



Second Quarter Report

for the six months ended June 30, 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

Report to Shareholders

With AXMIN's first feasibility study nearing completion at Passendro in the Central African Republic (the "CAR") 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:

<i>Location</i>	<i>Category</i>	<i>Million tonnes (Mt)</i>	<i>Grade (g/t Au)</i>	<i>Gold content (ozs)</i>
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

Second Quarter 2007 Highlights and Subsequent Advances to Date

Central African Republic – Passendro Gold Project

The feasibility study at the Passendro Gold Project is nearing completion, with geological, engineering and metallurgical data being compiled, and process and mine design in progress. Compilation of the environmental and social impact assessment is also in progress, drawing on the baseline environmental studies that have been completed. Meanwhile our focus is once again turning to the upside exploration potential of the Bambari-Bakala Belt, with multiple targets to be drilled and with the objective of ultimately both extending project life and expanding project size. In April 2007 it was announced that work on the adjacent Bakala Permit suggests the first steps in identifying a new gold district have been made.

Mali – Kofi Gold Project

The 25,000 metre reverse circulation ("RC") drill program is nearing completion, in support of the 3,000 metre core drilling program which was completed during the second quarter 2007. Initial results of this program were released in April 2007 with the announcement of 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.

In August 2007 we also announced that gold mineralisation at the Kofi South prospect, located within the Kofi Gold Project in western Mali, extends at least a further 650 metres along strike to the south of the central resource block with new drill intercepts including **3.9 g/t Au over 31 metres, 2.5 g/t Au over 14 metres and 5.5 g/t Au over 9 metres**. At the same time, infill drilling at the 320 metre long Blanaid Prospect has confirmed internal continuity of the structure, with intercepts that include **2.8 g/t Au over 40 metres and 3.3 g/t Au over 27 metres**.

The first results from the 2007 exploration drilling program have confirmed our belief that the well developed gold mineralisation previously identified in the centre of the Kofi South structure continues to the south in a similar manner with a clear potential to increase resources. This growth in the size of the Kofi South prospect, in conjunction with confirmation of internal continuity at the Blanaid prospect, is just part of the current exploration program which is targeting several zones with potential to expand resources at Kofi with the objective of creating AXMIN's second development project.

Report to Shareholders

Sierra Leone – Komahun Gold Prospect

In January 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 6,000 metre core drilling program, which is now completed, provides optimism that a significant increase in resources may be achieved at Komahun during 2007. The drilling program has tested the main Komahun structure at depth as well as systematically testing parallel mineralised structures and the new zones identified to the south from trenching with results awaited.

During the six months ended June 30, 2007 exploration and development cash expenditure was US\$11.240 million, of which US\$7.045 million related to the Bambari-Bakala Permits in the CAR. As at June 30, 2007 the Company's cumulative capitalized carrying value of exploration and development expenditures was US\$55.816 million.

As at June 30, 2007 the Company had cash of US\$24.669 million and a working capital of US\$23.669 million.

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

A handwritten signature in black ink, appearing to read 'Jonathan Forster', with a large, sweeping initial 'J'.

Dr. Jonathan Forster
Chief Executive Officer & Director

August 23, 2007

Management's Discussion and Analysis of Financial Condition and Results of Operations

(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 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 CAR registered subsidiary, Aurafrique S.A.R.L., 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.

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

- o the Bambari, Bakala, Bogoin II, Pouloubou and Sosso Polipo exploration permits located in the CAR;
- o the Kofi North, Netekoto-Kenieti, Walia and Walia West exploration permits (collectively referred to as the "Kofi Gold Project") located in Mali;
- o the Nimini Hills, Gori Hills, Makong, Matotaka and Sokoya exploration permits located in Sierra Leone;
- o the Bouroum, Yeou and Ankouma exploration permits located in Burkina Faso;
- o the Sonkounkou, Sabodala NW and Heremakono exploration permits located in Senegal;
- o the Cape Three Points exploration permits located in Ghana; and
- o 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 July 23, 2007.

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Results of Operations

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

	<i>2007 1st quarter</i>	<i>2007 2nd quarter</i>
Unaudited consolidated statements of operations and deficit		
Net (loss) profit for the period	(1,047)	220
Net (loss) profit per share	(0.0049)	0.0010
Unaudited consolidated balance sheets		
Working capital	28,958	23,669
Total assets	80,337	81,277
Unaudited consolidated statements of cash flows		
Exploration and development costs outflow	(5,203)	(6,037)
Net cash inflow from financing activities	693	14

	<i>2006 1st quarter</i>	<i>2006 2nd quarter</i>	<i>2006 3rd quarter</i>	<i>2006 4th quarter</i>
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

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

Six months ended June 30, 2007 compared to the six months ended June 30, 2006

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

Administration costs in 2007 were US\$1.067 million compared to US\$0.965 million in 2006. This increase is a function of the increased levels of activity of the group.

The stock-based compensation expense in 2007 was US\$1.509 million compared to US\$0.365 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 six months ended June 30, 2007 was US\$0.827 million as compared to US\$0.825 million in 2006. This increase is explained by the increase in administration costs and stock-based compensation expense (see above), net of foreign exchange gains and increased interest income.

During the six months ended June 30, 2007 exploration and development cash expenditure was US\$11.240 million (of which US\$7.045 million related to the Bambari-Bakala Permits in the CAR) compared to US\$8.260 million (of which US\$5.667 million related to the Bambari-Bakala Permits) during the six months ended June 30, 2006. As at June 30, 2007 the Company's cumulative capitalized carrying value of exploration and development expenditures was US\$55.816 million compared to the December 31, 2006 balance of US\$44.576 million.

Liquidity and Capital Resources

As at June 30, 2007 the Company had cash of US\$24.669 million compared to the December 31, 2006 balance of US\$35.025 million.

During the six months ended June 30, 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 37,500 stock options were exercised at Cdn\$0.71 each, for total proceeds of Cdn\$852,625 (US\$732,496), and as a result the Company issued 2,587,500 common shares of the Company to the stock option holders.

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

As at June 30, 2007 the Company had working capital (defined as the difference between current assets and current liabilities) which amounted to US\$23.669 million compared to the December 31, 2006 amount of US\$33.520 million.

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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 June 30, 2007 the Company had capitalized US\$55.816 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

	Six months ended June 30, 2007 (Unaudited)	Year ended December 31, 2006 (Audited)
Balance, beginning of period	2,209	1,387
Stock-based compensation expense	1,509	936
Transfer to share capital on exercise of stock options	(451)	(114)
Balance, end of period	<u>3,267</u>	<u>2,209</u>

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Changes in Accounting Policy

Effective January 1, 2007, the Company adopted four new accounting standards issued by the Canadian Institute of Chartered Accountants 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 June 30, 2007 (unaudited) and December 31, 2006 and unaudited transactions with related parties included in the determination of results of operations for the six months ended June 30, 2007 and June 30, 2006 are disclosed in note 5 to the Company's unaudited consolidated financial statements for the six months ended June 30, 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 (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).

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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				213,308,734
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	1,002,500	1,002,500
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				<u>223,565,734</u>

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 June 30, 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 June 30, 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 has a feasibility study in progress and intends to 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

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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

August 23, 2007

AXMIN Inc.**Unaudited Consolidated Balance Sheets***(All tabular amounts stated in thousands of United States dollars)*

<i>As at June 30, 2007 and December 31, 2006</i>	June 30, 2007	December 31, 2006 (Audited)
Assets		
Current assets		
Cash	24,669	35,025
Prepaid expenses and sundry debtors	734	368
	25,403	35,393
Exploration and development costs <i>(Note 3)</i>	55,816	44,576
Other assets	58	58
	81,277	80,027
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable	1,459	1,220
Accrued liabilities and sundry creditors	261	640
Due to related parties <i>(Note 5)</i>	14	13
	1,734	1,873
Shareholders' equity		
Share capital <i>(Note 4)</i>	88,383	87,225
Stock options <i>(Note 4(c))</i>	3,267	2,209
Deficit	(12,107)	(11,280)
	79,543	78,154
	81,277	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 June 30, 2007		Six months ended June 30, 2007	
		2006		2006
Expenses				
Administration <i>(Note 5)</i>	613	530	1,067	965
Stock-based compensation expense <i>(Note 4(c))</i>	514	250	1,509	365
Gain on foreign exchange	(952)	(341)	(1,130)	(313)
	175	439	1,446	1,017
Interest income	395	96	619	192
Net profit (loss) for the period	220	(343)	(827)	(825)
Deficit, beginning of period	(12,327)	(7,737)	(11,280)	(7,255)
Deficit, end of period	(12,107)	(8,080)	(12,107)	(8,080)
Net profit (loss) per share (basic and diluted)	0.0010	(0.0021)	(0.0039)	(0.0051)
Weighted average number of common shares outstanding	213,288,223	159,917,075	213,104,162	159,889,339

See accompanying notes to the unaudited consolidated financial statements.

AXMIN Inc.**Unaudited Consolidated Statements of Cash Flows***(All tabular amounts stated in thousands of United States dollars)*

	Three months ended June 30,		Six months ended June 30,	
	2007	2006	2007	2006
Operating activities				
Net profit (loss) for the period	220	(343)	(827)	(825)
Stock-based compensation expense	514	250	1,509	365
Gain on foreign exchange	(2,210)	(447)	(2,450)	(475)
Change in related parties	14	25	1	25
Change in non-cash working capital	(297)	457	(506)	611
Net cash outflow from operating activities	(1,759)	(58)	(2,273)	(299)
Investing activities				
Exploration and development costs	(6,037)	(4,464)	(11,240)	(8,260)
Net cash outflow from investing activities	(6,037)	(4,464)	(11,240)	(8,260)
Financing activities				
Issuance of common shares	14	44	732	44
Cost of share issuances	-	-	(25)	-
Net cash inflow from financing activities	14	44	707	44
Gain on foreign exchange on cash	2,210	447	2,450	475
Net cash outflow	(5,572)	(4,031)	(10,356)	(8,040)
Cash, beginning of period	30,241	11,609	35,025	15,618
Cash, end of period	24,669	7,578	24,669	7,578

See accompanying notes to the unaudited consolidated financial statements.

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. ("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., 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 (incorporated in the British Virgin Islands)
- 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)
- Golden Eagle Mining Limited (incorporated in the Isle of Man)

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 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.

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)

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.

(e) Accounting Changes

Effective January 1, 2007, the Company adopted the revised CICA Handbook Section 1506 *Accounting Changes*, relating to changes in accounting policies, changes in accounting estimates and error. Adoption of these recommendations had no effect on the consolidated financial statements for the three month and six month periods ending June 30, 2007, except for the disclosure of accounting changes that have been issued by the CICA but have not yet been adopted by the Company because they are not effective until a future date (refer to Future Accounting Standards below).

(f) Future Accounting Standards

On December 1, 2006, the CICA issued three new accounting standards: Handbook Section 1535 *Capital Disclosures*; Handbook Section 3862 *Financial Instruments - Disclosures*; Handbook Section 3863 *Financial Instruments - Presentation*. These standards are effective for interim and annual financial statements for the Company’s reporting period beginning on January 1, 2008. Section 1535 specifies the disclosure of (i) an entity’s objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance. The new Handbook Sections 3862 and 3863 replace Handbook Section 3861 *Financial Instruments - Disclosure and Presentation*, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks.

In March 2007, the CICA approved Handbook Section 3031 *Inventories* which replaces the existing Handbook Section 3030 *Inventories*. This standard is effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2008, with earlier application encouraged. The standard provides more guidance on the measurement and disclosure requirements for inventories.

The Company is currently assessing the impact of these new accounting standards on its financial statements.

3. Exploration and Development Costs

	Six months ended June 30, 2007	Year ended December 31, 2006 (Audited)
Balance, beginning of period	44,576	28,125
Additions	11,240	17,751
Write-downs	-	(1,300)
Balance, end of period	55,816	44,576

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)

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

	June 30, 2007	December 31, 2006 (Audited)
<i>Central African Republic</i>		
Bambari-Bakala	38,796	31,751
Pouloubou	440	439
Bogoin II	96	95
Sosso-Polipo	170	112
<i>Mali</i>		
Kofi Gold Project	8,167	5,770
<i>Sierra Leone</i>		
Nimini Hills	4,171	2,757
Matotaka	182	146
Gori Hills	326	284
Sokoya	92	86
Makong	622	352
<i>Senegal</i>		
Sonkounkou	2,290	2,320
Sabodala NW	252	252
Heremakono	212	212
	55,816	44,576

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, 2007	210,721,234	87,225
Exercise of stock options	2,587,500	732
Cost of share issuances	-	(25)
Stock-based compensation expense	-	451
Balance as at June 30, 2007	213,308,734	88,383

(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:

<i>Number of stock options</i>	Six months ended June 30, 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	(2,587,500)	(1,390,000)
Expired or not vested	-	(230,000)
Outstanding, end of period	9,082,500	7,970,000
Exercisable, end of period	5,594,375	6,475,000

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)

As at June 30, 2007 the Company had on issue stock options for the following number of common shares:

Expiry date	Exercise price	Number of stock options outstanding	Number of stock options exercisable
March 8, 2008	Cdn\$0.71	900,000	675,000
April 4, 2008	Cdn\$0.74	950,000	712,500
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	1,002,500	751,875
January 24, 2012	Cdn\$0.99	3,700,000	925,000
		9,082,500	5,594,375

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:

<i>Stock options</i>	Six months ended June 30, 2007	Year ended December 31, 2006 (Audited)
Balance, beginning of period	2,209	1,387
Stock-based compensation expense	1,509	936
Transfer to share capital on exercise of stock options	(451)	(114)
Balance, end of period	3,267	2,209

(d) Common share purchase warrants

<i>Number of common share purchase warrants</i>	Six months ended June 30, 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 June 30, 2007 the Company had no common share purchase warrants on issue and outstanding.

(e) Compensation options

<i>Number of compensation options including attached common share purchase warrants</i>	Six months ended June 30, 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 June 30, 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.

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)

5. Related Parties

The Company's balances with related parties as at June 30, 2007 and December 31, 2006 are summarized below:

<i>Balances</i>	Footnote	June 30, 2007	December 31, 2006 (Audited)
Due to The Addax & Oryx Group Limited	(a)	14	13
Due to related parties		14	13

The Company's transactions with related parties included in the determination of results of operations for the six months ended June 30, 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 AOG 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, are effective from January 1, 2007 amounting to GBP£28,875 per annum (effective from January 1, 2004 to December 31, 2006 amounting to 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 six months ended June 30, 2007 were GBP£14,438 (equivalent to US\$28,598). The fees for the six months ended June 30, 2006 were GBP£13,750 (equivalent to US\$25,276).
- (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\$7,615 (2006 - US\$10,374) 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\$Nil (2006 - US\$60,312). 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. Income Taxes

For the three months ended June 30, 2007 the Company has a profit of US\$219,274.

No income tax charge has been recorded due to the Company having a taxable loss for the three months ended June 30, 2007 after adjusting for permanent timing differences impacting taxes, relating to gain on foreign exchange and stock-based compensation expense.

7. Comparative Figures

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

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

Registered Office

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 June 30, 2007)
213.3 million

Principal Bankers

Canadian Imperial Bank of Commerce
Toronto, Ontario, Canada

Barclays Bank PLC
St Helier, Jersey, Channel Islands