africaAXMINinc

Third Quarter Report Nine months ended September 30, 2004

AXMIN Inc. (AXM:TSX-V) a gold exploration company, offers dynamic growth with a track-record of finding mines in Africa. AXMIN's management team is committed to creating shareholder value through new gold discoveries within its highly prospective properties across central and west Africa.

SCALE • EXPERIENCE • STRATEGY

AXMIN Inc.

Report to Shareholders

During the third quarter 2004 exploration expenditure was US$2.111 million, contributing to a total of US$5.302 million for the nine months ended September 30, 2004. Of the exploration expenditure incurred during the nine months ended September 30, 2004 US$3.525 million related to the Bambari Permits in the Central African Republic.

As at September 30, 2004 the Company had cash resources of US$4.512 million and a surplus of working capital which amounted to US$3.411 million. This excludes the proceeds from the conditional sale of the Bouroum Permit gold reserves in Burkina Faso for a total consideration of US$3.3 million. As at the date of this report the issuance of an exploitation permit over the Bouroum Permit reserves is awaited and accordingly the sale of the Bouroum Permit reserves has not yet been recognised in the Company's financial statements.

Third Quarter 2004 Highlights

- **Central African Republic**
  Bambari Permits: initial resource estimate -
  - French Camp and Katsia
    Indicated mineral resource of 457,000 ounces at a grade of 3.5 g/t Au
    Inferred mineral resource of 143,000 ounces at a grade of 3.4 g/t Au
  - Main Zone
    Inferred mineral resource of 848,000 ounces at a grade of 1.6 g/t Au

  Pouloubou Permit: first indications of significant gold structures

- **Mali**
  Kofi Project Area: new gold zones identified and drill program planned

- **Sierra Leone**
  Drill program at Nimini East and West and four new projects acquired

Central African Republic

During the third quarter 2004 AXMIN announced the first resource estimate from the ongoing drill program at the Passendro project area within the Bambari Permits. This estimate has been prepared by independent consultants, SRK Consulting. Together the French Camp and Katsia prospects are currently estimated to contain an indicated mineral resource of 457,000 ounces at a grade of 3.5 g/t Au and an inferred mineral resource of 143,000 ounces at a grade of 3.4 g/t Au. The inferred resource is located almost entirely at Katsia where drilling is ongoing. In addition, SRK reports that the Main Zone prospect is estimated to contain an inferred mineral resource of 848,000 ounces at a grade of 1.6 g/t Au.

Management is very encouraged by the scale of this first resource estimate from the Passendro project area after only five months of systematic drilling. The definition of a significant resource in such a short period is a major achievement whilst also handling the logistical issues that come with a rapidly expanding exploration program.

The resources at French Camp, Katsia and Main Zone lie within a 3 km radius and are located in the central portion of the 90 km long Bandas greenstone belt. We see this as the first step in demonstrating the multi-million ounce potential of the Bambari Permits. It is anticipated that with the delineation of sufficient resources a pre-feasibility study will commence during 2005.

More recently AXMIN announced the discovery of a new gold prospect at Bacanga Head at the Passendro project area, again within a 3 km radius of French Camp, Katsia and Main Zone. Core drilling has to date tested a strike length of 300 metres with intercepts including 12 metres at 5.7 g/t Au, 12 metres at 3.7 g/t Au and 22.5 metres at 2.5 g/t Au. The structure is open in all directions. The current geological interpretation indicates that there is sufficient geological continuity to warrant completion of drilling for the purpose of resource definition.

At present AXMIN has two core rigs and one reverse circulation ("RC") rig operating on the Bambari Permits. Currently one core rig is at Bacanga Head and the second core rig and the RC rig are testing two other gold anomalies at Passendro. A second RC rig is scheduled to mobilise to the property from South Africa shortly. Drilling is planned to continue essentially non-stop through to the onset of the wet season in July 2005.

As regards the Pouloubou Permit, located 73 km southeast of the Bambari Permits, AXMIN recently announced the discovery of a 7,500 metre long gold zone identified from reconnaissance soil sampling. AXMIN is currently undertaking an infill soil sampling and geological mapping program to be followed by a reconnaissance rotary air blast program early in 2005 to test the source of primary gold mineralisation.

Mali

During the third quarter 2004 AXMIN announced that a reconnaissance RC drill program at the Kofi Project Area had identified six new mineralized zones, with results including 6.6 g/t Au over 8 metres, 9.0 g/t Au over 5 metres and 16.6 g/t Au over 2 metres.

The objective of the current phase of exploration, scheduled for completion by early 2005 and costing US$500,000 funded by joint venture partner Newmont Mining Corporation, is to follow up on the gold discovery made earlier in the year at the Kofi SW Zone C prospect which included an intercept of 11.6 g/t Au over 31 metres. This will include about 2,500 metres of both core and RC drilling which will run in parallel with ground geophysics and detailed mapping with the objective to identify extensions to and additional zones similar in character to Zone C.

Sierra Leone

AXMIN recently reported that initial soil sampling at the Nimini East and West properties has located an 800 metre by 100 metre gold in soil anomaly within which trenching has located two shear zones up to 24 metres wide assaying 1.1 to 4.5 g/t Au. On the basis of these results AXMIN has elected to exercise its option to continue exploration on the properties and plans to core drill this target prior to year end.

In addition AXMIN has acquired a wholly owned licence (named Matatoke) and entered into separate joint ventures over three other licences (namely Gori Hills, Makong and Sokoya) bringing the total area under licence in the highly prospective Archaean greenstone belts of Sierra Leone to approximately 600 sq km. AXMIN has contracted Fugro Airborne Surveys to fly a high resolution helicopter borne aeromagnetic and radiometric survey over this important land position starting before year end.

AXMIN's focus on delivering measurable results from its most prospective properties in the Central African Republic and Mali is starting to yield significant positive returns. With the pace of exploration set to increase still further over the coming months AXMIN is looking forward to building on these successes.

AXMIN is a mineral exploration company with a strong focus on gold in highly prospective properties across central and west Africa.

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

On behalf of the Board of Directors

Dr Jonathan Forster
Chief Executive Officer & Director

November 24, 2004

AXMIN Inc.

Notice to the Reader

In accordance with National Instrument 51-102, Part 4, sub-section 4.3(3)(a), notice is hereby given that the accompanying interim consolidated financial statements of AXMIN Inc. (the "Company") for the nine months ended September 30, 2004 have not been reviewed by the Company's auditors.

The accompanying interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management. These interim consolidated financial statements are unaudited and include all adjustments, consisting of normal and recurring items, that management considers necessary for a fair presentation of the consolidated financial position, results of operations and cash flows.

AXMIN Inc.

Consolidated Balance Sheets

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

As at September 30, 2004 and December 31, 2003	*September 30, 2004* (Unaudited)	*December 31, 2003*
Assets		
Current assets		
Cash and cash equivalents	4,512	8,687
Prepaid expenses and sundry debtors	87	18
Due from related parties *(Note 5)*	5	114
	4,604	8,819
Exploration and development costs *(Note 3)*	17,160	12,265
Other assets	14	-
	21,778	21,084
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable	467	538
Accrued liabilities and sundry creditors	696	682
Due to related parties *(Note 5)*	30	39
	1,193	1,259
Shareholders' equity		
Share capital *(Note 4)*	25,805	23,976
Stock options *(Note 4(c))*	674	185
Deficit	(5,894)	(4,336)
	20,585	19,825
	21,778	21,084

See accompanying notes to the consolidated financial statements.

AXMIN Inc.

Consolidated Statements of Operations and Deficit

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

	Three months ended September 30, 2004 (Unaudited)	*Three months ended September 30, 2003* (Unaudited)	*Nine months ended September 30, 2004* (Unaudited)	*Nine months ended September 30, 2003* (Unaudited)
Revenue	-	-	-	-
Expenses				
Administration	219	156	697	482
Write-down of exploration and development costs	-	25	407	25
Stock-based compensation expense *(Note 4(c))*	154	3	489	31
Interest expense	-	14	-	14
(Gain) loss on foreign exchange	(264)	18	88	12
Taxation	-	-	22	-
	109	216	1,703	564
Other income				
Interest income	23	-	105	1
Other	-	-	40	-
	23	-	145	1
Net loss for the period	(86)	(216)	(1,558)	(563)
Deficit, beginning of period	(5,808)	(3,973)	(4,336)	(3,626)
Deficit, end of period	(5,894)	(4,189)	(5,894)	(4,189)
Net loss per share (basic and fully diluted)	(0.0007)	(0.0030)	(0.0147)	(0.0077)
Weighted average number of common shares outstanding	107,238,154	73,630,530	105,968,597	73,226,818

See accompanying notes to the consolidated financial statements.

AXMIN Inc.

Consolidated Statements of Cash Flows

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

	Three months ended September 30,		*Nine months ended September 30,*	
	2004 (Unaudited)	*2003* (Unaudited)	*2004* (Unaudited)	*2003* (Unaudited)
Operating activities				
Net loss for the period	(86)	(216)	(1,558)	(563)
Write-down of exploration and development costs	-	25	407	25
Stock-based compensation expense	154	3	489	31
Change in working capital	71	(129)	(126)	(199)
Net cash inflow (outflow) from operating activities	139	(317)	(788)	(706)
Investing activities				
Exploration and development costs	(2,111)	(610)	(5,302)	(1,526)
Other assets	(12)	-	(14)	-
Net cash outflow from investing activities	(2,123)	(610)	(5,316)	(1,526)
Financing activities				
Issuance of common shares	-	50	1,829	277
Related parties	175	1,504	100	1,970
Net cash inflow from financing activities	175	1,554	1,929	2,247
Net cash (outflow) inflow	(1,809)	627	(4,175)	15
Cash and cash equivalents, beginning of period	6,321	43	8,687	655
Cash and cash equivalents, end of period	4,512	670	4,512	670

See accompanying notes to the consolidated financial statements.

1. Nature of Operations and Basis of Presentation

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

The consolidated financial statements have been prepared on the basis that the Company is a going concern, which contemplates the realization of its assets and the settlement of its liabilities in the normal course of operations. These consolidated financial statements do not include any adjustments related to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

2. Significant Accounting Policies

Principles of consolidation

These unaudited interim consolidated financial statements have been prepared following the same accounting principles and methods of application as disclosed in note 2 of the Company's audited consolidated financial statements for the year ended December 31, 2003. The unaudited interim consolidated financial statements do not conform in all respects to Canadian generally accepted accounting principles for annual financial statements. Accordingly these unaudited interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and the accompanying notes included in the 2003 Annual Report. The consolidated financial statements include the accounts of the Company and all of the AXMIN Inc. group's wholly owned subsidiaries (the "Company") which are listed below:

- AXMIN Limited (incorporated in the British Virgin Islands)
- Golden Eagle Mining Limited (incorporated in the Isle of Man)
- Aurafrique S.A.R.L. (incorporated in the Central African Republic)
- AXMIN (SL) Limited (incorporated in Sierra Leone)

Comparative figures

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

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

3. Exploration and Development Costs

	Nine months ended September 30, 2004 (Unaudited)	*Year ended December 31, 2003*
Balance, beginning of period	12,265	8,921
Additions	5,302	3,427
Write-downs	(407)	(83)
Balance, end of period	17,160	12,265

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

	September 30, 2004 (Unaudited)	*December 31, 2003*
Central African Republic		
Bambari	9,934	6,409
Pouloubou	38	-
Mali		
Kofi Project Area	2,828	2,741
Satifara	-	212
Burkina Faso		
Bouroum	2,008	1,403
Senegal		
Sonkounkou	1,290	737
Sabodala NW	87	81
Sierra Leone		
Nimini East and West	197	-
Sokoya	15	-
Ghana		
Cape Three Points	624	543
Canada		
B-B Lake	139	139
	17,160	12,265

During the nine months ended September 30, 2004 the Company reported completion of a bankable feasibility study on the Bouroum Permit in Burkina Faso that incorporates the reserves of the Bouroum Permit into the Taparko project of High River Gold Mines Ltd. (“High River Gold”). As a result the Company earned an undivided 65% beneficial interest in the Bouroum Permit from Channel Resources Ltd. (“Channel”). An 8% interest in the Bouroum Permit was purchased by the Company from Channel on October 7, 2003.

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

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

On June 14, 2004 the Company sold its 100% interest in the 109,896 ounce Bouroum Permit reserves to a subsidiary of High River Gold for a total consideration of US$3.3 million. In addition the Company and High River Gold have established a joint venture that will ensure the continued exploration of the Company's permits in Burkina Faso. These transactions are contingent upon and subject to government approvals. The sale agreement with High River Gold covers an area of 11 sq km within the Bouroum Permit. As at the date of this report the issuance of an exploitation permit over the Bouroum Permit reserves is awaited and accordingly the sale of the Bouroum Permit reserves has not been recognised in the unaudited interim consolidated financial statements of the Company for the nine months ended September 30, 2004.

The remainder of the Bouroum Permit and the two adjacent permits, Yeou and Ankouma, are subject to an exploration joint venture between the Company and High River Gold whereby High River Gold may earn 100% interest in the three permits by spending US$1.5 million on exploration over three years, with a minimum of US$381,000 in the first year. The Company retains a back-in right up to the time of completion of a feasibility study for a 50% interest in one or all of the permits by paying High River Gold a multiple of 1.5 times its expenditure on the relevant permit(s).

4. Share Capital

(a) *Authorized share capital*

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

(b) *Issued share capital*

Common shares	*Number of common shares* (Unaudited)	*Amount* (Unaudited)
Balance as at January 1, 2004	101,810,809	23,976
Exercise of common share purchase warrants	4,942,499	1,660
Exercise of compensation options	133,988	53
Exercise of compensation common share purchase warrants	350,858	120
Cost of share offerings	-	(4)
Balance as at September 30, 2004	107,238,154	25,805

During the nine months ended September 30, 2004 2,928,000 common share purchase warrants expiring on January 10, 2004 were exercised at Cdn$0.45 each, for total proceeds of Cdn$1,317,600, and as a result the Company issued 2,928,000 common shares of the Company to the common share purchase warrant holders.

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

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

During the nine months ended September 30, 2004 62,113 compensation options expiring on January 12, 2004 were exercised at Cdn$0.35 each, for total proceeds of Cdn$21,740, and as a result the Company issued 62,113 common shares of the Company to the compensation option holder.

During the nine months ended September 30, 2004 71,875 compensation options expiring on November 12, 2004 were exercised at Cdn$0.70 each, for total proceeds of Cdn$50,313, and as a result the Company issued 71,875 common shares of the Company to the compensation option holder.

During the nine months ended September 30, 2004 350,858 compensation common share purchase warrants expiring on January 12, 2004 were exercised at Cdn$0.45 each, for total proceeds of Cdn$157,886, and as a result the Company issued 350,858 common shares of the Company to the compensation common share purchase warrant holders.

(c) *Stock options*

The Company has an incentive stock option plan which governs the granting and exercise of stock options issued to directors, officers and employees of the Company, and consultants to the Company. During the period, the following transactions took place:

Number of stock options	*Nine months ended September 30, 2004* (Unaudited)	*Year ended December 31, 2003*
Outstanding, beginning of period	5,690,000	4,485,000
Granted	-	2,565,000
Exercised	-	(367,500)
Expired or not vested	-	(992,500)
Outstanding, end of period	5,690,000	5,690,000
Exercisable, end of period	4,378,333	3,685,000

Pursuant to the Company's incentive stock option plan the number of common shares reserved from time to time for issuance shall not exceed 7,369,862 common shares.

As at September 30, 2004 the Company had on issue and outstanding stock options for:

(i) 3,425,000 common shares of the Company exercisable at Cdn$0.32 each expiring on January 17, 2007;

(ii) 625,000 common shares of the Company exercisable at Cdn$0.34 each expiring on January 17, 2007; and

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

(iii) 1,640,000 common shares of the Company exercisable at Cdn$1.00 each expiring on December 18, 2008.

Effective January 1, 2003 the Company recognizes compensation expense when stock options are granted. For the year ended December 31, 2002 the Company did not recognize compensation expense for stock options granted to employees. Had compensation expense for stock options granted to employees during the year ended December 31, 2002 under the Company's stock option plan been determined based on the fair value at the grant dates consistent with the fair value based method of accounting for stock-based compensation, the Company's net loss and net loss per share would have changed to the pro forma amounts indicated below:

	Nine months ended September 30, 2004 (Unaudited)	*Nine months ended September 30, 2003* (Unaudited)
Net loss for the period, as reported	(1,558)	(563)
Stock-based compensation expense	-	(312)
Pro forma net loss for the period	(1,558)	(875)
Pro forma net loss per share	(0.0147)	(0.0115)

The fair value of options granted has been estimated at the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions: risk free interest rate of 3.96%, expected dividend yield of nil, expected volatility of 133.6%, and expected option life of 3 years. For purposes of the pro forma disclosure, the estimated fair value of the options is expensed over the options' vesting periods. The weighted average fair market value of options granted in 2003 was US$0.3914 (2002 - US$0.1678). No stock options were granted during the nine months ended September 30, 2004.

Of the stock options granted during the year ended December 31, 2002, 500,000 were granted to non-employees. An expense of US$30,592 relating to these stock options has been included in the consolidated statements of operations and deficit for the nine months ended September 30, 2003. The full impact of the expense relating to all stock options granted (both to employees and non-employees) during the year ended December 31, 2003, being US$101,734, was recognized in consolidated statements of operations and deficit for the three months ended December 31, 2003.

For the nine months ended September 30, 2004 the full impact of the expense relating to all stock options granted (both to employees and non-employees) has been included in the consolidated statements of operations and deficit.

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

The cumulative stock-based compensation expense is as follows:

Stock options	*Nine months ended September 30, 2004* (Unaudited)	*Year ended December 31, 2003*
Balance, beginning of period	185	53
Stock-based compensation expense	489	132
Balance, end of period	674	185

(d) *Common share purchase warrants*

Number of common share purchase warrants	*Nine months ended September 30, 2004* (Unaudited)	*Year ended December 31, 2003*
Outstanding, beginning of period	12,442,498	8,414,999
Issued	-	7,666,665
Exercised	(4,942,499)	(3,639,166)
Outstanding, end of period	7,499,999	12,442,498

As at September 30, 2004 the Company had on issue and outstanding common share purchase warrants for 7,499,999 common shares of the Company exercisable at Cdn$1.00 each expiring on November 12, 2004.

(e) *Compensation options*

Number of compensation options including attached common share purchase warrants	*Nine months ended September 30, 2004* (Unaudited)	*Year ended December 31, 2003*
Outstanding, beginning of period	912,971	2,412,300
Issued, exercisable at Cdn$0.70 each	-	500,000
Exercised, at Cdn$0.25 each	-	(686,820)
Exercised, at Cdn$0.35 each	(62,113)	(571,687)
Exercised, attached common share purchase warrants at Cdn$0.45 each	(350,858)	(282,942)
Exercised, at Cdn$0.70 each	(71,875)	-
Expired, exercisable at Cdn$0.25 each	-	(457,880)
Outstanding, end of period	428,125	912,971

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

As at September 30, 2004 the Company had on issue and outstanding compensation options for 428,125 compensation options. Each compensation option entitles the holder to purchase one common share of the Company at a price of Cdn$0.70 expiring on November 12, 2004.

See note 6.

5. Related Parties

The Company's balances with related parties as at the balance sheet dates are summarized below:

	Footnote	*September 30, 2004* (Unaudited)	*December 31, 2003*
Due from SAMAX Services Limited	(a)	-	1
Due from Carpathian Gold Limited	(b)	5	13
Due from Mali: Kofi Project Area joint venture	(c)	-	100
Due from related parties		5	114
Due to SAMAX Services Limited	(a)	30	-
Due to Fasken Martineau DuMoulin LLP	(d)	-	39
Due to related parties		30	39

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

	Footnote	*Nine months ended September 30, 2004* (Unaudited)	*Nine months ended September 30, 2003* (Unaudited)
Administration (management fees)	(a)	90	90
Administration and capitalized exploration and development costs (recharges)	(a)	89	52
Administration (recharges)	(b)	(21)	(31)
Other income (management fees)	(c)	40	-
Administration (recharges)	(c)	(117)	-
Administration (legal fees)	(d)	4	19

(a) Balances with SAMAX Services Limited ("SSL"), a company of which Michael Martineau and Jonathan Forster, both directors and officers of the Company, were shareholders until August 31, 2001, represent amounts advanced by the Company to fund its activities managed by, recharges of expenses owing to and services provided by SSL.

Administration services provided by SSL comprise exploration, administrative and financial services. As at December 31, 2002 the balance due to the Company prior to making a provision was US$136,450. This balance may be irrecoverable in full or in part and accordingly a full provision against this balance was included in the consolidated statement of operations and deficit for the year ended December 31, 2002. As at September 30, 2004, net of the 2002 provision, the balance due to SSL was US$29,956. As at December 31, 2003, net of the 2002 provision, the balance due from SSL was US$1,386.

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

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

(d) Legal services provided by Fasken Martineau DuMoulin LLP, a law firm to which Robert Shirriff, a director of the Company, is counsel. In addition to the value of transactions included in the determination of results of operations for the period Fasken Martineau DuMoulin LLP provided legal services in connection with share offerings made by the Company at a cost of US$4,077 (2003 - US$2,288). Fees relating to such transactions have been charged against the gross proceeds of the related share offerings.

6. Subsequent Events

(a) Subsequent to September 30, 2004 428,125 compensation options expiring on November 12, 2004 were exercised at Cdn$0.70 each, for total proceeds of Cdn$299,688, and as a result the Company issued 428,125 common shares of the Company to the compensation option holders.

(b) On November 12, 2004 7,499,999 common share purchase warrants exercisable at Cdn$1.00 each expired.

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

Overview

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

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

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

The sale of the Bouroum Permit gold reserves in Burkina Faso for a total consideration of US$3.3 million is contingent upon and subject to government approvals. As at the date of this report the issuance of an exploitation permit over the Bouroum Permit reserves is awaited and accordingly the sale of the Bouroum Permit reserves has not been recognised in the unaudited interim consolidated financial statements of the Company for the nine months ended September 30, 2004.

As at September 30, 2004 the Company had capitalized US$17.160 million of exploration and development costs. The comparative figure as at December 31, 2003 was US$12.265 million.

Effective January 1, 2002, the Company adopted the recommendations issued by The Canadian Institute of Chartered Accountants dealing with stock-based compensation.

For the year ended December 31, 2002, the Company elected not to recognize compensation expense when stock options were issued to employees; however, pro forma disclosure of the net loss and net loss per share is provided as if these awards were accounted for using the fair value method.

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

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

Results of Operations

The following tables set out selected unaudited consolidated financial information for the Company for the first, second and third financial quarters in 2004, for each of the financial quarters in 2003, and for the fourth financial quarter in 2002.

All amounts stated in thousands of United States dollars, except per share amounts	*2004* *1st quarter*	*2004* *2nd quarter*	*2004* *3rd quarter*
Consolidated statements of operations and deficit			
Net loss for the period	(346)	(1,126)	(86)
Net loss per share	(0.0033)	(0.0107)	(0.0007)
Consolidated balance sheets			
Working capital surplus	7,224	5,466	3,411
Total assets	22,012	21,652	21,778
Consolidated statements of cash flows			
Exploration and development costs outflow	(1,334)	(1,857)	(2,111)
Net cash inflow from financing activities	1,242	512	175

All amounts stated in thousands of United States dollars, except per share amounts	*2003* *1st quarter*	*2003* *2nd quarter*	*2003* *3rd quarter*	*2003* *4th quarter*
Consolidated statements of operations and deficit				
Net loss for the period	(162)	(185)	(216)	(147)
Net loss per share	(0.0022)	(0.0025)	(0.0030)	(0.0015)
Consolidated balance sheets				
Working capital (deficit) surplus	(3)	(659)	(1,407)	7,560
Total assets	9,360	9,964	11,184	21,084
Consolidated statements of cash flows				
Exploration and development costs outflow	(309)	(607)	(610)	(1,901)
Net cash inflow from financing activities	93	600	1,554	10,996

All amounts stated in thousands of United States dollars, except per share amounts	*2002* *4th quarter*
Consolidated statements of operations and deficit	
Net loss for the period	(907)
Net loss per share	(0.0138)
Consolidated balance sheets	
Working capital surplus	349
Total assets	9,592
Consolidated statements of cash flows	
Exploration and development costs outflow	(554)
Net cash inflow from financing activities	794

The current policy of the Company is not to pay dividends. Earnings, if any, will initially be retained to finance further exploration, development and acquisitions. This policy is reviewed from time to time by the board of directors of the Company.

Effective January 1, 2003 the Company recognizes compensation expense when stock options are granted. For the year ended December 31, 2002 the Company did not recognize compensation expense for stock options granted to employees. Had compensation expense for stock options granted to employees during the year ended December 31, 2002 under the Company's stock option plan been determined based on the fair value at the grant dates consistent with the fair value based method of accounting for stock-based compensation, the Company's net loss and net loss per share would have changed to the pro forma amounts indicated below:

All amounts stated in thousands of United States dollars, except per share amounts	*Nine months ended September 30, 2004* (Unaudited)	*Nine months ended September 30, 2003* (Unaudited)
Net loss for the period, as reported	(1,558)	(563)
Stock-based compensation expense	-	(312)
Pro forma net loss for the period	(1,558)	(875)
Pro forma net loss per share	(0.0147)	(0.0115)

All amounts stated in thousands of United States dollars, except per share amounts	*Year ended December 31, 2003*	*Year ended December 31, 2002*
Net loss for the year, as reported	(710)	(1,632)
Stock-based compensation expense	(228)	(388)
Pro forma net loss for the year	(938)	(2,020)
Pro forma net loss per share	(0.0122)	(0.0312)

The fair value of options granted has been estimated at the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions: risk free interest rate of 3.96% (2002 - 3.80%), expected dividend yield of nil, expected volatility of 133.6% (2002 - 159.2%), and expected option life of 3 years. For purposes of the pro forma disclosure, the estimated fair value of the options is expensed over the options' vesting periods. The weighted average fair market value of options granted in 2003 was US$0.3914 (2002 - US$0.1678). No stock options were granted during the nine months ended September 30, 2004.

Of the stock options granted during the year ended December 31, 2002, 500,000 were granted to non-employees. An expense of US$30,592 relating to these stock options has been included in the consolidated statements of operations and deficit for the nine months ended September 30, 2003. The full impact of the expense relating to all stock options granted (both to employees and non-employees) during the year ended December 31, 2003, being US$101,734, was recognized in consolidated statements of operations and deficit for the fourth financial quarter and three months ended December 31, 2003.

For the nine months ended September 30, 2004 the full impact of the expense relating to all stock options granted (both to employees and non-employees) has been included in the consolidated statements of operations and deficit.

The cumulative stock-based compensation expense is as follows:

Stock options	*Nine months ended September 30, 2004* (Unaudited)	*Year ended December 31, 2003*
Balance, beginning of period	185	53
Stock-based compensation expense	489	132
Balance, end of period	674	185

Nine months ended September 30, 2004 compared to the nine months ended September 30, 2003

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

A period-end review of the carrying values of the Company's exploration and development property assets led to a write-down of US$0.407 million in 2004 compared to US$0.025 million in 2003. The write-down of exploration and development costs reflects the Company's policy of continually assessing the economic viability of its projects and where necessary writing them down to their net realizable value.

Administration costs in 2004 were US$0.697 million compared to US$0.482 million in 2003. The increased administration costs are the result of the Company's expansion to support its increased level of exploration and development activities.

During 2002 the Company adopted the recommendations issued by The Canadian Institute of Chartered Accountants dealing with stock-based compensation. The stock-based compensation expense in 2004 was US$0.489 million compared to US$0.031 million in 2003. The increased stock-based compensation expense is a function of having recognized in 2004 the compensation expense for all stock options granted whereas during the first, second and third financial quarters 2003 this only applied to stock options granted to non-employees.

The net loss for operations in 2004 was US$1.558 million as compared to US$0.563 million in 2003.

Liquidity and Capital Resources

The sale of the Bouroum Permit gold reserves in Burkina Faso for a total consideration of US$3.3 million is contingent upon and subject to government approvals. As at the date of this report the issuance of an exploitation permit over the Bouroum Permit reserves is awaited and accordingly the sale of the Bouroum Permit reserves has not been recognised in the unaudited interim consolidated financial statements of the Company for the nine months ended September 30, 2004.

As at September 30, 2004 the Company had cash resources of US$4.512 million compared to the December 31, 2003 balance of US$8.687 million. During the nine months ended September 30, 2004 the Company raised US$1.829 million through the issuance of shares for cash. The Company's cash resources were utilized mainly on capitalized exploration and development costs, and administration costs.

As at September 30, 2004 the Company had a surplus of working capital (defined as the difference between current assets and current liabilities) which amounted to US$3.411 million compared to the December 31, 2003 surplus of US$7.560 million.

Hedging and Derivative Instruments

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

Related Parties

The Company's balances with related parties as at the balance sheet dates are summarized below:

	Footnote	*September 30, 2004* (Unaudited)	*December 31, 2003*
Due from SAMAX Services Limited	(a)	-	1
Due from Carpathian Gold Limited	(b)	5	13
Due from Mali: Kofi Project Area joint venture	(c)	-	100
Due from related parties		5	114
Due to SAMAX Services Limited	(a)	30	-
Due to Fasken Martineau DuMoulin LLP	(d)	-	39
Due to related parties		30	39

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

	Footnote	*Nine months ended September 30, 2004* (Unaudited)	*Nine months ended September 30, 2003* (Unaudited)
Administration (management fees)	(a)	90	90
Administration and capitalized exploration and development costs (recharges)	(a)	89	52
Administration (recharges)	(b)	(21)	(31)
Other income (management fees)	(c)	40	-
Administration (recharges)	(c)	(117)	-
Administration (legal fees)	(d)	4	19

(a) Balances with SAMAX Services Limited ("SSL"), a company of which Michael Martineau and Jonathan Forster, both directors and officers of the Company, were shareholders until August 31, 2001, represent amounts advanced by the Company to fund its activities managed by, recharges of expenses owing to and services provided by SSL. Administration services provided by SSL comprise exploration, administrative and financial services. As at December 31, 2002 the balance due to the Company prior to making a provision was US$136,450. This balance may be irrecoverable in full or in part and accordingly a full provision against this balance was included in the consolidated statement of operations and deficit for the year ended December 31, 2002. As at September 30, 2004, net of the 2002 provision, the balance due to SSL was US$29,956. As at December 31, 2003, net of the 2002 provision, the balance due from SSL was US$1,386.

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

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

(d) Legal services provided by Fasken Martineau DuMoulin LLP, a law firm to which Robert Shirriff, a director of the Company, is counsel. In addition to the value of transactions included in the determination of results of operations for the period Fasken Martineau DuMoulin LLP provided legal services in connection with share offerings made by the Company at a cost of US$4,077 (2003 - US$2,288). Fees relating to such transactions have been charged against the gross proceeds of the related share offerings.

Risks and Uncertainties

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

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.

No production revenues; history of losses

To date, the Company has not recorded any revenues from its 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 needed consultants, personnel and equipment associated with advancing exploration, development and commercial production of its properties are added. The amounts and timing of expenditures will depend on the progress of ongoing exploration and development, the results of consultants' analysis and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners, the Company's acquisition of additional properties and other factors, many of which are beyond the Company's control.

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

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

Nature of mineral exploration

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

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

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

Additional funding requirements

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

Political risk

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

Contractual arrangements

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

Gold prices

The price of gold has fluctuated widely. The future direction of the price of gold will depend on numerous factors beyond AXMIN's control including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and increased production due to new extraction developments and improved extraction and production methods. The effect of these factors on the price of gold, and therefore on the economic viability of AXMIN's properties, cannot accurately be predicted. As AXMIN is only at the exploration stage, it is not yet possible for AXMIN to adopt specific strategies for controlling the impact of fluctuations in the price of gold.

Competition

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

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

Currency risk

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

Title matters

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

Conflict of interest

Certain of the directors of AXMIN are directors or officers of, or have significant shareholdings in, other mineral resource companies and, to the extent that such other companies may have participated in ventures in which AXMIN may participate, the directors of AXMIN may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. Such other companies may also compete with AXMIN for the acquisition of mineral property rights. In the event that any such conflict of interest arises, a director who has such a conflict will disclose the conflict to a meeting of the directors of AXMIN and will abstain from voting for or against the approval of such a participation or such terms. In appropriate cases AXMIN will establish a special committee of independent directors to review a matter in which several directors or management may have a conflict. From time to time several companies may participate in the acquisition, exploration and development of natural resource properties allowing their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the arrangement. In accordance with the laws of Canada, the directors of AXMIN are required to act honestly, in good faith and in the best interest of AXMIN. No conflict of interest currently exists with any of AXMIN's directors.

Repatriation of earnings

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

Management; dependence on key personnel

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

Environmental risk

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 can be no assurance that future changes to environmental regulation, if any, will not adversely affect AXMIN's operations. Environmental hazards may exist on the properties in which AXMIN holds interests that have been caused by previous or existing owners or operators.

Enforceability of civil liabilities

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

Concentration of share ownership

As at the date of this report, Addax Mining Holdings BV, a wholly owned subsidiary of The Addax & Oryx Group Limited, holds 45.12% of the common shares issued by the Company. Addax Mining Holdings BV is therefore able to exercise significant influence over all matters requiring shareholder approval, including the election of directors and approval of significant corporate transactions.

Liquidity; dilution

The public trading market for the Company's common shares (which are listed on the TSX Venture Exchange) is not an active one. There can be no assurance that an active public trading market will develop in the future. Various factors including AXMIN's and its competitors exploration results and general economic conditions could cause significant fluctuations in the price and volume of trading of the Company's common shares. Holders of AXMIN shares may suffer dilution by future share offerings.

Share Capital

As at the date of this report the Company's issued share capital comprises 107,666,279 common shares.

As at the date of this report the Company has on issue and outstanding stock options for:
(a) 250,000 common shares of the Company exercisable at Cdn$0.32 each expiring on December 31, 2004;
(b) 52,500 common shares of the Company exercisable at Cdn$1.00 each expiring on December 31, 2004;
(c) 3,175,000 common shares of the Company exercisable at Cdn$0.32 each expiring on January 17, 2007;
(d) 625,000 common shares of the Company exercisable at Cdn$0.34 each expiring on January 17, 2007;
(e) 1,570,000 common shares of the Company exercisable at Cdn$1.00 each expiring on December 18, 2008; and
(f) 150,000 common shares of the Company exercisable at Cdn$0.70 each expiring on October 4, 2009.

Therefore, as at the date of this report on a fully diluted basis the common shares of the Company would be 113,488,779.

Outlook

The Company's priorities remain broadly consistent with those of the current and preceding year. At the project level, continuation of the planned work programs on the Company's projects. At the corporate level, raising the profile of the Company and continuing to assess market opportunities to raise additional funds.

Forward-Looking Statements

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

Additional Information

Additional information relating to the Company, including an Annual Information Form dated June 22, 2004, may be obtained from the SEDAR website www.sedar.com.

On behalf of the Board of Directors

Dr Jonathan Forster
Chief Executive Officer & Director

November 24, 2004

AXMIN Inc.

Corporate Information

Officers

Jean Claude Gandur [3]
Chairman

Michael Martineau [3,4]
Deputy Chairman & President

Jonathan Forster [3]
Chief Executive Officer

Craig Banfield [3]
Chief Financial Officer & Secretary

Directors

Michael Ebsary

Jonathan Forster [3]

Jean Claude Gandur [3]

Robert Jackson [1,2,4]

Michael Martineau [3,4]

Edward Reeve [1,2,4]

Robert Shirriff [2]

Anthony Walsh [1]

Senior Management

J Howard Bills
Exploration Manager

Judith Webster [3]
Manager - Investor Relations

1 Audit Committee
2 Compensation Committee
3 Disclosure Committee
4 Technical Committee

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Stock Listing

TSX Venture Exchange (TSX-V)
Tier 2
Symbol: AXM

Common Shares Outstanding

(As at September 30, 2004)
107.2 million

Principal Bankers

Canadian Imperial Bank of Commerce
Toronto, Ontario, Canada

Barclays Bank PLC
St Helier, Jersey, Channel Islands

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