THREE MONTHS ENDED MARCH 31, 2006

FIRST QUARTER REPORT

growing through discovery

DISCOVERY

“In addition to developing its first gold discovery at Passendro, AXMIN will continue its growth by making further discoveries through intensive drill programs on its 8,000 sq km of prospective ground in central and west Africa. Few companies of comparable or even larger size have such a potential to develop multiple gold mines in the newly developing and democratic countries of this part of Africa.”

Dr Michael Martineau, Deputy Chairman & President

First Quarter 2006 Highlights and Subsequent Advances to Date

Central African Republic (Passendro Gold Project, Bambari-Bakala Permits)

Pre-feasibility study identifies 200,000 ounces annual production with a NPV of US$136 million (5% discount rate) and an IRR of 41% based on 3 mtpa throughput.

Updated mineral resource estimate at the Passendro Gold Project:

- indicated gold resources **1.540 million ounces (18.62 Mt grading 2.6 g/t Au)**; and
- inferred gold resources **1.042 million ounces (16.82 Mt grading 2.0 g/t Au)**.

Appointment of Chartered Engineer, Charles Carron Brown, with specific responsibility to advance the Passendro Gold Project.

Negotiation of a Mining Convention was completed in January 2006.

New gold zones identified at Ndassima Project (adjacent to Passendro) with intersections including 3.1 g/t Au over 30 metres, 3.0 g/t Au over 27 metres and 57 g/t Au over 5 metres.

Award of the Bakala Permit extends AXMIN's exploration rights to more than 140 km of strike on the Bambari greenstone belt.

Elsewhere in the Central African Republic two further wholly owned exploration permits have been awarded including one at Sosso Polipo where some 60,000 ounces of gold was won from alluvials and colluvials, and a primary source discovered by underground exploration in Colonial times.

Mali (Kofi Project Area)

Reconnaissance trenching and rotary air blast ("RAB") drilling continued through the first quarter to outline drill targets for a scheduled reverse circulation ("RC") program in the second quarter.

Sierra Leone (Nimini Hills and Gori Hills Projects)

A 2,100 metre core drilling program at Komahun (Nimini Hills Project) was completed early in the second quarter.

Reconnaissance soil sampling and trenching programs ongoing at both the Nimini Hills and Gori Hills projects.

Senegal (Sonkounkou, Sabodala NW and Heremakono Permits)

Entered into a joint venture with Harmony Gold Mining Company Limited ("Harmony") wherein by funding expenditure of US$4 million over three years Harmony may earn a 50% interest in the Company's three wholly owned Senegal permits.

During the first quarter 2006 exploration and development expenditure was US$3.793 million. As at March 31, 2006 the Company's cumulative capitalized carrying value of exploration and development expenditures was US$31.918 million. Of the exploration expenditure incurred during the three months ended March 31, 2006 US$2.878 million related to the Company's Bambari-Bakala Permits in the Central African Republic.

As at March 31, 2006 the Company had cash resources of US$11.609 million and a surplus of working capital which amounted to US$10.597 million.

Central African Republic

In February 2006 the Company announced the award of three new exclusive exploration permits covering approximately 2,400 square km of under-explored Archaean and Proterozoic terrains in the Central African Republic, namely *Sosso Polipo*, *Bakala* and *Bogoin II*. The Sosso Polipo Permit, with its historic gold production and hard rock gold potential, offers AXMIN the opportunity to re-evaluate this gold mining area and to fast track exploration on already identified target zones. At Bakala and Bogoin II we have the ability to undertake the first modern era exploration on previously under-explored Archaean greenstone belts.

There has been a positive start to exploration on the Ndassima Project located 4 to 10 km southeast of the Passendro Gold Project, located within the 100% owned *Bambari-Bakala Permits*, and within easy haulage distance of the likely plant site. Core and shallow RC drilling of the first soil anomaly tested at the Ngetepe prospect, within the

Ndassima Project area, has yielded intersections including 3.1 g/t Au over 30 metres and 3.0 g/t Au over 27 metres. In addition shallow reconnaissance RAB drilling and wide-spaced trenching has demonstrated the presence of gold mineralised structures beneath several substantial soil anomalies (each >1,500 metres strike length) at the Batis and Yagba prospects located about 5 km east of Ngetepe.

In April 2006 AXMIN announced the results of an updated mineral resource estimate at the Passendro Gold Project wherein the indicated gold resources increased by 44% to **1.540 million ounces (18.62 Mt grading 2.6 g/t Au)**. In addition, inferred gold resources were increased to **1.042 million ounces (16.82 Mt grading 2.0 g/t Au)**. 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*).

Earlier in May 2006 the Company announced the completion of an independent pre-feasibility study on its Passendro Gold Project. The pre-feasibility study indicates that the Passendro Gold Project should support an economically robust development. AXMIN's Board of Directors has approved the undertaking of a definitive feasibility study based on an average annual production rate of 200,000 ounces, estimated capital cost of US$110 million and estimated cash costs below US$200 per ounce. The pre-feasibility study was undertaken by an internationally recognised team of consultants co-ordinated by the independent engineering group GBM Ltd.. A comprehensive executive summary of the pre-feasibility study will shortly be available on the SEDAR website (*www.sedar.com*).

The pre-feasibility study reports a Net Present Value ("NPV") of US$136 million at a 5% discount rate and an Internal Rate of Return ("IRR") of 41% based on 3 million tonnes per annum ("mtpa") throughput using the Gravity plus Carbon In Leach gold recovery processing route. The study calculated a five year initial mine life based solely on the recently reported indicated resource of 1.54 million ounces of gold (although by definition mineral resources that are not mineral reserves do not have demonstrated economic viability). The study also evaluated the effect of the discovery of an additional two and half years of mine life resource through the current and ongoing exploration program. The study reported that in the event of such a successful outcome and assuming similar grades and recoveries the NPV would increase to US$233 million and the IRR to 48%. The study utilized constant costs and a constant gold price of US$500 per ounce. Sensitivities to variations in gold price, capital and operating costs were also evaluated.

Directly related to the Passendro Gold Project in January 2006 the Company entered into a Mining Convention with the State of the Central African Republic. The Mining Convention is valid for a period of 25 years, extendable by mutual consent. The key terms include:

- a 2.25% royalty on the proceeds from the sale of gold;
- a 10% free carried interest for the State with an option to acquire an additional participating interest of 10% at market value; and
- exemption from:
    - taxes (including value added tax ("VAT")) and duties on fuel used in the mining operations;
    - VAT on imported capital equipment, consumables and any mining contract; and
    - duties on imported capital equipment and consumables during the development phase and for a period of 5 years thereafter;
- exoneration from withholding tax on dividends, capital repayments and interest; and
- a five year tax holiday from the date of first commercial production, following which the corporate tax rate will be 30%.

At *Pouloubou*, located about 150 km southeast of Bambari, in 2005 soil sampling identified several substantial geochemical anomalies which were tested by means of RAB drilling in early 2006. The RAB drilling defined significant follow up targets ranging in length from 1,500-2,500 metres and these are now being tested by RC drilling.

Mali

At the *Kofi Project Area* reconnaissance exploration trenching and drilling is ongoing along strike from the Kofi SW Zone C resource block.

A total of some 6,400 metres of shallow reconnaissance RAB was completed during the first quarter on the 4,000 metre long Kofi South prospect. The RAB drilling program is ongoing with a 5,000 metre follow up RC program scheduled for the end of the second quarter.

Elsewhere across the Kofi Project Area new target definition is ongoing using geological mapping and trenching programs across previously identified geochemical soil anomalies.

Sierra Leone

At the *Nimini Hills Project* during the first quarter further trenching was completed at the Komahun prospect in preparation for a 2,100 metre core drilling program which was completed early in the second quarter and targeted both infill and extensions to the previously identified gold mineralised zone. Reconnaissance exploration and trenching is ongoing over a distance of 2,000 metres along strike to the south west of the Komahun prospect to follow up on gold in soil geochemical anomalies which indicate the potential for extensions to the mineralisation.

At the *Gori Hills Project* reconnaissance soil sampling was completed over 4 km of a 8 km long target derived from earlier stream sediment sampling along the greenstone belt. Two parallel anomalous gold in soil zones of 2-3 km length have been identified.

Senegal

In April 2006 the Company entered into a joint venture with Harmony Gold Mining Company Limited ("Harmony") wherein by funding expenditure of US$4 million over three years Harmony may earn a 50% interest in the Company's three wholly owned *Sonkounkou*, *Sabodala NW* and *Heremakono* permits (collectively the "Senegal Permits"). AXMIN is delighted to be working with Harmony, a company that has the technical and development strength to assist in rapidly advancing the very prospective Senegal Permits. Regional exploration conducted by AXMIN across these permits has already identified a large number of targets that justify follow up work.

Under the terms of the agreement Harmony has the right to earn a 50% interest in AXMIN's Senegal Permits by expenditure of US$4 million over a three year period, with a minimum of US$800,000 in the first year to earn 10% interest, US$1.2 million in the second year to earn 25% interest and US$2 million in the third year to earn the full 50% interest. In the event that Harmony should elect to discontinue the joint venture prior to earning a 25% interest then it must return the initial 10% interest to AXMIN. Once Harmony has earned its 50% interest in the Senegal Permits all further exploration and development expenditures will be shared between Harmony and AXMIN in proportion to each party's interest. Under this arrangement all previous back-in rights held by Harmony (through its acquisition of Avgold Limited) on the Sonkounkou permit have been extinguished.

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

May 29, 2006

(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 each of five properties being the Bambari Permits (comprising exploration permits Bambari 1 and Bambari 2, prior to the 10% free carried interest of the State of the CAR), the Pouloubou permit, the Sosso Polipo permit, the Bakala permit and the Bogoin II permit. In Mali the Company holds 81.25%, 87.50% and 94.44% interests in the Kofi North, Netekoto-Kenieti and Walia West permits respectively (prior to the 10% free carried interest of the government of Mali) and an 85% interest in the Walia permit (net of the 10% free carried interest of the government of Mali). These four Malian permits are collectively referred to as the "Kofi Project Area". In Sierra Leone, pursuant to a heads of agreement, the Company can earn a 60% interest in the Nimini Hills Project 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, with effect from April 28, 2006, Harmony Gold Mining Company Limited ("Harmony") is farming in to the Company's wholly owned Sonkounkou, Sabodala NW and Heremakono permits (collectively the "Senegal Permits"). By funding expenditure of US$4 million over three years Harmony may earn a 50% interest in the Senegal Permits.

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 consolidated financial statements for the year ended December 31, 2005 and other filings made on the SEDAR website (*www.sedar.com*).

Results of Operations

The following tables set out selected unaudited consolidated financial information for the Company for the first quarter in 2006, each of the financial quarters in 2005, and for the second, third and fourth quarters in 2004:

	2006 1st quarter
Unaudited consolidated statements of operations and deficit	
Net (loss) for the period	(482)
Net (loss) per share	(0.0030)
Unaudited consolidated balance sheets	
Working capital surplus	10,597
Total assets	43,873
Unaudited consolidated statements of cash flows	
Exploration and development costs outflow	(3,793)
Net cash inflow from financing activities	-

	2005 1st quarter	2005 2nd quarter	2005 3rd quarter	2005 4th quarter
Unaudited consolidated statements of operations and deficit				
Net (loss) profit for the period	(610)	(549)	798	(589)
Net (loss) profit per share	(0.0054)	(0.0045)	0.0066	(0.0045)
Unaudited consolidated balance sheets				
Working capital surplus	5,010	1,754	1,960	14,760
Total assets	27,674	27,403	27,811	44,049
Unaudited consolidated statements of cash flows				
Exploration and development costs outflow	(2,327)	(2,754)	(2,693)	(3,202)
Net cash inflow (outflow) from financing activities	6,265	(1)	-	16,550

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

The current policy of the Company is to not 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.

Three months ended March 31, 2006 compared to the three months ended March 31, 2005

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$Nil million in 2006 compared to US$0.018 million in 2005. 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 2006 were US$0.472 million compared to US$0.401 million in 2005.

The stock-based compensation expense in 2006 was US$0.115 million compared to US$0.207 million in 2005.

The net loss for the three months ended March 31, 2006 was US$0.482 million as compared to US$0.610 million in 2005.

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

Liquidity and Capital Resources

As at March 31, 2006 the Company had cash resources of US$11.609 million compared to the December 31, 2005 balance of US$15.618 million.

The Company's cash resources were utilized mainly on capitalized exploration and development costs, and administration costs.

As at March 31, 2006 the Company had a surplus of working capital (defined as the difference between current assets and current liabilities) which amounted to US$10.597 million compared to the December 31, 2005 surplus of US$14.760 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, 2005. 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 March 31, 2006 the Company had capitalized US$31.918 million of exploration and development costs. The comparative figure as at December 31, 2005 was US$28.125 million.

Stock-based compensation

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% (2005 - 3.96%), expected dividend yield of nil (2005 - nil), expected volatility of 107.4% (2005 - 108.7%), and expected option life of 2.6 years (2005 - 3 years). The weighted average fair market value of options granted in 2006 was US$0.3731 (2005 - US$0.3118).

The cumulative stock-based compensation expense is as follows:

Stock options	**Three months ended March 31, 2006 (Unaudited)**	Year ended December 31, 2005 (Audited)
Balance, beginning of period	**1,387**	847
Stock-based compensation expense	**115**	540
Balance, end of period	**1,502**	1,387

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 balances with related parties as at March 31, 2006 (unaudited) and December 31, 2005 and unaudited transactions with related parties included in the determination of results of operations for the three months ended March 31, 2006 and March 31, 2005 are disclosed in note 5 to the Company's unaudited consolidated financial statements for the three months ended March 31, 2006.

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.

Legal and political risks

A significant portion of the Company's mineral properties are located in the CAR and as such the success of the Company will be influenced by a number of factors including the legal and political risks associated with that country.

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 approximately 46% 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.

A fuller description of the risks and uncertainties the Company currently believes to be material are disclosed in Management's Discussion and Analysis of Financial Condition and Results of Operations for the year ended December 31, 2005 included in the Company's Annual Report 2005.

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

Share Capital

As at the date of this report the outstanding common shares and other securities of the Company comprise:

Securities	Expiry date	Exercise price	Securities outstanding	Common shares on exercise
Common shares				159,939,691
Stock options	January 17, 2007	Cdn$0.32	3,075,000	3,075,000
Stock options	January 17, 2007	Cdn$0.34	625,000	625,000
Stock options	March 8, 2008	Cdn$0.71	900,000	900,000
Stock options	April 4, 2008	Cdn$0.74	950,000	950,000
Stock options	December 18, 2008	Cdn$1.00	1,530,000	1,530,000
Stock options	October 4, 2009	Cdn$0.70	150,000	150,000
Stock options	December 13, 2009	Cdn$0.67	880,000	880,000
Stock options	December 5, 2010	Cdn$0.55	250,000	250,000
Stock options	March 8, 2011	Cdn$0.71	1,230,000	1,230,000
Common share purchase warrants	September 5, 2006	Cdn$0.75	6,676,733	6,676,733
Compensation options	September 5, 2006	Cdn$0.60	264,811	264,811
Compensation options	December 14, 2007	Cdn$0.52	1,174,500	1,174,500
Fully diluted common shares				177,645,735

Disclosure of Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), on a timely basis so that appropriate decisions can be made regarding public disclosure. As at March 31, 2006, the Company's management, with the participation of the CEO and CFO, has evaluated the effectiveness of the Company's disclosure controls and procedures as defined in Multilateral Instrument 52-109 (Certification of Disclosure in Issuers' Annual and Interim Filings) of the Canadian Securities Administrators and has concluded that such controls and procedures are effective.

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 definitive feasibility study on the project in 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*) and the Company's website (*www.axmininc.com)*.

On behalf of the Board of Directors

Dr. Jonathan Forster
Chief Executive Officer & Director

May 29, 2006

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 three months ended March 31, 2006 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 March 31, 2006 and December 31, 2005	**March 31, 2006**	December 31, 2005 (Audited)
Assets		
Current assets		
Cash and cash equivalents	**11,609**	15,618
Prepaid expenses and sundry debtors	**133**	96
	11,742	15,714
Exploration and development costs *(Note 3)*	**31,918**	28,125
Other assets	**213**	210
	43,873	44,049
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable	**774**	613
Accrued liabilities and sundry creditors	**371**	341
	1,145	954
Shareholders' equity		
Share capital *(Note 4)*	**48,963**	48,963
Stock options *(Note 4(c))*	**1,502**	1,387
Deficit	**(7,737)**	(7,255)
	42,728	43,095
	43,873	44,049

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 March 31, 2006 and March 31, 2005	**2006**	2005
Revenue	**-**	-
Expenses		
Administration *(Note 5)*	**472**	401
Write-down of exploration and development costs *(Note 3)*	**-**	18
Stock-based compensation expense *(Note 4(c))*	**115**	207
Loss on foreign exchange	**28**	17
	615	643
Other income		
Interest income	**96**	6
Net gain on sale of common shares of Black Pearl Minerals Consolidated Inc.	**34**	-
Other *(Note 5)*	**3**	27
	133	33
Net loss for the period	**482**	610
Deficit, beginning of period	**7,255**	6,305
Deficit, end of period	**7,737**	6,915
Net loss per share (basic and diluted)	**0.0030**	0.0054
Weighted average number of common shares outstanding	**159,861,296**	112,228,729

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 March 31, 2006 and March 31, 2005	**2006**	2005
Operating activities		
Net loss for the period	**(482)**	(610)
Write-down of exploration and development costs	**-**	18
Stock-based compensation expense	**115**	207
Net gain on sale of common shares of Black Pearl Minerals Consolidated Inc.	**(34)**	-
Change in non-cash working capital	**154**	46
Net cash outflow from operating activities	**(247)**	(339)
Investing activities		
Exploration and development costs	**(3,793)**	(2,327)
Proceeds on sale of common shares of Black Pearl Minerals Consolidated Inc.	**34**	-
Other assets	**(3)**	(4)
Net cash outflow from investing activities	**(3,762)**	(2,331)
Financing activities		
Issuance of common shares	**-**	6,265
Net cash inflow from financing activities	**-**	6,265
Net cash inflow (outflow)	**(4,009)**	3,595
Cash and cash equivalents, beginning of period	**15,618**	2,280
Cash and cash equivalents, end of period	**11,609**	5,875

See accompanying notes to the unaudited consolidated financial statements.

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

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-Bakala 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, 2005. 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 Company's Annual Report 2005. 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)

3. Exploration and Development Costs

	Three months ended March 31, 2006	Year ended December 31, 2005 (Audited)
Balance, beginning of period	**28,125**	19,206
Additions	**3,793**	10,976
Write-downs	**-**	(39)
Costs written-off on sale of Bouroum Permit gold reserves	**-**	(2,018)
Balance, end of period	**31,918**	28,125

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

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

	March 31, 2006	December 31, 2005 (Audited)
Central African Republic		
Bambari-Bakala	**21,960**	19,082
Pouloubou	**439**	416
Mali		
Kofi Project Area	**3,720**	3,386
Sierra Leone		
Nimini Hills	**1,336**	1,021
Gori Hills	**202**	171
Makong	**257**	242
Sokoya	**68**	67
Matotaka	**98**	95
Senegal		
Sonkounkou	**2,351**	2,206
Sabodala NW	**232**	219
Heremakono	**99**	90
Ghana		
Cape Three Points	**1,022**	996
Canada		
B-B Lake	**134**	134
	31,918	28,125

See note 6.

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, 2006 and March 31, 2006	159,861,296	48,963

(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	**Three months ended March 31, 2006**	Year ended December 31, 2005 (Audited)
Outstanding, beginning of period	**6,510,000**	6,420,000
Granted	**2,130,000**	300,000
Exercised	**-**	(100,000)
Expired or not vested	**-**	(110,000)
Outstanding, end of period	**8,640,000**	6,510,000
Exercisable, end of period	**6,585,000**	6,052,500

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

As at March 31, 2006 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) 900,000 common shares of the Company exercisable at Cdn$0.71 each expiring on March 8, 2008;
(iv) 1,530,000 common shares of the Company exercisable at Cdn$1.00 each expiring on December 18, 2008;
(v) 150,000 common shares of the Company exercisable at Cdn$0.70 each expiring on October 4, 2009;
(vi) 880,000 common shares of the Company exercisable at Cdn$0.67 each expiring on December 13, 2009;
(vii) 250,000 common shares of the Company exercisable at Cdn$0.55 each expiring on December 5, 2010; and
(viii) 1,230,000 common shares of the Company exercisable at Cdn$0.71 each expiring on March 8, 2011.

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% (2005 - 3.96%), expected dividend yield of nil (2005 - nil), expected volatility of 107.4% (2005 - 108.7%), and expected option life of 2.6 years (2005 - 3 years). The weighted average fair market value of options granted in 2006 was US$0.3731 (2005 - US$0.3118).

The cumulative stock-based compensation expense is as follows:

Stock options	**Three months ended March 31, 2006**	Year ended December 31, 2005 (Audited)
Balance, beginning of period	**1,387**	847
Stock-based compensation expense	**115**	540
Balance, end of period	**1,502**	1,387

(d) Common share purchase warrants

Number of common share purchase warrants	**Three months ended March 31, 2006**	Year ended December 31, 2005 (Audited)
Outstanding, beginning of period	**6,691,733**	-
Issued	**-**	6,691,733
Outstanding, end of period	**6,691,733**	6,691,733

As at March 31, 2006 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	**Three months ended March 31, 2006**	Year ended December 31, 2005 (Audited)
Outstanding, beginning of period	**1,502,706**	-
Issued, exercisable at Cdn$0.60 each	**-**	328,206
Issued, exercisable at Cdn$0.52 each	**-**	1,174,500
Outstanding, end of period	**1,502,706**	1,502,706

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

As at March 31, 2006 the Company had on issue and outstanding compensation options for:

(i) 328,206 common shares of the Company exercisable at Cdn$0.60 each expiring on September 5, 2006; and

(ii) 1,174,500 common shares of the Company exercisable at Cdn$0.52 each expiring on December 14, 2007.

See note 6.

5. Related Parties

As at the balance sheet dates of March 31, 2006 and December 31, 2005 the Company's balances with related parties were US$Nil.

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

Transactions	Footnote	**Three months ended March 31, 2006**	Three months ended March 31, 2005
Administration (management fees)	(a)	**-**	61
Administration and capitalized exploration and development costs (recharges)	(a)	**-**	3
Other income (management fees)	(b)	**-**	27
Administration and capitalized exploration and development costs (recharges)	(b)	**-**	(47)
Administration (legal fees)	(c)	**-**	-
Other income (fees)	(d)	**3**	-
Administration (Chairman services)	(e)	**97**	-

(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 three months ended March 31, 2005 the contract with SSL for the provision of administration services was terminated by payment of a final management fee of US$60,000.

(b) Balances with the Kofi Project Area (Mali) joint venture represent recharges of expenses owing to and services provided by the Company. The Company renders charges to the Kofi Project Area joint venture as a percentage of expenditures under management. Up to September 26, 2005 the Kofi Project Area joint venture was being funded by a subsidiary of Newmont Mining Corporation.

(c) 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$Nil (2005 - US$46,442). Fees relating to such transactions have been charged against the gross proceeds of the related share offerings. In addition to the value of transactions included in the determination of results of operations for the period Fasken Martineau DuMoulin LLP provided professional services in connection with the Company's exploration properties at a cost of US$19,321 (2005 - US$Nil). In accordance with the Company's accounting policy for exploration and development costs such costs have been capitalized by Company.

(d) Fees rendered in connection with investor and public relations services provided by the Company to Guinor Gold Corporation, a company of which, until December 13, 2005, Edward Reeve, a director of the Company, was a director.

(e) On December 6, 2005 the Company entered into a Contract for Services with The Addax & Oryx Group Limited, the parent company of Addax Mining Holdings BV (the Company's major shareholder), for the provision of the services of Jean Claude Gandur in the capacity of Chairman of the Company. The fees payable for these services, which commenced on January 1, 2004 for an initial period of three years, are GBP£27,500 per annum, payable quarterly in arrears. The fees for the years ended December 31, 2004 and December 31, 2005 were paid subsequent to December 31, 2005.

6. Subsequent Events

(a) In Senegal, with effect from April 28, 2006, the Company entered into a joint venture with Harmony Gold Mining Company Limited (“Harmony”) wherein by funding expenditure of US$ 4 million over three years Harmony may earn a 50% interest in the Company’s three wholly owned Sonkounkou, Sabodala NW and Heremakono permits (collectively the “Senegal Permits”). AXMIN is delighted to be working with Harmony, a company that has the technical and development strength to assist in rapidly advancing the very prospective Senegal Permits. Regional exploration conducted by AXMIN across these permits has already identified a large number of targets that justify follow up work.

Under the terms of the agreement Harmony has the right to earn a 50% interest in AXMIN’s Senegal Permits by expenditure of US$4 million over a three year period, with a minimum of US$800,000 in the first year to earn 10% interest, US$1.2 million in the second year to earn 25% interest and US$2 million in the third year to earn the full 50% interest. In the event that Harmony should elect to discontinue the joint venture prior to earning a 25% interest then it must return the initial 10% interest to AXMIN. Once Harmony has earned its 50% interest in the Senegal Permits all further exploration and development expenditures will be shared between Harmony and AXMIN in proportion to each party’s interest. Under this arrangement all previous back-in rights held by Harmony (through its acquisition of Avgold Limited) on the Sonkounkou permit have been extinguished.

(b) Subsequent to March 31, 2006 the Company granted stock options for 950,000 common shares of the Company exercisable at Cdn$0.74 each expiring on April 4, 2008.

(c) Subsequent to March 31, 2006 15,000 common share purchase warrants expiring on September 5, 2006 were exercised at Cdn$0.75 each, for total proceeds of Cdn$11,250, and as a result the Company issued 15,000 common shares of the Company to the common share purchase warrant holder.

(d) Subsequent to March 31, 2006 63,395 compensation options expiring on September 5, 2006 were exercised at Cdn$0.60 each, for total proceeds of Cdn$38,037, and as a result the Company issued 63,395 common shares of the Company to the compensation option holder.

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

Charles Carron Brown
General Manager, Passendro Gold Project

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

Registered Office

Fasken Martineau DuMoulin LLP
Toronto Dominion Bank Tower
Suite 4200
Toronto-Dominion Centre
66 Wellington Street West
Toronto, Ontario M5K 1N6
Canada

Auditors

Ernst & Young LLP
Toronto, Ontario, Canada

Legal Counsel

Fasken Martineau DuMoulin LLP
Toronto, Ontario, Canada

Investor and Analyst Inquiries

Judith Webster
Manager - Investor Relations
AXMIN Inc.
120 Adelaide Street West
Suite 2500
Toronto, Ontario M5H 1T1
Canada
Tel: +1 416 368 0993 (North America)
E-mail: ir@axmininc.com

UK Representative Office

Suite 107, Kent House
81 Station Road
Ashford
Kent TN23 1PP
United Kingdom
Tel: +44 (0)1233 665600 (UK)
E-mail: info@axmininc.com

Transfer Agent

Computershare Investor Services Inc.
Toronto, Ontario, Canada
Tel: 1 800 564 6253 (North America - Toll Free)
Tel: +1 514 982 7555 (International)
E-mail: service@computershare.com

Stock Listing

TSX Venture Exchange (TSX Venture)
Symbol: AXM

Common Shares Outstanding

(As at March 31, 2006)
159.9 million

Principal Bankers

Canadian Imperial Bank of Commerce
Toronto, Ontario, Canada

Barclays Bank PLC
St Helier, Jersey, Channel Islands

The Annual and Special Meeting of Shareholders will be held at 1000 hours (EST) on Tuesday, June 27, 2006 at the Company's Registered Office

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