AXMIN

FIRST QUARTER REPORT 2013

Three months ended
March 31, 2013

The following Management's Discussion and Analysis ("MD&A") of AXMIN Inc. ("AXMIN" or the "Company") provides a discussion and analysis of the financial condition and results of operations to enable a reader to assess material changes in the financial condition and results of operations as at and for the three months period ended March 31, 2013 and 2012. The MD&A should be read in conjunction with the unaudited interim condensed consolidated financial statements for the three months period ended March 31, 2013, and audited consolidated financial statements and notes thereto ("Statements") of AXMIN Inc. as at and for the year ended December 31, 2012.

These interim condensed consolidated financial statements have been prepared in accordance with International Financial Standard 34 Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB").
All amounts included in the MD&A are in thousands of United States dollars, except where otherwise specified and per unit basis.

This report is dated as of May 23, 2013. Readers are encouraged to read the Company's other public filings, which can be viewed on the SEDAR website (www.sedar.com).

First Quarter 2013 Highlights

- **March 2013** – the Company entered into a binding subscription agreement with Dickson Resources Limited ("Dickson"), whereby AXMIN is proceeding with a private placement to raise aggregate gross proceeds of approximately C$6.75 million by way of a two stage private placement (the "Offering").

Post Quarter-End Highlights

- **April 2013** – the first tranche of the Offering closed for gross proceeds of approximately C$2.47 million and the remaining C$4.38 million has been placed in escrow by the subscriber Dickson and will be released on the closing of the second tranche of the Offering.
- **April 2013** – AXMIN announced the appointment of two new board members Joe Tai and Lucy Yan, nominees of Dickson, to the Board, effective April 15, 2013; in addition, Mr. Tai has been appointed a member of the Audit Committee.
- **May 2013 –** following shareholder support of the new control person at the Company's Special Meeting on May 24, 2013, the second tranche of the Offering closed. As of that date, Dickson controls 41.3% of AXMIN's basic shares outstanding and AOG Holdings BV now holds 14.8% of the shares outstanding.

Business and Summary of Activities

AXMIN is an international mineral exploration and development company with a strong focus on central, east and West Africa. AXMIN has exploration projects in the Central African Republic ("CAR"), Mozambique and Senegal. A major portion of the Company's exploration and development costs relate to its Passendro gold project situated on a portion of the Bambari property in the CAR. The Company holds its interest in properties through its wholly-owned CAR registered subsidiaries, Aurafrique SARL ("Aurafrique"), which holds prospecting and exploration permits for the property and SOMIO Toungou SA, which holds the mining permit for the Passendro gold project.

Corporate Activities

On March 26, 2013, AXMIN entered into a binding subscription agreement (the "Agreement") with Dickson, whereby AXMIN is proceeding with a private placement to raise aggregate gross proceeds of approximately C$6.75 million by way of a two stage Offering. The Company will issue an aggregate of 45,000,000 Units (the "Units") at a price of C$0.15 per Unit. Each Unit will consist of one common share and one-half of one common share purchase warrant with each whole warrant entitling the holder to acquire at any time following the receipt of shareholder approval until the date that is two years following the date of shareholder approval one common share for C$0.15 per common share.

The first tranche of the Offering closed on April 10, 2013, which consisted of 16,466,666 Units for gross proceeds of approximately C$2.47 million. The remaining C$4.38 million has been placed in escrow by subscriber Dickson and will be released following the closing of the second tranche of the Offering.

On May 23, 2013, at the Company's special meeting of shareholders, AXMIN's stakeholders voted overwhelmingly in support of the Dickson change of control, at which time all conditions were met for the final tranche of the Offering. On May 24, 2013, the Offering closed and AXMIN issued the remaining 29,200,000 Units to subscriber Dickson, resulting in the release of the remaining C$4.38 million, less commission and expenses, from the escrow account to AXMIN. Post-completion of the Offering, AXMIN will have a total of 108,940,881 common shares outstanding.

During the first quarter, in order for the Company's Board to meet Canadian residency requirements under the Canada Business Corporations Act, Director, Ozge Erdem resigned as a director, effective March 23, 2013. On April 19, 2013, AXMIN announced the appointment of two new board members Joe Tai and Lucy Yan, nominees of Dickson, to the Board, effective April 15, 2013; in addition, Mr. Tai has been appointed a member of the Audit Committee.

Legal Matters

During the quarter, the Company was served with a statement of claim relating to a terminated employee seeking termination payment. As of the date of this report, with the assistance of its legal counsel, AXMIN has reached the agreed upon settlement amount of approximately $90.

Subsequent to the quarter, the Company was served with a statement of claim in the amount of $145 that relates to a creditor seeking payment of amounts due. As of the date of this report, with the assistance of its legal counsel, AXMIN has reached the settlement on suitable terms to both parties and has paid $100 towards the settlement amount. Remainder of the balance is scheduled for payment once the terms of the settlement are satisfied.

In addition, IAF Capital Limited ("IAFC") - a UK financial advisory business - has though its English lawyers threatened legal action against the Company for what it claims are unpaid fees in connection with IAFC's former engagement as a financial adviser to the Company. The Company considers that there is no basis for the threatened legal action and it will fully defend any proceedings that IAFC may bring.

Central African Republic – Passendro Gold Project

The Company's primary asset is the Passendro gold project, which is situated in the centre of its 25-year Mining Licence (355 sq km) that was awarded to AXMIN in August 2010. At the same time, the Company was also awarded two, three-year renewable Exploration Licences, Bambari 1 and 2 (1,240 sq km), which ring fence the Mining Licence and cover a 90 km strike along the highly prospective Bambari greenstone belt.

The Company published the results of a positive bankable feasibility study ("BFS") in January 2011. Results indicated a robust project with a net present value ("NPV") at a 5% discount of US$340 million, an internal rate of return ("IRR") of 32%, and a low cash cost of US$484/oz over a mine life of 8.3 years and rapid project payback of 2.2 years. The 2011 BFS demonstrates a technically and economically more robust project which once into production will benefit from both the gold price upside and the significant reserve and resource potential. Highlights of the 2011 BFS are as follows:

Assumed Gold Price **Assumed Oil Price**	**US$1,100/oz** **US$80/bbl**
Mine Life	8.3 years
Average Annual Production (LOM)	163,000 oz
Initial Capital Costs (excluding contingency)	US$246 million
Total Cash Costs (including royalties) (LOM)	US$484/oz
Average Metallurgical Recovery	94%
Gravity Recovery	40%
IRR (after tax & royalties)	32.1%
NPV (after tax, 5% discount)	US$340 million
Operating Cash Flows	US$493 million
Payback Period	2.2 years

The 2011 BFS was based on a proven and probable reserve of 1,446,175 ounces (23.5 Mt grading 1.9 g/t Au) calculated using US$1,000/oz gold. The following table details the Company's 43-101 qualified reserves and resources at its Passendro gold project:

Category	**Tonnes (Mt)**	**Grade (g/t Au)**	**Contained Gold (oz)**	**Date Released**
Proven	3.5	1.8	207,505	
Probable	20.0	1.9	1,238,670	
Total Reserves	**23.5**	**1.9**	**1,446,175**	January 2011
Measured & Indicated Resources	**31.5**	**2.0**	**2,027,000**	June 2009
Inferred Resources	**21.7**	**1.6**	**1,104,000**	June 2009

Note: *Reserves included in the Measured and Indicated, Resources cut-off grades vary from 1.2 g/t Au, 1.0 g/t Au and 0.8 g/t Au*

On December 24, 2012, the Company officially notified the CAR Minister of Mines and Defence, as per its 2006 Mining Convention, of the existence of Force Majeure due to the escalating rebel activity in the country, providing the Company full protection under the circumstances and in the event there is a change of administration in CAR. Under these circumstances all in country operations other than administrative, as well as all negotiations with the Company's debt lenders have been suspended pending the lifting of the Force Majeure. The Force Majeure is an unexpected event that crucially affects our ability to carry out our activities under the terms of various agreements and represents a lawful reason for failure to have done so.

Subsequently, on April 2, 2013, AXMIN referenced the COMMUNIQUE GOUVERNEMENTAL NUMERO 01 of the CAR Transitional Government that confirmed that all lawfully and legitimately concluded contracts with the State will be honoured, further confirming the validity of AXMIN's legally binding contractual agreements with the State.

During 2012, the Company's main focus was securing the financing required to build the mine. By the first quarter of 2012, AXMIN had successfully, with the assistance of its financial advisor Endeavour Financial ("Endeavour"), executed Mandate Letters for a total of $235 million in debt facility that is a mix of senior and subordinate convertible debt with a number of development agencies and commercial banks from Europe and South Africa. The debt providers' Mandate Letters are commitments to arrange financing on a best efforts basis and are subject to legal, technical and environmental due diligence, execution of acceptable terms and documentation and obtaining final credit and board approvals. As indicated above, all lenders' due diligence activities and negotiations with debt providers have been suspended until the lifting of the Force Majeure.

On April 15, 2013, one of the four financial institutions terminated its debt Mandate Letter pursuant to a decision of certain European States to withdraw recognition of the Central African Republic as a result of the current political situation. This financial institution has indicated that it is willing to reconsider the project if the relevant circumstances change.

Senegal

AXMIN has retained a 20% interest in its Sounkounkou, Sabodala NW and Heremokono explorations licences (the "Senegal Project") located in the Birimian belt of eastern Senegal. Its joint venture partner, Teranga Gold Corporation ("Teranga") earned an 80% in the Senegal Project in July 2011, by spending US$6 million on exploration.

During the first quarter of 2012, the Company announced that as a result of advancing the Gora deposit towards development, AXMIN and its joint venture partner Sabodala Mining Company SARL ("SMC"), a wholly owned subsidiary of Teranga, agreed to amend the original 2008 joint venture agreement. The amended joint venture and royalty agreement (the "Agreement") supersedes and replaces the original joint venture agreement. The amended Agreement better reflects AXMIN's interest in Senegal and gives the Company better flexibility to focus its work cost obligations on the Target Area's that AXMIN deems will add most value for its shareholders.

The 2012 Agreement with SMC includes, among other things, the following terms: (a) both parties agree that their respective interests (Teranga–80% and AXMIN–20%) in the Project are divided into Target Areas (being areas subject to exploration) and Remainder Areas (areas not yet subject to exploration); and (b) that both parties will retain all respective interests in all of these areas, until an election is made by AXMIN to convert its 20% interest in a Target Area into a 1.5% NSR or Royalty Interest. AXMIN has made a Royalty Election with respect to the Target Area and SMC will solely fund all finance work costs for each of the Royalty Interests. In addition, AXMIN will have a free carried interest of US$2.5 million, with respect to the Target Area work costs commencing October 1, 2011, after which both parties are to jointly fund the Target Area work costs on a pro-rata basis.

At the date of this report, AXMIN has elected to maintain its 20% interest in all the Target Areas defined in the Agreement and has elected to take a Royalty Interest in the Gora Deposit. Currently under the terms of the Agreement, AXMIN has in excess of $527 in free carried exploration costs remaining in its account.

The Gora deposit, located on the Sounkounkou licence, has a proven and probable reserve, based on a US$1,500 gold price, of 2.1 Mt grading 4.22 g/t Au containing 285,000 ounces. The Measured and Indicated Resource at Gora has increased to 374,000 ounces of gold at 5.0 g/t Au and an Inferred resource of 20,000 ounces grading 3.4 g/t Au.

AXMIN holds a 1.5% NSR royalty interest in the Gora deposit, which is scheduled for production in 2014. The project capital cost is estimated to be $45 to $50 million. Total cash costs for Gora are estimated to average $675 to $700 per ounce which will be mined over an estimated 4-year period. The Project economics based on the proposed operating scenario and a discount rate of 5% return an after tax NPV of $105 million and an IRR of 69 percent at an assumed gold price of $1500 per ounce.

Mozambique

AXMIN has 100% control of its Mavita Copper-Nickel-Cobalt Project located in the Manica province, 60 km southwest of the regional centre of Chimoio, Mozambique. In the fourth quarter of 2010 the Company was granted a 5-year extension on its Mavita exploration licences (PL 1045 and PL 1046), which expire on August 4, 2015. The project, located on the eastern edge of the Zimbabwe Craton, is comprised of highly deformed Archaean granitic gneiss and greenstone belts that include mafic - ultramafic rocks and banded iron formations. Early reconnaissance exploration followed by airborne and detailed ground geophysical programs completed by AXMIN at Mavita have defined several anomalous lithologies that are prospective for nickel sulphide mineralisation. Some 16 priority targets were identified. AXMIN is currently exploring its options with this property.

Considering that Mavita is a greenfield base metal project, which is not AXMIN's focus at this time, other than licence renewal costs, management has not budgeted for any exploration expenditures in the near future and efforts to enter into a JV agreement have been unsuccessful. Following the write-down of this property during the year ended December 31, 2011, indicators existed that the property was further impaired on December 31, 2012. The Company tested the property for impairment and determined that its fair value is approximately zero resulting in additional impairment charges of $165 recorded on December 31, 2012.

For a fuller description of the above properties and any other properties in which the Company holds interests refer to the disclosures in note 4 of the Company's interim condensed consolidated financial statements for the quarter ended March 31, 2013 and other filings made on the SEDAR website (www.sedar.com).

2013 Outlook

The Company's outlook for 2013 is dependent on the CAR transitional government achieving peace and national reconciliation in-country, allowing the Company to resume its operations at Passendro gold project and lift its Force Majeure declared on December 24, 2012.

When such conditions are met and the Company can safely resume operations in CAR, its priorities and initiatives for the upcoming year are as follows:

- Re-establish the Passendro camp at the planned mine site location. This also includes construction of an airstrip at site and erection of adequate perimeter protection;
- Complete the planned revision of the ESIA and certain outstanding technical requirements for the debt lenders;
- Complete financial planning for mine construction; and
- Complete the tendering and adjudication process for the major build contracts, including re-instating the pre-production planning process with SENET (PTY) Limited, AXMIN's EPCM contractor.

It is the Company's mandate to keep operational costs at a minimum until the Force Majeure is lifted, at which time the Company can decisively move the Passendro gold project towards development.

Results of Operations

The results of operations are summarized in the following tables, which have been prepared in accordance with IFRS.

In thousands of US dollars, except per share amounts	**2013 1st quarter**	**2012 4th quarter**	**2012 3rd quarter**	**2012 2nd quarter**
Statements of operations and comprehensive loss				
Net (loss) gain from continuing operations for the period	(951)	(1,622)	(1,061)	(1,418)
Net (loss) gain from discontinued operations	-	269	(835)	(151)
Net (loss) gain per share from continuing operations	(0.015)	(0.026)	(0.017)	(0.022)
Statements of financial position				
Working capital	(2,979)	(1,658)	1,485	4,375
Total assets	38,876	39,471	40,668	39,989
Statements of cash flows				
Investments in mineral properties	(540)	(1,966)	(2,320)	(2,605)
Cash flow from financing activities	-	-	-	-

In thousands of US dollars, except per share amounts	**2012 1st quarter**	**2011 4th quarter**	**2011 3rd quarter**	**2011 2nd quarter**
Statements of operations and deficit				
Net (loss) from continuing operations for the period	(1,752)	(2,212)	(944)	(94)
Net (loss) gain from discontinued operations for the period	(11)	636	15,506	(1,332)
Net (loss) gain per share from continuing operations	(0.028)	(0.035)	(0.016)	(0.002)
Statements of financial position				
Working capital	8,622	13,487	7,827	3,505
Total assets	41,936	46,502	49,073	35,482
Statements of cash flows				
Investments in mineral properties	(5,773)	(1,509)	(2,046)	(3,301)
Cash (outflow) inflow from financing activities	-	-	-	-

Period ended March 31, 2013

The net loss from continuing operations for the period ended March 31, 2013 was $1.0 million compared to a $1.8 million loss in 2012, a decrease in the loss of $0.8 million. The decrease was mainly due to:

- Significant decrease in share-based compensation of approximately $0.3 million in 2013. Share-based compensation of $41 was incurred in 2013 compared to an expense of $299 in 2012 resulting from primarily the granting of options during the first quarter of 2012.
- A loss on shares receivable of $0.5 million, incurred in the first quarter of 2012 compared to $nil amount in the current period as the Company did not hold any shares receivable in the first quarter of 2013.

Exploration and development costs were $nil for the period ended March 31, 2013 and 2012.

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

As a result of the adoption of IFRS, the Company changed its accounting policy for its exploration and evaluation assets. Previously, under Canadian GAAP, the Company capitalized all direct costs relating to acquisition, exploration and development of the projects. Under IFRS, exploration, evaluation and development costs for all projects are expensed as incurred and capitalized only at the point when a BFS is completed and the mining exploitation permit is obtained. This change in accounting policy has significantly impacted amounts included in mineral properties. Consequently, only acquisition, exploration and development costs relating to Bambari (Passendro) gold project are capitalized from the point the mining permit is granted and the BFS is completed. All other exploration expenditures incurred for other projects are expensed as incurred.

During the period ended March 31, 2013, the Company capitalized exploration and development costs to mineral properties for a net total of $0.5 million relating to the Bambari properties compared to $3.1 million, also relating to the Bambari properties, during the period ended March 31, 2012. The decrease in expenditures is due to the existence of a Force Majeure in CAR brought by escalating rebel activity in the country as described above. This led to the suspension of all in country operations other than administrative office activity in Bangui office only pending the lifting of the Force Majeure.

As at March 31, 2013, the Company's cumulative capitalized carrying value of mineral properties was $35.3 million compared to $26.7 million at March 31, 2012, and $34.8 million at December 31, 2012.

Amounts receivable declined from $364 to $253 during the quarter ended March 31, 2013. The decrease is mainly due to amounts collected from the input tax credits.

Deferred charges decreased from $548 to $444 during the quarter. These costs were originally incurred in 2012 and relate to financing costs incurred in connection with the signing of the Mandate Letters with the lenders. The costs are comprised of $385 paid cash and $163 fair value of warrants issued to IFC. As described in the subsequent events note 17, one of the four financial institutions terminated its debt Mandate Letter pursuant to a decision of certain European States to withdraw recognition of the Central African Republic as a result of the current political situation on April 15, 2013. As a result, the respective mandate letter fee of $100 paid to that financial institution was reclassified from the consolidated statement of financial position to the consolidated statement of operations and comprehensive loss. The cash portion of the expenditures has been reflected using the foreign exchange rates effective at the period end March 31, 2013. These costs are reported as deferred charges on the consolidated statements of financial position and will be netted against the first draw downs once the debt financing is finalized.

Total liabilities at March 31, 2013 amounted to $3.6 million compared to $3.3 million at December 31, 2012. The increase was driven by additional legal, corporate and administrative expenses accrued during the first quarter of 2013.

Discontinued Operations

On March 31, 2010, the Company entered into a definitive agreement with Avion Gold Corporation ("Avion") to sell the Kofi Gold Project and other ancillary permits in Mali for proceeds of up to C$500 cash and up to 4,500,000 common shares of Avion. As of the date of this report, the sale of 8 out of the 9 total permits has been completed.

The assets, liabilities and results of operations of Mali have been separately reported as discontinued operations in the consolidated statements of financial position and consolidated statements of operations and comprehensive loss. As of March 31, 2013, the remaining assets are $172 and liabilities are $323 in Mali. The closing of the sale is still pending transfer of the ninth and last concession, the Netekoto-Kenieti permit, which will take place once closing conditions are satisfied. As of March 31, 2013, management is unable to estimate the closing time of the ninth permit.

There were no expenditures incurred for Mali during the period ended March 31, 2013. A net loss of $11 was incurred during the period ended March 31, 2012, which was included in the loss from discontinued operations.

Liquidity and Capital Resources

Going Concern

The Company is in the development stage. Aside from the properties that comprise the Passendro gold project, it has not yet determined whether other properties in its exploration portfolio contain resources that are economically recoverable. The recoverability of the amounts shown for mineral properties costs is dependent upon the existence of economically recoverable resources, the ability of the Company to secure adequate financing to meet the capital required to successfully complete the exploration and development of the projects, political risk relating to obtaining all necessary permits and maintaining the licences in good standing, future profitable production or proceeds from the disposition of such properties and to continue as a going concern. In addition, the Company's properties may be subject to sovereign risk, including political and economic uncertainty, changes in existing government regulations to mining which may not uphold the Company's 25-year Mining Permit and the associated contractual agreements, as well as currency fluctuations and local inflation. These risks may adversely affect the investment in the properties and may result in the impairment or loss of all or part of the Company's investment.

These interim condensed consolidated financial statements have been prepared using IFRS applicable to a "going concern", which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. As at March 31, 2013, the Company's current liabilities exceeded its current assets by $2,979. The Company has no source of operating cash flows and did not have sufficient cash to fund the development of the Passendro Project and its properties. The Company will require additional financing or other sources of funding, which if not raised, would result in the curtailment of activities. As a result, there is a substantial doubt about the Company's ability to continue as a going concern and accordingly use accounting principles applicable to a going concern.

In the foreseeable future, the Company will remain dependent on the availability of securing funds to continue operation and development of the Passendro gold project. Management expects that it will require additional funding to allow the Company to continue its activities. However, there can be no assurances that the Company's financing initiatives will be successful or sufficient funds can be raised in a timely manner.

These interim condensed consolidated financial statements do not include any adjustments related to the recoverability and classification of recorded asset amounts, or to the amounts or classification of liabilities, that might be necessary and material should the Company not be able to continue as a going concern.

The award of the 25-year Mining Licence for the Passendro gold project and subsequent execution of Mandate Letters for a total of $235 million debt facility, which is a mix of senior and subordinate convertible debt with a number of development agencies and commercial banks from Europe and South Africa, are important milestones for the Company's operations. However, debt providers' commitment to arrange financing is subject to satisfactory technical, legal and environmental due diligence, execution of acceptable terms and documentation and obtaining final credit and board approvals and additional funding to proceed with the development towards commercial production.

Liquidity and Capital Resources

The Company's main sources of funding continue to be in the equity markets, outstanding warrants and options. As at March 31, 2013, the Company had cash resources of $0.2 million compared to $8.4 million balance as at March 31, 2012 and $1.1 million balance at December 31, 2012. Use of cash in 2013 was directed towards investing in further development of the Passendro gold project ($0.5 million) and operating activities ($0.3 million).

As at March 31, 2013, the Company had negative working capital of $3.0 million compared to a negative working capital of $1.7 million as at December 31, 2012. The decrease reflects a lower balance of cash and receivables and increased amounts payable balance.

One permit relating to Mali concession, Netekoto-Kenieti, remains to be closed and is expected to take place once closing conditions are satisfied. Upon closing, the Company is entitled to C$25 cash and 82,125 shares of Endeavour Mining. As of March 31, 2013, management is unable to estimate the closing time of the last permit.

As described above, on March 26, 2013**,** AXMIN entered into a binding subscription agreement with Dickson, whereby AXMIN is proceeding with a private placement to raise aggregate gross proceeds of approximately C$6.75 million by way of a two-stage private placement. As of the date of this report, the first tranche of the private placement had closed and net proceeds of approximately $2.3 million cash were received. In addition to Dickson's subscription, George Roach, the President, Chief Executive Officer ("CEO") and Director, and David de Jongh Weill, the Chairman and Director, have each purchased 333,333 Units for approximately $50,000 in the first tranche of the Offering and on the same terms and conditions as the Offering. Following the shareholders' approval, the remaining C$4.38 will be released from the escrow account to AXMIN.

Contractual Obligations

The Company has entered into agreements to lease premises until October 31, 2013. The remaining rent commitment to October 31, 2013 amounts to $161 and includes the minimal rent plus realty taxes, maintenance and utilities. In the ordinary course of business activities, the Company is subject to various claims, including those related to income and other taxes of its foreign subsidiaries. Management believes that adequate provisions are recorded in the accounts where required and where estimable. However, there can be no assurance that the Company will not incur additional expenses.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Related Parties

a) During the period ended March 31, 2013 and 2012, the Company incurred $110 (2012 - $63) in legal services provided by a partnership related to a director of the Company. As of March 31, 2013, $448 (2012 - $70) was due to this partnership.

b) During the period ended March 31, 2013 and 2012, the Company incurred $35 (2012 - $42) in consulting services provided by a company whose principal consultant became a director of the Company on April 25, 2012. As of March 31, 2013, $82 (2012 - 23) was due to this company.

c) The Company leases premises in Africa from George Roach, the CEO and President. The monthly occupancy cost under the agreement is C$5.5. As of March 31, 2013, $11 (2012 - $nil) was due to George Roach for the leased premises.

d) As of March 31, 2013, the Company's significant shareholder, AOG Holdings BV ("AOG"), a wholly-owned subsidiary of the Addax and Oryx Group Limited, held 16,161,467 common shares (2012 - 16,184,475 common shares) and nil balance of common share purchase warrants (2012 - 2,255,000 common share purchase warrants) representing, in both years, approximately 26% of AXMIN's issued and outstanding common shares on a non-dilutive basis.

New IFRS Accounting Standards and Amendments Adopted

Several new standards and amendments apply for the first time in 2013. They do not materially impact the annual consolidated financial statements or the interim condensed consolidated financial statements of the Company. The nature and impact of each new standard is described below.

IAS 1 *Presentation of Items of Other Comprehensive Income – Amendments to IAS 1*

The amendments to IAS 1 include the grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or recycled) to profit and loss at a future point in time, (e.g., net gain on hedge of net investment exchange differences on translation of foreign operations, net gain or loss on available-for-sale financial assets) now have to be presented separately from items that will never be reclassified (e.g., revaluation of land and buildings). The amendments are effective for annual periods beginning on or after July 1, 2012. The amendment affects the presentation of the other comprehensive income section of the statements of operations and comprehensive loss and has no impact on the Company's financial position or performance.

IFRS 10 *Consolidated Financial Statements*

IFRS 10 *Consolidated Financial Statements* replaces portions of IAS 27 *Consolidated and Separate Financial*

Statements and interpretation SIC-12 *Consolidation – Special Purpose Entities*. The key features of IFRS 10 include consolidation using a single control model, definition of control, considerations on power, and continuous reassessment. IFRS 10 is effective for annual periods beginning on or after January 1, 2013. The Company determined that it follows the principles for the presentation and preparation of consolidated financial statements as outlined in IFRS 10 and that it considers all relevant facts and circumstances when assessing control of a consolidated entity, details of which are outlined in note 3 in the consolidated financial statements.

The application of IAS 10 has no impact on the consolidated investments held by the Company.

IFRS 11 *Joint Arrangements*

IFRS 11 *Joint Arrangements* will apply to interests in joint arrangements where there is joint control. IFRS 11 requires joint arrangements to be classified as either joint operations or joint ventures. The structure of the joint arrangement would no longer be the most significant factor when classifying the joint arrangement as either a joint operation or a joint venture. In addition, the option to account for joint ventures (previously called jointly controlled entities) using proportionate consolidation would be removed, equity accounting would be required. Venturers would transition the accounting for joint ventures from the proportionate consolidation method to the equity method by aggregating the carrying values of the proportionately consolidated assets and liabilities into a single line item. These amendments are effective for annual periods beginning on or after January 1, 2013. In recent years, the Company has not used the proportional consolidation method of accounting for joint arrangements. The Company is currently party to a single joint arrangement without control or significant influence as described in notes 3 and 4b.

The application of IFRS 11 has no impact on the consolidated financial statements, effective January 1, 2013.

IFRS 12 *Disclosure of Involvement with Other Entities*

The IASB has issued IFRS 12 *Disclosure of Involvement with Other Entities*, which includes disclosure requirements about subsidiaries, joint ventures, and associates, as well as unconsolidated structured entities and replaces existing disclosure requirements. This standard is effective for annual periods beginning on or after January 1, 2013. The 2012 audited consolidated financial statements include additional disclosures on the nature and control aspects of its joint venture agreement with Sabodala Mining Company SARL regarding the Senegal Project and its relationship with subsidiaries. None of these disclosure requirements are applicable for the interim condensed consolidated financial statements, unless significant events and transactions in the interim period requires that they are provided. Accordingly, the Company has not made such disclosures.

The Company has determined that IFRS 12 does not have a material impact on the consolidated financial statements, effective January 1, 2013.

IFRS 13 *Fair Value Measurement*

IFRS 13 will generally converge the IFRS and US GAAP requirements for how to measure fair value and the related disclosures. IFRS 13 establishes a single source of guidance for fair value measurements, when fair value is required or permitted by IFRS. The key features of IFRS 13 include: a single framework for measuring fair value while requiring enhanced disclosures when fair value is applied, fair value would be defined as the 'exit price', and concepts of 'highest and best use' and 'valuation premise' would be relevant only for non-financial assets and liabilities. IFRS 13 is effective for annual periods beginning on or after January 1, 2013 and early adoption is permitted.

The application of IFRS 13 has no material impact on the consolidated financial statements, effective January 1, 2013.

IAS 27 *Separate Financial Statements*

As a result of the issue of the new consolidation suite of standards, IAS 27 *Separate Financial Statements* has been reissued as the consolidation guidance will now be included in IFRS 10. IAS 27 will now only prescribe the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. These amendments are effective for annual periods beginning on or after January 1, 2013.

The application of IAS 27 has no material impact on the Company's consolidated financial statements, effective January 1, 2013.

IAS 28 Investments in Associates and Joint Ventures

As a consequence of the issue of IFRS 10, IFRS 11 and IFRS 12, IAS 28 has been amended to provide the accounting guidance for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The amended IAS 28 will be applied by all entities that are investors with joint control of, or significant influence over, an investee. These amendments are effective for annual periods beginning on or after January 1, 2013.

The Company does not hold an interest in an associated entity or in a joint venture with joint control or significant influence, and accordingly the application of IAS 28 has no impact on the interim condensed consolidated financial statements.

Accounting Standards and Interpretations Issued but Not Yet Adopted

Standards issued but not yet effective as at January 1, 2013 are listed below. This listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective.

IFRS 9 *Financial Instruments: Classification and Measurement*

In November 2009, the IASB issued IFRS 9, which covers classification and measurement as the first part of its project to replace IAS 39. In October 2010, the Board also incorporated new accounting requirements for liabilities. The standard introduces new requirements for measurement and eliminates the current classification of loans and receivables, available-for-sale and held-to-maturity, currently in IAS 39. There are new requirements for the accounting of financial liabilities as well as carryover of requirements from IAS 39. The Company does not anticipate early adoption and will adopt the standard on the effective date of January 1, 2015. The Company has not yet determined the impact of the new standard on the consolidated financial statements. Also, the Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Critical Accounting Estimates

The preparation of consolidated financial statements in conformity with IFRS 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 consolidated financial statements and the reported amounts of expenses and other income during the reporting periods. These estimates and assumptions are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experiences.

Significant estimates and assumptions include those related to the recoverability of mineral properties and benefits of future income tax assets, share compensation valuation assumptions and determinations of functional currency, carrying value of goodwill, and whether costs are expensed or capitalized. While management believes that these estimates and assumptions are reasonable, actual results may differ from the amounts included in the consolidated financial statements.

Areas of significant accounting judgments, estimates and assumptions that have the most significant impact on the amounts recognized in the financial statements are disclosed in note 3 of the Company's audited consolidated financial statements as at and for the year ended December 31, 2012.

Risk Factors

Due to the nature of the Company's business and present stage of exploration and development of its mineral properties, the Company faces the following risk factors and uncertainties, similar to those faced by other exploration and development companies.

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.

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.

Ability to Raise Funds

Because the Company has been an exploration Company, the Company is dependent upon its ability to raise funds in order to carry out its business. With ongoing cash requirements for operations, it will be necessary to secure funding in the near future in order to meet its current financial obligations. Over the long-term, substantial funds will be required to continue exploration and development. If the Company does not raise these funds, it will be unable to pursue its business activities and investors could lose their investment. If the Company is able to raise funds, investors could experience a dilution of their interests which may negatively impact the market value of the shares.

Substantial Funding Requirement

The Company requires substantial funds to build its proposed mine at the Passendro gold project which it may not be able to raise in the current economic environment. In order to construct a mine at its Passendro gold project, the Company estimates it will require approximately US$280 to US$310 million. However, in the current economic environment there is substantial doubt that the Company would be able to raise these funds through sales of its equity, the means it has used to finance its operations in the past. In addition, although the Company has investigated the possibility of financing construction of the mine through debt, there can be no assurance that debt financing would be available on acceptable terms, if at all. In the event that the Company is unable to raise the necessary funds to build the mine, the Company will not be able to realize the benefit from the recovery of gold on the Passendro gold project.

As at March 31, 2013, the Company had negative working capital of $3.0 million, no source of operating cash flows and did not have sufficient cash to fund its operations and the development of the Passendro gold mine. The Company is working with its financial advisors, Endeavour Financial, to secure the additional financing to build the Passendro gold mine, which if not raised, would result in the curtailment of activities. The inability of the Company to secure additional immediate financing could have an adverse effect on the Company's results of operations and financial condition.

No Production Revenues; History of Losses

AXMIN does not currently operate a mine on any of its properties. 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.

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 Company does not expect to receive revenues from operations in the foreseeable future. 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 exploration and development of the Company's properties will require the commitment of substantial resources. There can be no assurance that the Company will generate any revenues or achieve profitability.

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.

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 could have an adverse effect on AXMIN's results of operations and financial position.

Nature of Mineral Exploration

Other than with respect to the properties that comprise Passendro gold project in CAR, none of the properties in which AXMIN has an interest contain a known body of commercial ore. The exploration and development of mineral deposits involve significant financial risks over a significant period of time whereby a combination of careful evaluation, experience and knowledge may not fully eliminate the risks. 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. If AXMIN's 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. There are also risks against which AXMIN could not insure or against which it may elect not to insure. The potential costs that 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 mineral 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.

Political Risk

AXMIN currently conducts its primary exploration activities in the African countries of CAR, Senegal and Mozambique. A substantial portion of the Company's mineral properties are located in CAR and as such the success of the Company will be influenced by a number of factors including the legal and political risks associated with that country.

On December 24, 2012, AXMIN announced that it officially notified the Minister of Mines and Minister of Defence of CAR, as per its 2006 Mining Convention, of the existence of Force Majeure arising from the widely reported rebel activity in the country at that time. AXMIN's operating camp based in close proximity to Ndassima Village was temporarily occupied on Friday, December 21, 2012 by rebels apparently en route to the major town of Bambari. Food, medical supplies and vehicles were taken. AXMIN has received unconfirmed reports that all tools, equipment and vehicles on site were stolen by the rebels and that camp buildings have been gutted by the locals. As a result of this rebel activity, camp operations in CAR have been suspended and have been limited to administrative office activity in Bangui only.

As of the date of this report, the political situation in CAR remains tenuous. The Company is monitoring the situation and will not resume camp operations in CAR until stability is restored in Country.

There is no assurance that future political and economic conditions in CAR, Mozambique and Senegal will not result in their respective 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. The Company's projects may be subject to the effects of political changes, war and civil conflict, changes in government policy, lack of law enforcement and labor unrest and the creation of new laws. The effect of unrest and instability in respect of political, social and/or economic conditions in the countries in which the Company carries on its business could result in the impairment of the exploration, development and potential cessation of the Company's mining operations at those projects. Any such changes are beyond the control of the Company and may adversely affect its business.

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. If any such catastrophic event occurs, investors could lose their entire investment.

Although AXMIN maintains insurance to protect against certain risks in such amounts as it considers 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 management believes that AXMIN's exploration and development activities are currently carried out in material compliance 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.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, 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.

Contractual Arrangements and Joint Ventures

AXMIN has entered into and may in the future enter into contractual arrangements to acquire interests in mineral resource properties with governmental agencies and joint venture agreements 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. The Company may lose its option rights and interests in joint ventures if it is not able to fulfill its share of costs. As such, the contractual arrangements may be subject to cancellation or unilateral modification. 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.

Commodity Price Fluctuations

The development and success of any project of the Company will be primarily dependent on the future price of gold and other metals. Commodity 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 political and economic conditions. The price of gold and other metals has fluctuated widely in recent years, and future price declines could cause any future development of and commercial production from the Company's properties to be impracticable.

If the price of gold (including other base and precious metals) is below the cost to produce gold, the properties will not be mined at a profit. Fluctuations in the price of gold affect the Company's reserve estimates, its ability to obtain financing and its financial condition as well as requiring reassessments of feasibility and operational requirements of a project. Reassessments may cause substantial delays or interrupt operations until the reassessment is completed.

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, UK pounds sterling, Euros and also in the currencies of the CAR, (CFA Franc), South Africa (ZAR) and Mozambique (Mozambique New Metical). There is no guarantee that these other currencies will be convertible into Canadian and United States dollars in the future and that foreign currency fluctuations will not adversely affect AXMIN's financial position and operating results. AXMIN currently does not undertake currency hedging activities.

Title Matters

Title to AXMIN's properties may be challenged or impugned. There is no guarantee 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. While AXMIN has applied for rights to explore various properties and may also do so in the future, 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. If title to properties is challenged or impugned, the Company may not be able to explore, develop or operate its properties as permitted and enforce its rights to these properties.

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.

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 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 regulations 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.

Concentration of Share Ownership

As at the date of this report, following the Special Meeting to support the transaction with Disckon, AOG Holdings BV holds approximately 14.8% of the issued and outstanding common shares of the Company on a non-diluted basis and Dickson holds approximately 41.3% of the issued and outstanding common shares of the Company on a non-diluted basis.

Stock Price Volatility

The market price of the common shares, like that of the common shares of many other junior mining companies, has been and is likely to remain volatile. Results of exploration activities, the price of gold and silver, future operating results, changes in estimates of the Company's performance by securities analysts, market conditions for natural resource shares in general and other factors beyond the control of the Company could cause a significant decline on the market price of the common shares.

Future Sales of Shares by Existing Shareholders

Sales of a large number of common shares of the Company in the public markets, or the potential for such sales, could decrease the trading price of the common shares of the Company and could impair AXMIN's ability to raise capital through future sales of common shares of the Company.

Health Issues

HIV/AIDS, malaria and other diseases represent a serious threat to maintaining a skilled workforce in the mining industry of Central, East 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 its contractors, members of its workforce or workforce hours or incur increased medical costs, which may have a material adverse effect on AXMIN's operations.

Compliance with Health and Safety Regulations

AXMIN operates in the mining industry, which is a hazardous industry. While management believes that AXMIN is in material compliance with all health and safety regulations, the adoption and enforcement of more stringent regulations in the future could adversely affect operational flexibility and costs.

Requirement for Permits and Licences

The operations of AXMIN require licences, permits and in some cases renewals of existing licences and permits from various governmental authorities. Management believes that AXMIN currently holds or has applied for all necessary licences and permits to carry on the activities that it is currently conducting under applicable laws and regulations in respect of its properties, and also believes that AXMIN is complying in all material respects with the terms of such licences and permits. However, AXMIN's ability to obtain, sustain or renew such licences and permits on acceptable terms is subject to changes in regulations and policies and the discretion of the applicable governmental authorities.

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.

Share Capital

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

Securities	**Common shares on exercise**
Common shares	108,940,881
Stock options	3,475,000
Common share purchase warrants	29,149,465
Fully diluted share capital	**141,565,346**

Contingencies

In the ordinary course of business activities, the Company is subject to various claims, including those related to income and other taxes at its foreign subsidiaries. Management believes that adequate provisions are recorded in the accounts where required and when estimable. However, there can be no assurance that the Company will not incur additional expenses.

Forward-Looking Statements

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

Additional Information

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

On behalf of the Board of Directors

"Signed"

George Roach
President, Chief Executive Officer & Director

May 23, 2013

Interim Condensed Consolidated Statements of Financial Position

(Nature of operations and going concern – *Note 1*)
(Unaudited and expressed in thousands of United States dollars)

As at	**March 31 2013**	December 31 2012
Assets		
Current assets		
Cash and cash equivalents	**238**	**1,116**
Amounts receivable	**253**	**364**
Prepaid expenses and deposits *(note 15)*	**159**	**163**
	650	**1,643**
Non-current assets		
Mineral properties *(note 4a)*	**35,297**	**34,788**
Property, plant and equipment *(note 5)*	**43**	**45**
Goodwill *(note 6)*	**2,236**	**2,236**
Assets of discontinued operations *(note 7)*	**172**	**172**
Deferred charges *(note 4a)*	**444**	**548**
Other assets, net	**34**	**39**
	38,226	**37,828**
Total Assets	**38,876**	**39,471**
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	**2,753**	**2,568**
Amounts due to related parties *(note 9)*	**541**	**386**
Unrealized fair value of derivatives *(note 8)*	**12**	**24**
Liabilities of discontinued operations *(note 7)*	**323**	**323**
	3,629	**3,301**
Total Liabilities	**3,629**	**3,301**
Commitments and Contingencies *(note 4 and 10)*		
Shareholders' Equity *(note 8)*		
Share capital	**134,137**	**134,137**
Warrants reserve	**6,730**	**6,730**
Stock options reserve	**8,877**	**8,836**
Deficit	**(115,630)**	**(114,679)**
Accumulated other comprehensive income *(note 11)*	**1,133**	**1,146**
	35,247	**36,170**
	38,876	**39,471**

See accompanying notes to the interim condensed consolidated financial statements

On Behalf of the Board of Directors

"Signed"
David de Jongh Weill, Chairman

"Signed"
George Roach, Director

Interim Condensed Consolidated Statements of Operations and Comprehensive Loss

(Unaudited and expressed in thousands of United States dollars except share and per share data)

For the three months period ended March 31,	**2013**	2012
Expenses		
Administration	**924**	**994**
Share-based compensation *(note 8)*	**41**	**299**
	965	**1,293**
Other Expenses (Income)		
Loss on shares receivable from Avion *(note 4b)*	**-**	**467**
Change in fair value of derivatives *(note 8)*	**(12)**	**14**
Gain on foreign exchange	**(1)**	**(17)**
Interest income, net	**(1)**	**(3)**
	(14)	**461**
Loss from continuing operations before income taxes for the year	**951**	**1,754**
Deferred tax recovery *(note 8)*	**-**	**(2)**
Net loss from continuing operations for the period	**951**	**1,752**
Loss from discontinued operations, net of income taxes *(note 7)*	**-**	**11**
Net loss for the period	**951**	**1,763**
Other comprehensive income *(note 11)*		
Items that may be reclassified subsequently to profit or loss:		
Fair value loss on available-for-sale financial assets	**-**	**481**
Foreign currency translation	**13**	**(307)**
Other comprehensive loss for the period	**13**	**174**
Total comprehensive loss for the period	**964**	**1,937**
Net loss per common share (basic and diluted)		
Continuing operations	**0.015**	**.0.028**
Discontinued operations	**0.000**	**0.000**
Basic and diluted loss per common share	**0.015**	**0.028**
Weighted average number of common shares outstanding	**63,274,215**	**62,827,175**

See accompanying notes to the interim condensed consolidated financial statements

Interim Condensed Consolidated Statements of Changes in Shareholders' Equity

(Unaudited and expressed in thousands of United States dollars except share data)

For the three months period ended March 31,		**2013**		2012
	Number	**Amount ($)**	Number	Amount ($)
Share Capital				
Authorized: Unlimited common shares				
Issued: Common shares				
Balance, beginning of period	**63,274,215**	**134,137**	**62,827,175**	**133,885**
Shares issued during the period *(note 8)*	**-**	**-**	**-**	**-**
Balance, end of period	**63,274,215**	**134,137**	**62,827,175**	**133,885**
Warrants Reserve				
Balance, beginning of period	**3,148.405**	**6,730**	**12,893,086**	**6,594**
Warrants expired *(note 8)*	**-**	**-**	**(60,038)**	**-**
Deferred tax recovery on warrants expired *(note 8)*	**-**	**-**	**-**	**(2)**
Balance, end of period	**3,148,405**	**6,730**	**12,833,048**	**6,592**
Stock Options Reserve				
Balance, beginning of period		**8,836**		**8,079**
Share-based compensation expense *(note 8)*		**41**		**299**
Balance, end of period		**8,877**		**8,378**
Deficit				
Balance, beginning of period		**(114,679)**		**(107,847)**
Net loss for the period		**(951)**		**(1,763)**
Balance, end of period		**(115,630)**		**(109,610)**
Accumulated other comprehensive income, net of tax				
Balance, beginning of period		**1,146**		**723**
Other comprehensive loss		**(13)**		**(174)**
Balance, end of period		**1,133**		**549**
Shareholders' equity, end of period		**35,247**		**39,794**

See accompanying notes to the interim condensed consolidated financial statements

Interim Condensed Consolidated Statements of Cash Flows

(Unaudited and expressed in thousands of United States dollars)

For the three months period ended March 31,	**2013**	2012
Operating Activities		
Net loss for the period– continuing operations	**(951)**	**(1,752)**
Net loss for the period – discontinued operations *(note 7)*	**-**	**(11)**
Share-based compensation expense *(note 8)*	**41**	**299**
Deferred tax recovery *(note 8)*	**-**	**(2)**
Loss on foreign exchange	**(1)**	**-**
Loss on shares receivable from Avion *(note 4b)*	**-**	**467**
Change in fair value of derivatives *(note 8)*	**(12)**	**14**
Deferred charges *(note 4a)*	**100**	**-**
Changes in non-cash working capital *(note 16)*	**498**	**502**
Amortization of other assets	**5**	**4**
Net cash outflow from operating activities	**(320)**	**(479)**
Investing Activities		
Additions to mineral properties *(note 4a)*	**(404)**	**(2,564)**
Changes in amounts payable relating to mineral properties	**(136)**	**(2,964)**
Deferred charges *(note 4a)*	**-**	**(251)**
Proceeds from sale of discontinued operations *(note 4b and 7)*	**-**	**6**
Net cash outflow from investing activities	**(540)**	**(5,773)**
Financing Activities		
Net cash inflow (outflow) from financing activities	**-**	**-**
Effect of exchange rate changes on cash and cash equivalents held in foreign currency	**(18)**	**(127)**
Change in cash and cash equivalents during the period	**(878)**	**(6,379)**
Cash and cash equivalents, beginning of period	**1,116**	**14,746**
Cash and cash equivalents, end of period	**238**	**8,367**
Supplemental Cash Flow Information		
Interest paid (received)	**(1)**	**(3)**
Income taxes paid	**-**	**(3)**

See accompanying notes to the interim condensed consolidated financial statements

1. Nature of operations and going concern

AXMIN Inc. ("AXMIN" or the "Company") is incorporated under the laws of Canada Business Corporation Act and is an international mineral exploration company with an exploration portfolio in central, east and west Africa. A major portion of the Company's exploration and development costs relate to its Passendro Gold Project (the "Project" or "Passendro") situated on a portion of the Bambari property in the Central African Republic ("CAR"). The Company holds its interest in this property through its wholly owned CAR registered subsidiaries, Aurafrique SARL ("Aurafrique"), which holds prospecting and exploration permits for the property, and SOMIO Toungou SA, which holds the mining permit for the Passendro project. The corporate office is located in Toronto at 120 Adelaide Street West, Suite 800, Toronto, Ontario M5H 1T1, Canada.

Following the acquisition of AfNat Resources Limited ("AfNat") in June 2010, the Company acquired exploration interests with mineral exploration projects in Mozambique, Zambia and Philippines. The interest in Zambia was subsequently sold in November 2010 and the interest in the Philippines was sold in January 2011. The interest in Mozambique was ultimately written down to zero fair value at the end of December 31, 2012.

The Company is in the development stage. Aside from the properties that comprise the Passendro project, it has not yet determined whether other properties in its exploration portfolio contain resources that are economically recoverable. The recoverability of the amounts shown for mineral properties costs is dependent upon the ability of the Company to secure adequate financing to meet the capital required to successfully complete the exploration and development of the project, political risk relating to obtaining all necessary permits and maintaining the licences in good standing, future profitable production or proceeds from the disposition of such properties and to continue as a going concern. In addition, the Company's properties may be subject to sovereign risk, including political and economic uncertainty, changes in existing government regulations to mining which may not uphold the Company's 25-year Mining Permit and the associated contractual agreements, as well as currency fluctuations and local inflation. These risks may adversely affect the investment in the properties and may result in the impairment or loss of all or part of the Company's investment.

These interim condensed consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a "going concern", which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. As at March 31, 2013, the Company's current liabilities exceeded its current assets by $2,979. The Company has no source of operating cash flows and did not have sufficient cash to fund the development of the Passendro Project and its properties. The Company will require additional financing or other sources of funding, which if not raised, would result in the curtailment of activities. As a result, there is a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and accordingly use accounting principles applicable to a going concern.

To date, the Company has raised funds principally through the issuance of shares and sale of assets. In the foreseeable future, the Company will likely remain dependent on the issuance of shares, and the availability of project financing. Management expects that it will be able to fund its immediate cash requirements and will require additional funding to allow the Company to continue future exploration and development activities. However, there can be no assurances that the Company's financing activities will be successful or that sufficient funds can be raised in a timely manner. As described in the subsequent events note 17, AXMIN announced that it had entered into a binding subscription agreement with Dickson Resources Limited, whereby AXMIN is proceeding with a private placement to raise aggregate gross proceeds of approximately C$6.75 million by way of a two stage private placement.

These interim condensed consolidated financial statements do not include any adjustments related to the recoverability and classification of recorded asset amounts, or to the amounts or classification of liabilities, that might be necessary and material should the Company not be able to continue as a going concern.

2. Basis of preparation – statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). These interim condensed consolidated financial statements have been prepared following the same accounting policies as the audited annual consolidated financial statements for the year ended December 31, 2012. They are condensed as they do not include all of the information required for full annual financial statements in accordance with the International Financial Reporting Standards ("IFRS"), and should be read in conjunction with the annual consolidated financial statements of the Company for the year ended December 31, 2012.

(Unaudited and all amounts expressed in thousands of United States dollars, except otherwise stated and per unit basis)

3. Summary of presentation and significant accounting policies, judgements, estimates and assumptions

Basis of Presentation

The interim condensed consolidated financial statements have been prepared in accordance with IFRS and reflect all normal and recurring adjustments which are, in the opinion of management, necessary for a fair presentation of the respective periods presented.

These interim condensed consolidated financial statements of the Company have not been reviewed by an auditor and were authorized for issuance by the Board of Directors on May 23, 2013.

Basis of Consolidation

The interim condensed consolidated financial statements comprise the financial statements of the Company and subsidiaries as at March 31, 2013.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. Control is defined as the power to govern financial and operating policies to obtain benefits from its activities. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intra-company transactions, balances and expenses are eliminated on consolidation.

The consolidated financial statements include the accounts of the Company and its subsidiaries, as follows:

AXMIN Limited (BVI)	*100% owned*
Aurafrique SARL (CAR)	*100% owned*
SOMIO Toungou SA (CAR)	*100% owned*
AXMIN RCA SARL (CAR)	*100% owned*
ToPex Limited (BVI)	*100% owned*
Ferrum Centrafrique SA (CAR)	*100% owned*
AfNat Resources Limited (Bermuda)	*100% owned*

The Company does not have interests in any associated companies or in any joint arrangements with either joint control or significant influence.

The Company is party to a joint arrangement without joint control or significant influence through its joint venture agreement with Sabodala Mining Company SARL, in Senegal. Although the Company has actual and potential royalty interests in the project, the Company has no power to direct relevant operational and financing activities such as operating policies, capital decisions, key management, appointments or project management, and thus has no joint control or significant influence. The joint venture agreement and royalty interests are described in note 4b.

Significant accounting judgments, estimates and assumptions

The preparation of consolidated financial statements 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 consolidated financial statements and the reported amounts of expenses and other income during the reporting periods. These estimates and assumptions are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experiences.

Significant estimates and assumptions include those related to the recoverability of mineral properties and benefits of future income tax assets, share compensation valuation assumptions and determinations of functional currency, carrying value of goodwill, and whether costs are expensed or capitalized. While management believes that these estimates and assumptions are reasonable, actual results may differ from the amounts included in the consolidated financial statements.

Areas of significant accounting judgments, estimates and assumptions that have the most significant impact on the amounts recognized in the financial statements are disclosed in note 3 of the Company's audited consolidated financial statements as at and for the year ended December 31, 2012.

Standards issued but not yet effective

Standards issued but not yet effective as at January 1, 2013 are listed below. This listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective.

IFRS 9 *Financial Instruments: Classification and Measurement*
In November 2009, the IASB issued IFRS 9, which covers classification and measurement as the first part of its project to replace IAS 39. In October 2010, the Board also incorporated new accounting requirements for liabilities. The standard introduces new requirements for measurement and eliminates the current classification of loans and receivables, available-for-sale and held-to-maturity, currently in IAS 39. There are new requirements for the accounting of financial liabilities as well as carryover of requirements from IAS 39. The Company does not anticipate early adoption and will adopt the standard on the effective date of January 1, 2015. The Company has not yet determined the impact of the new standard on the consolidated financial statements. Also, the Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

New IFRS standards and amendments adopted

Several new standards and amendments apply for the first time in 2013. They do not materially impact the annual consolidated financial statements or the interim condensed consolidated financial statements of the Company. The nature and impact of each new standard is described below.

IAS 1 *Presentation of Items of Other Comprehensive Income – Amendments to IAS 1*
The amendments to IAS 1 include the grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or recycled) to profit and loss at a future point in time, (e.g., net gain on hedge of net investment exchange differences on translation of foreign operations, net gain or loss on available-for-sale financial assets) now have to be presented separately from items that will never be reclassified (e.g., revaluation of land and buildings). The amendments are effective for annual periods beginning on or after July 1, 2012. The amendment affects the presentation of the other comprehensive income section of the statements of operations and comprehensive loss and has no impact on the Company's financial position or performance.

IFRS 10 *Consolidated Financial Statements*
IFRS 10 *Consolidated Financial Statements* replaces portions of IAS 27 *Consolidated and Separate Financial Statements and interpretation* SIC-12 *Consolidation – Special Purpose Entities*. The key features of IFRS 10 include consolidation using a single control model, definition of control, considerations on power, and continuous reassessment. IFRS 10 is effective for annual periods beginning on or after January 1, 2013. The Company determined that it follows the principles for the presentation and preparation of consolidated financial statements as outlined in IFRS 10 and that it considers all relevant facts and circumstances when assessing control of a consolidated entity, details of which are outlined in note 3 in the consolidated financial statements.

The application of IAS 10 has no impact on the consolidated investments held by the Company.

IFRS 11 *Joint Arrangements*
IFRS 11 *Joint Arrangements* will apply to interests in joint arrangements where there is joint control. IFRS 11 requires joint arrangements to be classified as either joint operations or joint ventures. The structure of the joint arrangement is no longer the most significant factor when classifying the joint arrangement as either a joint operation or a joint venture. In addition, the option to account for joint ventures (previously called jointly controlled entities) using proportionate consolidation would be removed, equity accounting would be required. Venturers would transition the accounting for joint ventures from the proportionate consolidation method to the equity method by aggregating the carrying values of the proportionately consolidated assets and liabilities into a single line item. These amendments are effective for annual periods beginning on or after January 1, 2013. In recent years, the Company has not used the proportional consolidation method of accounting for joint arrangements. The Company is currently party to a single joint arrangement without control or significant influence as described in notes 3 and 4b.

The application of IFRS 11 has no impact on the consolidated financial statements, effective January 1, 2013.

IFRS 12 *Disclosure of Involvement with Other Entities*
The IASB has issued IFRS 12 *Disclosure of Involvement with Other Entities*, which includes disclosure requirements about subsidiaries, joint ventures, and associates, as well as unconsolidated structured entities and replaces existing disclosure requirements. This standard is effective for annual periods beginning on or after January 1, 2013. The 2012 audited consolidated financial statements include additional disclosures on the nature and control aspects of its joint venture agreement with Sabodala Mining Company SARL regarding the Senegal Project and its relationship with subsidiaries. None of these disclosure requirements are applicable for the interim condensed consolidated financial statements, unless significant events and transactions in the interim period requires that they are provided. Accordingly, the Company has not made such disclosures.

The Company has determined that IFRS 12 does not have a material impact on the consolidated financial statements, effective January 1, 2013.

(Unaudited and all amounts expressed in thousands of United States dollars, except otherwise stated and per unit basis)

IFRS 13 *Fair Value Measurement*
IFRS 13 will generally converge the IFRS and US GAAP requirements for how to measure fair value and the related disclosures. IFRS 13 establishes a single source of guidance for fair value measurements, when fair value is required or permitted by IFRS. The key features of IFRS 13 include: a single framework for measuring fair value while requiring enhanced disclosures when fair value is applied, fair value would be defined as the 'exit price', and concepts of 'highest and best use' and 'valuation premise' would be relevant only for non-financial assets and liabilities. IFRS 13 is effective for annual periods beginning on or after January 1, 2013 and early adoption is permitted.

The application of IFRS 13 has no material impact on the consolidated financial statements, effective January 1, 2013.

IAS 27 *Separate Financial Statements*
As a result of the issue of the new consolidation suite of standards, IAS 27 *Separate Financial Statements* has been reissued as the consolidation guidance will now be included in IFRS 10. IAS 27 will now only prescribe the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. These amendments are effective for annual periods beginning on or after January 1, 2013.

The application of IAS 27 has no material impact on the Company's consolidated financial statements, effective January 1, 2013.

IAS 28 Investments in Associates and Joint Ventures
As a consequence of the issue of IFRS 10, IFRS 11 and IFRS 12, IAS 28 has been amended to provide the accounting guidance for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The amended IAS 28 will be applied by all entities that are investors with joint control of, or significant influence over, an investee. These amendments are effective for annual periods beginning on or after January 1, 2013.

The Company does not hold an interest in an associated entity or in a joint venture with joint control or significant influence, and accordingly the application of IAS 28 has no impact on the interim condensed consolidated financial statements.

4. Exploration and evaluation assets

a) *Mineral properties*

	Bambari (CAR)	Mavita (Mozambique)	Total
Balance as at January 1, 2012	**23,403**	**165**	**23,568**
Additions	11,385	-	11,385
Impairment charges *(note 4b)*	-	(165)	(165)
Balance – December 31, 2012	**34,788**	**-**	**34,788**
Additions	509	-	509
Balance – March 31, 2013	**35,297**	**-**	**35,297**

Central African Republic
AXMIN holds a 100% interest in the Bambari properties which consist of a 25-year Mining Licence (355 sq km), granted in August 2010 and two Exploration Licences, Bambari 1 and 2 (1,240 sq km), also granted in August 2010. The Bambari properties had been the subject of substantial exploration by AXMIN since the discovery of the Passendro project. The Passendro project is situated in the centre of the Mining Licence which is ring-fenced by the two Bambari Exploration Licences.

On August 9, 2010 the Company was awarded a 25-year Mining Licence for the Passendro project. As part of the granting of the licence, the Company owed the Government of CAR $11 million payable in three tranches. On August 18, 2010, the Company paid the first tranche of the bonus in the amount of $5 million. The second tranche of the bonus in the amount of $3 million was paid on April 25, 2011 and the third tranche of $3 million was paid on January 19, 2012.

The Passendro property was subject to a 2% net smelter royalty ("NSR") payable to United Reef Limited ("URL") from the date of commencement of commercial production. Payment of the NSR was to commence once all capital expenditures had been recovered by the Company. On April 4, 2012, the Company repurchased for cancellation the 2% NSR from URL for C$250 consideration payable in 447,038 shares of the Company.

Force Majeure
On December 24, 2012, AXMIN announced that it officially notified the Minister of Mines and Minister of Defence of the Central African Republic, as per its 2006 Mining Convention, of the existence of Force Majeure factors arising from the widely reported rebel activity in the country at that time.

AXMIN's operating camp based in close proximity to Ndassima Village was temporarily occupied on Friday, December 21, 2012 by rebels apparently en route to the major town of Bambari. Food, medical supplies and vehicles were taken. AXMIN has received unconfirmed reports that all tools, equipment and vehicles on site were stolen by the rebels and that camp buildings have been gutted by the locals. As a result of this rebel activity, camp operations in CAR have been suspended and have been limited to administrative office activity in Bangui only.

During the period of 2011 and 2012, AXMIN, with the assistance of our financial advisors Endeavour Financial ("Endeavour"), has executed Mandate Letters for a total of $235 million in debt facility which is a mix of senior and subordinate convertible debt with a number of development agencies and commercial banks from Europe and South Africa. The debt providers' Mandate Letters are commitments to arrange financing on a best efforts basis and are subject to legal, technical and environmental due diligence, execution of acceptable terms and documentation and obtaining final credit and board approvals.

Details of the Mandate Letters signed to date are as follows:

- On July 20, 2011, AXMIN executed a Mandate Letter with The Standard Bank, an international financial institution headquartered in Johannesburg, South Africa. Under the terms thereof, Standard Bank is appointed as the Mandated Lead Arranger ("MLA") to arrange and underwrite a $100 million Export Credit Insurance Corporation of South Africa Limited ("ECIC") backed term loan facility. In connection with this Mandate Letter, on August 15, 2012, AXMIN issued Standard Bank 1,000,000 common share purchase warrants, with each whole warrant having an exercise price of C$0.63 for a period of three years from the date of vesting. As of December 31, 2012, the Standard Bank warrants lapsed and were voided and of no value, due to Standard Bank not receiving credit approval for the ECIC Facility as of that date.
- On January 26, 2012, AXMIN signed Mandate Letters with four new financial institutions for an additional $85 million debt facility. As described in subsequent events, note 17 one of the four lenders has terminated its Mandate Letter on April 15, 2013.
- On March 9, 2012, AXMIN signed a Mandate Letter with the International Finance Corporation ("IFC") for a further $25 million in senior debt and $25 million in subordinated convertible debt. IFC has provided an indicative term sheet where it will play a lead role in coordinating the overall debt package for the Development Finance Institutions ("DFIs"). In connection with this Mandate Letter, on April 17, 2012, AXMIN issued 500,000 common share purchase warrants to IFC, at a fair value of $163, with each whole warrant having an exercise price of C$0.63 for a period of three years from the date of issuance.

In 2012, the Company incurred total costs of $548 in connection with the signing of the Mandate Letters comprised of $385 cash and $163 fair value of warrants issued to IFC. A total of $251 of these costs were incurred during the period ended March 31, 2012. As described in the subsequent events note 17, one of the four financial institutions terminated its debt Mandate Letter pursuant to a decision of certain European States to withdraw recognition of the Central African Republic as a result of the current political situation on April 15, 2013. As a result, the respective mandate letter fee paid to that financial institution was reclassified from the consolidated statement of financial position to the consolidated statement of operations and comprehensive loss. The cash portion of the expenditures has been reflected using the foreign exchange rates effective at the period end March 31, 2013, resulting in the balance of $444 as at March 31, 2013. These costs are reported as deferred charges on the consolidated statements of financial position and will be netted against the first draw downs once the debt financing is finalized.

(b) Other exploration, evaluation and development costs disposed or expensed

Mali – discontinued operation
On March 31, 2010, AXMIN and Avion Gold Corporation ("Avion") (AVR-TSX) entered into an agreement for the sale of AXMIN's Kofi Gold Project and other ancillary permits in Mali. The total sales proceeds for the nine permits consist of C$500 cash and 4,500,000 common shares of Avion. As of December 31, 2012, eight of the nine permits met the conditions for closing. The consideration for the eight permits represents 95% of the total sale proceeds. As of December 31, 2012, AXMIN received in aggregate proceeds of C$475 in cash and 4,275,000 common shares of Avion. No proceeds were received or became receivable during the period ended March 31, 2013. Proceeds received during the period ended March 31, 2012 amounted to C$6 cash and 56,250 common shares of Avion.

On October 18, 2012 Endeavour Mining Corporation ("Endeavour Mining"), acquired all of the issued and outstanding common shares of Avion on the basis of 0.365 of a common share of Endeavour Mining for each common share of Avion.

As of March 31, 2013, the Company did not hold any Avion or Endeavour shares or shares receivable (2012 - 843,750 Avion shares held and 787,500 Avion shares receivable).
The Company did not have any share proceeds receivable at the end of March 31, 2013. A loss resulting from the change in fair value of the share proceeds receivable in the same period of 2012 was recorded at $467. There was no realized gain or loss on the sale of marketable securities in either period.
The closing of the ninth concession, Netekoto-Kenieti, will take place once closing conditions are satisfied. As of March 31, 2013, management is unable to estimate the closing time of the ninth permit.

The assets, liabilities and results of operations of Mali have been separately reported as discontinued operations in the consolidated statements of financial position and the consolidated statements of operations and comprehensive loss.

Senegal
In July 2011, Teranga Gold Corporation ("Teranga") earned 80% interest in Sounkounkou, Heremokono and Sabodala NW exploration licences (the "Senegal Project") located in the Birimian belt of eastern Senegal, by spending $6 million on exploration. AXMIN has retained a 20% interest in the Project.

On February 28, 2012, as a result of Teranga advancing the Gora deposit towards development, AXMIN and its joint venture partner Sabodala Mining Company SARL ("SMC"), a wholly owned subsidiary of Teranga, had agreed to amend the original 2008 joint venture agreement to more adequately represent AXMIN's interest in the exploration potential of the Senegal licences. The amended joint venture and royalty agreement (the "Agreement") supersedes and replaces the original joint venture agreement. As per the Agreement, AXMIN will have a free-carried interest of $2.5 million, with respect to the Target Areas work costs starting from October 1, 2011, after which both parties are to jointly fund Target Area work costs on a pro-rata basis.

AXMIN was not required to contribute to any costs on a pro-rata basis during the period ended March 31, 2013, and during the year ended December 31, 2012.

The Agreement also stipulates that AXMIN can make an election to convert its 20% interest in a Target Area into a Royalty interest (a "Royalty Election"). If a Royalty Election is made, then SMC must pay to AXMIN a Royalty interest of 1.5% of Net Smelter Returns from the sale or disposition of Minerals produced in the specified Target Area. SMC will solely fund all finance work costs for each of the Royalty Target Areas.

As of February 28, 2012, AXMIN elected to take a 1.5% NSR Royalty Interest in the Gora Deposit, located on the Sounkounkou permit.

Mozambique
The Mavita Copper-Nickel-Cobalt Project consists of two prospecting licences covering 354 sq km, located in the Manica province, 60 km southwest of the regional centre of Chimoio, Mozambique. The project is located on the eastern edge of the Zimbabwe Craton. AXMIN has 100% control of its Mavita Copper-Nickel-Cobalt Project. On August 4, 2010, the Company was granted a 5-year extension on its Mavita exploration licences (PL 1045 and PL 1046).

Considering that Mavita is a greenfield base metal project, which is not AXMIN's focus at this time, other than licence renewal costs, management has not budgeted for any exploration expenditures in the near future and efforts to enter into a joint venture agreement have been unsuccessful.

In addition, the market for nickel prices moved in an unfavourable direction within the last five years prior to December 31, 2012, negatively impacting the value of this property. On December 31, 2011, the Company tested this property for impairment and determined that its book value exceeded the fair value of approximately $165, resulting in an $814 write-down as of December 31, 2011. On December 31, 2012, indicators existed that the property is further impaired. The Company tested the property for impairment and determined that its fair value is approximately zero resulting in impairment charge of $165 for the year ended December 31, 2012.

There were no exploration and development costs incurred for the Mavita project during the period ended March 31, 2013 and 2012.

(Unaudited and all amounts expressed in thousands of United States dollars, except otherwise stated and per unit basis)

The following table shows the composition of exploration, evaluation and development costs that have been expensed in the consolidated statements of operations and comprehensive loss.

	Bambari (CAR)	Others	Total
Exploration, evaluation and development costs as at January 1, 2012	20,494	1,175	21,669
Additions	-	43	43
Exploration, evaluation and development costs – December 31, 2012	20,494	1,218	21,712
Additions	-	-	-
Balance – March 31, 2013	**20,494**	**1,218**	**21,712**

5. Property, plant and equipment

	Equipment	Vehicles	Leasehold Improvements	Building	Total
Cost					
Balance – Jan 31, 2012	1,496	636	663	154	2,949
Additions	17	51	-	-	68
Write-down	(1,513)	(636)	-	(154)	(2,303)
Balance – Dec 31, 2012	-	51	663	-	714
Additions	-	-	-	-	-
Balance – Mar 31, 2013	**-**	**51**	**663**	**-**	**714**
Accumulated Depreciation					
Balance – Jan 1, 2011	599	369	450	37	1,455
Depreciation	150	127	161	6	444
Balance – Jan1, 2012	749	496	611	43	1,899
Depreciation	188	133	52	6	379
Write-down	(937)	(623)	-	(49)	(1,609)
Balance – Dec 31, 2012	-	6	663	-	669
Depreciation	-	2	-	-	2
Balance – Mar 31, 2013	**-**	**8**	**663**	**-**	**671**
Carrying Amount					
At Jan 1, 2012	747	140	52	111	1,050
At Dec 31, 2012	-	45	-	-	45
At Mar 31, 2013	**-**	**43**	**-**	**-**	**43**

The entire balance of property, plant and equipment relates to the Passendro gold project in CAR. As described in note 4a, due to the Force Majeure resulting from rebel activity in CAR, all equipment, buildings and most of the vehicles have been written down as a result of their destruction or theft by the rebels.

As a result, as of December 31, 2012, the Company recorded property, plant & equipment write-downs in the amount of $694, and the remaining book value in the property, plant and equipment accounts was determined to be $45.

As of March 31, 2013, the net book value of property, plant and equipment in CAR was $43

6. Acquisitions

There were no acquisitions during the period ended March 31, 2013.

On January 25, 2012, the Company acquired all of the issued and outstanding shares of Ferrum Centrafrique SA ("Ferrum SA") (the "Acquisition") from Ferrum Resources Limited ("Ferrum") pursuant to a share purchase agreement dated January 23, 2012 (the "Agreement"). Ferrum SA is the CAR registered company that has lodged exploration licence applications for iron ore over the Topa Iron Belt, which is in the same areas licensed to AXMIN for gold exploration.

In consideration for the Acquisition, AXMIN has agreed to issue, but only if, as and when the exploration licences are granted to Ferrum SA and notice thereof has been publicly announced by AXMIN (the "Grant"), such number of common shares of AXMIN as will equal US$10 million, based on the 20 day volume weighted average price of AXMIN's shares, commencing five trading days from the award of the licence, provided that the number of AXMIN shares to be issued shall not exceed 9.9% of AXMIN's issued and outstanding shares (on a non-diluted basis) prior to such issuance. In addition, if the Grant occurs Ferrum will receive on the date of the Grant 25% of the outstanding shares in Ferrum SA. AXMIN has also granted to Ferrum a free carry interest for the first US$4 million of Topa Project expenditures incurred after the date of the Agreement, provided that in the event the value of the AXMIN Shares issued pursuant to the Agreement is less than US$10 million, the free carry interest will be increased in an amount equal to such difference, subject to a maximum free carry interest of US$10 million. In the event the exploration licences shall not have been granted within 24 months of the date of the agreement, the Company will be entitled, in its sole discretion, to wind up Ferrum SA, subject to first offering the shares of Ferrum SA to Ferrum. George Roach, the Company's director, President and Chief Executive Officer, is a director of Ferrum Centrafrique SA. He was a director of Ferrum Resources SA from May 2010 to December 2011.

(Unaudited and all amounts expressed in thousands of United States dollars, except otherwise stated and per unit basis)

Goodwill
Goodwill arose on acquisition of all of the outstanding securities of AfNat by way of a scheme of arrangement on June 14, 2010. As a result of the acquisition, AXMIN recognized goodwill in the amount of $2.2 million resulting from the excess consideration paid over the fair value of net assets acquired.

The following table summarizes changes to the carrying value of goodwill:

	AfNat
Balance, January 1, 2012	2,236
Changes to goodwill during the period	-
Balance, December 31, 2012 and March 31, 2013	2,236

AXMIN's operations are primarily exploration and development and there are no reporting units generating cash, therefore allocation of goodwill to cash generating units is not applicable and the entire amount of goodwill has been allocated to one reporting unit, the Passendro gold project in CAR. The acquisition of AfNat resulted in many benefits to AXMIN. The President and CEO of AfNat, George Roach became the new President and CEO of AXMIN and cash resources of $10.3 million along with the marketable securities available for sale increased liquidity for the Company. Mr. Roach has extensive experience in securing and establishing mineral exploration tenure and operations throughout Africa, namely the CAR. Management believes that the Passendro gold project in the CAR is the primary recipient of benefits and synergies obtained from this acquisition.

The Company assessed the goodwill for impairment as at December 31, 2012. The carrying amount of the goodwill exceeded the recoverable amount for the Passendro Gold Project reporting unit, as such, no impairment was recognized.

7. Dispositions

There were no dispositions during the period ended March 31, 2013 and 2012. The disposition described below occurred during the year ended December 31, 2010 however the sale is still pending the closing.

Mali
On March 31, 2010, the Company announced the execution of a definitive agreement pertaining to the sale of its Kofi Gold Project and other ancillary permits in Mali to Avion for proceeds of up to C$500 cash and up to 4,500,000 common shares of Avion. As described in note 4, as at December 31, 2012 the sale of eight of the nine permits was completed, which represents 95% of the total proceeds. The assets, liabilities and results of operations of Mali have been separately reported as discontinued operations in the consolidated statement of financial position and consolidated statements of operations and comprehensive loss.

The results of discontinued operations for the period ended March 31 were as follows:

	2013	2012
Other costs	**-**	11
Loss from discontinued operations	**-**	11
Net loss from discontinued operations, net of income taxes	**-**	11

(Unaudited and all amounts expressed in thousands of United States dollars, except otherwise stated and per unit basis)

The assets and liabilities of discontinued operations as at March 31, 2013 and December 31, 2012 are as follows:

	2013	2012
Exploration and development costs	**172**	172
Assets of discontinued operations	**172**	172
Accounts payable and accrued liabilities	**323**	323
Liabilities of discontinued operations	**323**	323

The income tax expense provision is based on the current tax treatments and legislation in Mali. During the period ended March 31, 2012, an amount of $3 relating to the income tax was paid and $nil during the period ended March 31, 2013.

8. Share capital

The Company is authorized to issue an unlimited number of common shares with one vote per share and no par value per share.

There were no common shares issued during the period ended March 31, 2013 and March 31, 2012.

On February 15, 2012, the Company announced the share consolidation of its common shares capital on the basis of one (1) post-consolidation common share for every ten (10) pre-consolidation common shares held. Prior to the consolidation, the Company had 628,271,747 common shares, 128,330,183 warrants and 26,800,000 options outstanding. The exercise price and the number of common shares issuable under any of the Company's outstanding warrants and stock options were proportionately adjusted upon the consolidation. After the consolidation, the Company had approximately 62,827,175 common shares, 12,833,018 warrants and 2,680,000 options outstanding. The Company's common shares began trading on a consolidated basis on February 23, 2012.

On April 4, 2012, the Company issued an aggregate of 447,038 common shares at a total fair value of $252, to repurchase for cancellation a 2% net smelter royalty in respect of the Passendro license area, from United Reef Limited. The fair value of the shares issued was fully capitalized to mineral properties. The royalty interest had previously been granted to United Reef by Asquith Resources Inc., an AXMIN predecessor company.

Share capital outstanding at March 31, 2013 was 63,274,215 common shares (2012 - 62,827,175), on a post-consolidation basis.

On April 17, 2012, in connection with the Mandate Letter, the Company issued 500,000 common share purchase warrants to International Finance Corporation ("IFC") at a fair value of $163. Each such warrant is exercisable into a common share of AXMIN at an exercise price of C$0.63 per common share for a period of three years from the date of issue. The fair value of the warrants at the time of issue, April 17, 2012, was determined using the Black Scholes Option pricing model with the following assumptions:

	April 17, 2012
Risk free interest rate	1.35%
Expected life in years	3.0 years
Expected volatility	116%
Expected dividend yield	0.0%

There were no common share purchase warrants issued or exercised during the period ended March 31, 2013 and March 31, 2012. No common share purchase warrants expired during the current period. In the first quarter of 2012, 60,038 warrants (on a post-consolidation basis) expired, producing a deferred tax recovery of $2.

Fair Value Derivatives
Pursuant to the agreement with the CAR Government dated August 9, 2010, on September 21, 2010 the Company issued, on a pre-consolidation basis, 26,000,000 common shares valued at C$0.085 fair market value and 20,000,000 common share purchase warrants to the Government of CAR as a consideration in exchange for the project free-carried interest on its awarded 25-year Mining Licence for the Passendro project. The warrants had an exercise price of $0.30 and expire on August 8, 2015. Pursuant to a share consolidation on February 15, 2012, there are now 2,000,000 common share purchase warrants outstanding with an exercise price $3.00.

As these warrants have an exercise price denominated in a currency other than the Company's functional currency, they have been accounted for as a derivative liability. As a result, the fair value of these warrants is re-valued at each reporting period and the resulting unrealized gain or loss is recorded in the consolidated statements of operations and comprehensive loss. The fair values of the warrants at the time of issue, at December 31, 2012 and at March 31, 2013 were determined using the Black Scholes Option pricing model with the following assumptions:

(Unaudited and all amounts expressed in thousands of United States dollars, except otherwise stated and per unit basis)

	2013	**2012**	**August 9, 2010**
Risk free interest rate	**1.03**	1.18%	2.25%
Expected life in years	**2.3 years**	2.6 years	5.0 years
Expected volatility	**104%**	105%	109%
Expected dividend yield	**0.0%**	0.0%	0.0%

Stock Options

The Incentive Stock Option Plan (the "Plan") authorizes the Directors to grant options to purchase shares of the Company to directors, officers, employees and consultants. All options granted vest over 18 months from the date of grant and expire five years from the date of issuance. The Plan allows for the maximum number of common shares issuable under the Plan to equal 10% of the issued and outstanding common shares of the Company at any point in time.

There were no stock options granted during the period ended March 31, 2013.

During the period ended March 31, 2012, the Company granted an aggregate of 1,765,000 options on a post-consolidation basis, exercisable at C$0.60 each and expiring five years from the date of issue.

Share-based compensation amounted to $41 for the period ended March 31, 2013 ($299 in 2012). Share-based compensation resulting from unvested options that expired or were cancelled during the period amounted to $2 ($nil in 2012).

The Company used the Black Scholes option pricing model to estimate the fair value of the options granted using the following assumptions:

	2013	2012
Assumptions:		
Weighted average risk-free interest rate	**1.48%**	1.48%
Expected stock price annual volatility	**115%**	115%
Weighted average expected life (years)	**3.9**	4.9
Estimated forfeiture rate	**5.74%**	4.74%
Expected dividend yield	**0.0%**	0.0%
Weighted average fair value cost per option	**.49**	0.49

As at March 31, 2013, 2.8 million (2012 – 1.8 million on a post-consolidation basis) options are available for future issuance under the Plan.

As at March 31, 2013, common share stock options held by directors, officers and employees and activity during the periods ended March 31, 2013 and 2012, on a post-consolidation basis, are as follows:

	Outstanding			**Exercisable**	
Range of exercise prices -C$ (dollars)	Number of options	Weighted average exercise price - C$ (dollars)	Weighted average remaining contractual life in years	Number of options	Weighted average exercise price - C$ (dollars)
0.60 to 0.99	1,515,000	0.60	3.94	1,155,000	0.60
1.00 to 1.50	2,030,000	1.03	2.43	2,021,250	1.03
2.01 to 4.50	5,000	4.50	.23	5,000	4.50
	3,550,000	0.85	3.07	3,181,250	0.88

	Number of options	Weighted Average Exercise Price - C$(dollars)
Balance, January 1, 2012	2,710,000	1.20
Options granted	1,765,000	0.60
Options expired/cancelled	(575,000)	1.12
Balance as at December 31, 2012	3,900,000	0.85
Options granted	-	-
Options expired/cancelled	(350,000)	0.89
Balance at March 31, 2013	**3,550,000**	**0.85**

(Unaudited and all amounts expressed in thousands of United States dollars, except otherwise stated and per unit basis)

9. Related Parties

a) During the period ended March 31, 2013 and 2012, the Company incurred $110 (2012 - $63) in legal services provided by a partnership related to a director of the Company. As of March 31, 2013, $448 (2012 - $70) was due to this partnership.

b) During the period ended March 31, 2013 and 2012, the Company incurred $35 (2012 - $42) in consulting services provided by a company whose principal consultant became a director of the Company on April 25, 2012. As of March 31, 2013, $82 (2012 - $23) was due to this company.

c) The Company leases premises in Africa from George Roach, the CEO and President. The monthly occupancy cost under the agreement is C$5.5. As of March 31, 2013, $11 (2012 - $nil) was due to George Roach for the leased premises.

d) As of March 31, 2013, the Company's significant shareholder, AOG Holdings BV ("AOG"), a wholly-owned subsidiary of the Addax and Oryx Group Limited, held 16,161,467 common shares (2012 - 16,184,475 common shares) and nil balance of the common share purchase warrants (2012 - 2,255,000 common share purchase warrants) representing, in both years, approximately 26% of AXMIN's issued and outstanding common shares on a non-dilutive basis.

10. Commitments and contingencies

The following is a summary of rental lease commitments for various periods due for the next five years and thereafter. The annual rent payments consist of minimum rent plus realty taxes, maintenance and utilities. The current rental lease expires on October 31, 2013.

	March 31, 2013	December 31, 2012
Less than 1 year	**161**	**234**
1 - 3 years	**-**	**-**
4 - 5 years	**-**	**-**
Total	**161**	**234**

In the ordinary course of business activities, the Company is subject to various claims, including those related to income and other taxes of its foreign subsidiaries. Management believes that adequate provisions are recorded in the accounts where required and where estimable. However, there can be no assurance that the Company will not incur additional expenses.

In March 2013, The Company was served with a statement of claim relating to the terminated employee seeking termination payment. As of the date of this report, with the assistance of its legal counsel, AXMIN has reached the agreed upon settlement amount of approximately $90. The settlement amount has been accrued and recorded in the interim condensed consolidated financial statements.

In 2012, the Company acquired all the issued and outstanding shares of Ferrum SA, a CAR registered company that has lodged exploration license applications in CAR. Conditional commitments included in the share purchase agreement are outlined in note 6.

11. Accumulated other comprehensive income

During the period ended March 31, 2013, the following activities impacted the accumulated other comprehensive income balance:

	March 31, 2013	December 31, 2012
Balance, beginning of year	**1,146**	723
- fair value loss on available- for-sale financial assets arising during the year	**-**	(474)
- reclassification adjustments for losses (gains) recorded in earnings during the year	**-**	522
- effects of foreign currency translation	**(13)**	375
Balance, end of year	**1,133**	1,146

12. Segmented information

The Company operates in one industry segment: mineral exploration and development. During the period ended March 31, 2013, the Company, or its joint venture partners, conducted exploration activities in CAR, Senegal and Mozambique.

13. Capital management

The Company manages its cash and cash equivalents, common shares, stock options, and warrants as capital. The policy of the Board of Directors of the Company is to maintain a strong capital base so as to sustain future development of the business and maintain investor, creditor and market confidence. To meet these objectives the Company monitors its financial position on an ongoing basis.

As at March 31, 2013, the Company's capital primarily consisted of cash and cash equivalents in the amount of $0.2 million and amounts receivable in the amount of $0.3 million. The Company's primary objectives when managing capital are to safeguard the Company's ability to meet its immediate cash requirements, and to perform exploration and development on its properties as well as maintain investor and market confidence.

As at March 31, 2013, the Company had negative working capital of $3.0 million, no source of operating cash flows and did not have sufficient cash to fund the development of the Passendro Project and its properties. The Company will require additional financing or other sources of funding, which if not raised, would result in the curtailment of activities. Management reviews its capital management approach on an ongoing basis and believes that this approach is appropriate given the Company's size. The Company is not subject to other externally imposed capital requirements.

14. Financial instruments and risk management

The recorded amounts for cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and amounts due to related parties approximate fair values based on the short-term nature of those instruments. The Company has classified its financial instruments as follows: cash and cash equivalents as held-for-trading; marketable securities as available-for-sale; accounts receivable as loans and receivables; accounts payable and accrued liabilities, and amounts due to related parties as other financial liabilities.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations.

(i) Cash

The Company minimizes its exposure to credit risk by keeping the majority of its cash as cash on deposit with a major Canadian chartered bank. Management expects the credit risk to be minimal.

(ii) Receivables

Management does not expect these counterparties to fail to meet their obligations. The Company does not have receivables that it considers impaired or otherwise uncollectible.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities. The Company's objective is to maintain sufficient liquid resources to meet operational requirements. As of March, 2013, the Company had cash and cash equivalents of $238 (2012- $8,367), and the Company did not have sufficient cash on hand to fund its current liabilities. As of March 31, 2013, the Company had negative working capital of $2,979 (2012 - $8,622 positive working capital).

On March 26, 2013**,** AXMIN had entered into a binding subscription agreement with Dickson Resources Limited, whereby AXMIN is proceeding with a private placement to raise aggregate gross proceeds of approximately C$6.75 million by way of a two stage private placement. As of the date of this report, the first tranche of the private placement had closed and net proceeds of approximately $2.3 million cash were received.

The Company will issue an aggregate of 45,000,000 Units (the "Units") at a price of C$0.15 per Unit. Each Unit will consist of one common share and one-half of one common share purchase warrant with each whole warrant entitling the holder to acquire at any time following the receipt of shareholder approval until the date that is two years following the date of shareholder approval one common share for C$0.15 per common share. If the shareholder approval is not obtained, the warrants will expire unexercised. The first tranche of the Offering consists of 15,800,000 Units for gross proceeds of approximately C$2.37 million on terms set out below. The remaining C$4.38 million (the "Escrow Amount") are placed in escrow by Dickson.

If the conditions set out in the Agreement are satisfied on or before June 7, 2013 (the "Outside Date") the second tranche of the Offering will close and the Escrow Amount will be unconditionally released to the Company. If the conditions are not satisfied on or before the Outside Date, the Escrow Amount will be returned to Dickson, the common share purchase warrants will expire unexercised and the Agreement will be terminated.

Closing of the second tranche, which includes the issuance of the remaining 29,200,000 Offered Units, requires the requisite shareholder approval (the "Shareholder Approval") of 50.1% of the votes cast at a Special Meeting of Shareholders (the "Meeting") to be held before the Outside Date.

In connection with the Offering to Dickson, AXMIN has agreed to pay a cash finders' fee equal to 8% of the gross proceeds raised from Dickson on each Closing Date and warrants to acquire common shares equal to 8% of the common shares issued on each Closing Date for $0.15 per common share with expiry date of two years from the date of issue.

<u>Investment in Noble Resources</u>

AXMIN retains a 1.5% royalty on any future gross smelter returns from ore mined from the Cape Three Points Licence area in Ghana, at that time, which is a potential future source of liquidity for the Company.

<u>Investment in Gora Hill</u>

As of February 28, 2012, AXMIN elected to take a 1.5% NSR Royalty Interest in the Gora Deposit, located on the Sounkounkou permit.

(c) Market risk

(i) Foreign currency risk
The functional currency of the Company is the Canadian dollar. The Company's operations expose it to significant fluctuations in foreign exchange rates. The Company's main source of funds are denominated in the Canadian dollar and the Company has monetary assets and liabilities denominated in the Canadian dollar, UK pound sterling, United States dollar and the CFA franc. A significant change in the currency exchange rates between the US dollar and foreign currencies could have an effect on the Company's net loss.

The Company maintains certain of its cash and cash equivalents in the US dollar and UK pound sterling and is thus susceptible to market volatility as cash balances are revalued to the functional currency of the Company. The rate published by the Bank of Canada at the close of March 31, 2013 was 1.016 Canadian dollars to 1 US dollar and 1.545 Canadian dollars to 1 UK pound sterling. Based on the balances at March 31, 2013, income will increase or decrease by $1 and $nil given a 5% increase or decrease in the US dollar to Canadian dollar and Canadian dollar to UK pound sterling, respectively. The total amount of cash and cash equivalents held in foreign currency at March 31, 2013 is not significant, US$24,166, 2,268 UK pound sterling, 10,919,745 CFA franc and 10,669 South African rand.

(ii) Interest rate risk
The Company has no interest-bearing short-term investments or loans, and so it is not subject to interest rate risk fluctuation.

(iii) Market price risk
The Company has issued USD denominated common share purchase warrants which are classified as a derivative liability. Among other variables, the fair value of this liability is affected by changes in the market price of the Company shares.

As at March 31, 2013, the Company did not hold any marketable securities subject to market price risk.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments which are measured at fair value by valuation technique:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., as derived from prices); and

Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(Unaudited and all amounts expressed in thousands of United States dollars, except otherwise stated and per unit basis)

The following table presents the Company's financial assets and liabilities measured at fair value within the fair value hierarchy as at March 31, 2013:

	Total	Level 1	Level 2	Level 3
Financial Assets:				
Cash and cash equivalents	238	238	-	-
Accounts receivable	253	-	253	-
	491	238	253	
Financial Liabilities:				
Current liabilities	3,629	3,617	12	-
	3,629	3,617	12	-

15. Prepaid expenses

	March 31 2013	December 31 2012
Prepaid expenses		
Prepaid rent deposit	**9**	9
Prepaid insurance and other expenses	**150**	154
	159	163

16. Supplemental disclosures on cash flows

Changes in non-cash working capital:

	March 31 2013	March 31 2012
Changes in non-cash working capital		
Decrease in accounts receivable	**111**	285
Increase in accounts payable and accrued liabilities	**383**	24
Decrease (increase) in prepaid expenditures	**4**	(13)
Decrease in advances to vendors for exploration and development	**-**	206
	498	502

17. Subsequent events

a) On April 02, 2013**,** AXMIN announced that COMMUNIQUE GOUVERNEMENTAL NUMERO 01 of the Transitional Government of the Central African Republic (“CAR”) confirms that all lawfully and legitimately concluded contracts with the State will be honoured.

b) On April 10, 2013, AXMIN closed the first tranche of the Offering consisting of 16,466,666 Units for gross proceeds of approximately C$2.47 million. The remaining C$4.38 million (the "Escrow Amount") has been placed in escrow by the subscriber Dickson. In addition to Dickson’s subscription, George Roach, the President, Chief Executive Officer and Director, and David de Jongh Weill, the Chairman and Director, have each purchased 333,333 Units for approximately $50,000 in the first tranche of the Offering and on the same terms and conditions as the Offering.

c) During the month of April, 2013, the Company was served with a statement of claim in the amount of $145. The claim relates to the creditor seeking payment of amounts due. As of the date of this report, with the assistance of its legal counsel, AXMIN has reached the settlement on suitable terms to both parties and has paid $100 towards the settlement amount. Remainder of the balance is scheduled for payment once the terms of the settlement are satisfied. The claim amount has been fully accrued in the interim condensed consolidated statements of financial position.

d) In connection with the signed Mandate Letters with four financial institutions for $85 million in debt facility on January 26, 2012, one of the four financial institutions terminated its debt Mandate Letter pursuant to a decision of certain European States to withdraw recognition of the Central African Republic as a result of the current political situation on April 15, 2013. This financial institution has indicated that it is willing to reconsider the project if the relevant circumstances change.

e) IAF Capital Limited (“IAFC”) - a UK financial advisory business - has though its English lawyers threatened legal action against the Company for what it claims are unpaid fees in connection with IAFC’s former engagement as a financial adviser to the Company. The Company considers that there is no basis for the threatened legal action and it will fully defend any proceedings that IAFC may bring.

f) On May 23, 2013, at the Company's special meeting of shareholders, AXMIN's stakeholders voted overwhelmingly in support of the Dickson change of control, at which time all conditions were met for the final tranche of the Offering. As of May 24, 2013, the Offering closed and the Company issued the remaining 29,200,000 Units to subscriber Dickson, resulting in the release of the remaining C$4.38 million from the escrow account to AXMIN. Post-completion of the Offering, AXMIN will have a total of 108,940,881 common shares outstanding.

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