AXMIN

Third Quarter Report

Nine Months Ended September 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.

Third Quarter 2005 Highlights

Central African Republic (Passendro Gold Project, Bambari Permits)

Updated mineral resource estimate at the Passendro Gold Project:
- o indicated gold resources **1.072 million ounces (13.2 Mt grading 2.5 g/t Au)**; and
- o inferred gold resources **1.109 million ounces (19.3 Mt grading 1.8 g/t Au)**.

Mali (Kofi Project Area)

Regained control of four exploration permits, comprising the Kofi Project Area.

Updated mineral resource estimate at Kofi Project Area:
- o indicated gold resources **45,000 ounces (415Kt grading 3.2 g/t Au)**; and
- o inferred gold resources **245,000 ounces (2.03 Mt grading 3.8 g/t Au)**.

Burkina Faso (Bouroum Permit)

Completion of the sale of the 109,896 ounce Bouroum Permit gold reserves in Burkina Faso to a subsidiary of High River Gold Mines Ltd. ("High River") for a total consideration of US$3.300 million.

During the third quarter 2005 exploration and development expenditure was US$2.693 million, contributing to a total of US$7.774 million for the nine months ended September 30, 2005. As at September 30, 2005 the Company's cumulative capitalized carrying value of exploration and development expenditures was US$24.925 million. Of the exploration expenditure incurred during the nine months ended September 30, 2005 US$5.408 million related to the Company's Bambari Permits in the Central African Republic.

As at September 30, 2005 the Company had cash resources of US$2.603 million and a surplus of working capital which amounted to US$1.960 million.

Central African Republic

During the third quarter 2005 AXMIN announced the results of an updated mineral resource estimate at the Passendro Gold Project, located within the 100% owned *Bambari Permits*, wherein the Company more than doubled its indicated gold resources to **1.072 million ounces (13.2 Mt grading 2.5 g/t Au)**. In addition, inferred gold resources were increased to **1.109 million ounces (19.3 Mt grading 1.8 g/t Au)**.

The updated mineral resource estimates for the Passendro Gold Project 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 mineral resource estimate was prepared by independent consultants SRK Consulting ("SRK") of the United Kingdom. SRK's report is available on the SEDAR website (*www.sedar.com*).

The four sites of mineral resources are all located within a 3 km radius. The indicated resource at Main Zone is estimated to depths of typically between 40 to 70 metres and the deposit remains open down dip. 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 in west Africa.

During the third quarter 2005 AXMIN announced the commencement of a pre-feasibility study on the Passendro Gold Project. Independent engineering group GBM Ltd. of the United Kingdom is leading the pre-feasibility team, supported by Amec Earth and Environmental (UK) Ltd. which is reporting on tailings and waste management systems, Golder Associates (UK) Limited on the environment and SRK on the mining aspects.

More recently the Company provided an update regarding the pre-feasibility study which is targeting a production profile of 150,000 ounces per annum with a review of a carbon-in-leach ("CIL") processing route nearing completion. Although management believes this mining rate to be appropriate for the deposits, in accordance with National Instrument 43-101 only the indicated mineral resources are to be incorporated into the pre-feasibility study. Accordingly, for the purposes of the study no benefit will be derived from either the inferred mineral resources or from the ongoing resource delineation program. As a consequence of this resource restriction the study is currently pointing to an initial operating mine life of approximately 5.5 years, with approximately 83% of indicated resources being converted into reserves. CIL plant recoveries are expected to average about 87% and metallurgical testing indicates that there is a high proportion of free gold in the orebodies (45-55% in both oxide and sulphide). The testwork has also highlighted the possible amenability of the ore to heap leaching. Given these findings, the pre-feasibility study has been extended to include a heap leach alternative. Initial analysis suggests that a heap leach approach is likely to have lower capital requirements and hence may provide greater economic returns.

The heap leach alternative requires additional testwork to confirm the amenability of the ore to this process route. This additional testwork will take up to four months and will require that certain engineering aspects of the project be re-assessed. As such it is expected that the pre-feasibility will be concluded early in the second quarter of 2006. AXMIN anticipates completing the definitive feasibility study on the Passendro Gold Project during the first quarter of 2007 and that further resources will be incorporated into the mine plan through this period.

Additional testwork required to investigate the heap leach alternative will allow the Company time to add to and upgrade the resource inventory by progressing the infill drilling program required for the definitive feasibility study, whereby inferred resources may be reclassified as indicated resources, and by delineating new resources. In total, AXMIN has four drill rigs working on the Passendro Gold Project with ongoing positive results. Meanwhile, the Company has also instructed Golder Associates (UK) Limited to commence the environmental impact assessment for the definitive feasibility study reflecting the Company's commitment to fast track the project towards development.

In order to finance the Passendro feasibility studies and to continue its successful drilling campaign at the Passendro Gold Project and to fund ongoing exploration elsewhere in the Central African Republic, Mali, Sierra Leone and Senegal, AXMIN has recently appointed RBC Capital Markets as sole agent to raise approximately Cdn$20 million by way of private placement of common shares of AXMIN on a best efforts basis. The Company's major shareholder, Addax Mining Holdings BV, a subsidiary of The Addax & Oryx Group, has agreed in principle as part of this private placement to subscribe for at least that number of AXMIN common shares which maintains its pro rata shareholding in the Company, currently 45.23%. The private placement is expected to be completed in December 2005.

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 being tested by shallow reconnaissance rotary air blast ("RAB") drilling.

Mali

During the third quarter 2005 AXMIN regained control of four exploration permits, being the Kofi North, Netekoto-Kenieti, Walia West and Walia permits, collectively the *Kofi Project Area*, following the withdrawal of a subsidiary of Newmont Mining Corporation from a joint venture over these permits. The Kofi Project Area adjoins Randgold Resources Limited's Loulo project on the north and east sides and covers the northern extension of the same host rock and structures that contain the Loulo and Yalea deposits for which Randgold previously announced a total measured, indicated and inferred resource of approximately 8 million ounces.

In addition, during the third quarter 2005 AXMIN announced the following results of an updated mineral resource estimate at Kofi Project Area:

		Indicated Mineral Resource			**Inferred Mineral Resource**		
		Tonnes Kt	Grade g/t Au	Ounces Au	Tonnes Kt	Grade g/t Au	Ounces Au
Kofi SW Zone B	oxide	415	3.2	45,000	500	2.7	45,000
	sulphide	-	-	-	500	2.6	40,000
Kofi SW Zone C	oxide	-	-	-	430	4.4	60,000
	sulphide	-	-	-	600	5.2	100,000
Sub-total	oxide	415	3.2	45,000	930	3.5	105,000
	sulphide	-	-	-	1,100	4.0	140,000
	Total	**415**	**3.2**	**45,000**	**2,030**	**3.8**	**245,000**

The updated mineral resource estimate was prepared by independent consultants SRK. SRK's report is available on the SEDAR website (*www.sedar.com*).

In October 2005 AXMIN announced plans for a 14,000 metre combined core and RAB drilling program on the Kofi Project Area for the period to the end of the first quarter 2006.

AXMIN's recent resumption of control of the Kofi Project Area has acted as a catalyst to re-establish its own program, with the objective to outline further deposits to build upon the established resource that will be capable of supporting a standalone operation. During the past two years, exploration efforts focussed primarily on the two main targets and on understanding the controls of gold mineralisation. The forthcoming program will take this information and expand it across other targets where potentially economic drill intersections have previously been identified. The recently reported discoveries at the adjacent Loulo and Yalea deposits of Randgold demonstrate that large and high grade deposits can be discovered in this district below relatively narrow surface structures.

The forthcoming phase of drilling is targeting near surface mineralisation that is amenable to open pit extraction and will be focusing initially on three priority targets within a 10 kilometre radius at the Kofi Project Area, namely Kofi SW Zone C, Kofi South and Kofi South South. The program will consist of approximately 11,000 metres of angled RAB holes to depths of 40-50 metres followed by 3,000 metres of core holes where further delineation is merited. All drilling is targeting Loulo-Yalea style mineralisation comprising structurally controlled deposits similar to those delineated at Kofi SW Zones B and C.

Sierra Leone

Subsequent to the end of the third quarter 2005 AXMIN announced results from the first five drill holes at the historic Koamahun Prospect within the *Nimini Hills Permits*. Two adjacent structures have been tested with results including **9.5 g/t Au over 5 metres, 7.4 g/t Au over 6.75 metres, 46.5 g/t Au over 2.35 metres and 66.6 g/t Au over 2 metres**. Drilling is in the vicinity of earlier surface trenching where trench results include **2.55 g/t Au over 24 metres and 5.81 g/t Au over 46 metres**. Results from the remaining eight holes are pending and will be reported shortly upon the receipt of assays. Drilling has tested a total of some 700 metres of strike length, with five fences on 80 metre spacing and a further three fences on 160 metre spacing.

Burkina Faso

On September 19, 2005 the sale of AXMIN's 100% interest in the 109,896 ounce *Bouroum Permit* gold reserves in Burkina Faso to a subsidiary of High River for a total consideration of US$3.300 million was completed. Accordingly the sale of the Bouroum Permit reserves has been recognised in the unaudited consolidated financial statements of the Company for the nine months ended September 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 whereby High River may earn 100% interest in the three permits by spending US$1.500 million on exploration over three years (subject to AXMIN retaining 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 a multiple of 1.5 times its expenditure on the relevant permit(s)). The Company is pleased to report that as a result of ongoing exploration programs, which have included ground geophysics and soil sampling, High River has fulfilled its requirement to expend a minimum of US$0.381 million in the first year.

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

November 24, 2005

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

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 likely 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.

Exploration and Development Properties

The properties described below are those the Company currently believes to be material but they are not the only ones in which the Company holds interests.

In the Central African Republic ("CAR") the Company holds a 100% interest in two properties being the Bambari Permits (comprising exploration permits Bambari 1 and Bambari 2) and the Pouloubou Permit. In the Mali the Company holds a 81.25% interest in the Kofi North and Netekoto-Kenieti permits and a 94.44% interest in the Walia and Walia West permits (collectively referred to as the "Kofi Project Area"), in each case subject to a 10% free carried interest of the government of Mali. In Sierra Leone pursuant to a heads of agreement the Company can earn a 60% interest in the Nimini Hills East and West licences by spending US$2.25 million over a three year period. Also in Sierra Leone the Company has interests in the Gori Hills licence, the Makong North and Makong South licences and the Sokoya licence pursuant to heads of agreements and holds a 100% interest in the Matotaka licence. In Senegal the Company has a 100% interest in each of the Sonkounkou property (subject to a back-in right held by the licence holder) and the Sabodala NW permit.

For a fuller description of the above properties and other properties in which the Company holds interests refer to the disclosures in note 3 of the Company's audited consolidated financial statements for the year ended December 31, 2004 and other filings made on the SEDAR website (*www.sedar.com*).

Results of Operations

On September 19, 2005 the sale of AXMIN's 100% interest in the 109,896 ounce Bouroum Permit gold reserves in Burkina Faso to a subsidiary of High River Gold Mines Ltd. ("High River") for a total consideration of US$3.300 million (net US$2.685 million after the deduction of historic feasibility study expenses funded by High River) was completed. Accordingly the sale of the Bouroum Permit reserves has been recognised in the unaudited consolidated financial statements of the Company for the nine months ended September 30, 2005.

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

	2005 1st quarter	*2005 2nd quarter*	*2005 3rd quarter*
Unaudited consolidated statements of operations and deficit			
Net (loss) profit for the period	(610)	(549)	798
Net (loss) profit per share	(0.0054)	(0.0045)	0.0066
Unaudited consolidated balance sheets			
Working capital surplus	5,010	1,754	1,960
Total assets	27,674	27,403	27,811
Unaudited consolidated statements of cash flows			
Exploration and development costs outflow	(2,327)	(2,754)	(2,693)
Net cash inflow (outflow) from financing activities	6,265	(1)	-

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	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

	2003 4th quarter
Unaudited consolidated statements of operations and deficit	
Net loss for the period	(147)
Net loss per share	(0.0015)
Unaudited consolidated balance sheets	
Working capital (deficit) surplus	7,560
Total assets	21,084
Unaudited consolidated statements of cash flows	
Exploration and development costs outflow	(1,650)
Net cash inflow from financing activities	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.

Nine months ended September 30, 2005 compared to the nine months ended September 30, 2004

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

On September 19, 2005 the sale of AXMIN's 100% interest in the 109,896 ounce Bouroum Permit gold reserves in Burkina Faso to a subsidiary of High River for a total consideration of US$3.300 million was completed. This resulted in a net gain on sale of US$1.284 million.

A period-end review of the carrying values of the Company's exploration and development property assets led to a write-down of US$0.039 million in 2005 compared to US$0.407 million in 2004 (related principally to the Satifara property in Mali). 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$0.988 million compared to US$0.697 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$0.466 million compared to US$0.489 million in 2004.

The net loss for the nine months ended September 30, 2005 was US$0.361 million as compared to US$1.208 million in 2004.

Liquidity and Capital Resources

As at September 30, 2005 the Company had cash resources of US$2.603 million compared to the December 31, 2004 balance of US$2.280 million.

During the nine months ended September 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.

On September 19, 2005 the sale of AXMIN's 100% interest in the 109,896 ounce Bouroum Permit gold reserves in Burkina Faso to a subsidiary of High River for a total consideration of US$3.300 million (net US$2.685 million after the deduction of historic feasibility study expenses funded by High River) was completed.

As at September 30, 2005 the Company had a surplus of working capital (defined as the difference between current assets and current liabilities) which amounted to US$1.960 million compared to the December 31, 2004 surplus of US$1.461 million.

Off Balance Sheet Arrangements

The Company has no off balance sheet arrangements.

Critical Accounting Policies and Estimates

The Company's significant accounting principles and methods of application are disclosed in note 2 of the Company's audited consolidated financial statements for the year ended December 31, 2004. The following is a discussion of the critical accounting policies and estimates which management believes are important for an understanding of the Company's financial results.

Exploration and development costs

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.

As at September 30, 2005 the Company had capitalized US$24.925 million of exploration and development costs. The comparative figure as at December 31, 2004 was US$19.206 million.

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

Stock-based compensation

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% (2004 - 3.96%; 2003 - 3.96%), expected dividend yield of nil, expected volatility of 109.4% (2004 - 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 2005 was US$0.3654 (2004 - US$0.3832; 2003 - US$0.3914).

For the nine months ended September 30, 2005 and the nine months ended September 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	*Nine months ended September 30, 2005* (Unaudited)	*Year ended December 31, 2004*
Balance, beginning of period	847	185
Stock-based compensation expense	466	662
Balance, end of period	1,313	847

Recent accounting pronouncements

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 September 30, 2005 and the unaudited consolidated statement of operations and deficit for the nine months ended September 30, 2005, and no new significant VIEs were identified during the period.

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.

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

Related Parties

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

Balances	Footnote	*September 30, 2005*	*December 31, 2004*
Due from Mali: Kofi Project Area joint venture	(c)	-	67
Due from related parties		-	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	*Nine months ended September 30, 2005*	*Nine months ended September 30, 2004*
Administration (management fees)	(a)	61	90
Administration and capitalized exploration and development costs (recharges)	(a)	3	89
Write-back of provision of amount due from related parties	(a)	(15)	-
Administration (recharges)	(b)	-	(21)
Other income (management fees)	(c)	57	40
Administration and capitalized exploration and development costs (recharges)	(c)	(121)	(117)
Administration (legal fees)	(d)	13	4
Other income (fees)	(e)	18	-

(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 nine months ended September 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. Up to September 26, 2005 the Mali: Kofi Project Area joint venture was 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$4,077). 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.

The risks and uncertainties described below are those the Company currently believes to be material but they are not the only ones faced by the Company. If any of the following risks, or any other risks and uncertainties that the Company has not yet identified or that it currently considers not to be material, actually occur or become material risks, the Company's business, prospects, financial condition, results of operations and cash flows could be materially and adversely affected.

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.

AXMIN does not currently operate a mine on any of its properties. There is no certainty that the expenditures made by AXMIN towards the search and evaluation of mineral deposits will result in discoveries of commercial quantities of ore.

Mining operations generally involve a high degree of risk. Such operations are subject to all the hazards and risks normally encountered in the exploration for, and development and production of gold, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability.

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.

Uncertainty in the estimation of mineral reserves and resources

There is a degree of uncertainty to the calculation of mineral reserves and mineral resources and corresponding grades being mined or dedicated to future production. Until mineral reserves or mineral resources are actually mined and processed the quantity of mineral resources and mineral reserve grades must be considered as estimates only. In addition, the quantity of mineral reserves and mineral resources may vary depending on, among other things, metal prices. Any material change in quantity of mineral reserves, mineral resources, grade or stripping ratio may affect the economic viability of the properties. In addition, there can be no assurance that gold recoveries or other metal recoveries in small scale laboratory tests will be duplicated in a larger scale tests under on-site conditions or during production.

Fluctuation in gold and other base or precious metals prices, results of drilling, metallurgical testing and production and the evaluation of mine plans subsequent to the date of any estimate may require revision of such estimate. The volume and grade of reserves mined and processed and recovery rates may not be the same as currently anticipated. Any material reductions in estimates of mineral reserves and mineral resources, or of AXMIN's ability to extract these mineral reserves, could have a material adverse effect on AXMIN's results of operations and financial condition.

Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Nature of mineral exploration

None of the properties in which AXMIN has an interest contains 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.

Uncertainty relating to inferred mineral resources

Inferred mineral resources cannot be converted into mineral reserves as the ability to assess geological continuity is not sufficient to demonstrate economic viability. Due to the uncertainty which may attach to inferred mineral resources, there is no assurance that inferred mineral resources will be upgraded to resources with sufficient geological continuity to constitute proven and probable mineral reserves as a result of continued exploration.

Joint venture strategy

AXMIN's business strategy includes continuing to seek new joint venture opportunities. In pursuit of such opportunities, AXMIN may fail to select appropriate joint venture partners or negotiate acceptable arrangements, including arrangements to finance such opportunities or, where necessary, integrate the acquired businesses and their personnel into AXMIN's operations. AXMIN cannot assure that it can complete any business arrangement that it pursues, or is pursuing, on favourable terms, or that any business arrangements completed will ultimately benefit AXMIN's business.

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 CAR, Mali, Sierra Leone, Senegal, Ghana and Burkina Faso. 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.

Insurance and uninsured risks

AXMIN's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to AXMIN's properties or the properties of others, delays in development or mining, monetary losses and possible legal liability.

Although AXMIN maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with its operations. AXMIN may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to AXMIN or to other companies in the mining industry on acceptable terms. AXMIN might also become subject to liability for pollution or other hazards which may not be insured against or which AXMIN may elect not to insure against because of premium costs or other reasons. Losses from these events may cause AXMIN to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Government regulation

AXMIN's mineral exploration and planned development activities are subject to various laws governing prospecting, mining, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters. Although AXMIN's exploration and development activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development.

Many of the mineral rights and interests of AXMIN are subject to government approvals, licences and permits. Such approvals, licences and permits are, as a practical matter, subject to the discretion of the applicable governments or governmental officials. No assurance can be given that AXMIN will be successful in maintaining any or all of the various approvals, licences and permits in full force and effect without modification or revocation. To the extent such approvals are required and not obtained, AXMIN may be curtailed or prohibited from continuing or proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws and regulations governing operations or more stringent implementation thereof could have a substantial adverse impact on AXMIN and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

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 development and success of any project of the Company will be primarily dependent on the future price of gold and other metals. Gold prices are subject to significant fluctuation and are affected by a number of factors which are beyond the control of the Company. Such factors include, but are not limited to, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major gold-producing countries throughout the world. The price of gold and other precious and base metals has fluctuated widely in recent years, and future serious price declines could cause any future development of and commercial production from the Company's properties to be impracticable. Depending on the price of gold and other metals, projected cash flow from planned mining operations may not be sufficient and the Company could be forced to discontinue any development and may lose its interest in, or may be forced to sell, some of its properties. Future production from the Company's mining properties is dependent on gold prices that are adequate to make these properties economic.

Furthermore, reserve calculations and life-of-mine plans using significantly lower gold and other metal prices could result in material write-downs of the Company's investment in mining properties and increased amortization, reclamation and closure charges.

In addition to adversely affecting the Company's possible future reserve estimates and its financial condition, declining commodity prices may impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Commodity hedging

Currently AXMIN does not have a policy to hedge future gold sales. If put into place, there is no assurance that a commodity hedging program designed to reduce the risk associated with fluctuations in gold prices will be successful. Hedging may not protect adequately against declines in the price of gold. Although hedging may protect AXMIN from a decline in the price of gold, it may also prevent AXMIN from benefiting fully from price increases.

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, Sierra Leone, Senegal, Ghana and Burkina Faso. There is no guarantee that these other currencies will be convertible into Canadian and United States dollars in the future and foreign currency fluctuations may adversely affect AXMIN's financial position and operating results. 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 on 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 *Canada Business Corporations Act*, the directors of AXMIN are required to act honestly, in good faith and in the best interests of AXMIN.

Repatriation of earnings

Currently, there are no significant legal restrictions on the repatriation from the CAR, Mali, Sierra Leone, Senegal, Ghana or Burkina Faso 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 risks and hazards

All phases of AXMIN's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. 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 is no assurance that future changes in environmental regulation, if any, will not adversely affect AXMIN's operations. Environmental hazards may exist on the properties on which AXMIN holds interests which are unknown to AXMIN at present and which have been caused by previous or existing owners or operators of the properties. Reclamation costs are uncertain and planned expenditures may differ from the actual expenditures required.

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 45.23% 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.

Future sales of shares by existing shareholders

Sales of a large number of shares in the public markets, or the potential for such sales, could decrease the trading price of the shares and could impair AXMIN's ability to raise capital through future sales of shares. AXMIN has previously completed private placements at prices per share which are lower than the current market price of the shares. Accordingly, a significant number of shareholders of AXMIN have an investment profit in the shares that they may seek to liquidate.

Dividend policy

No dividends have been paid to date on the shares. AXMIN anticipates that for the foreseeable future it will retain any future earnings and other cash resources for the operation and development of its business. Payment of any future dividends will be at the discretion of AXMIN's Board of Directors after taking into account many factors, including AXMIN's operating results, financial condition and current and anticipated cash needs.

Estimation of asset carrying values

The Company will undertake a quarterly evaluation of the Company's portfolio of exploration projects and other assets. The recoverability of the Company's carrying values of its properties will be assessed by comparing carrying values to estimated future net cash flows from each property.

Factors which may affect carrying values include, but are not limited to, metal and reagent prices, capital cost estimates, mining, processing and other operating costs, grade and metallurgical characteristics of ore, mine design and timing of production. In the event of a prolonged period of depressed metal prices, the Company may be required to take additional material write-downs of its exploration and development properties.

Health issues

HIV / AIDS, malaria and other diseases represent a serious threat to maintaining a skilled workforce in the mining industry of central and west Africa. As such, HIV / AIDS is a major healthcare challenge faced by AXMIN's operations. There can be no assurance that AXMIN will not incur the loss of members of its workforce or workforce hours or incur increased medical costs, which may have a material adverse effect on AXMIN's operations.

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.

The Company has two main priorities at the project level. At the Passendro Gold Project in the CAR the Company intends to undertake and complete a bankable feasibility study on the project by end of the first quarter 2007 while continuing to expand and increase the confidence of mineral resources in the immediate vicinity. Elsewhere on the Bambari and Pouloubou permits in the CAR, and on the Company's properties in Mali, Sierra Leone and Senegal, the Company intends to progress well defined exploration programs, including undertaking drilling of key targets. At the corporate level, the Company expects to raise the profile of the Company and will continue 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

November 24, 2005

AXMIN Inc.

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 nine months ended September 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 September 30, 2005 and December 31, 2004	*September 30, 2005*	*December 31, 2004*
Assets		
Current assets		
Cash and cash equivalents	2,603	2,280
Prepaid expenses and sundry debtors	108	155
Due from related parties *(Note 5)*	-	67
	2,711	2,502
Exploration and development costs *(Note 3)*	24,925	19,206
Other assets	175	24
	27,811	21,732
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable	490	328
Accrued liabilities and sundry creditors	261	702
Due to related parties *(Note 5)*	-	11
	751	1,041
Shareholders' equity		
Share capital *(Note 4)*	32,413	26,149
Stock options *(Note 4(c))*	1,313	847
Deficit	(6,666)	(6,305)
	27,060	20,691
	27,811	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 September 30, 2005	Three months ended September 30, 2004	Nine months ended September 30, 2005	Nine months ended September 30, 2004
Revenue	-	-	-	-
Expenses				
Administration *(Note 5)*	293	219	988	697
Write-down of exploration and development costs *(Note 3)*	4	-	39	407
Stock-based compensation expense *(Note 4(c))*	70	154	466	489
(Gain) loss on foreign exchange	(3)	(614)	135	(262)
Write-back of provision of amount due from related parties *(Note 5(c))*	-	-	(15)	-
Taxation	150	-	150	22
	514	(241)	1,763	1,353
Other income				
Net gain on sale of Bouroum Permit gold reserves *(Note 3)*	1,284	-	1,284	-
Interest income	11	23	43	105
Other *(Note 5(c))*	17	-	75	40
	1,312	23	1,402	145
Net profit (loss) for the period	798	264	(361)	(1,208)
Deficit, beginning of period	(7,464)	(5,808)	(6,305)	(4,336)
Deficit, end of period	(6,666)	(5,544)	(6,666)	(5,544)
Net profit (loss) per share (basic and diluted)	0.0066	0.0026	(0.0031)	(0.0114)
Weighted average number of common shares outstanding	121,399,746	107,238,154	118,366,078	105,968,597

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 September 30, 2005	2004	*Nine months ended September 30,* 2005	2004
Operating activities				
Net profit (loss) for the period	798	264	(361)	(1,208)
Write-down of exploration and development costs	4	-	39	407
Stock-based compensation expense	70	154	466	489
Write-back of provision of amount due from related parties	-	-	(15)	-
Change in working capital	(350)	246	(161)	(26)
Net cash inflow (outflow) from operating activities	522	664	(32)	(338)
Investing activities				
Exploration and development costs	(2,693)	(2,111)	(7,774)	(5,302)
Costs written-off on sale of Bouroum Permit gold reserves	2,016	-	2,016	-
Other assets	11	(12)	(151)	(14)
Net cash outflow from investing activities	(666)	(2,123)	(5,909)	(5,316)
Financing activities				
Issuance of common shares, net of costs	-	-	6,264	1,829
Net cash inflow from financing activities	-	-	6,264	1,829
Net cash (outflow) inflow	(144)	(1,459)	323	(3,825)
Cash and cash equivalents, beginning of period	2,747	6,321	2,280	8,687
Cash and cash equivalents, end of period	2,603	4,862	2,603	4,862

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. (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 September 30, 2005 and the unaudited consolidated statement of operations and deficit for the nine months ended September 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

	Nine months ended September 30, 2005	*Year ended December 31, 2004*
Balance, beginning of period	19,206	12,265
Additions	7,774	7,360
Write-downs	(39)	(419)
Costs written-off on sale of Bouroum Permit gold reserves	(2,016)	-
Balance, end of period	24,925	19,206

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

	September 30, 2005	*December 31, 2004*
Central African Republic		
Bambari	16,777	11,369
Pouloubou	362	45
Mali		
Kofi Project Area	3,062	2,871
Sierra Leone		
Nimini Hills	793	226
Matotaka	74	25
Gori Hills	128	70
Sokoya	44	30
Makong	299	106
Senegal		
Sonkounkou	2,101	1,534
Sabodala NW	181	109
Ghana		
Cape Three Points	965	672
Burkina Faso		
Bouroum	-	2,010
Canada		
B-B Lake	139	139
	24,925	19,206

On September 19, 2005 the sale of AXMIN's 100% interest in the 109,896 ounce Bouroum Permit gold reserves in Burkina Faso to a subsidiary of High River Gold Mines Ltd. for a total consideration of US$3.300 million was completed. Accordingly the sale of the Bouroum Permit reserves has been recognised in the unaudited consolidated financial statements of the Company for the nine months ended September 30, 2005.

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 September 30, 2005	121,399,746	32,413

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

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 were subject to applicable hold periods which expired 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 nine months ended September 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	*Nine months ended September 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	5,579,166	4,757,332

As at September 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% (2004 - 3.96%), expected dividend yield of nil, expected volatility of 109.4% (2004 - 116.5%), 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 2005 was US$0.3654 (2004 - US$0.3832).

For the nine months ended September 30, 2005 and the nine months ended September 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	*Nine months ended September 30, 2005*	*Year ended December 31, 2004*
Balance, beginning of period	847	185
Stock-based compensation expense	466	662
Balance, end of period	1,313	847

(d) Common share purchase warrants

Number of common share purchase warrants	*Nine months ended September 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 September 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	*Nine months ended September 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 September 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	*September 30, 2005*	*December 31, 2004*
Due from Mali: Kofi Project Area joint venture	(c)	-	67
Due from related parties		-	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	*Nine months ended September 30, 2005*	*Nine months ended September 30, 2004*
Administration (management fees)	(a)	61	90
Administration and capitalized exploration and development costs (recharges)	(a)	3	89
Write-back of provision of amount due from related parties	(a)	(15)	-
Administration (recharges)	(b)	-	(21)
Other income (management fees)	(c)	57	40
Administration and capitalized exploration and development costs (recharges)	(c)	(121)	(117)
Administration (legal fees)	(d)	13	4
Other income (fees)	(e)	18	-

(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 nine months ended September 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. Up to September 26, 2005 the Mali: Kofi Project Area joint venture was 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$4,077). 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 Policy Committee
5 Technical Committee

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Stock Listing

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

Common Shares Outstanding

(As at September 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*