AXMIN

ANNUAL REPORT 2005

growing through discovery

DISCOVERY

growing through discovery

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

Dr Michael Martineau, Deputy Chairman & President

2005 & EARLY 2006 HIGHLIGHTS

CENTRAL AFRICAN REPUBLIC

AXMIN awarded three new permits in Feb 06. AXMIN now controls six permits totaling approximately 5,500 sq km

- Bakala Permit (968 sq km) – Permit covers the northern extension of the Bambari belt. AXMIN now controls 120 km of gold bearing greenstone belt, comparable in length to Golden Star's Mampon-Prestea belt or Newmont's Ahafo belt, both in Ghana
- Sosso Polipo (1,000 sq km) – Permit covers a historical gold district where a total of 125,000 ozs were mined during the French colonial period
- Bogoin II (450 sq km) – Permit covers 70% of the Bogoin Archaean greenstone belt

BAMBARI PERMIT – PASSENDRO GOLD PROJECT

In Apr 06 AXMIN upgraded mineral resources increasing the indicated category by 44%

- Indicated resource of 1.54 million ozs (18.62 Mt grading 2.6 g/t Au); plus
- Inferred resource of 1.04 million ozs (16.82 Mt grading 2.0 g/t Au)

AXMIN enters into key development and production agreement with CAR government – Mining Convention signed

- Terms compare favourably with other jurisdictions in west Africa and underline the State's commitment to facilitate development

Pre-feasibility study results expected late Apr 06, definitive feasibility study began Jan 06 and is scheduled for completion early 2007

- AXMIN appoints General Manager at Passendro to fast track feasibility studies

AXMIN makes three new discoveries at Ndassima grid located 4-10 km from Passendro, within easy haulage distance of likely plant site

- Initial drill intersections include 3.1 g/t Au over 30 m and 3.0 g/t Au over 27 m, resource delineation drilling planned for 2006

POULOUBOU PERMIT

Extensive geochemical anomalies defined on this former 90,000 oz producer

- RAB drilling delineates primary gold zones with strike lengths of 1-3 km
- Reverse circulation ("RC") drilling underway, results expected late 2Q 06

MALI

Kofi Project

AXMIN regains control of Kofi Project and accelerates exploration with the objective of establishing a resource of at least 1 million ounces capable of supporting a stand-alone operation

- 14,000 m core and RAB drilling program underway targeting large scale anomalies with Loulo-Yalea type mineralisation

AXMIN updates mineral resource estimate at Kofi Project in Sep 05

- Indicated resource of 45,000 ozs (0.415 Mt grading 3.2 g/t Au); plus
- Inferred resource of 245,000 ozs (2.030 Mt grading 3.8 g/t Au)

SIERRA LEONE

Early entrant advantage allows AXMIN to establish substantial land position with five licences totaling 600 sq km

Nimini Hills Project

Drilling confirms potentially economic grades and widths at historic Komahun Prospect and extends it to a potential strike length of 1.4 km

- Definition drilling underway results expected mid-2006

Gori Hills Project

- Extensive gold anomalies defined

CORPORATE

Completion of the sale of the Bouroum Permit gold reserves in Burkina Faso to High River Gold for a total consideration of US$3.3 million

In Dec 05 closed Cdn$20 million private placement leaving the Company funded through to completion of the definitive feasibility study for Passendro Gold Project

moving towards development

AXMIN holds the premier land position in the Central African Republic ("CAR") with six permits totaling approximately 5,500 sq km. Its most advanced discovery, the Passendro Gold Project, currently has an indicated resource of 1.54 million ounces grading 2.6 g/t Au plus an inferred resource of 1.04 million ounces grading 2.0 g/t Au. Fourteen significant additional gold anomalies are currently recognised within the 120 km long gold belt drill testing of which is expected to increase the resource substantially. A pre-feasibility study is scheduled for completion in late April 2006 with the definitive feasibility in early 2007 targeting a planned production profile of up to 200,000 ounces per year.

In Mali at its Kofi Project the Company is completing a 14,000 metre combined core and RAB drill program with the objective of defining a plus 1 million ounce deposit capable of supporting a stand-alone operation.

In Sierra Leone drilling has confirmed gold mineralisation at the historic Komahun Prospect representing the discovery of a third AXMIN project where the Company will be carrying out resource definition drilling in 2006.

CENTRAL AFRICAN REPUBLIC

AXMIN's philosophy of targeting this newly developing and democratic African country has paid off with the discovery of its first substantial gold deposit in CAR and the acquisition of six permits covering over 5,500 sq km of prospective ground. Five of these permits (Bambari I & II, Bakala, Bogoin II and Pouloubou) are covering highly prospective belts that are part of the Congo Archaean Craton that underlie both CAR and DRC and are considered to be extensions of the Kilo-Moto belts in the DRC and the Tanzanian gold province. The sixth permit (Sosso Polipo) located in western CAR's Proterozoic terrain has historic gold production and hard rock gold potential. The signing of the first Mining Convention in CAR demonstrates the State's confidence in AXMIN and signals to the mining industry that the country is open for business.

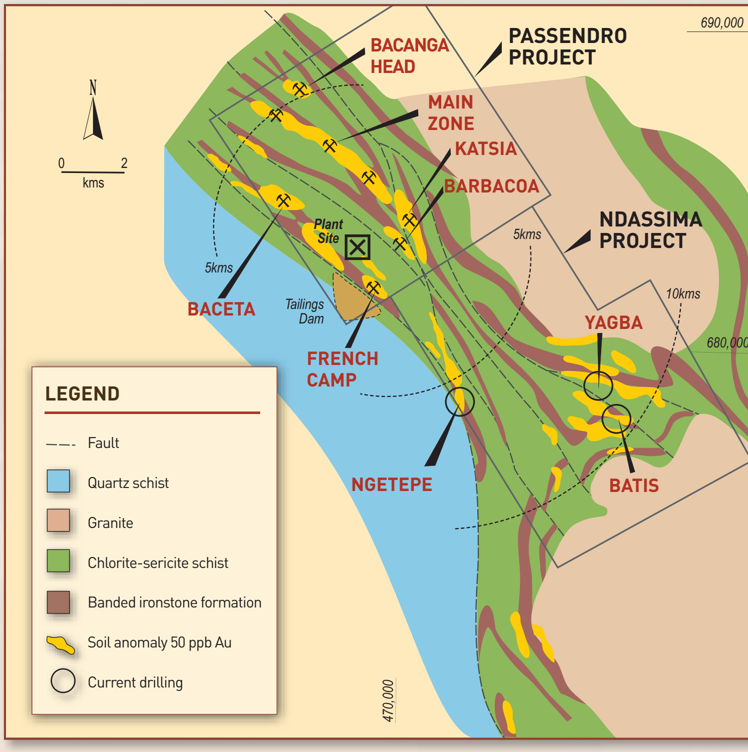
"AXMIN will expend US$12 million in 2006 on its central and west African projects building on its successful 2005 discoveries and land acquisitions. We will conduct resource drilling on three projects (Ndassima in CAR, Kofi in Mali and Komahun in Sierra Leone) and advanced exploration drilling on previously untested former producers at Sosso Polipo and Pouloubou in CAR. In addition AXMIN will undertake intensive programs of geochemistry and scout drilling to further define discoveries across all of its permits. AXMIN can look forward to a most exciting 2006 and the next stage of its development. "

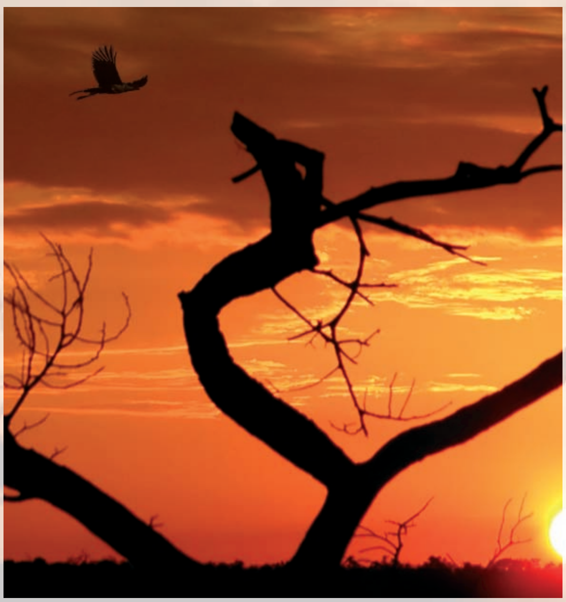
Dr Jonathan Forster, CEO

PASSENDRO GOLD PROJECT

With the fiscal and legal framework now in place, a new General Manager on site and the pre-feasibility study expected out in late April 2006, AXMIN will continue to fast-track the feasibility study with the intention to commence development at the Passendro Gold Project in 2007. The Passendro Gold Project is located in the centre of the 120 km long Bambari greenstone belt within the 100% owned Bambari-Bakala Permits.

In April 2006 AXMIN upgraded its indicated resources by 44% to 1.54 million ounces (18.62 Mt grading 2.6 g/t Au), of which some 77% lies within the oxide zone. At the same time the inferred gold resources comprise 1.04 million ounces (16.82 Mt grading 2.0 g/t Au). Included within the indicated resource is over 750,000 ounces at the Katsia and French Camp deposits which grade in excess of 3.6 g/t Au and would be the preferred feed for the first several years of production. The updated resource estimate was prepared by independent consultants SRK Consulting and is NI 43-101 compliant.





At Passendro drilling continues non-stop throughout 2006 with the objective of defining at least 2 million ounces of similar or better grade in the indicated category from the surrounding drill targets already identified. With a substantial indicated resource now available AXMIN will be pushing forward with the definitive feasibility study, which began in January 2006, scheduled for completion in early 2007 and targeting an increased production profile that we anticipate may rise to 200,000 ounces per annum.

To date only the central 10 km of the 120 km greenstone belt included in AXMIN's permits have been drill tested. Over 14 geochemical anomalies are currently identified along this strike length the closest of which is Ndassima, currently the subject of resource definition drilling. Regional exploration continues with the objective of bringing other areas to the resource drilling stage prior to completion of the feasibility study.

Letter to Shareholders

It gives us great pleasure to present the Annual Report of AXMIN Inc. for the year ended December 31, 2005. Work conducted in 2005, whilst significant in itself, has provided the platform for the major advances that we have already made in early 2006 and which we confidently anticipate will continue during the remainder of the year. The highlights of 2005 and consequent advances to date include:

Central African Republic (Passendro Gold Project, Bambari Permits)

When announced in July 2005 indicated resources at the Passendro Gold Project more than doubled and increased a further 44% in April 2006 when the Company issued another updated and increased mineral resource estimate based on drilling up to November 2005 - the current mineral resource estimate comprises:

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

Negotiation of a Mining Convention was completed in January 2006.

A further three wholly owned exploration permits were granted in February 2006.

14 additional gold prospects were identified within the 120 km long Bambari greenstone belt.

Mali (Kofi Project Area)

Regained control of the Kofi Project Area and re-established own work programs.

Identified major drill targets with potential for greater than 1 million ounces of gold.

Updated mineral resource estimate at the Kofi Project Area comprises:

- indicated gold resources **45,000 ounces (415 Kt grading 3.2 g/t Au)**; and
- inferred gold resources **245,000 ounces (2.03 Mt grading 3.8 g/t Au)**.

Sierra Leone (Nimini Hills Permits)

Identified major geochemical anomalies on two licences and flew aeromagnetic surveys.

Carried out a first pass drill program on two adjacent structures at the Nimini Hills Permits. Continuous mineralisation identified over 700 metres (open in both directions), with results including **9.5 g/t Au over 5 metres, 7.4 g/t Au over 6.75 metres, 46.5 g/t Au over 2.35 metres, 66.6 g/t Au over 2 metres, 2.4 g/t Au over 28 metres and 2.2 g/t Au over 19.4 metres**.

Burkina Faso (Bouroum Permit)

Completed sale of the 109,896 ounce Bouroum Permit gold reserves in Burkina Faso for a total consideration of US$3.300 million.

Finance

In December 2005 closed a private placement for gross proceeds of Cdn$20.000 million, leaving the Company well funded through to completion of the definitive feasibility study for the Passendro Gold Project.

During 2005 exploration and development expenditure was US$10.976 million. As at December 31, 2005 the Company's cumulative capitalized carrying value of exploration and development expenditures was US$28.125 million. Of the exploration expenditure incurred during 2005 US$7.713 million related to the Bambari Permits in the Central African Republic ("CAR").

On December 14, 2005 AXMIN closed a private placement for 38,461,550 common shares priced at Cdn$0.52 for gross proceeds of Cdn$20,000,006 (approximately equivalent to US$17 million). RBC Capital Markets acted as sole agent to sell, by way of a private placement, 19,575,000 common shares (the "Offering"). The Offering closed contemporaneously with a non-brokered private placement of 18,886,550 common shares to Addax Mining Holdings BV ("Addax", the Company's major shareholder) and to certain individuals, principally directors and employees of AXMIN and Addax. The net proceeds of the private placement are being used to finance the Passendro feasibility studies, to continue the Company's successful drilling campaign at the Passendro Gold Project and to fund ongoing exploration elsewhere.

As at December 31, 2005 AXMIN had a total of 159,861,296 common shares on issue and outstanding.

As at December 31, 2005 the Company had cash resources of US$15.618 million and a surplus of working capital which amounted to US$14.759 million.

Central African Republic

During 2005 AXMIN announced the results of an updated mineral resource estimate at the Passendro Gold Project, located within the 100% owned *Bambari Permits*, wherein the Company more than doubled its indicated gold resources. Furthermore, in April 2006 the Company issued another updated and increased mineral resource estimate based upon assays that were available up to late December 2005 and so currently the indicated gold resources comprise **1.540 million ounces (18.62 Mt grading 2.6 g/t Au)** and the inferred gold resources comprise **1.042 million ounces (16.82 Mt grading 2.0 g/t Au)**. Drilling has continued since year end and will continue throughout 2006 with further updates to follow.

The updated mineral resource estimates for the Passendro Gold Project are summarized in the table below (with the cut off grade taken at 1.2 g/t Au except at Main Zone where the distribution of mineralisation and the high recoveries indicated for heap leach processing warrant a 0.8 g/t Au cut off):

		Indicated Mineral Resource			Inferred Mineral Resource		
		Tonnes Mt	Grade g/t Au	Ounces Au	Tonnes Mt	Grade g/t Au	Ounces Au
French Camp	oxide	1.21	3.7	143,500	0.10	3.4	10,400
	sulphide	1.51	2.6	125,700	0.81	2.3	58,300
Katsia	oxide	2.83	3.8	346,200	0.22	2.9	19,900
	sulphide	1.31	3.9	162,500	0.52	2.5	41,800
Bacanga Head	oxide	1.67	2.5	133,700	0.10	2.8	9,500
	sulphide	0.32	2.5	26,300	1.53	2.5	122,100
Main Zone	oxide	8.54	1.9	511,500	4.52	1.6	224,700
	sulphide	0.52	2.2	36,900	6.37	1.6	326,700
Baceta	oxide	0.50	2.5	39,600	2.10	2.5	168,800
Barbacoa	oxide	0.21	2.1	14,200	0.55	3.4	59,700
Sub-total	oxide	14.96	2.5	1,188,700	7.59	2.1	493,000
	sulphide	3.66	3.0	351,400	9.23	1.9	548,900
	Total	**18.62**	**2.6**	**1,540,100**	**16.82**	**2.0**	**1,041,900**

The mineral resource estimate was prepared by independent consultants SRK Consulting ("SRK") of the United Kingdom. SRK's report will shortly be available on the SEDAR website (*www.sedar.com*).

The sites of mineral resources detailed above are all located within a 3 km radius. All indicated resources have been established from drilling on 40 metre fence spacings and to a maximum vertical depth of 120 metres, with higher grades reduced where appropriate using statistical methodology. SRK considers that the grade, continuity, and geometry of these estimates are such that there is a high likelihood that a substantial portion of the reported indicated mineral resources have the potential to be exploited economically. The indicated resource at Main Zone is estimated to depths of typically between 40 to 70 metres and the deposit remains open down dip. At Main Zone both mineralisation and waste is strongly oxidized, with the anticipation that the ore will be amenable to low cost mining and processing similar to lower grade operations in west Africa.

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

More recently the Company provided an update regarding the pre-feasibility study which is targeting a production profile that may rise to 200,000 ounces per annum with a review of both carbon-in-leach ("CIL") and heap leach processing routes nearing completion. Although management believes this mining rate to be appropriate for the deposits, in accordance with National Instrument 43-101 only the indicated mineral resources are to be incorporated into the pre-feasibility study. Accordingly, for the purposes of the study no benefit will be derived from either the inferred mineral resources or from the ongoing resource delineation program. Already in early 2006 drilling on the adjacent Ndassima geochemical anomalies has identified mineralisation similar in width, grade and character to that at Passendro.

The results of the pre-feasibility study are anticipated early in the second quarter 2006. AXMIN is sufficiently confident of the economic potential of the Passendro Gold Project that it has already commenced the 12 month environmental baseline study, under the supervision of Golder Associates (UK) Limited and has also commenced infill drilling to feasibility study standards under the guidance of independent SRK. The Company's objective is the completion of a definitive feasibility study early in 2007. Further resources will be incorporated into the mine plan through this period. AXMIN currently has six wholly owned drill rigs working on the Passendro Gold Project with ongoing positive results.

In early 2006 the Company announced the signing of a Mining Convention with the State of the Central African Republic covering exploration, development and mining activities on the Company's Bambari Permits. The Mining Convention is valid for a period of 25 years, extendable by mutual consent. The key terms include:

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

These terms compare favourably with other jurisdictions in Africa and underline the government's commitment to facilitate its national development.

In addition, in early 2006 the Company announced the appointment of Charles Carron Brown as General Manager of its wholly owned subsidiary, Aurafrique SARL, with responsibility for fast tracking the Passendro feasibility studies.

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

In February 2006 the Company announced the award of three new permit areas in the CAR, being Sosso Polipo, Bakala and Bogoin II, covering approximately 2,400 square km of under-explored Archaean and Proterozoic terrains.

Mali

In September 2005 AXMIN regained control of four exploration permits, being the Kofi North, Netekoto-Kenieti, Walia West and Walia permits (collectively the *Kofi Project Area*), following the withdrawal of a subsidiary of Newmont Mining Corporation from a joint venture over these permits. The Kofi Project Area adjoins Randgold Resources Limited's Loulo project on the north and east sides and covers the northern extension of the same host rock and structures that contain the Loulo and Yalea deposits for which Randgold previously announced a total measured, indicated and inferred resource of approximately 8 million ounces. During the two year joint venture exploration program, which combined reconnaissance drilling of targets with substantial amount of effort in understanding controls of mineralisation on Loulo style structures, Newmont fulfilled it requirement to expend US$2.500 million.

During 2005 AXMIN announced the following results of an updated mineral resource estimate at the Kofi Project Area (with the cut off grade taken at 1.0 g/t Au):

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

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

Currently the Company is in the midst of a 14,000 metre combined core and RAB drilling program on the Kofi Project Area with the objective of increasing the Kofi Project Area resource to in excess of 1 million ounces. All drilling is targeting Loulo-Yalea style mineralisation comprising structurally controlled deposits similar to those delineated at Kofi SW Zones B and C.

Sierra Leone

During 2005 and through to early 2006 AXMIN announced results from first pass drilling at the historic Komahun Prospect within the *Nimini Hills Permits*. Two adjacent structures have been tested, within a 1,500 metre long soil anomaly, with results including **9.5 g/t Au over 5 metres, 7.4 g/t Au over 6.75 metres, 46.5 g/t Au over 2.35 metres, 66.6 g/t Au over 2 metres, 2.4 g/t Au over 28 metres and 2.2 g/t Au over 19.4 metres**. Drilling is in the vicinity of earlier surface trenching where trench results include **2.55 g/t Au over 24 metres and 5.81 g/t Au over 46 metres**. Drilling has tested over 700 metres of strike length (open in both directions), with five fences on 80 metre spacing and a further three fences on 160 metre spacing. Currently drilling is being conducted to define resources.

Burkina Faso

On September 19, 2005 the sale of AXMIN's 100% interest in the 109,896 ounce *Bouroum Permit* gold reserves in Burkina Faso to a subsidiary of High River Mines Ltd. for a total consideration of US$3.300 million was completed. Accordingly the sale of the Bouroum Permit reserves has been recognised in the consolidated financial statements of the Company for the year ended December 31, 2005.

AXMIN continues to be committed to further growth through both the development of its first discovery at Passendro and the making of additional discoveries, with the objective of providing added value to shareholders and to the countries in which it operates. Finally we wish to thank the shareholders for their support of the Company, the employees for their continued hard work and dedication, and the countries in which we operate for their continued support for the development of their mining industries and for us in our efforts to participate in this.

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

Jean Claude Gandur
Chairman & Director

Dr. Jonathan Forster
Chief Executive Officer & Director

April 21, 2006

Overview

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

Exploration and Development Properties

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

In the Central African Republic ("CAR") the Company holds a 100% interest in each of five properties being the Bambari Permits (comprising exploration permits Bambari 1 and Bambari 2, prior to the 10% free carried interest of the State of the CAR), the Pouloubou permit, the Sosso Polipo permit, the Bakala permit and the Bogoin II permit. In Mali the Company holds 81.25%, 87.50% and 94.44% interests in the Kofi North, Netekoto-Kenieti and Walia West permits respectively (prior to the 10% free carried interest of the government of Mali) and an 85% interest in the Walia permit (net of the 10% free carried interest of the government of Mali). These four Malian permits are collectively referred to as the "Kofi Project Area". In Sierra Leone, pursuant to a heads of agreement, the Company can earn a 60% interest in the Nimini Hills Permits by spending US$2.25 million over a three year period. Also in Sierra Leone the Company has interests in the Gori Hills licence, the Makong North and Makong South licences and the Sokoya licence pursuant to heads of agreements and holds a 100% interest in the Matotaka licence. In Senegal the Company has a 100% interest in each of the Sonkounkou property (subject to a back-in right held by the licence holder), the Sabodala NW permit and the Heremokono permit.

For a fuller description of the above properties and other properties in which the Company holds interests refer to the disclosures in note 3 of the Company's consolidated financial statements for the year ended December 31, 2005 and other filings made on the SEDAR website (*www.sedar.com*).

Results of Operations

On September 19, 2005 the sale of AXMIN's 100% interest in the 109,896 ounce Bouroum Permit gold reserves in Burkina Faso to a subsidiary of High River Gold Mines Ltd. ("High River") for a total consideration of US$3.300 million (net US$2.685 million after the deduction of historic feasibility study expenses funded by High River) was completed. Accordingly the sale of the Bouroum Permit reserves has been recognised in the consolidated financial statements of the Company for the year ended December 31, 2005.

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

The following tables set out selected unaudited consolidated financial information for the Company for each of the financial quarters in 2005 and 2004:

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

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

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.

Year ended December 31, 2005 compared to the year ended December 31, 2004

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

On September 19, 2005 the sale of AXMIN's 100% interest in the 109,896 ounce Bouroum Permit gold reserves in Burkina Faso to a subsidiary of High River for a total consideration of US$3.300 million was completed. This resulted in a net gain on sale of US$1.282 million.

A period-end review of the carrying values of the Company's exploration and development property assets led to a write-down of US$0.039 million in 2005 compared to US$0.419 million in 2004 (related principally to the Satifara property in Mali). The write-down of exploration and development costs reflects the Company's policy of continually assessing the economic viability of its projects and where necessary writing them down to their net realizable value.

Administration costs in 2005 were US$1.386 million compared to US$1.055 million in 2004. The increased administration costs are the result of the Company's expansion to support its increased level of exploration and development activities.

The stock-based compensation expense in 2005 was US$0.540 million compared to US$0.662 million in 2004.

The net loss for the year ended December 31, 2005 was US$0.950 million as compared to US$1.969 million in 2004.

Liquidity and Capital Resources

As at December 31, 2005 the Company had cash resources of US$15.618 million compared to the December 31, 2004 balance of US$2.280 million.

During the year ended December 31, 2005 the Company closed private placements for:

(a) on March 3, 2005, 13,383,467 Units, at a price of Cdn$0.60 per Unit, for total proceeds of Cdn$8,030,080 (US$6.238 million net of cost of share offerings). Each Unit consists of one common share plus one-half of one common share purchase warrant. Each whole common share purchase warrant entitles the holder to purchase one additional common share of AXMIN at a price of Cdn$0.75 expiring on September 5, 2006. As part of their compensation the agent to the brokered private placement was issued a total of 328,206 compensation options. Each compensation option entitles the holder to purchase one common share of the Company at a price of Cdn$0.60 expiring on September 5, 2006; and

(b) on December 14, 2005, 38,461,550 common shares priced at Cdn$0.52 for gross proceeds of Cdn$20,000,006 (approximately equivalent to US$17 million). RBC Capital Markets acted as sole agent to sell, by way of a private placement, 19,575,000 common shares (the "Offering"). The Offering closed contemporaneously with a non-brokered private placement of 18,886,550 common shares to Addax Mining Holdings BV ("Addax") and to certain individuals, principally directors and employees of AXMIN and Addax. In consideration for their services as agent for the Offering, RBC Capital Markets was issued a total of 1,174,500 compensation options. Each compensation option entitles RBC Capital Markets to purchase one common share of the Company at a price of Cdn$0.52 expiring on December 14, 2007.

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

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

As at December 31, 2005 the Company had a surplus of working capital (defined as the difference between current assets and current liabilities) which amounted to US$14.759 million compared to the December 31, 2004 surplus of US$1.461 million.

Off Balance Sheet Arrangements

The Company has no off balance sheet arrangements.

Critical Accounting Policies and Estimates

The Company's significant accounting principles and methods of application are disclosed in note 2 of the Company's consolidated financial statements for the year ended December 31, 2005. The following is a discussion of the critical accounting policies and estimates which management believes are important for an understanding of the Company's financial results.

Exploration and development costs

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

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

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

As at December 31, 2005 the Company had capitalized US$28.125 million of exploration and development costs. The comparative figure as at December 31, 2004 was US$19.206 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 3.96% (2004 - 3.96%), expected dividend yield of nil, expected volatility of 108.7% (2004 - 116.5%), and expected option life of 3 years. For purposes of the pro forma disclosure, the estimated fair value of the options is expensed over the options' vesting periods. The weighted average fair market value of options granted in 2005 was US$0.3118 (2004 - US$0.3832).

The full impact of the expense relating to all stock options granted (both to employees and non-employees) has been included in the consolidated statements of operations and deficit for the years ended December 31, 2005 and 2004.

The cumulative stock-based compensation expense is as follows:

Stock options	**2005**	2004
Balance, beginning of year	**847**	185
Stock-based compensation expense	**540**	662
Balance, end of year	**1,387**	847

Recent accounting pronouncements

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

As a result of adopting AcG-15 there was no impact on the consolidated balance sheet as at December 31, 2005 and the consolidated statement of operations and deficit for the year then ended, and no new significant VIEs were identified during the period.

Hedging and Derivative Instruments

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

Related Parties

The Company's balances with related parties as at December 31, 2005 and 2004 and transactions with related parties included in the determination of results of operations for the years then ended are disclosed in note 5 to the Company's consolidated financial statements for the year ended December 31, 2005.

Risks and Uncertainties

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

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

Mining industry

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

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

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

No production revenues; history of losses

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

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

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

Uncertainty in the estimation of mineral reserves and resources

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

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

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

Nature of mineral exploration

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

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

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

Uncertainty relating to inferred mineral resources

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

Joint venture strategy

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

Additional funding requirements

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

Political risk

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

Insurance and uninsured risks

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

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

Government regulation

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

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

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

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

Contractual arrangements

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

Gold prices

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

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

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

Commodity hedging

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

Competition

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

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

Currency risk

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

Title matters

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

Conflict of interest

Certain of AXMIN's directors are directors or officers of, or have significant shareholdings in, other mineral resource companies and, to the extent that such other companies may have participated in ventures in which AXMIN may participate, the directors of AXMIN may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. Such other companies may also compete with AXMIN for the acquisition of mineral property rights. In the event that any such conflict of interest arises, a director who has such a conflict will disclose the conflict to a meeting of the directors of AXMIN and will abstain from voting for or against the approval of such a participation on such terms. In appropriate cases AXMIN will establish a special committee of independent directors to review a matter in which several directors or management may have a conflict. From time to time several companies may participate in the acquisition, exploration and development of natural resource properties allowing their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the arrangement. In accordance with the *Canada Business Corporations Act*, the directors of AXMIN are required to act honestly, in good faith and in the best interests of AXMIN.

Repatriation of earnings

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

Management; dependence on key personnel

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

Environmental risks and hazards

All phases of AXMIN's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect AXMIN's operations. Environmental hazards may exist on the properties on which AXMIN holds interests which are unknown to AXMIN at present and which have been caused by previous or existing owners or operators of the properties. Reclamation costs are uncertain and planned expenditures may differ from the actual expenditures required.

Enforceability of civil liabilities

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

Concentration of share ownership

As at the date of this report Addax Mining Holdings BV, a wholly owned subsidiary of The Addax & Oryx Group Limited, holds approximately 46% of the common shares issued by the Company. Addax Mining Holdings BV is therefore able to exercise significant influence over all matters requiring shareholder approval, including the election of directors and approval of significant corporate transactions.

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

Future sales of shares by existing shareholders

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

Dividend policy

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

Estimation of asset carrying values

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

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

Health issues

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

Share Capital

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

Securities	Expiry date	Exercise price	Securities outstanding	Common shares on exercise
Common shares				159,861,296
Stock options	January 17, 2007	Cdn$0.32	3,075,000	3,075,000
Stock options	January 17, 2007	Cdn$0.34	625,000	625,000
Stock options	March 8, 2008	Cdn$0.71	900,000	900,000
Stock options	April 4, 2008	Cdn$0.74	950,000	950,000
Stock options	December 18, 2008	Cdn$1.00	1,530,000	1,530,000
Stock options	October 4, 2009	Cdn$0.70	150,000	150,000
Stock options	December 13, 2009	Cdn$0.67	880,000	880,000
Stock options	December 5, 2010	Cdn$0.55	250,000	250,000
Stock options	March 8, 2011	Cdn$0.71	1,230,000	1,230,000
Common share purchase warrants	September 5, 2006	Cdn$0.75	6,691,733	6,691,733
Compensation options	September 5, 2006	Cdn$0.60	328,206	328,206
Compensation options	December 14, 2007	Cdn$0.52	1,174,500	1,174,500
Fully diluted common shares				177,645,735

Disclosure of Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), on a timely basis so that appropriate decisions can be made regarding public disclosure. As at December 31, 2005, the Company's management, with the participation of the CEO and CFO, has evaluated the effectiveness of the Company's disclosure controls and procedures as defined in Multilateral Instrument 52-109 (Certification of Disclosure in Issuers' Annual and Interim Filings) of the Canadian Securities Administrators and has concluded that such controls and procedures are effective.

Outlook

The Company's priorities remain broadly consistent with those of the current and preceding year.

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

Forward-Looking Statements

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

Additional Information

Additional information relating to the Company may be obtained from the SEDAR website (*www.sedar.com*) and the Company's website (*www.axmininc.com)*.

On behalf of the Board of Directors

Dr. Jonathan Forster
Chief Executive Officer & Director

April 21, 2006

AXMIN Inc.

Management's Report on the Consolidated Financial Statements and Auditors' Report

Management's Report on the Consolidated Financial Statements

The accompanying consolidated financial statements of AXMIN Inc. have been prepared by and are the responsibility of the Company's management. The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Canada and contain estimates based on management's judgement. Management maintains a system of internal controls adequate to provide reasonable assurance that transactions are authorized, assets are safeguarded and records are maintained.

The Audit Committee of the Board of Directors comprises three directors, none of whom are an officer or employee of the Company. The Audit Committee meets with management and the Company's auditors, Ernst & Young LLP, to review the consolidated financial statements before they are presented to the Board of Directors for approval.

Ernst & Young LLP have examined the consolidated financial statements and their report follows.

Dr. Jonathan Forster
Chief Executive Officer & Director

Craig Banfield
Chief Financial Officer & Secretary

Auditors' Report

To the Shareholders of AXMIN Inc.

We have audited the consolidated balance sheets of AXMIN Inc. as at December 31, 2005 and 2004 and the consolidated statements of operations and deficit and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2005 and 2004 and the results of its operations and cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Ernst & Young LLP

Ernst & Young LLP
Chartered Accountants
Toronto, Ontario, Canada
April 18, 2006

AXMIN Inc.

Consolidated Balance Sheets

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

As at December 31, 2005 and 2004	**2005**	2004
Assets		
Current assets		
Cash and cash equivalents	**15,618**	2,280
Prepaid expenses and sundry debtors	**96**	155
Due from related parties *(Note 5)*	**-**	67
	15,714	2,502
Exploration and development costs *(Note 3)*	**28,125**	19,206
Other assets	**210**	24
	44,049	21,732
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable	**613**	328
Accrued liabilities and sundry creditors	**341**	702
Due to related parties *(Note 5)*	**-**	11
	954	1,041
Shareholders' equity		
Share capital *(Note 4)*	**48,963**	26,149
Stock options *(Note 4(c))*	**1,387**	847
Deficit	**(7,255)**	(6,305)
	43,095	20,691
	44,049	21,732

See accompanying notes to the consolidated financial statements.

Approved by the Board of Directors

Jean Claude Gandur
Chairman & Director

Dr. Jonathan Forster
Chief Executive Officer & Director

AXMIN Inc.

Consolidated Statements of Operations and Deficit

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

Years ended December 31, 2005 and 2004	**2005**	2004
Revenue	**-**	-
Expenses		
Administration *(Note 5)*	**1,386**	1,055
Write-down of exploration and development costs *(Note 3)*	**39**	419
Stock-based compensation expense *(Note 4(c))*	**540**	662
Loss on foreign exchange	**267**	5
Write-back of provision of amount due from related parties *(Note 5(c))*	**(15)**	-
Taxation	**150**	22
	2,367	2,163
Other income		
Net gain on sale of Bouroum Permit gold reserves *(Note 3)*	**1,282**	-
Interest income	**45**	126
Other *(Notes 5(c) and 5(e))*	**90**	68
	1,417	194
Net loss for the year	**950**	1,969
Deficit, beginning of year	**6,305**	4,336
Deficit, end of year	**7,255**	6,305
Net loss per share (basic and diluted)	**0.0078**	0.0185
Weighted average number of common shares outstanding	**121,027,462**	106,347,181

See accompanying notes to the consolidated financial statements.

AXMIN Inc.

Consolidated Statements of Cash Flows

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

Years ended December 31, 2005 and 2004	**2005**	2004
Operating activities		
Net loss for the year	**(950)**	(1,969)
Write-down of exploration and development costs	**39**	419
Stock-based compensation expense	**540**	662
Write-back of provision of amount due from related parties	**(15)**	-
Loss on foreign exchange	**70**	45
Net gain on sale of Bouroum Permit gold reserves	**(1,282)**	-
Related parties	**71**	21
Change in working capital	**(17)**	(693)
Net cash outflow from operating activities	**(1,544)**	(1,515)
Investing activities		
Exploration and development costs	**(10,976)**	(6,996)
Proceeds on sale of Bouroum Permit gold reserves	**3,300**	-
Other assets	**(186)**	(24)
Net cash outflow from investing activities	**(7,862)**	(7,020)
Financing activities		
Issuance of common shares, net of costs	**22,814**	2,173
Net cash inflow from financing activities	**22,814**	2,173
Loss on foreign exchange on cash and cash equivalents	**(70)**	(45)
Net cash inflow (outflow)	**13,338**	(6,407)
Cash and cash equivalents, beginning of year	**2,280**	8,687
Cash and cash equivalents, end of year	**15,618**	2,280

See accompanying notes to the consolidated financial statements.

1. Nature of Operations and Basis of Presentation

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

The 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 ("CAR"). The Company holds its interest in this property through a CAR registered company, Aurafrique S.A.R.L., which holds prospecting and exploration permits for the property.

2. Significant Accounting Policies

Principles of consolidation

These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Canada and include the accounts of the Company and all of the AXMIN Inc. group's wholly owned subsidiaries (the "Company") which are listed below:

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

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

As a result of adopting AcG-15 there was no impact on the consolidated balance sheet as at December 31, 2005 and the consolidated statement of operations and deficit for the year then ended, and no new significant VIEs were identified during the period.

Translation of foreign currencies

The functional currency of the Company is United States dollars (US$). Foreign denominated monetary assets and liabilities are translated into United States dollars at the rate of exchange prevailing at the period end. Foreign denominated non-monetary assets and liabilities are translated at historical rates of exchange. Exchange gains and losses are included in the determination of results of operations for the period.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and short-term investments that mature within 90 days from date of acquisition.

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.

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

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. The amounts shown as exploration and development costs do not necessarily represent present or future values.

Income taxes

Current income taxes are recognized for the estimated income and mining taxes payable for the current year. Future income tax assets and liabilities are recognized for temporary differences between the tax and accounting bases of assets and liabilities as well as for the benefit of losses available to be carried forward to future years for tax purposes that are more likely than not to be realized. Future income taxes are measured using the tax rates and laws that will be in effect when the differences are expected to reverse or the losses to be realized.

Stock-based compensation

The Company has a stock option plan which is used to compensate directors, officers and employees of the Company, and consultants to the Company. Effective January 1, 2002 the Company adopted the recommendations issued by The Canadian Institute of Chartered Accountants dealing with stock-based compensation.

For the year ended December 31, 2002 the Company had elected not to recognize compensation expense when stock options were issued to employees.

Starting January 1, 2003 the Company has chosen the prospective application of the new requirements, according to which the fair value based method is applied to awards granted, modified or settled on or after January 1, 2003. Under this method compensation expense for stock options granted is measured at fair value at the grant date using the Black-Scholes valuation model and recognized in the statement of operations over the vesting period of the options granted.

Any consideration paid upon the exercise of stock options or purchase of shares is credited to share capital.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Accordingly, actual results could differ from those estimates.

Net profit (loss) per share

Net profit (loss) per share has been calculated based on the weighted average number of common shares outstanding during the period. Since the Company is in a loss position the effects of share purchase options and warrants are anti-dilutive. Therefore diluted earnings per share and basic earnings per share are the same for both 2005 and 2004.

3. Exploration and Development Costs

	2005	2004
Balance, beginning of year	**19,206**	12,265
Additions	**10,976**	7,360
Write-downs	**(39)**	(419)
Costs written-off on sale of Bouroum Permit gold reserves	**(2,018)**	-
Balance, end of year	**28,125**	19,206

(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:

	2005	2004
Central African Republic		
Bambari	**19,082**	11,369
Pouloubou	**416**	45
Mali		
Kofi Project Area	**3,386**	2,871
Sierra Leone		
Nimini Hills	**1,021**	226
Matotaka	**95**	25
Gori Hills	**171**	70
Sokoya	**67**	30
Makong	**242**	106
Senegal		
Sonkounkou	**2,206**	1,534
Sabodala NW	**219**	109
Heremokono	**90**	-
Ghana		
Cape Three Points	**996**	672
Burkina Faso		
Bouroum	**-**	2,010
Canada		
B-B Lake	**134**	139
	28,125	19,206

Central African Republic ("CAR")

AXMIN holds a 100% interest in the Bambari and Pouloubou properties through its wholly owned CAR registered subsidiary, Aurafrique, which holds prospecting and exploration permits for the properties.

The Bambari property is subject to a 2% net smelter royalty ("NSR") payable to United Reef Limited ("URL"), a company previously related to the Company, from the date of commencement of first commercial production. Payment of the NSR will commence once all capital expenditures have been recovered by Aurafrique. Commencing one year from the date of commencement of first commercial production and until such time as all capital expenditures have been recovered URL will annually receive advance royalty payments of Cdn$100,000. Such advance royalty payments shall be deductible from payments of the NSR. The Company has the right to purchase part or all of the 2% NSR at a rate of Cdn$500,000, payable in cash or shares, for each 0.5% royalty interest during the initial five years of production from the Bambari property.

Subsequent to December 31, 2005 the Company signed a Mining Convention with the State of the Central African Republic covering exploration, development and mining activities on the Company's Bambari Permits. The Mining Convention is valid for a period of 25 years, extendable by mutual consent. The key terms include:

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

Mali

AXMIN holds:

(a) an 81.25% interest in the Kofi North permit (prior to the 10% free carried interest of the government of Mali) from joint venture partners African Selection Mining Corporation ("ASMC") and Société Financière et d'Exploration de l'Or au Mali ("SOFOM");

(b) an 87.50% interest in the Netekoto-Kenieti permit (prior to the 10% free carried interest of the government of Mali) from joint venture partner ASMC;
(c) a 94.44% interest in the Walia West permit (prior to the 10% free carried interest of the government of Mali) from joint venture partner SOFOM; and
(d) a 85% interest in the Walia permit (net of the 10% free carried interest of the government of Mali) from joint venture partner l'Agence Générale de Contact et de Relations Internationales ("AGCRI").

In the case of the Kofi North, Netekoto-Kenieti and Walia West permits AXMIN may increase its level of interest to 100% (prior to government dilution) by buying out the interests of the other parties on submission of a bankable feasibility study ("BFS") on an independent net present valuation of the proven and probable reserves using a discount rate of 15%. In the case of the Walia permit AXMIN may increase its level of interest to 90% (post the 10% free carried interest of the government of Mali) by buying out the interest of AGCRI on submission of a BFS for US$2 per pro rata ounce of proven and probable gold reserves.

Under the terms of a joint venture agreement with a subsidiary of Newmont Mining Corporation ("Newmont") dated September 26, 2003, in the first instance Newmont had a right to earn a 50% interest in AXMIN's interests in the Kofi North, Netekoto-Kenieti, Walia West and Walia permits (collectively referred to as the "Kofi Project Area") by expending US$5.500 million over a three year period, with a minimum of US$1.000 million in the first year. During the year ended December 31, 2005 Newmont withdrew from the joint venture and AXMIN regained control of the Kofi Project Area.

During the year ended December 31, 2004 AXMIN elected to no longer explore the Satifara permit and accordingly returned the permit to joint venture partner ASMC. As a result the Company wrote-off all capitalized exploration and development costs related to the permit.

Burkina Faso

During the year ended December 31, 2004 the Company reported completion of a bankable feasibility study on the Bouroum Permit in Burkina Faso that incorporates the reserves of the Bouroum Permit into the Taparko project of High River Gold Mines Ltd. ("High River"). As a result the Company earned an undivided 65% beneficial interest in the Bouroum Permit from Channel Resources Ltd. ("Channel"). An additional 8% interest in the Bouroum Permit was purchased by the Company from Channel on October 7, 2003.

On June 8, 2004 the Company proceeded with the purchase of Channel's remaining outstanding 27% interest in the Bouroum Permit for a purchase price of US$445,079, which purchase price was calculated according to the Heads of Agreement dated May 3, 2002 between the Company and Channel and is based on the average price of gold for the previous 30 days of US$406 per ounce, which provides for a purchase price of US$15 per ounce of reserves. This price is applied to 27% of the reserve figure of 109,896 ounces, which equates to 29,671.9 ounces and thus the sum payable to Channel was US$445,079.

On June 14, 2004 the Company sold its 100% interest in the 109,896 ounce Bouroum Permit reserves to a subsidiary of High River for a total consideration of US$3.300 million. In addition the Company and High River have established a joint venture that will ensure the continued exploration of the Company's permits in Burkina Faso. The sale agreement with High River covers an area of 11 sq km within the Bouroum Permit.

On September 19, 2005 the sale of the Bouroum Permit gold reserves for a total consideration of US$3.300 million was completed. Accordingly the sale of the Bouroum Permit reserves has been recognised in the consolidated financial statements of the Company for the year ended December 31, 2005. The net gain on sale of the Bouroum gold reserves was US$1.282 million.

The remainder of the Bouroum Permit and the two adjacent permits, Yeou and Ankouma, are subject to an exploration joint venture between the Company and High River whereby High River may earn 100% interest in the three permits by spending US$1.500 million on exploration over three years (subject to AXMIN retaining a back-in right up to the time of completion of a feasibility study for a 50% interest in one or all of the permits by paying High River a multiple of 1.5 times its expenditure on the relevant permit(s)). The Company is pleased to report that as a result of ongoing exploration programs, which have included ground geophysics and soil sampling, High River has fulfilled its requirement to expend a minimum of US$0.381 million in the first year.

Senegal

AXMIN holds a 100% interest in the Sonkounkou property. Avgold Limited ("Avgold") may, at any time prior to a decision to mine or within three months of a decision to mine, claw-back up to a 51% participating interest in the project by paying AXMIN an amount equal to two times the funds expended to that date by AXMIN, multiplied by the percent interest to be clawed back by Avgold. The government of Senegal retains the right at the time of a decision to mine from the property, to elect to participate in the project for a 15% free carried interest and has a further right to purchase an additional 5% participating interest. The government's interest is subject to reduction upon negotiation at the mining stage.

AXMIN holds a 100% interest in the Sabodala NW and Heremokono properties.

Sierra Leone

During the year ended December 31, 2004 AXMIN elected to exercise an option whereby AXMIN may earn a 60% interest in the Nimini Hills project owned by AFCAN Barbados Limited ("AFCAN"), a subsidiary of Eldorado Gold Corporation, by expenditure of US$2,250,000 over a three year period, with a minimum expenditure of US$500,000 in the first year. Thereafter AFCAN has the right to participate on a pro rata basis or if it elects not to then AXMIN can earn an additional 20% by producing a Bankable Feasibility Study. The monies spent on AFCAN's behalf to earn this additional 20% will be recovered by AXMIN from AFCAN's share of future production.

In addition, during the year ended December 31, 2004 AXMIN acquired a wholly owned licence (named Matotaka) and entered into separate joint ventures over three other licences (namely Gori Hills, Makong and Sokoya). The terms of the joint ventures over Gori Hills, Makong and Sokoya are such that AXMIN has the ability to earn up to an 80%, 82.5% and 80% interest respectively.

Ghana

AXMIN may earn up to a 72% interest (net of the 10% free carried interest of the government of Ghana) in the Cape Three Points property from joint venture partner Consolidated Minerals Limited ("Consmin") by carrying Consmin through to completion of a BFS. During the year ended December 31, 2005 the Company fulfilled its initial requirement to expend a minimum of US$0.500 million and as a result earned a 55% interest (prior to the 10% free carried interest of the government of Ghana) in the Cape Three Points property.

Canada

B-B Lake, NWT represents a 25% interest in 16 leased contiguous mining claims. The claims are subject to a 12.5% net profits royalty. The Company is in the process of taking steps to seek to acquire the remaining 75% interest in the property.

As a result of the sale of its interest in 16 leased mining claims in the Timmins area of Ontario (known as "Tully Township") as at December 31, 2004 and December 31, 2005 the Company holds 310,000 common shares of Black Pearl Minerals Consolidated Inc. ("Black Pearl"), representing approximately 2% of the total shares in issue of Black Pearl as at December 31, 2005. Subsequent to December 31, 2005 the Company sold its entire holding in Black Pearl for gross proceeds of Cdn$41,160 (net Cdn$39,768 after the deduction of selling costs).

See note 9.

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, 2004	101,810,809	23,976
Exercise of common share purchase warrants	4,942,499	1,660
Exercise of compensation options	133,988	53
Exercise of compensation common share purchase warrants	778,983	398
Exercise of stock options	250,000	66
Cost of share offerings	-	(4)
Balance as at December 31, 2004	107,916,279	26,149
Issue for cash, net of costs	51,845,017	22,788
Exercise of stock options	100,000	26
Balance as at December 31, 2005	159,861,296	48,963

During the year ended December 31, 2004 2,928,000 common share purchase warrants expiring on January 10, 2004 were exercised at Cdn$0.45 each, for total proceeds of Cdn$1,317,600, and as a result the Company issued 2,928,000 common shares of the Company to the common share purchase warrant holders.

During the year ended December 31, 2004 2,014,499 common share purchase warrants expiring on June 30, 2004 were exercised at Cdn$0.45 each, for total proceeds of Cdn$906,525, and as a result the Company issued 2,014,499 common shares of the Company to the common share purchase warrant holders.

During the year ended December 31, 2004 62,113 compensation options expiring on January 12, 2004 were exercised at Cdn$0.35 each, for total proceeds of Cdn$21,740, and as a result the Company issued 62,113 common shares of the Company to the compensation option holder.

During the year ended December 31, 2004 71,875 compensation options expiring on November 12, 2004 were exercised at Cdn$0.70 each, for total proceeds of Cdn$50,313, and as a result the Company issued 71,875 common shares of the Company to the compensation option holder.

During the year ended December 31, 2004 350,858 compensation common share purchase warrants expiring on January 12, 2004 were exercised at Cdn$0.45 each, for total proceeds of Cdn$157,886, and as a result the Company issued 350,858 common shares of the Company to the compensation common share purchase warrant holders.

During the year ended December 31, 2004 428,125 compensation common share purchase warrants expiring on November 12, 2004 were exercised at Cdn$0.70 each, for total proceeds of Cdn$299,688, and as a result the Company issued 428,125 common shares of the Company to the compensation common share purchase warrant holders.

During the year ended December 31, 2004 250,000 stock options at Cdn$0.32 each, for total proceeds of Cdn$80,000, and as a result the Company issued 250,000 common shares of the Company to the stock option holders.

On March 3, 2005 the Company closed a brokered private placement of 13,383,467 Units, at a price of Cdn$0.60 per Unit, for total proceeds of Cdn$8,030,080. Each Unit consists of one common share plus one-half of one common share purchase warrant. Each whole common share purchase warrant entitles the holder to purchase one additional common share of AXMIN at a price of Cdn$0.75 expiring on September 5, 2006. Common shares acquired under this brokered private placement were subject to applicable hold periods which expired on July 4, 2005. As part of their compensation the agent to the brokered private placement was issued a total of 328,206 compensation options. Each compensation option entitles the holder to purchase one common share of the Company at a price of Cdn$0.60 expiring on September 5, 2006.

On December 14, 2005 the Company closed a private placement for 38,461,550 common shares priced at Cdn$0.52 for gross proceeds of Cdn$20,000,006. RBC Capital Markets acted as sole agent to sell, by way of a private placement, 19,575,000 common shares of AXMIN to investors at a price of Cdn$0.52 per common share, for gross proceeds of Cdn$10,179,000 (the "Offering"). The Offering closed contemporaneously with a non-brokered private placement of 18,886,550 common shares to the Company's major shareholder, Addax Mining Holdings BV ("Addax", a wholly owned subsidiary of The Addax & Oryx Group Limited), and to certain individuals, principally directors and employees of AXMIN and Addax (collectively, the "Exempt Group"), for gross proceeds of Cdn$9,821,000. As a result of these sales, Addax increased its holding in AXMIN to 72,850,267 common shares, representing approximately 46% of AXMIN's outstanding common shares. In consideration for their services as agent for the Offering, RBC Capital Markets received cash compensation of 6% of the gross proceeds of the Offering, being Cdn$610,740, plus 1,174,500 non-transferable compensation options, being equal to 6% of the number of common shares sold in the Offering. Each compensation option entitles RBC Capital Markets to purchase one common share of AXMIN at a price of Cdn$0.52 expiring on December 14, 2007. No commissions or fees were paid in respect of shares sold to the Exempt Group. Common shares acquired under the Offering and the non-brokered private placement were subject to applicable hold periods under Canadian securities laws which expired on April 15, 2006.

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

During the year ended December 31, 2005 100,000 stock options were exercised at Cdn$0.32 each, for total proceeds of Cdn$32,000, and as a result the Company issued 100,000 common shares of the Company to the stock option holder.

As at December 31, 2005 Addax, the Company's major shareholder, held 72,850,267 common shares of the Company, representing approximately 46% of AXMIN's outstanding common shares. As at December 31, 2005 of this holding 54,910,253 common shares were free trading. The remaining 17,940,14 common shares were acquired as part of the private placement closed on December 14, 2005 and as such were subject to applicable hold periods under Canadian securities laws which expired on April 15, 2006.

Addax has advised the Company that the aforementioned shares were acquired by it for investment purposes and it may in the future increase or decrease its ownership of securities of the Company from time to time, depending upon the business and prospects of the Company and future market conditions.

(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 years ended December 31, 2005 and 2004, the following transactions took place:

Number of stock options	**2005**	2004
Outstanding, beginning of year	**6,420,000**	5,690,000
Granted	**300,000**	1,050,000
Exercised	**(100,000)**	(250,000)
Expired or not vested	**(110,000)**	(70,000)
Outstanding, end of year	**6,510,000**	6,420,000
Exercisable, end of year	**6,052,500**	4,757,332

As at January 1, 2004 the Company had on issue and outstanding stock options for:
(i) 3,425,000 common shares of the Company exercisable at Cdn$0.32 each expiring on January 17, 2007;
(ii) 625,000 common shares of the Company exercisable at Cdn$0.34 each expiring on January 17, 2007; and
(iii) 1,640,000 common shares of the Company exercisable at Cdn$1.00 each expiring on December 18, 2008.

During the year ended December 31, 2004 the Company granted stock options for:
(i) 150,000 common shares of the Company exercisable at Cdn$0.70 each expiring on October 4, 2009; and
(ii) 900,000 common shares of the Company exercisable at Cdn$0.67 each expiring on December 13, 2009.

During the year ended December 31, 2004 70,000 stock options exercisable at Cdn$1.00 each for 70,000 common shares of the Company expired or did not vest.

As at December 31, 2004 the Company had on issue and outstanding stock options for:
(i) 3,175,000 common shares of the Company exercisable at Cdn$0.32 each expiring on January 17, 2007;
(ii) 625,000 common shares of the Company exercisable at Cdn$0.34 each expiring on January 17, 2007;
(iii) 1,570,000 common shares of the Company exercisable at Cdn$1.00 each expiring on December 18, 2008;

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

(iv) 150,000 common shares of the Company exercisable at Cdn$0.70 each expiring on October 4, 2009; and
(v) 900,000 common shares of the Company exercisable at Cdn$0.67 each expiring on December 13, 2009.

During the year ended December 31, 2005 the Company granted stock options for:
(i) 50,000 common shares of the Company exercisable at Cdn$0.67 each expiring on December 13, 2009; and
(ii) 250,000 common shares of the Company exercisable at Cdn$0.55 each expiring on December 5, 2010.

During the year ended December 31, 2005 the following stock options expired or did not vest:
(i) 70,000 stock options exercisable at Cdn$0.67 each for 70,000 common shares of the Company; and
(ii) 40,000 stock options exercisable at Cdn$1.00 each for 40,000 common shares of the Company.

As at December 31, 2005 the Company had on issue and outstanding stock options for:
(i) 3,075,000 common shares of the Company exercisable at Cdn$0.32 each expiring on January 17, 2007;
(ii) 625,000 common shares of the Company exercisable at Cdn$0.34 each expiring on January 17, 2007;
(iii) 1,530,000 common shares of the Company exercisable at Cdn$1.00 each expiring on December 18, 2008;
(iv) 150,000 common shares of the Company exercisable at Cdn$0.70 each expiring on October 4, 2009;
(v) 880,000 common shares of the Company exercisable at Cdn$0.67 each expiring on December 13, 2009; and
(vi) 250,000 common shares of the Company exercisable at Cdn$0.55 each expiring on December 5, 2010.

The fair value of options granted has been estimated at the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions: risk free interest rate of 3.96% (2004 - 3.96%), expected dividend yield of nil, expected volatility of 108.7% (2004 - 116.5%), and expected option life of 3 years. For purposes of the pro forma disclosure, the estimated fair value of the options is expensed over the options' vesting periods. The weighted average fair market value of options granted in 2005 was US$0.3118 (2004 - US$0.3832).

The full impact of the expense relating to all stock options granted (both to employees and non-employees) has been included in the consolidated statements of operations and deficit for the years ended December 31, 2005 and 2004.

The cumulative stock-based compensation expense is as follows:

Stock options	**2005**	2004
Balance, beginning of year	**847**	185
Stock-based compensation expense	**540**	662
Balance, end of year	**1,387**	847

(d) Common share purchase warrants

Number of common share purchase warrants	**2005**	2004
Outstanding, beginning of year	**-**	12,442,498
Issued	**6,691,733**	-
Exercised	**-**	(4,942,499)
Expired	**-**	(7,499,999)
Outstanding, end of year	**6,691,733**	-

As at January 1, 2004 the Company had on issue and outstanding common share purchase warrants for:
(i) 2,938,000 common shares of the Company exercisable at Cdn$0.45 each expiring on January 10, 2004;
(ii) 2,014,499 common shares of the Company exercisable at Cdn$0.45 each expiring on June 30, 2004; and

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

(iii) 7,499,999 common shares of the Company exercisable at Cdn$1.00 each expiring on November 12, 2004.

During the year ended December 31, 2004 7,499,999 common share purchase warrants exercisable at Cdn$1.00 each for 7,499,999 common shares of the Company expired.

As at December 31, 2004 the Company had no common share purchase warrants on issue and outstanding.

As at December 31, 2005 the Company had on issue and outstanding common share purchase warrants for 6,691,733 common shares of the Company exercisable at Cdn$0.75 each expiring on September 5, 2006.

(e) Compensation options

Number of compensation options including attached common share purchase warrants	**2005**	2004
Outstanding, beginning of year	**-**	912,971
Issued, exercisable at Cdn$0.60 each	**328,206**	-
Issued, exercisable at Cdn$0.52 each	**1,174,500**	-
Exercised at Cdn$0.35 each	**-**	(62,113)
Exercised at Cdn$0.70 each	**-**	(71,875)
Exercised, attached common share purchase warrants, at Cdn$0.45 each	**-**	(350,858)
Exercised, attached common share purchase warrants, at Cdn$0.70 each	**-**	(428,125)
Outstanding, end of year	**1,502,706**	-

On January 1, 2004 the Company had on issue and outstanding:

(i) 62,113 Units. Each Unit entitles the holder to purchase one common share of the Company at a price of Cdn$0.35 plus one common share purchase warrant entitling the holder to purchase one additional common share of the Company at a price of Cdn$0.45 expiring on January 12, 2004;

(ii) 288,745 compensation common share purchase warrants. Each compensation common share purchase warrant entitles the holder to purchase one common share of the Company at a price of Cdn$0.45 expiring on January 12, 2004; and

(iii) 500,000 compensation options. Each compensation option entitles the holder to purchase one common share of the Company at a price of Cdn$0.70 expiring on November 12, 2004.

As at December 31, 2004 the Company had no compensation options on issue and outstanding.

As at December 31, 2005 the Company had on issue and outstanding compensation options for:

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

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

See note 9.

5. Related Parties

The Company's balances with related parties as at December 31, 2005 and 2004 are summarized below:

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

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

The Company's transactions with related parties included in the determination of results of operations for the years ended December 31, 2005 and 2004 are summarized below:

Transactions	Footnote	**2005**	2004
Administration (management fees)	(a)	**61**	120
Administration and capitalized exploration and development costs (recharges)	(a)	**3**	110
Write-back of provision of amount due from related parties	(a)	**(15)**	-
Administration (recharges)	(b)	**-**	(21)
Other income (management fees)	(c)	**57**	68
Administration and capitalized exploration and development costs (recharges)	(c)	**(121)**	(174)
Administration (legal fees)	(d)	**29**	5
Other income (fees)	(e)	**33**	-
Administration (interest expense)	(f)	**-**	2

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

(b) Balances with Carpathian Gold Limited ("CGL") represent recharges of expenses owing to and services provided by the Company including, until August 31, 2004, the provision of the services of Jonathan Forster, a director and officer of the Company, and Craig Banfield, an officer of the Company, in accordance with their employment contracts. Jonathan Forster is a shareholder and a former director (retired June 8, 2005) of Carpathian Gold Inc. ("CGI"), the parent company of CGL. Craig Banfield is a shareholder of CGI and until August 31, 2004 was an officer of CGI. In addition Michael Ebsary, a director of the Company, is a director of CGI and Michael Martineau, a director and officer of the Company, was a shareholder of CGI until March 14, 2006. CGI's major shareholder is Mavinaur LLP, a limited liability partnership of which Peter Lehner (a former director of the Company, retired November 29, 2002) is the principal partner. Mr. Lehner is the chairman and a director of CGI. Addax Mining Holdings BV, the Company's major shareholder, is a shareholder of CGI.

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

(d) Legal services provided by Fasken Martineau DuMoulin LLP, a law firm to which Robert Shirriff, a director of the Company, is counsel. In addition to the value of transactions included in the determination of results of operations for the period Fasken Martineau DuMoulin LLP provided legal services in connection with share offerings made by the Company at a cost of US$148,410 (2004 - US$4,180). Fees relating to such transactions have been charged against the gross proceeds of the related share offerings. In addition to the value of transactions included in the determination of results of operations for the period Fasken Martineau DuMoulin LLP provided professional services in connection with the Company's exploration properties at a cost of US$36,475 (2004 - US$Nil). In accordance with the Company's accounting policy for exploration and development costs such costs have been capitalized by Company.

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

(f) Interest expense represents interest paid on loans provided to the Company during the year ended December 31, 2003 by Addax Mining & Metals Limited ("AMM", a wholly owned subsidiary of The Addax &

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

Oryx Group Limited), the Company's former major shareholder. During the year ended December 31, 2004 The Addax & Oryx Group Limited undertook a re-organization which resulted in AMM transferring its entire shareholding in the Company to Addax Mining Holdings BV, a wholly owned subsidiary of The Addax & Oryx Group Limited.

6. Income Taxes

The major components of the future tax assets and liabilities classified by the source of temporary differences that gave rise to the benefit are as follows:

	2005	2004
Assets		
Net operating losses	**1,048**	1,297
Canadian exploration and development costs	**672**	602
Foreign exploration and development costs	**79**	79
Share issue cost and other	**317**	78
Total	**2,116**	2,056
Valuation allowances	**(2,116)**	(2,056)
Net future income tax asset	**-**	-

As at December 31, 2005 the Company had the following approximate tax loss carry forwards available, to the extent permitted by tax regulations, to reduce future income taxes:

(a) Non-capital losses of approximately US$2,901,000 expiring between 2006 and 2015.

(b) Canadian exploration and development costs of approximately US$1,861,000.

(c) Foreign exploration and development costs of approximately US$79,000.

7. Financial Instruments

The carrying amounts of the Company's financial assets and liabilities including cash and short term investments, accounts receivable, prepaid expenses and sundry debtors, accounts payable, and accrued liabilities and sundry creditors approximate the fair value due to the short-term maturity of these items.

8. Segmented Information

The Company operates in one industry segment, mineral exploration and mining. The Company's exploration activities have been carried out in the Central African Republic, Mali, Burkina Faso, Senegal, Sierra Leone, Ghana and Canada. Note 3 to these financial statements sets out details of capitalized exploration and development costs by country and project.

9. Subsequent Events

Subsequent to December 31, 2005 the Company was awarded three new wholly owned exploration permits in the Central African Republic, namely Sosso Polipo, Bakala and Bogoin II.

On March 9, 2006 the Company granted stock options for 900,000 common shares of the Company exercisable at Cdn$0.71 each expiring on March 8, 2008 and for 1,230,000 common shares of the Company exercisable at Cdn$0.71 each expiring on March 8, 2011.

On April 5, 2006 the Company granted stock options for 950,000 common shares of the Company exercisable at Cdn$0.74 each expiring on April 4, 2008.

10. Comparative Figures

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

Officers

Jean Claude Gandur
Chairman & Director

Mr. Gandur is the Chairman and CEO of The Addax & Oryx Group Limited, an integrated African oil business, and CEO and a director of Addax Petroleum Corporation, which successfully completed an initial public offering and listing of its shares on the Toronto Stock Exchange in early 2006. He became the Chairman of SAMAX Gold Inc. in 1996 and of AXMIN in 2002. SAMAX was sold to Ashanti Goldfields Company Limited in 1998. Prior to founding The Addax & Oryx Group Limited in 1987 Mr. Gandur worked with a number of major commodity trading houses such as Philipp Brothers, Sigmoil Resources N.V. and Kaines SA. Mr. Gandur has been the honorary consul for the Republic of Congo in Geneva since 1990 and has been awarded the position of diplomat by Senegal. In addition he has received the decorations of Grand Officer of the Lion Order of Senegal and Commander of the National Order of Benin.

Dr. Michael Martineau
Deputy Chairman, President & Director

Dr. Martineau co-founded AXMIN in 1999. Currently he is also Non-Executive Deputy Chairman of Eurasia Mining PLC and a Director of Golden Star Resources Ltd.. Dr. Martineau founded SAMAX Resources Limited in 1989 and this was listed on The Toronto Stock Exchange as SAMAX Gold Inc. in 1996 when he became President and CEO. Prior to SAMAX Dr. Martineau held various management positions with several senior mining companies.

Dr. Jonathan Forster
Chief Executive Officer & Director

Dr. Forster co-founded AXMIN in 1999 and was appointed CEO in 2001. Previously Dr. Forster was Group Exploration Manager for SAMAX Gold Inc. having joined SAMAX in 1992. Prior to that Dr. Forster worked for several mining and mineral exploration companies and for three years was a Senior Resource Analyst at a firm of London (United Kingdom) stockbrokers. Dr. Forster is AXMIN's in-house qualified person, being a Fellow of the Institute of Materials, Minerals & Mining ("IMMM") in the United Kingdom.

Craig Banfield
Chief Financial Officer & Secretary

Mr. Banfield graduated from the University of Lancaster (United Kingdom) with an MA in Accounting & Finance in 1987 and qualified as a Chartered Accountant in 1991. He worked for a number of accounting firms prior to joining SAMAX in 1994 as Financial Controller and Secretary. Mr. Banfield was appointed CFO of AXMIN in 2001. Mr. Banfield is a Fellow of The Institute of Chartered Accountants in England and Wales ("ICAEW").

Other Directors

Michael Ebsary
CFO of Addax Petroleum Corporation and CFO for investments at The Addax & Oryx Group Limited covering the upstream, downstream and mining activities of the group

Mr. Ebsary joined Addax Petroleum, the upstream arm of The Addax & Oryx Group Limited, in 1999 as CFO. Prior to that he worked for a number of oil companies. Mr. Ebsary was appointed a director of AXMIN in 2002.

Robert Jackson
EVP Corporate Development for Jaguar Mining Inc.

Mr. Jackson is a Professional Engineer in Ontario (Canada) and a Chartered Financial Analyst. He holds an MBA from the University of Western Ontario (Canada), an MSc in Mining Engineering from Queen's University (Canada) and a BSc in Mining Engineering from the Camborne School of Mines (United Kingdom). Mr. Jackson has over 15 years of experience in the securities business and prior to that he was employed as a Mining Engineer with Falconbridge Limited. Currently Mr. Jackson is EVP Corporate Development for Jaguar Mining Inc.. Mr. Jackson was appointed a director of AXMIN in 1999.

Dr. Edward Reeve
Founder of Haliburton Mineral Services Inc., engaged in the research of gold producer hedging and other consulting work

Dr. Reeve holds an MSc in Geology from the University of Wisconsin (United States of America), a PhD in Geology and an MBA both from the University of Toronto (Canada). He worked for eight years for mining and exploration companies and has over 19 years experience in the brokerage business primarily as a gold equity analyst. Dr. Reeve was appointed a director of AXMIN in 2003.

Robert Shirriff
Counsel to Fasken Martineau DuMoulin LLP, Barristers & Solicitors of Toronto, Ontario, Canada

Mr. Shirriff has over 39 years experience in the field of commercial and corporate law and has acted for a number of corporations operating in Canada and internationally. He became a director of SAMAX Gold Inc. in 1996. Mr. Shirriff was appointed director of AXMIN in 1999.

Anthony Walsh
President & Chief Executive Officer of Miramar Mining Corporation

Mr. Walsh graduated from Queen's University (Canada) in 1973 and became a member of the Canadian Institute of Chartered Accountants in 1976. Mr. Walsh has over 19 years experience in the field of mining and prior to joining Miramar Mining Corporation in 1995 was the Senior Vice-President and Chief Financial Officer of a computer leasing company from 1993 to 1995 and the Chief Financial Officer and Senior Vice-President, Finance of International Corona Mines Ltd., a major North American gold producer, from 1989 to 1992. From 1985 to 1989 he was Vice-President, Finance of International Corona Mines Ltd., and from 1973 to 1985 Mr. Walsh held various positions at Deloitte, Haskins & Sells, a firm of Chartered Accountants. Mr. Walsh was appointed director of AXMIN in 2004.

corporate information

OFFICERS

Jean Claude Gandur [4]
Chairman

Michael Martineau [4,5]
Deputy Chairman & President

Jonathan Forster [4]
Chief Executive Officer

Craig Banfield [4]
Chief Financial Officer & Secretary

DIRECTORS

Michael Ebsary [3]

Jonathan Forster [4]

Jean Claude Gandur [4]

Robert Jackson [1,2,3,5]

Michael Martineau [4,5]

Edward Reeve [1,2,5]

Robert Shirriff [2]

Anthony Walsh [1,3]

SENIOR MANAGEMENT

J Howard Bills
Exploration Manager

Judith Webster [4]
Manager - Investor Relations

Charles Carron Brown
General Manager, Passendro Gold Project

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

REGISTERED OFFICE

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Canada

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Toronto, Ontario, Canada

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Fasken Martineau DuMoulin LLP
Toronto, Ontario, Canada

TRANSFER AGENT

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Toronto, Ontario, Canada

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STOCK LISTING

TSX Venture Exchange (TSX Venture)
Symbol: AXM

COMMON SHARES OUTSTANDING

(As at December 31, 2005)
159.9 million

PRINCIPAL BANKERS

Canadian Imperial Bank of Commerce
Toronto, Ontario, Canada

Barclays Bank PLC
St Helier, Jersey, Channel Islands

The Annual & Special Meeting of Shareholders
will be held at 10:00 hours (EST) on
Tuesday, June 27, 2006 at the
Company's Registered Office

Investor and Analyst Inquiries

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Manager - Investor Relations

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