ensure the continued exploration of the Company's permits in Burkina Faso. The sale agreement with High River Gold covers an area of 11 sq km within the Bouroum Permit. On June 22, 2005 an exploitation permit over the Bouroum Permit reserves was issued by the government and in accordance with the terms of the sale and purchase agreement the proceeds from the sale will be paid to the Company on or before September 20, 2005. As at the date of this report these proceeds have not been received and accordingly the sale of the Bouroum Permit reserves has not been recognised in the unaudited consolidated financial statements of the Company for the six months ended June 30, 2005.

The remainder of the Bouroum Permit and the two adjacent permits, Yeou and Ankouma, are subject to an exploration joint venture between the Company and High River Gold whereby High River Gold may earn 100% interest in the three permits by spending US$1.500 million on exploration over three years, with a minimum of US$381,000 in the first year. The Company retains a back-in right up to the time of completion of a feasibility study for a 50% interest in one or all of the permits by paying High River Gold a multiple of 1.5 times its expenditure on the relevant permit(s).

(All tabular amounts stated in thousands of United States dollars unless otherwise indicated and except per share amounts)

4. Share Capital

(a) Authorized share capital

Unlimited number of common shares and class 'A' shares.

(b) Issued share capital

Common shares	*Number of common shares*	*Amount*
Balance as at January 1, 2005	107,916,279	26,149
Issue for cash, brokered private placement	13,383,467	6,552
Exercise of stock options	100,000	26
Cost of share offerings	-	(314)
Balance as at June 30, 2005	121,399,746	32,413

On March 3, 2005 the Company closed a brokered private placement of 13,383,467 Units, at a price of Cdn$0.60 per Unit, for total proceeds of Cdn$8,030,080. Each Unit consists of one common share plus one-half of one common share purchase warrant. Each whole common share purchase warrant entitles the holder to purchase one additional common share of AXMIN at a price of Cdn$0.75 expiring on September 5, 2006. Common shares acquired under this brokered private placement are subject to applicable hold periods which expire on July 4, 2005.

As part of their compensation the agent to the brokered private placement was issued a total of 328,206 compensation options. Each compensation option entitles the holder to purchase one common share of the Company at a price of Cdn$0.60 expiring on September 5, 2006.

During the six months ended June 30, 2005 100,000 stock options were exercised at Cdn$0.32 each, for total proceeds of Cdn$32,000, and as a result the Company issued 100,000 common shares of the Company to the stock option holder.

(c) Stock options

The Company has an incentive stock option plan which governs the granting and exercise of stock options issued to directors, officers and employees of the Company, and consultants to the Company. During the period, the following transactions took place:

Number of stock options	*Six months ended June 30, 2005*	*Year ended December 31, 2004*
Outstanding, beginning of period	6,420,000	5,690,000
Granted	50,000	1,050,000
Exercised	(100,000)	(250,000)
Expired or not vested	(20,000)	(70,000)
Outstanding, end of period	6,350,000	6,420,000
Exercisable, end of period	5,578,166	4,757,332

As at June 30, 2005 the Company had on issue and outstanding stock options for:

(i) 3,075,000 common shares of the Company exercisable at Cdn$0.32 each expiring on January 17, 2007;

(ii) 625,000 common shares of the Company exercisable at Cdn$0.34 each expiring on January 17, 2007;

(iii) 1,550,000 common shares of the Company exercisable at Cdn$1.00 each expiring on December 18, 2008;

(iv) 150,000 common shares of the Company exercisable at Cdn$0.70 each expiring on October 4, 2009; and

(v) 950,000 common shares of the Company exercisable at Cdn$0.67 each expiring on December 13, 2009.

The fair value of options granted has been estimated at the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions: risk free interest rate of 3.96% (2003 -

(All tabular amounts stated in thousands of United States dollars unless otherwise indicated and except per share amounts)

3.96%), expected dividend yield of nil, expected volatility of 116.5% (2003 - 133.6%), and expected option life of 3 years. For purposes of the pro forma disclosure, the estimated fair value of the options is expensed over the options' vesting periods. The weighted average fair market value of options granted in 2004 was US$0.3832 (2003 - US$0.3914).

For the six months ended June 30, 2005 and the six months ended June 30, 2004 the full impact of the expense relating to all stock options granted (both to employees and non-employees) has been included in the unaudited consolidated statements of operations and deficit.

The cumulative stock-based compensation expense is as follows:

Stock options	*Six months ended June 30, 2005*	*Year ended December 31, 2004*
Balance, beginning of period	847	185
Stock-based compensation expense	396	662
Balance, end of period	1,243	847

(d) Common share purchase warrants

Number of common share purchase warrants	*Six months ended June 30, 2005*	*Year ended December 31, 2004*
Outstanding, beginning of period	-	12,442,498
Issued	6,691,733	-
Exercised	-	(4,942,499)
Expired	-	(7,499,999)
Outstanding, end of period	6,691,733	-

As at June 30, 2005 the Company had on issue and outstanding common share purchase warrants for 6,691,733 common shares of the Company exercisable at Cdn$0.75 each expiring on September 5, 2006.

(e) Compensation options

Number of compensation options including attached common share purchase warrants	*Six months ended June 30, 2005*	*Year ended December 31, 2004*
Outstanding, beginning of period	-	912,971
Issued, exercisable at Cdn$0.60 each	328,206	-
Exercised at Cdn$0.35 each	-	(62,113)
Exercised at Cdn$0.70 each	-	(71,875)
Exercised, attached common share purchase warrants, at Cdn$0.45 each	-	(350,858)
Exercised, attached common share purchase warrants, at Cdn$0.70 each	-	(428,125)
Outstanding, end of period	328,206	-

As at June 30, 2005 the Company had on issue and outstanding 328,206 compensation options. Each compensation option entitles the holder to purchase one common share of the Company at a price of Cdn$0.60 expiring on September 5, 2006.

(All tabular amounts stated in thousands of United States dollars unless otherwise indicated and except per share amounts)

5. Related Parties

The Company's balances with related parties as at the balance sheet dates are summarized below:

Balances	Footnote	*June 30, 2005*	*December 31, 2004*
Due from Mali: Kofi Project Area joint venture	(c)	116	67
Due from related parties		116	67
Due to SAMAX Services Limited	(a)	-	11
Due to related parties		-	11

The Company's transactions with related parties included in the determination of results of operations for the period are summarized below:

Transactions	Footnote	*Six months ended June 30, 2005*	*Six months ended June 30, 2004*
Administration (management fees)	(a)	61	67
Administration and capitalized exploration and development costs (recharges)	(a)	3	46
Write-back of provision of amount due from related parties	(a)	(15)	-
Administration (recharges)	(b)	-	(16)
Other income (management fees)	(c)	50	40
Administration and capitalized exploration and development costs (recharges)	(c)	(132)	(112)
Administration (legal fees)	(d)	6	2
Other income (fees)	(e)	8	-

(a) Balances with SAMAX Services Limited ("SSL"), a company of which Michael Martineau and Jonathan Forster, both directors and officers of the Company, were shareholders until August 31, 2001, represent amounts advanced by the Company to fund its activities managed by, recharges of expenses owing to and services provided by SSL. Administration services provided by SSL comprise exploration, administrative and financial services. As at December 31, 2002 the balance due to the Company prior to making a provision was US$136,450. This balance may be irrecoverable in full or in part and accordingly a full provision against this balance was included in the consolidated statement of operations and deficit for the year ended December 31, 2002. As at December 31, 2004, net of the 2002 provision, the balance due to SSL was US$11,111. During the six months ended June 30, 2005 the contract with SSL for the provision of administration services was terminated by payment of a final management fee of US$60,000 and the residual balance of US$14,852 due to SSL, net of the 2002 provision, was credited to the consolidated statement of operations and deficit.

(b) Balances with Carpathian Gold Limited ("CGL") represent recharges of expenses owing to and services provided by the Company including the provision of the services of Jonathan Forster, a director and officer of the Company, and Craig Banfield, an officer of the Company, in accordance with their employment contracts. Jonathan Forster is a shareholder and a former director (retired June 8, 2005) of Carpathian Gold Inc. ("CGI"), the parent company of CGL. Craig Banfield is a shareholder of CGI and until August 31, 2004 was an officer of CGI. In addition Michael Ebsary, a director of the Company, is a director of CGI and Michael Martineau, a director and officer of the Company, is a shareholder of CGI. CGI's major shareholder is Mavinaur LLP, a limited liability partnership of which Peter Lehner (a former director of the Company, retired November 29, 2002) is the principal partner. Mr. Lehner is the chairman and a director of CGI. Addax Mining Holdings BV, the Company's major shareholder, is a shareholder of CGI.

(c) Balances with the Mali: Kofi Project Area joint venture represent recharges of expenses owing to and services provided by the Company. The Company renders charges to the Mali: Kofi Project Area joint venture as a percentage of expenditures under management. The Mali: Kofi Project Area joint venture is being funded by a subsidiary of Newmont Mining Corporation.

(d) Legal services provided by Fasken Martineau DuMoulin LLP, a law firm to which Robert Shirriff, a director of the Company, is counsel. In addition to the value of transactions included in the determination of results of operations for the period Fasken Martineau DuMoulin LLP provided legal services in connection with share offerings made by the Company at a cost of US$46,442 (2004 - US$Nil). Fees relating to such transactions have been charged against the gross proceeds of the related share offerings.

(e) Fees rendered in connection with investor and public relations services provided by the Company to Guinor Gold Corporation, a company of which Edward Reeve, a director of the Company, is a director.

Corporate Information

Officers

Jean Claude Gandur [4]
Chairman

Michael Martineau [4,5]
Deputy Chairman & President

Jonathan Forster [4]
Chief Executive Officer

Craig Banfield [4]
Chief Financial Officer & Secretary

Directors

Michael Ebsary [3]

Jonathan Forster [4]

Jean Claude Gandur [4]

Robert Jackson [1,2,3,5]

Michael Martineau [4,5]

Edward Reeve [1,2,5]

Robert Shirriff [2]

Anthony Walsh [1,3]

Senior Management

J Howard Bills
Exploration Manager

Judith Webster [4]
Manager - Investor Relations

1 Audit Committee
2 Compensation Committee
3 Corporate Governance Committee
4 Disclosure Committee
5 Technical Committee

Registered Office

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Ernst & Young LLP
Toronto, Ontario, Canada

Legal Counsel

Fasken Martineau DuMoulin LLP
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Stock Listing

TSX Venture Exchange (TSX Venture)
Tier 2
Symbol: AXM

Common Shares Outstanding

(As at June 30, 2005)
121.4 million

Principal Bankers

Canadian Imperial Bank of Commerce
Toronto, Ontario, Canada

Barclays Bank PLC
St Helier, Jersey, Channel Islands

For further information regarding AXMIN visit our website at *www.axmininc.com*