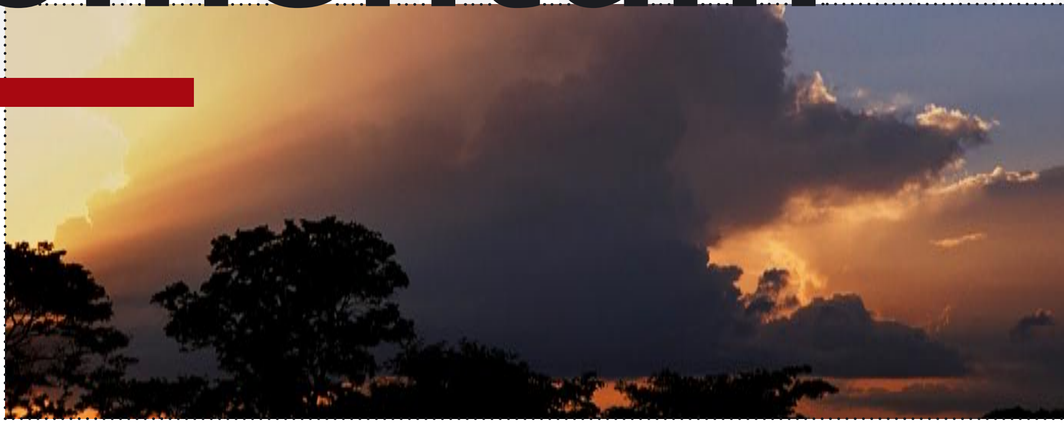
AXMIN

First Quarter Report

for the three months ended March 31, 2007

building momentum



"With AXMIN's first feasibility study nearing fruition at Passendro in the Central African Republic and the exciting projects in Mali and Sierra Leone rapidly gaining ground our objective in 2007 is to maintain our pace of advancement on all three fronts, to ensure that there is a pipeline of development projects ready to follow on behind Passendro as the Company makes the transition from explorer towards producer."

Dr. Jonathan Forster, CEO

With AXMIN's first feasibility study nearing completion at Passendro in the Central African Republic and the exciting projects in Mali and Sierra Leone rapidly gaining ground our objective in 2007 is to maintain our pace of advancement on all three fronts, to ensure that there is a pipeline of development projects ready to follow on behind Passendro as the Company makes the transition from explorer towards producer.

Current Mineral Resources

The Company's current mineral resources comprise:

Location	*Category*	*Million tonnes (Mt)*	*Grade (g/t Au)*	*Gold content (ozs)*
Passendro, CAR [1]	Indicated	18.620	2.6	1,540,100
	Inferred	16.820	2.0	1,104,900
Kofi, Mali [2]	Indicated	1.560	2.8	140,000
	Inferred	4.060	3.0	389,000
Komahun, Sierra Leone [3]	Inferred	4.870	2.5	392,000
Total	**Indicated**	**20.180**	**2.6**	**1,680,100**
	Inferred	**25.750**	**2.3**	**1,885,900**

1 April 2006: cut off grade 1.2 g/t Au except at Main Zone where 0.8 g/t Au
2 December 2006: cut off grade 1.0 g/t Au
3 October 2006: cut off grade 0.5 g/t Au

First Quarter 2007 Highlights and Subsequent Advances to Date

Central African Republic ("CAR") – Passendro Gold Project

Drilling has continued through the first quarter 2007 at the Passendro Gold Project with the focus being ongoing infill and depth extensions to mineralised zones, both to be incorporated into the feasibility study. In parallel, there has been continued drilling for geotechnical and sterilisation purposes. Results announced during the first quarter from the feasibility drilling were favourable, with gold assays received from the program suggesting that mining may extend well below the 50-60 metres depth originally planned for the Main Zone open pit. These results include **5.7 g/t Au over 10.5 metres, 4.2 g/t Au over 20.5 metres and 32.0 g/t Au over 3.0 metres**. The identification of these mineralised shoots provides the opportunity to test for gold mineralisation at even deeper levels in the future. With feasibility drilling now coming to an end, the focus can once again turn to the upside exploration potential of the Bambari-Bakala Belt, with multiple targets ready for drill testing and with the objective of ultimately both extending project life and expanding project size.

In addition, recent work on the adjacent Bakala Permit suggests that the first steps in identifying a new gold district have been made (press release dated April 25, 2007).

Mali – Kofi Gold Project

During the first quarter 2007 two new gold targets were identified at the Kofi Gold Project in western Mali. At the 350 metre long Blanaid Prospect, which is located 1,000 metres northeast of the Kofi SW-C mineral resource, near surface reverse circulation ("RC") drill results include **3.1 g/t Au over 35 metres, 3.0 g/t Au over 15 metres, and 2.5 g/t au over 35 metres**. Meanwhile at the 1,000 metre long Dabara Prospect, located approximately 10 km to the south of the Kofi South mineral resource, drill results from rotary air blast results include **2.0 g/t Au over 50 metres, 1.0 g/t Au over 39 metres and 1.0 g/t Au over 35 metres**.

In April 2007 we announced a third new discovery on the Kofi SW structure (Zone A). Trench results from the newly outlined Zone A prospect, located approximately 2.5 km north of the Blanaid Prospect, include **80 metres at 2.3 g/t Au and 60 metres at 2.0 g/t Au**. Soil geochemistry and termite sampling from which significant amounts of visible gold have been panned indicate a potential strike length of up to 700 metres. The structure is currently the subject of a first phase reconnaissance RC drill program.

The true gold potential of the Kofi Gold Project is now starting to be understood. The strong correlation between soil geochemistry, new structural interpretation, geophysics and favourable rock types has led to the discovery of these new gold zones and this provides great encouragement that further new resources can emerge from the existing and substantial targets currently identified.

Both the 25,000 metre RC drill program and the 3,000 metre core drilling program are in progress, from which it is anticipated that further gold resources may be added to those already established on the Kofi Gold Project with the objective of eventually defining sufficient ounces to support a stand-alone open pit mining operation.

Sierra Leone – Komahun Gold Prospect

During the first quarter 2007 results were reported from soil sampling and confirmed by trenching that the Komahun Gold Prospect, located on the Nimini Hills licence in west-central Sierra Leone, has been extended at least 2.5 km to the south. Trench results include **2.2 g/t Au over 25 metres, 6.9 g/t Au over 2 metres (open upslope) and 1.4 g/t Au over 16 metres**. In addition, two drill holes designed to infill a previously barren interval in the Main Komahun prospect have intersected **7.0 g/t Au over 15 metres and 3.5 g/t Au over 23.3 metres**. This encouraging start to the ongoing 6,000 metre core drilling program provides optimism that a significant increase in resources may be achieved at Komahun during 2007. The drilling program will test the main Komahun structure at depth as well as systematically test parallel mineralised structures and the new zones identified to the south from trenching.

During the three months ended March 31, 2007 exploration and development cash expenditure was US$5.200 million. As at March 31, 2007 the Company's cumulative capitalized carrying value of exploration and development expenditures was US$49.776 million. Of the exploration and development cash expenditure incurred during the three months ended March 31, 2007 US$3.480 million related to the Bambari-Bakala Permits in the CAR.

As at March 31, 2007 the Company had cash resources of US$30.241 million and a working capital of US$28.958 million.

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

Dr. Jonathan Forster
Chief Executive Officer & Director

May 29, 2007

Overview

AXMIN Inc. ("AXMIN", the "Company") is an international mineral exploration company with an 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, other than with respect to the properties that comprise the Passendro Gold Project in the Central African Republic (the "CAR") (discussed below), it 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. 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. See "Risk Factors".

Exploration and Development Properties

A significant portion of the Company's exploration and development costs relate to its Bambari property in the CAR. The Company holds its interest in this property through its indirect wholly-owned subsidiary Aurafrique S.A.R.L. ("Aurafrique"), which holds prospecting and exploration permits for the property.

AXMIN has interests in the following mineral exploration properties which are described below:

- the Bambari, Bakala, Bogoin II, Pouloubou and Sosso Polipo exploration permits located in the CAR;
- the Kofi North, Netekoto-Kenieti, Walia and Walia West exploration permits (collectively referred to as the "Kofi Gold Project") located in Mali;
- the Nimini Hills, Gori Hills, Makong, Matotaka and Sokoya exploration permits located in Sierra Leone;
- the Bouroum, Yeou and Ankouma exploration permits located in Burkina Faso;
- the Sonkounkou, Sabodala NW and Heremakono exploration permits located in Senegal;
- the Cape Three Points exploration permits located in Ghana; and
- the B-B Lake exploration permits located in the Northwest Territories, Canada.

The Bakala, Bogoin II, Pouloubou and Sosso Polipo exploration permits (CAR), the Bouroum, Yeou and Ankouma exploration permits (Burkina Faso), the Sabodala NW and Heremakono exploration permits (Senegal), the Cape Three Points exploration permits (Ghana) and the B-B Lake exploration permits (Canada) are currently not material to AXMIN's operations. During the year ended December 31, 2006, due to uncertainty of the recoverability of exploration and development costs associated with the Cape Three Points and B-B Lake properties these costs were fully written-off.

For a fuller description of the above properties and any 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, 2006 and other filings made on the SEDAR website (*www.sedar.com*) including the most recently filed Annual Information Form dated November 7, 2006.

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

Results of Operations

The following tables set out selected unaudited consolidated financial information for the Company for the first quarter in 2007, each of the financial quarters in 2006, and for the second, third and fourth quarters in 2005:

	2007 1st quarter
Unaudited consolidated statements of operations and deficit	
Net loss for the period	(1,047)
Net loss per share	(0.0049)
Unaudited consolidated balance sheets	
Working capital	28,958
Total assets	80,337
Unaudited consolidated statements of cash flows	
Exploration and development costs outflow	(5,200)
Net cash inflow from financing activities	693

	2006 1st quarter	*2006 2nd quarter*	*2006 3rd quarter*	*2006 4th quarter*
Unaudited consolidated statements of operations and deficit				
Net loss for the period	(482)	(343)	(452)	(2,748)
Net loss per share	(0.0030)	(0.0021)	(0.0028)	(0.0163)
Unaudited consolidated balance sheets				
Working capital	10,597	6,084	5,971	33,520
Total assets	43,873	44,381	48,189	80,027
Unaudited consolidated statements of cash flows				
Exploration and development costs outflow	(3,796)	(4,464)	(4,603)	(4,736)
Net cash inflow from financing activities	-	44	4,740	33,364

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

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

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, 2007 compared to the three months ended March 31, 2006

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

Administration costs in 2007 were US$0.454 million compared to US$0.435 million in 2006.

The stock-based compensation expense in 2007 was US$0.995 million compared to US$0.115 million in 2006. The reason for this increase was the grant of stock options on January 25, 2007 for 3,700,000 common share of the Company exercisable at Cdn$0.99 each expiring January 24, 2012.

The net loss for the three months ended March 31, 2007 was US$1.047 million as compared to US$0.482 million in 2006. This increase is explained by the increase in stock-based compensation expense (see above), net of foreign exchange gains and increased interest income.

During the three months ended March 31, 2007 exploration and development cash expenditure was US$5.200 million compared to US$3.796 million during the three months ended March 31, 2006. As at March 31, 2007 the Company's cumulative capitalized carrying value of exploration and development expenditures was US$49.776 million compared to the December 31, 2006 balance of US$44.576 million. Of the exploration and development cash expenditure incurred during the three months ended March 31, 2007 US$3.480 million related to the Bambari-Bakala Permits in the CAR compared to US$2.878 million during the three months ended March 31, 2006.

Liquidity and Capital Resources

As at March 31, 2007 the Company had cash resources of US$30.241 million compared to the December 31, 2006 balance of US$35.025 million.

During the three months ended March 31, 2007 2,050,000 stock options were exercised at Cdn$0.32 each, 500,000 stock options were exercised at Cdn$0.34 each and 15,000 stock options were exercised at Cdn$0.71 each, for total proceeds of Cdn$836,650 (US$718,771), and as a result the Company issued 2,565,000 common shares of the Company to the stock option holders.

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

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

As at March 31, 2007 the Company had working capital (defined as the difference between current assets and current liabilities) which amounted to US$28.958 million compared to the December 31, 2006 amount of US$33.520 million.

Contractual Obligations

The Company has no material contractual obligations.

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 consolidated financial statements for the year ended December 31, 2006. 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, 2007 the Company had capitalized US$49.776 million of exploration and development costs. The comparative figure as at December 31, 2006 was US$44.576 million.

Stock-based compensation

Effective January 1, 2003 the Company recognizes compensation expense when stock options are granted.

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 4.1% (2006 - 3.96%), expected dividend yield of nil, expected volatility of 107.4% (2006 - 107.4%), and expected option life of 5 years (2006 - 2 to 5 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 2007 was US$0.78 (2006 - US$0.3819).

The cumulative stock-based compensation expense is as follows:

Stock options	**Three months ended March 31, 2007 (Unaudited)**	Year ended December 31, 2006 (Audited)
Balance, beginning of period	**2,209**	1,387
Stock-based compensation expense	**995**	936
Transfer to share capital on exercise of stock options	**(442)**	(114)
Balance, end of period	**2,762**	2,209

Changes in Accounting Policy

Effective January 1, 2007, the Company adopted four new accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA") in 2005: Handbook Section 1530 *Comprehensive Income*; Handbook Section 3855 *Financial Instruments - Recognition and Measurement*; Handbook Section 3861 *Financial Instruments - Presentation and Disclosure*; and Handbook Section 3865 *Hedges.* A description of these standards and the impact of their adoption on the Company is discussed in note 2 to the unaudited consolidated financial statements.

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, 2007 (unaudited) and December 31, 2006 and unaudited transactions with related parties included in the determination of results of operations for the three months ended March 31, 2007 and March 31, 2006 are disclosed in note 5 to the Company's unaudited consolidated financial statements for the three months ended March 31, 2007.

Risks Factors

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.

Political Risk

AXMIN currently conducts its exploration activities in the African countries of the CAR, Mali, Sierra Leone, Senegal, Ghana and Burkina Faso. 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. There have been recent news reports of a deteriorated security situation in the northern border areas of the CAR. To date, AXMIN's operations have not been materially affected by these activities. The Company's management is continuing to monitor this situation.

Concentration of Share Ownership

As at the date of this report AOG Holdings BV (formerly Addax Mining Holdings BV, a wholly owned subsidiary of The Addax & Oryx Group Limited) holds approximately 41% of the common shares issued by the Company. AOG 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 the Company's Annual Report 2006, which is available on the SEDAR website (*www.sedar.com*).

(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	Number of securities outstanding	Number of common shares on exercise
Common shares				213,286,234
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	1,470,000	1,470,000
Stock options	October 4, 2009	Cdn$0.70	150,000	150,000
Stock options	December 13, 2009	Cdn$0.67	710,000	710,000
Stock options	December 5, 2010	Cdn$0.55	200,000	200,000
Stock options	March 8, 2011	Cdn$0.71	1,085,000	1,085,000
Stock options	January 24, 2012	Cdn$0.99	3,700,000	3,700,000
Compensation options	December 14, 2007	Cdn$0.52	1,174,500	1,174,500
Fully diluted common shares				223,565,734

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, 2007, 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.

The CEO and CFO are responsible for establishing and maintaining internal control over financial reporting, and have designed internal control over financial reporting or caused internal control over financial reporting to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance to Canadian generally accepted accounting principles.

Due to its inherent limitations, internal control over financial reporting may not prevent or detect material misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The CEO and CFO have commenced the evaluation of the effectiveness of the Company's internal control over financial reporting, pursuant to the requirements of Multilateral Instrument 52-109.

Management has concluded that, for the period ending March 31, 2007, the Company's internal control over financial reporting was adequate.

Outlook

The Company has two main priorities at the project level. At the Passendro Gold Project, Bambari-Bakala permits, in the CAR the Company intends to undertake and complete a definitive feasibility study on the project later in 2007 while continuing to expand and increase the confidence of mineral resources in the immediate vicinity. Elsewhere on the Bambari-Bakala and other 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 capital.

Forward-Looking Statements

This report contains "forward-looking information" which may include, but is not limited to, statements with respect to the future financial or operating performances of AXMIN, its subsidiaries and their respective projects, the future price of gold, base metals and other commodities, the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, requirements for additional capital, government regulation of mining operations, environmental risks, reclamation and rehabilitation expenses, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of pending litigation and regulatory matters. Often, but not always, forward-looking information statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes", or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might", or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of AXMIN and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, those factors discussed in the section entitled "Risk Factors" in this report. Although AXMIN has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this report based on the opinions and estimates of management, and AXMIN disclaims any obligation to update any forward-looking statements, whether as a result of new information, estimates or opinions, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, 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, 2007

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, 2007 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, 2007 and December 31, 2006	**March 31, 2007**	December 31, 2006 (Audited)
Assets		
Current assets		
Cash	**30,241**	35,025
Prepaid expenses and sundry debtors	**259**	368
	30,500	35,393
Exploration and development costs *(Note 3)*	**49,776**	44,576
Other assets	**61**	58
	80,337	80,027
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable	**1,274**	1,220
Accrued liabilities and sundry creditors	**268**	640
Due to related parties *(Note 5)*	**-**	13
	1,542	1,873
Shareholders' equity		
Share capital *(Note 4)*	**88,360**	87,225
Stock options *(Note 4(c))*	**2,762**	2,209
Deficit	**(12,327)**	(11,280)
	78,795	78,154
	80,337	80,027

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, 2007 and March 31, 2006	**2007**	2006
Expenses		
Administration *(Note 5)*	**454**	435
Stock-based compensation expense *(Note 4(c))*	**995**	115
(Gain) loss on foreign exchange	**(178)**	28
	1,271	578
Other income		
Interest income	**224**	96
	224	96
Net loss for the period	**1,047**	482
Deficit, beginning of period	**11,280**	7,255
Deficit, end of period	**12,327**	7,737
Net loss per share (basic and diluted)	**0.0049**	0.0030
Weighted average number of common shares outstanding	**212,286,234**	159,861,296

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, 2007 and March 31, 2006	**2007**	2006
Operating activities		
Net loss for the period	**(1,047)**	(482)
Stock-based compensation expense	**995**	115
Change in related parties	**(13)**	-
Change in non-cash working capital	**(209)**	154
Net cash outflow from operating activities	**(274)**	(213)
Investing activities		
Exploration and development costs	**(5,200)**	(3,796)
Other assets	**(3)**	-
Net cash outflow from investing activities	**(5,203)**	(3,796)
Financing activities		
Issuance of common shares	**718**	-
Cost of share issuances	**(25)**	-
Net cash inflow from financing activities	**693**	-
Net cash outflow	**(4,784)**	(4,009)
Cash, beginning of period	**35,025**	15,618
Cash, end of period	**30,241**	11,609

See accompanying notes to the unaudited consolidated financial statements.

1. Nature of Operations and Basis of Presentation

AXMIN Inc. ("AXMIN", the "Company") is an international mineral exploration company with an 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, other than with respect to the properties that comprise the Passendro Gold Project (discussed below), it 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. 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.

The 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 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 (the "CAR"). The Company holds its interest in this property through its indirect wholly-owned CAR registered subsidiary, Aurafrique S.A.R.L. ("Aurafrique"), which holds prospecting and exploration permits for the property. The Passendro Gold Project is situated on a portion of the Bambari property and is contained within the Bambari permits.

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, 2006. 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 2006. The consolidated financial statements include the accounts of the Company and all of the AXMIN Inc. group's subsidiaries which are wholly owned and 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)

Changes in accounting policy

Effective January 1, 2007, the Company adopted four new accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA") in 2005: Handbook Section 1530 *Comprehensive Income*; Handbook Section 3855 *Financial Instruments - Recognition and Measurement*; Handbook Section 3861 *Financial Instruments - Presentation and Disclosure*; and Handbook Section 3865 *Hedges.* These accounting policy changes were adopted on a prospective basis; accordingly, comparative amounts for prior periods have not been restated.

(a) Comprehensive Income (Section 1530)

Section 1530 sets out reporting and disclosure standards with respect to comprehensive income and its components. Comprehensive income is composed of net income and other comprehensive income. The Company's other comprehensive income includes unrealized gains and losses on translation of self-sustaining foreign operations and changes in the fair value of derivative instruments designated as cash flow hedges, net of income taxes. The Company does not have any components of comprehensive income and therefore this policy has had no impact on the Company's financial statements.

(b) Financial Instruments – Recognition and Measurement (Section 3855); Presentation and Disclosure (Section 3861)

Section 3855 sets out standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. It requires that financial assets and financial liabilities, including derivatives, be measured at fair value on initial recognition and recorded on the balance sheet. Measurement in subsequent periods depends on whether the financial instrument has been classified as held-for-trading, available-for-sale, held-to-maturity, loans and receivables, or other financial liabilities. Section 3861 sets out standards for the presentation and disclosure of financial instruments.

Financial assets and financial liabilities held-for-trading are measured at fair value with changes in those fair values recognized in net income. Financial assets and financial liabilities considered held-to-maturity, loans and receivables, and other financial liabilities are measured at amortized cost using the effective interest method of amortization. Available-for-sale financial assets are measured at fair value with unrealized gains and losses recognized in other comprehensive income. Investments in equity instruments classified as available-for-sale that do not have a quoted market price in an active market are measured at cost.

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

The Company has made the following classifications:

- Cash is classified as a financial asset "held-for-trading" and is measured at fair value. Gains and losses resulting from the periodic revaluation are recorded in net income.
- Accounts receivable, prepaid expenses and sundry debtors are classified as "loans and receivables" and are recorded at amortized cost, which upon their initial measurement is equal to their fair value. Subsequent measurements are recorded at amortized cost using the effective interest rate method.
- Accounts payable, accrued liabilities and sundry creditors are classified as "other financial liabilities" and are initially measured at their fair value. Subsequent measurements are recorded at amortized cost using the effective interest rate method.

(c) Hedges (Section 3865)

Section 3865 sets out standards on the use of hedge accounting. The Company currently does not have any components of hedges in place and therefore this policy has had no impact on the Company's financial statements.

(d) Impact upon adoption of CICA Handbook Sections 1530, 3855, 3861 and 3865

The adoption of these new accounting standards has had no impact on the Company's unaudited consolidated financial statements.

3. Exploration and Development Costs

	Three months ended March 31, 2007	Year ended December 31, 2006 (Audited)
Balance, beginning of period	**44,576**	28,125
Additions	**5,200**	17,751
Write-downs	**-**	(1,300)
Balance, end of period	**49,776**	44,576

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

	March 31, 2007	December 31, 2006 (Audited)
Central African Republic		
Bambari-Bakala	**35,231**	31,751
Pouloubou	**440**	439
Bogoin II	**96**	95
Sosso-Polipo	**141**	112
Mali		
Kofi Gold Project	**6,611**	5,770
Sierra Leone		
Nimini Hills	**3,364**	2,757
Matotaka	**155**	146
Gori Hills	**296**	284
Sokoya	**92**	86
Makong	**591**	352
Senegal		
Sonkounkou	**2,295**	2,320
Sabodala NW	**252**	252
Heremakono	**212**	212
	49,776	44,576

4. Share Capital

(a) Authorized share capital

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

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

(b) Issued share capital

Common shares	Number of common shares	Amount
Balance as at January 1, 2007	210,721,234	87,225
Exercise of stock options	2,565,000	718
Cost of share issuances	-	(25)
Stock-based compensation expense	-	442
Balance as at March 31, 2007	213,286,234	88,360

(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, 2007**	Year ended December 31, 2006 (Audited)
Outstanding, beginning of period	**7,970,000**	6,510,000
Granted	**3,700,000**	3,080,000
Exercised	**(2,565,000)**	(1,390,000)
Expired or not vested	**-**	(230,000)
Outstanding, end of period	**9,105,000**	7,970,000
Exercisable, end of period	**5,557,500**	6,475,000

As at March 31, 2007 the Company had on issue and outstanding stock options for:

Expiry date	Exercise price	Number of stock options outstanding	Number of common shares on exercise
March 8, 2008	Cdn$0.71	900,000	900,000
April 4, 2008	Cdn$0.74	950,000	950,000
December 18, 2008	Cdn$1.00	1,470,000	1,470,000
October 4, 2009	Cdn$0.70	150,000	150,000
December 13, 2009	Cdn$0.67	710,000	710,000
December 5, 2010	Cdn$0.55	200,000	200,000
March 8, 2011	Cdn$0.71	1,085,000	1,085,000
January 24, 2012	Cdn$0.99	3,700,000	3,700,000
		9,105,000	9,105,000

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 4.1% (2006 - 3.96%), expected dividend yield of nil, expected volatility of 107.4% (2006 - 107.4%), and expected option life of 5 years (2006 - 2 to 5 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 2007 was US$0.78 (2006 - US$0.3819).

The cumulative stock-based compensation expense is as follows:

Stock options	**Three months ended March 31, 2007**	Year ended December 31, 2006 (Audited)
Balance, beginning of period	**2,209**	1,387
Stock-based compensation expense	**995**	936
Transfer to share capital on exercise of stock options	**(442)**	(114)
Balance, end of period	**2,762**	2,209

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

(d) Common share purchase warrants

Number of common share purchase warrants	**Three months ended March 31, 2007**	Year ended December 31, 2006 (Audited)
Outstanding, beginning of period	**-**	6,691,733
Exercised at Cdn$0.75 each	**-**	(6,641,732)
Expired	**-**	(50,001)
Outstanding, end of period	**-**	-

As at March 31, 2007 the Company had no common share purchase warrants on issue and outstanding.

(e) Compensation options

Number of compensation options including attached common share purchase warrants	**Three months ended March 31, 2007**	Year ended December 31, 2006 (Audited)
Outstanding, beginning of period	**1,174,500**	1,502,706
Exercised at Cdn$0.60 each	**-**	(328,206)
Outstanding, end of period	**1,174,500**	1,174,500

As at March 31, 2007 the Company had on issue and outstanding compensation options for 1,174,500 common shares of the Company exercisable at Cdn$0.52 each expiring on December 14, 2007.

5. Related Parties

The Company's balances with related parties as at March 31, 2007 and December 31, 2006 are summarized below:

Balances	Footnote	**March 31, 2007**	December 31, 2006 (Audited)
Due to The Addax & Oryx Group Limited	(a)	**-**	13
Due to related parties		-	13

The Company's transactions with related parties included in the determination of results of operations for the three months ended March 31, 2007 and 2006 are summarized below:

(a) On December 6, 2005 the Company entered into a Contract for Services with The Addax & Oryx Group Limited, the parent company of Addax (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, are effective from January 1, 2007 GBP£28,875 per annum (effective from January 1, 2004 to December 31, 2006 GBP£27,500 per annum), payable quarterly in arrears. The fees for the years ended December 31, 2004 and December 31, 2005, being GBP£55,000 (equivalent to US$94,679) were paid subsequent to December 31, 2005. The fees for the three months ended March 31, 2007 were GBP£7,219 (equivalent to US$14,134). The fees for the three months ended March 31, 2006 were GBP£6,875 (equivalent to US$12,638).

(b) Legal services are provided by Fasken Martineau DuMoulin LLP, a law firm to which Robert Shirriff, a director of the Company, is counsel. In addition to US$2,056 (2006 - US$Nil) included in the determination of results of operations for the period Fasken Martineau DuMoulin LLP provided legal services in the amount of US$Nil (2006 - US$Nil) in connection with share offerings made by the Company. Fees relating to such transactions have been charged against the gross proceeds of the related share offerings. Furthermore Fasken Martineau DuMoulin LLP provided professional services in connection with the Company's exploration properties at a cost of US$Nil (2006 - US$19,321). In accordance with the Company's accounting policy for exploration and development costs such costs have been capitalized by the Company.

(c) Fees charged in the amount of US$Nil (2006 - US$3,365) 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.

6. Comparative Figures

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

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

Jonathan Forster [4]

Jean Claude Gandur [4]

Robert Jackson [1,2,3,5]

Michael Martineau [4,5]

Edward Reeve [1,2,3,5]

Robert Shirriff [2]

Anthony Walsh [1,3]

Senior Management

Charles Carron Brown
General Manager, Passendro Gold Project

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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Toronto, Ontario, Canada

Legal Counsel

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Stock Listing

TSX Venture Exchange (TSX Venture)
Symbol: AXM

Common Shares Outstanding

(As at March 31, 2007)
213.3 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 (ET) on Tuesday, June 26, 2007 at the Company's Registered Office

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