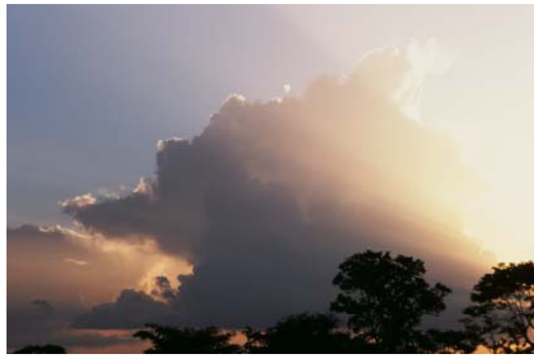

ANNUAL REPORT 2013

TSXV: AXM
www.axmininc.com

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 years ended December 31, 2013 and 2012. The MD&A should be read in conjunction with the audited consolidated financial statements and notes thereto ("Statements") of AXMIN as at and for the year ended December 31, 2013.

The Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The Company adopted International Financial Reporting Standards ("IFRS") in 2011 with a transition date of January 1, 2010. The transition to IFRS resulted in changes to the Company's previous accounting policies as applied and disclosed in the audited consolidated financial statements for the year ended December 31, 2011, prepared in accordance with IFRS.

All amounts included in this MD&A are in thousands of United States dollars, except where otherwise specified and per unit basis.

This MD&A contains forward-looking information within the meaning of Canadian securities legislation (see "Forward Looking Information" below for a full discussion on the nature of forward-looking information). Information regarding the adequacy of cash resources to carry out the Company's exploration and development programs or the need for future financing are forward-looking information. All forward-looking information, including information not specifically identified herein, is made subject to cautionary language at the end of this document. Readers are advised to refer to the cautionary language included at the end of this MD&A when reading any forward-looking information The MD&A is prepared in accordance with NI 51-102F1 and has been approved by the Company's board of directors (the "Board of Directors" or the "Board") prior to its release.

This report is dated as of April 29, 2014. Readers are encouraged to read the Company's other public filings, which can be viewed on the SEDAR website (www.sedar.com).

Corporate Information

AXMIN is a publicly listed corporation with its shares trading on the TSX Venture Exchange ("TSXV") under the symbol AXM. The Company is an international mineral exploration and development company with a strong focus on central, east and West Africa. AXMIN, through its wholly-owned subsidiaries, has exploration projects in the Central African Republic ("CAR"), Mozambique and Senegal. The Company's primary asset is the Passendro gold project situated in the CAR. Due to escalating interreligious conflicts in the CAR, all in-country operations other than administrative functions, carried out in the capital city of Bangui, have been suspended. In the interim period waiting for the CAR's situation to become stable, the Company intends to allocate its resources on its other assets, namely its 20% interest in the Senegal joint venture and its wholly-owned Copper-Nickel-Cobalt Project located in Mozambique.

Milestones 2013

- ***Private Placement Closed*** – On April 10, 2013, the Company closed the first tranche of a two-stage private placement for gross proceeds of C$2.57 million. Following the Company's special meeting of shareholders on May 23, 2013, the second tranche of the placement was closed thus releasing the remaining gross proceeds of C$4.38 million from escrow.
- ***Change of Control*** – On May 23, 2013, at the Company's Special Meeting of Shareholders, AXMIN's shareholders voted overwhelmingly in support of the Dickson Resources Limited ("Dickson") change of control. Dickson now holds 45,000,000 shares of AXMIN and 22,500,000 warrants, representing 41.3% of the Company's issued and outstanding shares on a non-diluted basis. In December 2013, Lucy Yan sold 100% of her interest in Dickson to Shirong Xia, a purchaser residing in China.
- ***Strengthening Management and Board –*** During the second quarter and pursuant to the terms of the private placement agreement, AXMIN appointed three new board members, Lucy Yan, Joe Tai and Bright Chiu replacing board members Ozge Erdem, Alex du Plessis and Robert Shirriff. In June 2013, George Roach resigned as President and Chief Executive Officer ("CEO") of the Company and David de Jongh Weill resigned as Chairman of the Board. In June 2013, Lucy Yan was appointed Chairman of the Board and Interim CEO and David de Jongh Weill was appointed Lead Independent Director. On July 25, 2013, the Company appointed Ms. Terry Wong as interim Chief Financial Officer ("CFO") replacing Ms. Janina Dusza. On October 24, 2013, the Company appointed Ms. Jin Kuang as CFO replacing Terry Wong. Also on October 24, 2013, George Roach resigned as consultant and director of the Company. On November 28, 2013, Mr. Aaron Hao, who joined the company in June 2013 as Corporate Controller, was promoted to Vice President- Business Development and appointed as Corporate Secretary replacing Shirley Kozel. It is Mr. Hao's responsibility to oversee the

Company's general corporate matters at its Vancouver office and facilitate negotiations with regards to the project development.

- ***Cost Reduction Measures*** – During the third quarter, in response to the current market environment and in light of the continuing instability in the CAR, the Company implemented an aggressive reduction of operating costs through staff reduction and office closures in Toronto and South Africa. The Company continues to operate in a cost-saving mode in its Vancouver, Canada head office and its Bangui, CAR operations office.

- ***Managing CAR's Instability*** – In August 2013, to further facilitate the advancement of the Passendro gold project, the Company permanently stationed two new senior management in the Bangui office in the CAR, namely Mr. Jiang Lifei, Vice President and CAR Country Manager; and, Ms. Celine Li, Assistant to the CEO.

  In the fourth quarter, Lucy Yan travelled several times to Bangui to meet with the President, Prime Minister and the Minister of Mining, to discuss the status of the Passendro 25-year Mining License and the Bambari 1 and 2 Exploration Licenses. As a result of the successful negotiations, in October 2013, the State signed and published Decrees certifying the validity of the Passendro 25-year Mining License, the granting of a 1-year extension for both the Bambari 1 and 2 Exploration Licenses and the granting of a 1-year extension of the exemption from starting development and pre-production work at the Passendro project. In addition, the State also acknowledged the considerable monetary loss the Company sustained due to the on-going rebel activity in-country and consented to a compensation of 50 percent of all taxes, rights and taxations, but did not specify the applicable time period. The Company has been asked to follow up with the General Direction of Taxes and State Administered Properties for the required formalities.

  In November 2013, the Company retained the services of a Consultant who has significant expertise and knowledge of working in the CAR. Pursuant to the consulting agreement, the Consultant will assist the Company regarding its ownership of the mining and exploration licenses. Under the terms of the consulting agreement, the Consultant will be entitled to remuneration upon the successful completion of its services.

- ***Lucy Yan Appointed Permanent CEO*** – In December 2013, in light of Ms. Yan's efforts over the past months in resolving outstanding issues with the State in the CAR and her ability to significantly reduce costs for the Company, the board of directors appointed Ms. Yan permanent CEO.

Central African Republic – Passendro Gold Project

The Company's primary asset is the Passendro gold project, which is situated in the centre of a 25-year Mining License (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 Licenses, Bambari 1 and 2 (1,240 sq km), which ring fence the Mining License and cover a 90 km strike along the highly prospective Bambari greenstone belt.

On December 24, 2012, the Company officially notified the CAR Minister of Mines and Defence of the existence of a state of Force Majeure due to the escalating rebel activity in the country and the necessity to withdraw its field operations. The Mining Convention of 2006 and the addendum thereto concluded in August 2010 provide the Company with full protection under the circumstances and, in the event that there is a change of Government in the CAR, the existence of Force Majeure stays work related obligations. It is these circumstances that have caused the Company to suspend all Passendro based operations as well as negotiations with prospective lenders.

Prior to the Force Majeure, the Company was working towards securing financing to develop the Passendro gold project into CAR's first modern gold mine. The following is a brief summary of the status at Passendro gold project as at December 2012. A full description of the Passendro gold project can be found in the Company's audited and unaudited financial statements for 2012 and 2013, its June 2012 Annual Information Form, the 2011 Bankable Feasibility Study Optimization & Update and its 2009 Mineral Resource Estimate prepared in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101"). All reports can be accessed under the Company's profile on the SEDAR website at www.sedar.com.

- In January 2011, the Company announced the positive results of the Bankable Feasibility Study Optimization & Update ("BFS") The Company published the results of a positive 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 operating cost of US$484/oz over a mine life of 8.3 years and rapid project payback of 2.2 years.

- The BFS was based on a proven and probable mineral reserve containing 1,446,175 ounces of gold (23.5 Mt grading 1.9 g/t Au). The mineral reserve was released in January 2011 and is included in the Measured and Indicated mineral resources. In June 2009 the Company released an update of its mineral resources which included a Measured and Indicated mineral resource of 2.0 million ounces of gold (31.5 Mt grading 2.0 g/t Au), plus an Inferred mineral resource of 1.1 million ounces (21.6 Mt grading 1.6 g/t Au).

- Prior to implementing a Force Majeure in late December 2012, the Company had executed Mandate Letters for a total of $235 million in debt facilities 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 were 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 of the date of this report one Mandate Letter has been terminated due to the Force Majeure. The Force Majeure is an unexpected event that crucially affects the Company's ability to carry out our activities under the terms of various agreements and represents a lawful reason for failure to have done so.

Due to on-going and escalating interreligious conflicts in the CAR, operations at Passendro remain suspended and although the Company continues to maintain a presence and relationship with the State in the CAR, the Company is unable to predict when it will be able to resume its operations at Passendro for the foreseeable future. As a result, impairment in the amount of $37,346 was recognized at December 31, 2013 on exploration and evaluation ("E&E") assets for the Bambari properties to reflect the decrease in their recoverable value as of result of the current unstable situation in CAR. As at December 31, 2013, given that impairment recognized, the residual value of E&E assets for the Passendro gold project was written down to $nil.

This impairment recognized in the financial statements does not in any way mean that the Company is relinquishing its rights to the assets and it reflects the utmost conservative view by management on the objective circumstances and will be reviewed annually and subject to recovery when certain conditions are met pursuant to the accounting standards the Company has adopted.

Activities in the CAR – 2013

On August 7, 2013, the Bambari 1 and 2 Exploration Licenses held by the Company's wholly-owned subsidiary, Aurafrique SARL, were subject to renewal. Due to the then political environment in the CAR, the Company had not yet filed applications for the renewal. Negotiations regarding the renewal application for the Licenses were included in the Company's discussions during the September 25, 2013 meeting with the Government of the CAR.

On August 29, 2013, the Company received a letter dated August 19, 2013 from the Government stating that the Company was in violation of certain provisions of the Mining Code. Specifically, the Government purported that there had been an assignment of the 25-year Mining License held by the Company's subsidiary, SOMIO Toungou SA. The Letter gave a formal notice of 60 days for the Company to address the purported violation and, if the Company failed to do so, the 25-year Mining License could be cancelled. AXMIN's legal counsel in the CAR advised the Company that there had been no breach of the Mining Code as there had been no assignment of the 25-year Mining License by SOMIO Toungou SA. The Company worked closely with its legal counsel in the CAR and other advisors to address this issue in a timely manner.

On September 25, 2013, Chairman and then Interim CEO of the Company, Lucy Yan, travelled to the CAR and met with the President, Prime Minister and the Minister of Mining, to discuss the status of the Passendro 25-year Mining License and the Bambari 1 and 2 Exploration Licenses. Following the meeting in the CAR and in response to the August 19, 2013 Letter issued by the Government and in accordance with the Letter's request for a response from the Company within 60 days of that date, the Company issued a response addressed to the Government's Minister of Mines on September 30, 2013, asserting that there had not been an assignment of the 25-year Mining License held by SOMIO Toungou SA, and that there had not been a breach of the 2009 Mining Code.

On October 15, 2013, the Government of the CAR signed the Decree No. 13.412, stating that the duration of the validity of the Bambari 1 and 2 Exploration Licenses held by Aurafrique SARL, a wholly-owned subsidiary of the Company, will be extended for a period of one year from August 7, 2013 to August 6, 2014. During that period of time, the Company is obligated to meet all of its fiscal commitments in relation to the Licenses. This Decree has been recorded in the register of Mining Cadastre under the Chronological Code RC4-396 and RC4-397 by the Department of Mines.

On October 15, 2013, the Government of the CAR signed the Decree No. 042/13/MMPEH granting SOMIO Toungou SA, a wholly-owned subsidiary of the Company, a one-year extension of the exemption from starting development and pre-production work at the Passendro Gold Project. The period of the extension of the exemption is valid from January 11, 2014 to January 10, 2015. This Decree has been recorded in the register of the Mining Cadastre under the Chronological Code PE001/10 by the Department of Mines.

On October 18, 2013, the Government certified that the License of Exploitation (the "Mining License") held by SOMIO Toungou SA, which was originally granted to the Company on August 5, 2010 and recorded under the Chronological Code PE001/10 (Registration number 002 of August 5, 2010) by the Department of Mines, remains valid for a period of twenty-five years from the date of the grant.

On October 15, 2013, the Government of the CAR officially acknowledged the considerable monetary losses the Company sustained, which was estimated to be approximately US$38 million, at its operations in the capital city of Bangui and at its Ndassima camp located 60 km north of the town of Bambari. In response to those losses, the Government of the CAR has consented to a compensation of 50 percent of all taxes, rights and taxations, but did not specify the applicable time period. The Company has been asked to follow up with the General Direction of Taxes and State Administered Properties for the required formalities.

Senegal Joint Venture

In January 2012, AXMIN and its joint venture partner and manager, Sabodala Mining Company SARL ("SMC"), a wholly-owned subsidiary of Teranga Gold Corporation ("Teranga") amended its 2008 joint venture agreement. At the time, Teranga had earned an 80% interest in the Sounkounkou, Heremokono and Sabodala NW explorations licenses (the "Project") located in the Birimian belt of eastern Senegal, by spending US$6 million on exploration. AXMIN has retained a 20% interest in the Project, which also includes a 1.5% net smelter royalty interest ("NSR") in the Gora deposit, which is scheduled for production in the fourth quarter of 2015. Currently under the terms of the Agreement, AXMIN has in excess of $239 in free carried exploration costs remaining in its account.
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.

In April 2013, the Republic of Senegal granted SMC, the joint venture partner and manager, an extraordinary 18 month extension for its Sounkounkou and Heremokono licenses, at the same time the State declined the application submitted by SMC, the manager, for the extension for the Sabodala NW license, which has now expired and is believed to have been granted by the Senegal Government to a third party.

Senegal JV – Target Areas

At the time of this report there are 14 Target Areas within the Sounkounkou (12) and Heremokono (2) licenses that have been defined by the joint venture partnership exploration programs. Of those, the following table details the most advanced target areas:

License	Prospect	Description
Heremokono	Soreto	Early stage drilling 6 holes (800 m) confirms 4.5 km long soil anomaly is associated with gold mineralisation developed within broad brecciated shear zone trending N-NW and coincident with the Sabodala shear corridor. Follow-up trenching and drilling planned.
	Nienienko	Gold traced in trenches over 1.2 Km and coincides with geochemical anomalies which extends for 2.5 km strike length. Follow-up trenching and drilling planned.
Sounkounkou	Zone KC	Represents the S-SE extension of the Soreto gold corridor which extends into the Sounkounkou permit. It is a 500 m long zone identified with gold in soil values of 2 g/t. Trench sampling produced values of up to 29 g/t Au over 70 m. Follow-up mapping, trenching planned.
	Diegoun North Cinnamon Jam Honey	These represent massive target which is currently being evaluated to determine appropriate follow-up programs. Cinnamon – northern portion of the Donut was previously drilled 14 RC holes (2,500 m) results included 8 m grading 1.9 g/t Au and 6 m grading 2.8 g/t Au. Jam – southern portion of the Donut was previously drilled 15 RC holes (2,900 m) and 9 diamond drill holes (2,100 m) results indicated a large-scale, gold-bearing hydrothermal alteration system.
	Zone ABC	A 2.5 km long zone with multiple gold in soil anomalies 200-500 m wide with gold values of 8 g/t Au has been identified 1.5 km NE of the Gora deposit. The zone appears to co-inside with the main regional shear which plays a part in the localisation at Gora. Follow-up exploration with trenching and drilling is planned.

Senegal JV – Gora Deposit (1.5% Royalty Interest)

In March 2014, Teranga issued an updated technical report on its Sabodala project, which includes the Gora deposit, located on the Sounkounkou. The technical report confirmed a proven and probable mineral reserve at the Gora deposit, based on a US$1,200 gold price, of 1.89 Mt grading 4.74 g/t Au containing 290,000 ounces. and Measured and Indicated mineral resources of 370,000 ounces of gold at 5.0 g/t Au and an Inferred mineral resource of 20,000 ounces grading 3.38 g/t Au. Mineral resources were reported inclusive of mineral reserves.

As of January 2012, AXMIN elected to hold a 1.5% NSR royalty interest in the Gora deposit. As per the public information disclosure of Teranga the Gora project is scheduled for production in the fourth quarter of 2015. It is expected that the project will recover approximately 263,000 ounces of gold over life of mine, averaging approximately 53,000 ounces of gold per year. The primary cost is the purchase of the mobile equipment fleet, which will be utilized as part of Teranga's long term mine plan upon completion of Gora. Additional costs include installation of the required infrastructure and project execution costs. 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 sold on a life-of-mine basis. The Project economics based on the proposed operating scenario and a discount rate of 5 percent, return an after tax net present value (NPV 5 percent) of $105 million and an internal rate return (IRR) of 69 percent at an assumed gold price of $1,500 per ounce.

Mozambique – Mavita Project

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 licenses (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.

During 2014, AXMIN's geological team intends to review all available technical data on the Mavita project, following which a full recommendation for the future of the project will be submitted to management. For the year ended December 31, 2013, $nil (2012 - $36) in exploration costs were expensed with respect to the annual licensing fees for the Mavita project.

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

Corporate – Highlights

During 2013, AXMIN announced the following changes to its management and board of directors:

- On March 23, 2013, 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.
- On April 15, 2013, the Company appointed two new board members Joe Tai and Lucy Yan to the board.
- On May 24, 2013, the Company appointed Bright Chiu to the board. On that date, both Alex du Plessis and Robert Shirriff stepped down from the board.
- On June 18, 2013, the Company accepted the resignations of George Roach as President and CEO and of David de Jongh Weill as Chairman of the Board. Simultaneous with the resignation of George Roach, the Company agreed terms of a consulting agreement that inter alia assured the Company of the retention of George Roach's expertise in management of the affairs of the Company in the CAR and set out the terms of payment of his consulting fees.
- Also on June 18, 2013, Lucy Yan was appointed Chairman of the Board and Interim CEO and David de Jongh Weill was appointed Lead Independent Director.
- In July 2013, in lieu of the fiscal situation of the Company and in light of new management's primary objective to reduce costs, Graham Hill, Chief Operating Officer, Judy Webster, Vice President Investor Relations and Janina Dusza, CFO were terminated and the South African and Toronto Offices were closed. In the mean time, Terry Wong was appointed Interim CFO replacing Janina Dusza.

- In August 2013, the Company appointed two new members of management to be permanently stationed in the Bangui office of the Company in the CAR: Mr. Jiang Lifei, Vice President and CAR Country Manager; and, Ms. Celine Li, Assistant to the Interim CEO. Both Mr. Jiang and Ms. Li are experienced in working in the French West African environment and will be working closely with the Company's representatives in the CAR to facilitate the advancement of the Passendro Project.
- On October 24, 2013, Mr. George Roach resigned as a consultant to the Company and from the Company's Board of Directors; as well, Mr. Roach also resigned from all positions he held with the Company's subsidiaries. Simultaneously Ms. Ozge Erdem resigned from all positions she held with the Company's subsidiaries.
- Also on October 24, 2013, the Company appointed Ms. Jin Kuang as CFO replacing Terry Wong who was serving as Interim CFO.
- On November 28, 2013, Mr. Aaron Hao, who joined the Company in June 2013 as Corporate Controller, was promoted to Vice President- Business Development and appointed as Corporate Secretary replacing Shirley Kozel. It is Mr. Hao's responsibility to oversee the Company's general corporate matters at its Vancouver office and facilitate negotiations with regards to the project development.
- On December 27, 2013, Ms. Lucy Yan was appointed permanent CEO.

On March 26, 2013, AXMIN entered into a binding subscription agreement (the "Agreement") with Dickson, whereby AXMIN proceeded with a private placement to raise aggregate gross proceeds of approximately C$6.75 million by way of a two stage offering (The "Offering"). Pursuant to the Offering, the Company would issue an aggregate of 45,000,000 Units (the "Units") at a price of C$0.15 per Unit. Each Unit consisted 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. 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 was placed in escrow by subscriber Dickson and was to 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 shareholders 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.

On October 30, 2013, the Company relocated its head office to Vancouver, British Columbia, Canada. The new head office address is 1066 West Hastings Street, Suite 2303, Vancouver, BC, Canada, V6E 3X2 and the new telephone number is +1-778-373-5558.

On November 1, 2013, to assist in the Company's ongoing discussions with the Government of the CAR and in accordance with a resolution passed by the Company's Board of Directors, the Company entered into an agreement with a Consultant who has significant expertise and knowledge of working in the CAR and with its Government. Pursuant to the consulting agreement, the Consultant will assist the Company in securing its ownership of the mining and exploration licenses. Under the terms of the consulting agreement, the Consultant will be entitled to remuneration upon the successful completion of its services.

On February 19, 2014, the Company announced the resignation, at the request of the Company, of Ernst & Young LLP, Chartered Accountants (the "Former Auditor"), as the Company's auditor, effective February 14, 2014. On the same day the Company appointed MNP LLP, Chartered Accountants (the "Successor Auditor"), as its auditor. There were no reservations in the Former Auditor's reports for the two most recently-completed fiscal years or for any period subsequent to the most recently-completed period for which an audit report was issued and preceding the date of the Former Auditor's resignation. To the Company's knowledge there was no "reportable event" (as defined in section 4.11 of National Instrument ("NI") 51-102 Continuous Disclosure Obligations) between the Company and the Former Auditor. The resignation of the Former Auditor and the appointment of the Successor Auditor have been approved by the Company's audit committee and its board of directors. The Company's audit committee and its board of directors have reviewed the letters from the Former Auditor and the Successor Auditor respectively, and approved the Notice of Change of Auditor. As required by NI 51-102, the Notice of Change of Auditor, together with the required letters from the Former Auditor and the Successor Auditor, were filed on SEDAR and are available for review under the Company's profile at www.sedar.com.

Outlook 2014

The Company's 2014 priorities and initiatives for the upcoming year are as follows:

- Secure financing to fund the immediate operational costs and pay-off current debts ensuring the Company safely operates as a going concern; and
- Intends to allocate its resources on its other assets, namely its 20% interest in the Senegal joint venture and its wholly-owned Copper-Nickel-Cobalt Project located in Mozambique.

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

Selected Annual Information

The following chart summarizes selected annual financial information:

	Fiscal Year Ended 31/12/2013	**Fiscal Year Ended 31/12/2012**	**Fiscal Year Ended 31/12/2011**
Balance Sheet:			
Total Assets	568	39,471	46,502
Total long-term liabilities	-	-	-
Operation:			
Total revenue	-	-	-
Net gain (loss) from discontinued operations	(108)	(728)	13,163
Basic and diluted gain (loss) per share			
- Continuing operations	(0.47)	(0.10)	(0.05)
- Discontinued operations	-	(0.01)	0.21
Dividend per share	-	-	-

Summary of Quarterly Results

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 4th quarter**	**2013 3rd quarter**	**2013 2nd quarter**	**2013 1st quarter**
Statements of operations and comprehensive loss				
Net loss from continuing operations for the period	(41,734)	(378)	(1,093)	(951)
Net loss per share from continuing operations	(0.39)	(0.004)	(0.012)	(0.015)
Statement of financial position				
Working capital	(2,135)	(223)	1,353	(2,979)
Total assets	732	41,254	41,778	38,876
Statements of cash flows				
Investments in mineral properties	(706)	(700)	(2,144)	(540)
Cash flow from financing activities	-	-	6,111	-

In thousands of US dollars, except per share amounts	**2012 4th quarter**	**2012 3rd quarter**	**2012 2nd quarter**	**2012 1st quarter**
Statements of operations and comprehensive loss				
Net loss from continuing operations for the period	(1,622)	(1,061)	(1,418)	(2,003)
Net (loss) gain from discontinued operations	269	(835)	(151)	(11)
Net loss per share from continuing operations	(0.026)	(0.017)	(0.022)	(0.032)
Statement of financial position				
Working capital	(1,658)	1,485	4,375	8,622
Total assets	39,471	40,668	39,989	41,685
Statements of cash flows				
Investments in mineral properties	(1,966)	(2,320)	(2,605)	(5,528)
Cash flow from financing activities	-	-	-	-

The loss reported for quarter to quarter was mainly due to expenditures incurred for maintaining the Company's operation. The higher loss for the quarter ended December 31, 2013 was due to the impairment charges on mineral properties of $37.3 million and impairment charges on goodwill of $2.2 million incurred in that quarter which were not incurred in other quarters.

Results of Operations

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

The net loss from continuing operations for the year ended December 31, 2013 was $44.2 million compared to a $6.1 million loss in 2012, an increase in the loss of $38.1 million. The increase was mainly due to:

- Increase in impairment charges on mineral properties by $37.3 million in 2013 compared to year 2012. The write-down in 2013 related to the Bambari property for which its fair value was reduced to zero as determined by the impairment test.
- Increase in impairment charges on goodwill by $2.2 million in 2013 compared to year 2012. The Company assessed the goodwill for impairment as at December 31, 2013 and determined that its fair value is approximately zero.
- Decrease in the gain on change in fair value of derivative by $352 in 2013 as compared to the year 2012.
- Write-down of VAT receivables of $186 in 2013 relating to the VAT receivables in CAR which is unlikely for the Company to receive in the near future due to the situation now in CAR.
- Increased in administration expenses of $555 in 2013 from $3,866 in 2012 to $4,421 in 2013. The Company incurred total costs of $548 in connection with the signing of the Mandate Letters with four financial institutions. As of December 31, 2013, the Company assessed that it is very unlikely for AXMIN to pursue any kind of financing with these financial institutions in the near future and the deferred charges of $548 were expensed during the year ended December 31, 2013 and reported as administration expenses.

The increase in net loss was offset by the following:

- Decrease in write-down of property, plant and equipment of $0.7 million in 2013 compared to year 2012. $0.7 million write-down of PPE was incurred in 2012 relating to the conflicts in CAR which resulted in all equipment, buildings and most of the vehicles from the Ndassima campsite being stolen or destroyed by the troops.
- Decrease in share-based compensation expense of $766 in 2013 compared to year 2012. The decrease is mainly related to the forfeiture of 2,280,000 stock options as a result of the change of management.
- Decrease in the loss on sale of marketable securities in 2013 when compared to year 2012. There was no gain or loss realized in 2013 compared to a loss on shares receivable of $0.5 million in 2012.
- Decrease in Foreign exchange loss of $473 in 2013 compared to year 2012. Foreign exchange loss for 2012 was $477 compared to a loss of $4 in 2013. Foreign exchange gains or losses primarily result from the movement of the United States dollar, British Pound Sterling, South African Rand and Euro against the Canadian dollar, which is the Company's functional currency.

There were no exploration and development costs incurred for the year ended December 31, 2013 (2012 - $43).

Under IFRS, exploration, evaluation and development costs for all projects are expensed as incurred and incurred only at the point when a BFS is completed and the mining exploitation permit is obtained. 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 year ended December 31, 2013, the Company capitalized exploration and development costs to mineral properties for a net total of $2.6 million relating to the Bambari properties compared to $11.4 million, also relating to the Bambari properties, during the year ended December 31, 2012. The decrease in expenditures is due to the existence of a Force Majeure in CAR brought by escalating conflicts in the country as described above. This led to the suspension of all in-country operations of the Company other than administrative office activity in the Bangui office.

Impairment in the amount of $37,346 was recognized as at December 31, 2013 on exploration and evaluation assets for the Bambari properties to reflect the decrease in their recoverable value as the result of the current situation in CAR.

At December 31, 2013, given that impairment is recognized, the residual value of mineral properties for mining projects was written down to $nil compared to $34.8 million at December 31, 2012.

Deferred charges decreased from $548 in December 2012 to $nil in December 2013. 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 International Finance Corporation ("IFC"). 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 CAR from its list of borrowers as a result of the current political situation. As of December 31, 2013, the Company assessed that it is very unlikely for AXMIN to pursue any kinds of the financing with the remaining three financial institutions in the near future; the deferred charges of $548 were expensed during the year ended December 31, 2013 and reported in the consolidated statements of operations and comprehensive loss.

Total liabilities at December 31, 2013 amounted to $2.6 million compared to $3.3 million at December 31, 2012. The decrease was driven by the completion of the private placement during the second quarter, for aggregate gross proceeds of over $6 million, enabling the Company to settle part of its outstanding liabilities.

Fourth Quarter

For the fourth quarter ended December 31, 2013, the Company incurred a loss of $41,734 from continuing operations compared with a loss of $1,622 from continuing operations for the quarter ended December 31, 2012. For the quarter ended December 31, 2013, the Company incurred $108 loss from discontinued operations compared with a gain of $269 incurred for the quarter ended December 31, 2012.

The loss of $41,734 from continuing operations during the quartered ended December 31, 2013 was mainly comprised of impairment charges on mineral properties of $37.3 million, impairment charges on goodwill of $2.2 million, administration expenses of $1,886 and write-off of VAT receivables of $186.

The loss of $108 from discontinued operations during the quartered ended December 31, 2013 was mainly comprised of impairment charges on assets of discontinued operations.

Exploration and Evaluation Assets and Expenditures

a) *Exploration and evaluation assets*

	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	2,558	-	2,558
Impairment charges *(note 4a)*	(37,346)	-	(37,346)
Balance – December 31, 2013	**-**	**-**	**-**

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 License which is ring-fenced by the two Bambari Exploration Licenses.

Impairment charges on mineral properties

Impairment in the amount of $37,346 was recognized as at December 31, 2013 on the Bambari properties to reflect the decrease in their recoverable value as the result of the current political turmoil in CAR. As of the date of the auditors' report, the political situation in the CAR remains tenuous. The new government of the CAR might adopt different policies respecting foreign development and ownership of mineral resources. Any such changes in policy may result in changes in laws affecting mining policies, ownership of mineral assets and might extend to expropriation of mineral assets. The recoverable amount of the Company's Bambari properties is $nil based on management's estimate of the asset's fair value less costs to sell ("FVLCD"). The determination of FVLCD is most sensitive to the assumptions of commodity price and discount rate. Forecast commodity prices are based on management's estimates and are derived from forward price curves and long-term views of global supply and demand, building on past experience of the industry and consistent with external sources. Estimated long-term gold prices of $1,100 per troy ounce have been used to estimate future revenues. A post-tax discount rate of 39.7% was applied to the post-tax cash flows. This discount rate is derived from the Company's post-tax weighted average costs of capital, with appropriate adjustments made to reflect the risks specific to the Bambari properties in CAR. Management's estimate of the FVLCD is classified as level 3 in the fair value hierarchy. The recoverable amount will remain at $nil if the discount rates and forecasted gold prices used for the impairment analysis are changed as follows:

Gold prices	Discount rates
US$950 per troy ounce	22%
US$1,000 per troy ounce	30%
US$1,100 per troy ounce	35%
US$1,300 per troy ounce	45%
US$1,350 per troy ounce	49%

(b) Exploration and evaluation expenses

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 – **December 31, 2011**	20,494	1,175	21,669
Additions	-	43	43
Exploration, evaluation and development costs – **December 31, 2012**	20,494	1,218	21,712
Additions	-	-	-
December 31, 2013	**20,494**	**1,218**	**21,712**

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 eight out of the nine total permits has been completed.

The assets, liabilities and results of operations in 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 December 31, 2013, the remaining assets are $65 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 December 31, 2013, management is unable to estimate the closing time of the ninth permit.

During the year ended December 31, 2013, the Company recorded an impairment loss in the amount of $108 to reflect the decrease in recoverable value of the assets of discontinued operations. A net loss of $728 was incurred during the year ended December 31, 2012, which was included in the loss from discontinued operations. The primary reason for the loss in 2012 is the loss realized from the sale of Avion available-for-sale securities during the year and loss on disposal relating to share consideration receivable upon closing the sale.

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 mineral 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 licenses 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 at the Passendro gold project 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.

The consolidated financial statements of the Company 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 December 31, 2013, the Company's current liabilities exceeded its current assets by $2,135. 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.

The consolidated financial statements of the Company 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.

Liquidity and Capital Resources

The Company's main sources of funding continue to be in the equity markets, outstanding warrants and options. As at December 31, 2013, the Company had cash resources of $288 compared to a $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 ($4.1 million) and operating activities ($2.8 million).

As at December 31, 2013, the Company had negative working capital of $2.1 million compared to a negative working capital of $1.7 million as at December 31, 2012. The increase in working capital deficit reflects a lower balance of cash and amounts receivables. As of December 31, 2013, the cash balance of the Company is $288 (2012 - $1,116).

One permit relating to the Mali concessions, Netekoto-Kenieti, has yet to be transferred to Avion and is expected to take place once closing conditions are satisfied. Upon closing, the Company is entitled to a cash consideration of C$25 and 82,125 shares of Endeavour Mining. As of December 31, 2013, management is unable to estimate the closing time of the ninth permit.

On March 26, 2013**,** AXMIN entered into a binding subscription agreement with Dickson, whereby AXMIN proceeded 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 May 24, 2013, the final tranche of the private placement had closed and net proceeds of the first and final tranches of approximately $6.75 million cash were received. In addition to Dickson's subscription, George Roach, a former director and former President, CEO and David de Jongh Weill, a Director and former Chairman of the Board, 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.

Contractual Obligations

The Company has entered into agreements to lease premises until April 30, 2015. The annual rent payments of $41 consist of minimum 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.

Transactions between Related Parties

Related party balances

December 31,	2013	2012
	$	$
Fasken Martineau DuMoulin LLP (a)	-	339
Extract Consultancy Limited (b)	-	47
Dickson Resources Limited (c)	19	-
Jin Kuang (d)	9	-
Kin Foon (Joe) Tai (e)	12	-
Bright Chiu (e)	9	-
David Weill (e)	8	
Lucy Yan (f)	46	-
Total due to related parties	103	386

(a) Balance consists of professional fees due to a partnership related to a former director.

(b) Balance consists of consulting fees due to Extract Consultancy Limited whose principal consultant was a director of the Company from April 25, 2012 until May 24, 2013.

(c) Balance consists of an account payable to Dickson and the amount is unsecure, non-interest bearing and without fixed repayment terms.

(d) Balance is related payable to current CFO for her consulting services which has been included in accounts payable and accrued liabilities in the consolidated statements of financial position.

(e) Balances are related director fees which have been included in accounts payable and accrued liabilities in the consolidated statements of financial position.

(f) Balance consists of consulting fees and expenses reimbursement due to the current CEO, which has been included in accounts payable and accrued liabilities in the consolidated statements of financial position.

(g) As of December 31, 2013, the Company's significant shareholder, Dickson Resources Limited ("Dickson"), held 45,000,000 common shares (2012 – nil) and 22,500,000 common share purchase warrants (2012 – nil) representing approximately 41% of AXMIN's issued and outstanding common shares on a non-dilutive basis.

(h) As of December 31, 2013, the Company's other significant shareholder, AOG Holdings BV ("AOG"), a wholly-owned subsidiary of the Addax and Oryx Group Limited, held 16,161,466 common shares (2012 - 16,184,475 common shares) and nil balance of the common share purchase warrants (2012 – 825,000 common share purchase warrants) representing, in 2013, approximately 15% (2012 – 26%) of AXMIN's issued and outstanding common shares on a non-dilutive basis.

Related party transactions

a) Compensation of key management personnel

The Company has identified its directors and senior officers as its key management personnel. The remuneration of directors and senior officers during the year was as follows:

	2013	2012
	$	$
Share-based payments	(27)	425
Salaries	544	1,047

	2013	2012
	$	$
Consulting fees	166	-
Termination fees	310	-
Director fees	163	209
	1,156	1,681

b) During the year ended December 31, 2013 and 2012, the Company incurred $164 (2012 - $440) in legal services provided by Fasken Martineau DuMoulin LLP which was related to a former director of the Company.

c) During the year ended December 31, 2013 and 2012, the Company incurred $58 (2012 - $140) in consulting services provided by Extract Consultancy Limited whose principal consultant was a director of the Company from April 25, 2012 until May 24, 2013.

d) The Company leases premises in Africa from George Roach, director and the former President and CEO. The monthly occupancy cost under the agreement is C$5.5. During the year ended December 31, 2013 and 2012, the Company incurred $32 (2012 - $66) in this occupancy cost. The lease agreement has been terminated on July 31, 2013.

These transactions were entered into in the normal course of operations and were recorded at the exchange amount established and agreed to between the related parties.

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 of the financial statement.

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 SMC 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 December 31, 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, 2013.

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.

Political Risk

AXMIN currently conducts its primary exploration activities in the African countries of CAR, Senegal and Mozambique. A significant 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.

As of the date of this report, the political situation in CAR remains tenuous. The Company is monitoring the situation and is not able to 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.

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 and to continue as a going concern. 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 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 develop and construct a mine at the Passendro gold project.

As at December 31, 2013, the Company had negative working capital of $2 million, no source of operating cash flows and did not have sufficient cash to fund its operations and the development of the Passendro gold project. The Company is working with its financial advisors, Endeavour Financial, to secure the additional financing to build the Passendro gold project, 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 reserves 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 Mineral 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. Further, mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, socio-political, marketing, or other relevant issues.

The volume and grade of mineral 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 mineral reserves. 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 mineral 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 cannot 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, if any, 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 mineral resources with sufficient geological continuity to constitute proven and probable mineral reserves as a result of continued exploration.

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, licenses and permits. Such approvals, licenses 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, licenses 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 mineral 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.

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, 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 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 Licenses

The operations of AXMIN require licenses, permits and in some cases renewals of existing licenses and permits from various governmental authorities. Management believes that AXMIN currently holds or has applied for all necessary licenses 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 licenses and permits. However, AXMIN's ability to obtain, sustain or renew such licenses 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 common shares of the Company. 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	1,620,000
Common share purchase warrants	29,005,377
Fully diluted share capital	**139,566,258**

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 Information

This report contains "forward-looking information", within the meaning of applicable Canadian securities legislation, which may include, but is not limited to, information 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 mineral resources, the realization of mineral reserve estimates, the timing and amount of estimated future production (if any), costs of production (if any), 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, the ability to recommence operations at the Passendro gold project, 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 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 information involves 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 information. 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 information, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking information contained herein is given 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 information, whether as a result of new information, estimates or opinions, future events or results or otherwise. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information.

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"

Lucy Yan
Chairman and Chief Executive Officer

April 29, 2014

INDEPENDENT AUDITORS' REPORT

To the Shareholders of AXMIN Inc.:

We have audited the consolidated financial statements of AXMIN Inc. and its subsidiaries (the "Company") as at December 31, 2013, the consolidated statements of operations and comprehensive loss, changes in shareholders' equity (deficit), and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or misstatement.

Auditors' Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or misstatement. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2013, and the results of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter
Without qualifying our opinion, we draw attention to Note 1 of these consolidated financial statements, which indicates that the Company's current liabilities exceeded its current assets by $2,135,000. The Company has a history of losses from continuing operations and no source of operating cash flows. These conditions, along with other matters described in Note 1 of the consolidated financial statements indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

Other Matter
The consolidated financial statements of the Company as at December 31, 2012 and for the year then ended were audited by another firm of chartered accountants who expressed an unqualified opinion on those statements in their audit report dated April 26, 2013.

MNP LLP

MNP LLP

April 29, 2014
Vancouver, BC

Chartered Accountants

The accompanying consolidated financial statements of AXMIN Inc. (the "Company") and all information in this annual report are the responsibility of management and have been reviewed and approved by the Company's Board of Directors. The consolidated financial statements and the related notes have been prepared in accordance with International Financial Reporting Standards and necessarily include amounts based on management's informed judgments and estimates. Financial information included elsewhere in this annual report is consistent with that contained in the consolidated financial statements.

To assist management in fulfilling its responsibilities, a system of internal controls has been established to provide reasonable assurance that the consolidated financial statements are accurate and reliable and that assets are safeguarded.

The Company's independent auditors, MNP LLP, have audited the consolidated financial statements in accordance with Canadian generally accepted auditing standards to enable them to express an opinion on the consolidated financial statements. Their report is set on the following page.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal controls. The Board of Directors carries out this responsibility principally through its Audit Committee. The Audit Committee is comprised entirely of independent directors and meets annually with management and MNP LLP to discuss the results of their audit examination and to review issues related thereto. The external auditors have full and direct access to the Audit Committee with and without the presence of management. The Audit Committee reviews the consolidated financial statements and Management's Discussion and Analysis and recommends their approval to the Board of Directors.

The Audit Committee recommends the appointment of the external auditors. The Audit Committee also meets quarterly to review interim and annual consolidated financial statements and related materials and reports its findings to the Board of Directors for its consideration in approving the consolidated interim and annual financial statements for public dissemination.

"Signed"

Lucy Yan
Chairman, Chief Executive Officer and Director

"Signed"

Jin Kuang
Chief Financial Officer

Consolidated Statements of Financial Position

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

	As at December 31, 2013	As at December 31, 2012
Assets		
Current assets		
Cash and cash equivalents	**288**	1,116
Amounts receivable	**148**	364
Prepaid expenses and deposits *(note 15)*	**68**	163
	504	1,643
Non-current assets		
Mineral properties *(note 4a)*	**-**	34,788
Property, plant and equipment *(note 5)*	**-**	45
Goodwill *(note 6)*	**-**	2,236
Assets of discontinued operations *(note 7)*	**64**	172
Deferred charges *(note 16)*	**-**	548
Other assets, net	**-**	39
	64	37,828
Total Assets	**568**	39,471
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	**2,251**	2,568
Amounts due to related parties *(note 9)*	**65**	386
Unrealized fair value of derivatives *(note 8)*	**-**	24
Liabilities of discontinued operations *(note 7)*	**323**	323
	2,639	3,301
Total Liabilities	**2,639**	3,301
Commitments and contingencies *(note 4 and 10)*		
Shareholders' Deficit *(note 8)*		
Share capital	**139,089**	134,137
Warrants reserve	**7,869**	6,730
Stock options reserve	**8,808**	8,836
Deficit	**(158,943)**	(114,679)
Accumulated other comprehensive income *(note 11)*	**1,106**	1,146
Total Shareholders' Equity	**(2,071)**	36,170
Total Liabilities and Shareholders' Deficit	**568**	39,471

See accompanying notes to the consolidated financial statements

On Behalf of the Board of Directors

"Signed"

Lucy Yan, CEO and Director

"Signed"

David de Jongh Weill, Independent Lead Director

Consolidated Statements of Operations and Comprehensive Loss

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

For the years ended December 31,	**2013**	2012
Expenses		
Administration	**4,421**	3,866
Exploration, evaluation and development costs *(note 4b)*	**-**	43
Impairment charges on mineral properties *(note 4a)*	**37,346**	165
Write-down of property, plant and equipment *(note 5)*	**40**	694
Share-based compensation *(note 8)*	**(28)**	738
	41,779	5,506
Other Expenses (Income)		
Amortization on property, plant & equipment *(note 5)*	**5**	-
Impairment charges on goodwill *(note 6)*	**2,236**	-
Write-off of VAT receivables	**186**	-
Loss on shares receivable from Avion *(note 4b)*	**-**	532
Change in fair value of derivatives *(note 8)*	**(24)**	(376)
Loss on foreign exchange	**4**	477
Interest income, net	**(10)**	(8)
	2,397	625
Loss from continuing operations before income taxes	**44,176**	6,131
Deferred tax recovery *(note 18)*	**(20)**	(27)
Net loss from continuing operations	**44,156**	6,104
Loss from discontinued operations, net of income taxes *(note 7)*	**108**	728
Net Loss	**44,264**	6,832
Other comprehensive income *(note 11)*		
Fair value loss on available-for-sale financial assets	**-**	474
Fair value change on available-for-sale financial assets reclassified to profit or loss	**-**	(522)
Foreign currency translation	**(40)**	(375)
Other comprehensive income	**(40)**	(423)
Total Comprehensive Loss	**44,224**	6,409
Net loss per common share (basic and diluted)		
Continuing operations	**0.47**	0.10
Discontinued operations	**-**	0.01
Basic and diluted loss per common share	**0.47**	0.11
Weighted average number of common shares outstanding	**92,998,258**	63,160,312

See accompanying notes to the consolidated financial statements

Consolidated Statements of Changes in Shareholders' Equity (Deficit)

(Expressed in thousands of United States Dollars except share data)

For the years ended December 31,		**2013**		2012
	Number	**Amount ($)**	Number	Amount ($)
Share Capital				
Authorized: Unlimited common shares				
Issued: Common shares				
Balance, beginning of year	**63,274,215**	**134,137**	62,827,177	133,885
Shares issued during the year *(note 8)*	**45,666,666**	**4,952**	447,038	252
Balance, end of year	**108,940,881**	**139,089**	63,274,215	134,137
Warrants Reserve				
Balance, beginning of year	**3,148,405**	**6,730**	12,893,086	6,594
Warrants issued (*note 8)*	**26,433,332**	**1,159**	500,000	163
Warrants expired *(note 8)*	**(576,360)**	**-**	(10,244,681)	-
Deferred tax recovery on warrants expired *(note 8)*		**(20)**		(27)
Balance, end of year	**29,005,377**	**7,869**	3,148,405	6,730
Stock Options Reserve				
Balance, beginning of year		**8,836**		8,079
Share-based compensation expense *(note 8)*		**(28)**		757
Balance, end of year		**8,808**		8,836
Deficit				
Balance, beginning of year		**(114,679)**		(107,847)
Net loss for the year		**(44,264)**		(6,832)
Balance, end of year		**(158,943)**		(114,679)
Accumulated other comprehensive income, net of tax				
Balance, beginning of year		**1,146**		723
Other comprehensive income (loss)		**(40)**		423
Balance, end of year		**1,106**		1,146
Shareholders' equity (deficit), end of year		**(2,071)**		36,170

See accompanying notes to the consolidated financial statements.

Consolidated Statements of Cash Flows

(Expressed in thousands of United States Dollars)

For the years ended December 31,	**2013**	2012
Operating Activities		
Net loss from continuing operations	**(44,156)**	(6,104)
Impairment charges on mineral properties *(note 4a and 4b)*	**37,346**	165
Write-down of property, plant and equipment *(note 5)*	**40**	694
Write-off of VAT receivables	**186**	-
Write-off of prepaid expenses and deposits	**56**	-
Write-off of other assets	**10**	-
Write-off of deferred charges *(note 4a)*	**548**	(385)
Write-down of goodwill *(note 6)*	**2,236**	-
Share-based compensation (recoveries) expense *(note 8)*	**(28)**	738
Deferred tax recovery *(note 8)*	**(20)**	(27)
(Gain) loss on foreign exchange	**4**	485
Loss on sale of shares of Avion and Endeavor Mining *(note 4b)*	**-**	532
Change in fair value of derivatives *(note 8)*	**(24)**	(376)
Non-cash loss related to discontinued operations *(note 7)*	**108**	179
Realized loss on sale of marketable securities *(note 14)*	**-**	522
Changes in non-cash working capital *(note 17)*	**963**	926
Amortization of other assets and property, plant and equipment	**34**	16
Net cash outflow from continuing operations	**(2,697)**	(2,635)
Net cash outflow from discontinued operations *(note 7)*	**(108)**	(728)
Net cash outflow from operating activities	**(2,805)**	(3,363)
Investing Activities		
Additions to mineral properties *(note 4a)*	**(2,558)**	(8,708)
Changes in amounts payable relating to mineral properties	**(1,532)**	(3,711)
Additions to property, plant and equipment *(note 5)*	**-**	(68)
Proceeds from sale of marketable securities *(note 14)*	**-**	2,183
Net cash flow from continuing operations	**(4,090)**	(10,304)
Net cash flow from discontinued operations *(note 4b and 7)*	**-**	218
Net cash outflow from investing activities	**(4,090)**	(10,086)
Financing Activities		
Proceeds from issuance of shares, net of transaction costs *(note 8)*	**6,111**	-
Net cash flow from continuing operations	**6,111**	-
Net cash flow from discontinued operations *(note 7)*	**-**	-
Net cash inflow from financing activities	**6,111**	-
Effect of exchange rate changes	**(44)**	(181)
Change in cash and cash equivalents during the year	**(828)**	(13,630)
Cash and cash equivalents, beginning of year	**1,116**	14,746
Cash and cash equivalents, end of year	**288**	1,116
Supplemental Cash Flow Information		
Interest received	**10**	8
Income taxes paid	**-**	-

See accompanying notes to the consolidated financial statements.

1. Nature of operations and going concern

AXMIN Inc. ("AXMIN" or the "Company") is incorporated under the Canada Business Company 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 Vancouver at 1066 Hasting Street West, Suite 2303, Vancouver, BC V6E 3X2, Canada.

The Company is in the development stage. Aside from the properties that comprise of 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, the political risk relating to obtaining all necessary permits and maintaining the licences in good standing, the future profitable production or proceeds from the disposition of such properties and its ability 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. As at December 31, 2013, the Company determined the Passendro project is impaired in its entirety.

These 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 December 31, 2013, the Company had negative working capital of $2,135, no source of operating cash flows and did not have sufficient cash to fund the development of the Passendro Project and its other 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 or on terms satisfactory to the Company. As per note 8, AXMIN has completed a two stage private placement with Dickson Resources Limited ("Dickson") in the year ended December 31, 2013 for aggregate gross proceeds of approximately $6,659.

These 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 consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and effective for the year ended December 31, 2013.

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

Basis of Presentation

The consolidated financial statements have been prepared on the historical cost basis, except certain financial instruments that are measured at revalued amounts or fair value at the end of each reporting period, as explained in the accounting policies below. The Company's accounting policies have been applied consistently in preparing these consolidated annual financial statements. These consolidated financial statements of the Company were authorized for issuance by the Board of Directors on April 29, 2014.

3. Summary of presentation and significant accounting policies, judgements, estimates and assumptions *(continued)*

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at December 31, 2013.

Control is achieved when the Company has (i) power over the investee; (ii) is exposed, or has rights, to variable returns from its involvement with the investee and (iii) has the ability to use its power to affects it returns. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of three elements of control previously mentioned.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases control of the subsidiary.

All Intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Company are eliminated in full 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*
A 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 (“SMC”), 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

Significant judgements that the Company’s management has made in the process of applying the Company’s accounting policies, apart from those involving estimations, that have the most significant effects on the amounts recognized in the Company’s consolidated financial statements are as follows:

(a) Determination of economic viability
Management has determined that exploratory drilling, evaluation, development and related costs incurred which have been capitalized are economically recoverable except for those determined as impaired. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit including geologic and metallurgic information, history of conversion of mineral deposits to proven and probable reserves, scoping and feasibility studies, accessible facilities, existing permits, life of mine plans and availability of funding.

(b) Going concern
The Company has determined it 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, thus it has the ability to continue as a going concern.

(c) Functional Currency
The functional currency for each of the Company’s subsidiaries is the currency of the primary economic environment in which the entity operates. The determination of the Company's functional currency requires

3. Summary of presentation and significant accounting policies, judgements, estimates and assumptions *(continued)*

analyzing facts that are considered primary factors, and if the result is not conclusive, the secondary factors. The analysis requires the Company to apply significant judgment since primary and secondary factors may be mixed. In determining its functional currency the Company analyzed both the primary and secondary factors, including the currency of the Company's operating costs in both Canada and Africa, and sources of equity financing. The Company has determined the functional currency of the parent is the Canadian dollar and the functional currencies of the wholly owned subsidiaries are US dollars.

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 used in the preparation of the consolidated financial statements include, but are not limited to:

(a) The recoverability of mineral property and goodwill related to it;
(b) Deferred income taxes;
(c) Share based compensation valuation assumptions; and
(d) Asset carrying values and impairment charges.

While management believes that these estimates and assumptions are reasonable, actual results may differ from the amounts included in the consolidated financial statements.

(a) The recoverability of mineral property and goodwill related to it

Mineral properties have been evaluated using the discounted cash flow method, by taking into account year on year milled tonnages and grades for the ore and the associated recoveries, gold price (revenue), operating costs, bullion transport and refining charges, royalties and capital expenditure (both initial and sustaining). The calculation of the discounted cash flows could be impacted to the extent that actual production in the future is different from current forecast production. This would generally result from significant changes in any of the factors or assumptions used in estimating reserves.

(b) Deferred taxes

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. Forecasted cash flows from operations are based on life of mine projections internally developed and reviewed by management. Weight is attached to tax planning opportunities that are within the Company's control, and are feasible and implementable without significant obstacles. The likelihood that tax positions taken will be sustained upon examination by applicable tax authorities is assessed based on individual facts and circumstances of the relevant tax position evaluated in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. At the end of each reporting period, the Company reassesses unrecognized and recognized deferred tax assets.

(c) Share based compensation valuation assumptions

Note 8 outlines the significant assumptions with respect to share-based payment expense which include an estimate of the volatility of the Company's shares, the expected life of the options, and the number of options expected to vest which are subject to measurement uncertainty.

3. Summary of presentation and significant accounting policies, judgements, estimates and assumptions *(continued)*

(d) Asset carrying values and impairment charges

The fair values of financial instruments are estimated based on market and other inputs including volatility factors and time value. These estimates are subject to changes in the underlying interest rates, foreign exchange rates, and the Company's share price in the market.

Summary of significant accounting policies

Foreign currency translation

The Company's functional currency is the Canadian dollar and that of all of its subsidiaries is the U.S. dollar. The Company's consolidated financial statements are reported in US dollars, which is the Company's presentation currency. The US dollar was selected as presentation currency in order to facilitate understanding by international users of these consolidated financial statements.

Transactions in currencies other than an entity's functional currency are initially recorded at the exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the closing rate as at the date of the consolidated statement of financial position. All differences are recorded in net earnings or loss. Non-monetary items are translated using the historical exchange rates as at the dates of the initial transactions.

In translating the financial results of the parent company from its functional currency of Canadian dollars to the presentation currency of US dollars, the Company uses the following method: assets and liabilities are translated at the exchange rate in effect as at the date of the consolidated statement of financial position; revenues and expenses are translated at the rate effective at the time of the transaction or the average rate for the year; and shareholders' equity is translated at the rate effective at the time of the transaction. Unrealized gains and losses resulting from the translation to the US dollar presentation currency are included in other comprehensive income.

Financial instruments

Financial assets
Financial assets within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, or available for sale financial assets, as appropriate. When financial assets are recognized initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, transaction costs.

The Company determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial period end.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss includes financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss.

Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments or a financial guarantee contract. Gains or losses on investments held for trading are recognized in profit or loss.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method, less impairment. The losses arising from impairment are recognized in the consolidated statement of comprehensive loss.

Available-for-sale financial assets
Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the previous categories. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences, are recognized in other

3. Summary of presentation and significant accounting policies, judgements, estimates and assumptions *(continued)*

comprehensive income. When an investment is derecognized, the cumulative gain or loss in other comprehensive income is transferred to net earnings.

Cash and cash equivalents
Cash and short term deposits in the consolidated statement of financial position comprise cash at banks and at hand and short-term deposits with a remaining maturity at the date of purchase of three months or less.

Financial liabilities
Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and in the case of loans and borrowings, net of directly attributable transaction costs.

The Company's financial liabilities include accounts payable, accrued liabilities, amounts due to related parties and a derivative liability.

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit and loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in profit or loss.

Fair value hierarchy
The Company uses a three level hierarchy to categorize the significance of the inputs used in measuring the fair value of financial instruments. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Level 1 consists of financial instruments such as quoted share prices.

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value, volatility factors and broker quotations, which can be substantially observed or corroborated in the marketplace.

Level 3 – Valuations in this level are those with inputs which are less observable, unavailable or where the observable data does not support the majority of the instrument's fair value. Level 3 instruments may include items based on pricing services or broker quotes where the Company is unable to verify the observability of inputs into their prices. Level 3 instruments include longer-term transactions, transactions in less active markets or transactions at locations for which pricing information is not available. In these instances, internally developed methodologies are used to determine fair value which primarily includes extrapolation of observable future prices to similar location, similar instruments or later time periods.

If different levels of inputs are used to measure a financial instrument's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement.

Mineral properties

Exploration and evaluation assets
Exploration and evaluation costs, including the cost of acquiring licenses, are expensed as exploration costs in the consolidated statement of operations and comprehensive loss until the determination of the technical feasibility, commercial viability and the reasonable assurance of obtaining the exploitation license of the Project. Exploration costs include costs directly related to exploration and evaluation activities in the area of interest. The technical feasibility and commercial viability of extracting a mineral resource is considered to be determinable when economically recoverable reserves are determined to exist, the rights of tenure are current and it is considered probable that the costs will be recouped through successful development and exploitation of the area, or alternatively by sale of the property. This determination is normally evidenced by the completion of a technical feasibility study.

3. Summary of presentation and significant accounting policies, judgements, estimates and assumptions *(continued)*

Once the technical feasibility study is completed and there is reasonable assurance that the mining permit is obtained, subsequent exploration and development expenses are capitalized in mineral properties. Upon reaching commercial production, these capitalized costs will be transferred from development properties to producing properties on the consolidated statement of financial position and will be amortized using the unit-of-production method over the estimated period of economically recoverable reserves.

Development costs
Expenditure on the pre-construction work such as early on-site infrastructural upgrades is capitalized in mineral properties.

Carried interest and farm-in arrangements
The Company recognizes its expenditures under a farm-in or carried interest arrangement for exploration and evaluation assets in respect of its interest and that retained by the other party, as and when the costs are incurred. Such expenditures are recognized in the same way as the Company's directly incurred exploration and evaluation expenditures.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably.

Depreciation of property, plant and equipment used for exploration and development is capitalized to mineral properties. Depreciation is recorded using the straight-line method based on an estimated useful life of five years for vehicles, ten years for equipment and 25 years for building. Leasehold improvements are amortized on a straight-line basis over the term of the respective lease.

Impairment of assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value-in-use. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. Where the carrying amount of an asset or cash generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The Company bases its impairment calculation on detailed budgets and forecast calculations that include commodity pricing, availability of financing, and various other factors, which are prepared separately for each of the Company's cash generating units to which the individual assets are allocated. When the determination of fair value based on cash flow projections are deemed difficult or impossible, management utilizes other methods such as cost per oz compared to peers, cost per oz of net exploration kilometre and recent market transactions. Impairment losses are recognized in the consolidated statement of loss and comprehensive loss.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of loss and comprehensive loss.

Cash generating units with goodwill are tested for impairment annually (as at December 31) and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash generating unit (or group of cash generating units) to which the goodwill relates. Where the

3. Summary of presentation and significant accounting policies, judgements, estimates and assumptions *(continued)*

recoverable amount of the cash generating unit is less than its carrying amount an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Business combinations and goodwill

On the acquisition of a business, the acquisition method of accounting is used whereby the purchase consideration transferred is allocated to the identifiable assets, liabilities and contingent liabilities (identifiable net assets) on the basis of fair value at the date of acquisition.

Goodwill is initially measured at cost being the excess of the cost of the business combination over the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. If the fair value attributable to the Company's share of the identifiable net assets exceeds the fair value of the consideration, the Company reassesses whether it has correctly identified and measured the assets acquired and liabilities assumed and recognizes any additional assets or liabilities that are identified in that review. If an excess remains after reassessment, the Company recognizes the resulting gain in profit or loss on the acquisition date.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Share based payments

The Company grants stock options to directors, officers and employees of the Company under its incentive stock option plan.

The fair value of the instruments granted is measured using Black-Scholes option pricing model, taking into account the terms and conditions upon which the instruments are granted and are expensed over their vesting period. In estimating fair value, management is required to make certain assumptions and estimates regarding such items as the life of options, volatility and forfeiture rates. Changes in the assumptions used to estimate fair value could result in materially different results.

The fair value of the awards is adjusted by the estimate of the number of awards that are expected to vest as a result of non-market conditions and is recognized over the vesting period using an accelerated method of amortization. At each reporting period date, the Company revises its estimates of the number of options that are expected to vest based on the nonmarket vesting conditions including the impact of the revision to original estimates, if any, with corresponding adjustments to equity.

Share-based compensation relating to share options is charged to the consolidated statements of loss and comprehensive loss.

Warrants

The warrants are valued based on allocating the proceeds of the issuance between the common share and the common share purchase warrant components by fair valuing each component separately and determining the proceeds to be allocated based on a pro-rata basis. The fair value of warrants is calculated using the Black-Scholes option pricing model and is recognized as warrants.

Warrants whose exercise price is denominated in Canadian currency are fair valued and carried in the Shareholders' Equity section of the consolidated statement of financial position. Warrants that are denominated in a currency other than the Company's functional currency are fair valued and classified as derivatives in the current liabilities section of the consolidated statement of financial position.

Loss per share

Loss per common share has been calculated based on the weighted average number of common shares issued and outstanding during the year. Diluted per share amounts are calculated using the treasury stock method whereby proceeds deemed to be received on the exercise of options and warrants in the per share calculation are assumed to be used to acquire common shares at the average market price during the year. The effect of potential issuances of

3. Summary of presentation and significant accounting policies, judgements, estimates and assumptions *(continued)*

shares under options and warrants would be anti-dilutive, and accordingly basic and diluted loss per share are the same.

Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the consolidated statement of comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Standards issued but not yet effective

Standards issued but not yet effective as at the date of issuance of the Company's consolidated financial statements 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.

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)
These amendments are effective for annual periods beginning on or after 1 January 2014 provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. It is not expected that this amendment would be relevant to the Company, since none of the entities in the Company would qualify to be an investment entity under IFRS 10.

IAS 32 *Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32*
These amendments clarify the meaning of "currently has a legally enforceable right to set-off" and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting. These are effective for annual periods beginning on or after 1 January 2014. These amendments are not expected to be relevant to the Company.

IFRIC Interpretation 21 *Levies* (IFRIC 21)
IFRIC 21 clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. IFRIC 21 is effective for annual periods beginning on or after 1 January 2014. The Company does not expect that IFRIC 21 will have material financial impact in future financial statements.

3. Summary of presentation and significant accounting policies, judgements, estimates and assumptions *(continued)*

New IFRS standards and amendments adopted

The following standards became effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. The Company adopted these standards and they did not have a material impact on its consolidated financial statements. 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 IFRS 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 2013 audited consolidated financial statements include additional disclosures on the nature and control aspects of its joint venture agreement with SMC regarding the Senegal Project and its relationship with subsidiaries.

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.

(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 *(continued)*

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 application of IAS 28 has no impact on the consolidated financial statements, effective January 1, 2013.

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	2,558	-	2,558
Impairment charges *(note 4a)*	(37,346)	-	(37,346)
Balance – December 31, 2013	**-**	**-**	**-**

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 October 15, 2013, the Government of the CAR signed the Decree No. 13.412, stating that the duration of the validity of the Bambari 1 and 2 Exploration Licences held by Aurafrique SARL, a wholly owned CAR registered subsidiary of the Company, were extended for a period of one year from August 7, 2013 to August 6, 2014.

On October 15, 2013, the Government of the CAR granted SOMIO Toungou SA, a wholly-owned subsidiary of the Company, a one-year extension of the exemption from starting the development and pre-production work at the Passendro Gold Project. The period of the extension of the exemption is valid from January 11, 2014 to January 10, 2015.

On October 18, 2013, the Government has certified that the Mining Licence held by SOMIO Toungou, which was originally granted to the Company on August 5, 2010, remains valid for a period of twenty-five years from the date of the grant.

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

4. Exploration and evaluation assets *(continued)*

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
In 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. In April 2013, AXMIN has received confirmed reports that all facilities, tools, equipment and vehicles on site were stolen or destroyed by the rebels or 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.

On October 15, 2013, the Government of the CAR officially acknowledged the considerable monetary losses the Company sustained, which was estimated to be approximately US$38 million, at its operations in the capital city of Bangui and at its Ndassima camp located 60 km north of the town of Bambari. In response to those losses, the Government has consented to a compensation of 50 percent of all taxes, rights and taxations, but did not specify the applicable time period.

Impairment charges on mineral properties
Impairment in the amount of $37,346 was recognized as at December 31, 2013 on the Bambari properties to reflect the decrease in their recoverable value as the result of the current political turmoil in CAR. As of the date of the auditors' report, the political situation in the CAR remains tenuous. The new government of the CAR might adopt different policies respecting foreign development and ownership of mineral resources. Any such changes in policy may result in changes in laws affecting mining policies, ownership of mineral assets and might extend to expropriation of mineral assets. The recoverable amount of the Company's Bambari properties is $nil based on management's estimate of the asset's fair value less costs to sell ("FVLCD"). The determination of FVLCD is most sensitive to the assumptions of commodity price and discount rate. Forecast commodity prices are based on management's estimates and are derived from forward price curves and long-term views of global supply and demand, building on past experience of the industry and consistent with external sources. Estimated long-term gold prices of $1,100 per troy ounce have been used to estimate future revenues. A post-tax discount rate of 39.7% was applied to the post-tax cash flows. This discount rate is derived from the Company's post-tax weighted average costs of capital, with appropriate adjustments made to reflect the risks specific to the Bambari properties in CAR. Management's estimate of the FVLCD is classified as level 3 in the fair value hierarchy. The recoverable amount will remain at $nil if the discount rates and forecasted gold prices used for the impairment analysis are changed as follows:

Gold prices	Discount rates
US$950 per troy ounce	22%
US$1,000 per troy ounce	30%
US$1,100 per troy ounce	35%
US$1,300 per troy ounce	45%
US$1,350 per troy ounce	49%

(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, 2013, eight of the nine permits met the conditions for closing. The consideration for the eight permits represents 95% of the total sale proceeds. Prior to 2013, AXMIN received in aggregate proceeds of C$475 in cash and 4,275,000 common shares of Avion. No proceed was received during the year ended December 31, 2013. Proceeds received during the year ended December 31, 2012 amounted to C$219 cash and 1,968,750 common shares of Avion.

4. **Exploration and evaluation assets** *(continued)*

On October 18, 2012 Endeavour Mining Company ("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. On October 19, 2012, the Acquisition Agreement with Avion was amended to include Endeavour Mining such that ordinary shares in the capital of Endeavour Mining shall be payable to Axmin in exchange for the Avion shares payable to Axmin, at the exchange ratio of 0.365 of a common share of Endeavour Mining for each common share of Avion. The transaction between Avion and Endeavour Mining resulted in all receivable proceeds due to AXMIN being payable immediately to AXMIN by Endeavour Mining.

All Endeavour Mining shares were sold during the year ended December 31, 2012. For the year ended December 31, 2013, the Company recorded a loss in the amount of $nil (2012 - $532) on sale of the shares of Avion and Endeavour Mining.As of December 31, 2013 and 2012, the Company did not hold any Avion or Endeavour shares or shares receivable and did not have any share proceeds receivable.

The closing of the ninth concession, Netekoto-Kenieti, will take place once closing conditions are satisfied. As of December 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, through its wholly-owned subsidiary SMC, Teranga Gold Company ("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 SMC 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 has 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. The free-carried interest balance is $239 as of December 31, 2013.

To maintain its 20% interest, AXMIN was not required to contribute to any costs on a pro-rata basis during the year ended December 31, 2013 and 2012 because the Target Areas work costs incurred by SMC are still under $10 million as of December 31, 2013.

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. For the year ended December 31, 2012, $36 in exploration costs was expensed with respect to the annual licensing fees for the Mavita project. There were no exploration and development costs incurred for the Mavita project during the year ended December 31, 2013.

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

4. Exploration and evaluation assets *(continued)*

The market for nickel prices moved in an unfavourable direction within the last five years, negatively impacting the value of this property. The Company tested the property for impairment and determined that its fair value is approximately zero as at December 31, 2012.

At December 31, 2013 and 2012, given the impairment recognized in previous years, the residual value for Mavita Project was approximately zero. There was no recovery of mineral property for Mavita Project during the year ended December 31, 2013 and there was an impairment charge of $165 for the year ended December 31, 2012.

(c) Exploration and evaluation expenses

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 – **December 31, 2011**	20,494	1,175	21,669
Additions	-	43	43
Exploration, evaluation and development costs – **December 31, 2012**	20,494	1,218	21,712
Additions	-	-	-
December 31, 2013	**20,494**	**1,218**	**21,712**

5. Property, plant and equipment

	Equipment	Vehicles	Leasehold Improvements	Building	Total
Cost					
Balance – January 1, 2012	1,496	636	663	154	2,949
Additions	17	51	-	-	68
Write-down	(1,513)	(636)	-	(154)	(2,303)
Balance – December 31, 2012	-	**51**	**663**	**-**	**714**
Write-down	-	(51)	(663)	-	(714)
Balance – December 31, 2013	**-**	**-**	**-**	**-**	**-**
Accumulated Depreciation					
Balance – January 1, 2012	749	496	611	43	1,899
Depreciation	188	133	52	6	379
Write-down	(937)	(623)	-	(49)	(1,609)
Balance – December 31, 2012	-	**6**	**663**	**-**	**669**
Depreciation	-	5	-	-	5
Write-down	-	(11)	(663)	-	(674)
Balance – December 31, 2013	**-**	**-**	**-**	**-**	**-**
Carrying Amount					
At January 1, 2012	747	140	52	111	1,050
At December 31, 2012	-	45	-	-	45
At December 31, 2013	**-**	**-**	**-**	**-**	**-**

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 vehicles have been written down as a result of their destruction or theft by the rebels.

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

5. Property, plant and equipment *(continued)*

As a result, as of December 31, 2012, the Company recorded property, plant and 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.

During the year ended December 31, 2013, the Company recorded property, plant and equipment write-down in the amount of $40.

6. Acquisitions

There were no acquisitions during the year ended December 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.

Goodwill

Goodwill arose on acquisition of all of the outstanding securities of AfNat Resources Limited ("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	2,236
Impairment charges	(2,236)
Balance – December 31, 2013	-

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. Management believes that the Passendro gold project in the CAR is the primary recipient of benefits and synergies obtained from this acquisition.

As a result of the change in the market environment in the CAR, the Company assessed the goodwill for impairment as at December 31, 2013 and determined that its fair value is approximately zero resulting in impairment charge of $2,236 as reported in the consolidated statements of operations and comprehensive loss.

7. Dispositions

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

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

7. Dispositions *(continued)*

Mali
On June 30, 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, 2013 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 year ended December 31 were as follows:

	2013	2012
Other costs	**-**	(27)
Loss from discontinued operations	**-**	(27)
Loss on consideration due to the change of share price of Avion– Mali	**(108)**	(179)
Loss on disposal of marketable securities	**-**	(522)
Net loss from discontinued operations, net of income taxes	**(108)**	(728)

The assets and liabilities of discontinued operations as at December 31 are as follows:

	2013	2012
Exploration and development costs	**64**	172
Assets of discontinued operations	**64**	172
Accounts payable and accrued liabilities	**323**	323
Liabilities of discontinued operations	**323**	323

During the year ended December 31, 2013, the Company recorded an impairment loss in the amount of $108 (2012 - $179) to reflect the decrease in recoverable value of the assets of discontinued operations.

During the year ended December 31, 2012, the Company recorded a loss on sale of the shares of Avion and Endeavour Mining in the amount of $522.

Mali incurred a total of $nil (2012 - $27) in exploration and other costs during the year ended December 31, 2013 with respect to the remaining concessions in Mali (see note 4b).

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.

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 62,827,177 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 December 31, 2013 was 108,940,881 common shares (December 31, 2012 - 63,274,215), on a post-consolidation basis.

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

8. Share capital *(continued)*

Warrants

A summary of the changes in warrants is presented below:

	Number of warrants	Weighted Average Exercise Price – C$(dollars)
Balance, January 1, 2012	11,354,988	2.07
Warrants granted	1,500,000	0.63
Warrants expired/cancelled	(9,706,583)	1.68
Balance as at December 31, 2012	3,148,405	2.60
Warrants granted	26,433,332	0.15
Warrants expired/cancelled	(576,360)	2.90
Balance at December 31, 2013	**29,005,377**	**0.36**

As a result of the private placements on April 9, 2013 and May 24, 2013, 45,666,666 common shares and 22,833,332 common share purchase warrants were issued to Dickson Resources Ltd. and two directors of AXMIN for the amount of $6,659. The warrants are exercisable at a price of C$0.15 per warrant and expire in two years from the date of issue. The share issuance cost for the private placements is $548.

Pursuant to the private placement closed on April 9, 2013 and May 24, 2013, the Company issued 26,433,332 common share purchase warrants, the finder of private placement and two directors of Axmin at an allocated fair value of $1,159. Each such warrant is exercisable into a common share of AXMIN at an exercise price of C$0.15 per common share for a period of two years from the date of issue. The fair value of the warrants at the time of issue, May 24, 2013, was determined using the Black Scholes Option pricing model with the following assumptions:

	May 24, 2013
Risk free interest rate	1.03%
Expected life in years	2.0 years
Expected volatility	118%
Expected dividend yield	0.0%

On April 17, 2012, in connection with the Mandate Letter with International Finance Company ("IFC"), the Company issued 500,000 common share purchase warrants to 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%

Warrants expired during the current year totalled 576,360 (2012 - 1,538,098) on a post-consolidation basis, producing a deferred tax recovery of $20 (2012 - $55). There were no common share purchase warrants exercised during the year ended December 31, 2013 and 2012.

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, the Government of CAR now holds 2,000,000 common share purchase warrants outstanding with an exercise price $3.00.

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

8. Share capital *(continued)*

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, 2013 and 2012 were determined using the Black Scholes Option pricing model with the following assumptions:

	2013	**2012**
Risk free interest rate	**1.12%**	1.18%
Expected life in years	**1.6 years**	2.6 years
Expected volatility	**108%**	105%
Expected dividend yield	**0.0%**	0.0%

Stock Options

A summary of the changes in options is presented below:

	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	(2,280,000)	0.88
Balance at December 31, 2013	**1,620,000**	**0.82**

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 year ended December 31, 2013. During the year ended December 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 expense (recovery) amounted to $(28) for the year ended December 31, 2013 (2012 - $757). A total of $738 has been expensed and $19 was capitalized to mineral properties during the year ended December 31, 2012. No share-based compensation amount was capitalized in 2013. Share-based compensation (recovery) resulting from unvested options that expired or were cancelled during the year amounted to $(38) (2012 - $42).

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

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

As at December 31, 2013, 9.3 million (2012 – 2.4 million on a post-consolidation basis) options are available for future issuance under the plan.

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

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

8. Share capital *(continued)*

	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	400,000	0.60	3.19	400,000	0.60
1.00 to 1.40	1,220,000	1.00	1.45	1,220,000	1.00
	1,620,000	0.82	1.88	1,620,000	0.82

9**. Related Party Transactions**

Related party balances

December 31,	2013	2012
	$	$
Fasken Martineau DuMoulin LLP (a)	-	339
Extract Consultancy Limited (b)	-	47
Dickson Resources Limited (c)	19	-
Jin Kuang (d)	9	-
Kin Foon (Joe) Tai (e)	12	-
Bright Chiu (e)	9	-
David Weill (e)	8	
Lucy Yan (f)	46	-
Total due to related parties	103	386

(a) Balance consists of professional fees due to a partnership related to a former director.

(b) Balance consists of consulting fees due to Extract Consultancy Limited whose principal consultant was a director of the Company from April 25, 2012 until May 24, 2013.

(c) Balance consists of an account payable to Dickson and the amount is unsecure, non-interest bearing and without fixed repayment terms.

(d) Balance is related payable to current CFO for her consulting services which has been included in accounts payable and accrued liabilities in the consolidated statements of financial position.

(e) Balances are related director fees which have been included in accounts payable and accrued liabilities in the consolidated statements of financial position.

(f) Balance consists of consulting fees and expenses reimbursement due to the current CEO, which has been included in accounts payable and accrued liabilities in the consolidated statements of financial position.

(g) As of December 31, 2013, the Company's significant shareholder, Dickson Resources Limited ("Dickson"), held 45,000,000 common shares (2012 – nil) and 22,500,000 common share purchase warrants (2012 – nil) representing approximately 41% of AXMIN's issued and outstanding common shares on a non-dilutive basis.

(h) As of December 31, 2013, the Company's other significant shareholder, AOG Holdings BV ("AOG"), a wholly-owned subsidiary of the Addax and Oryx Group Limited, held 16,161,466 common shares (2012 - 16,184,475 common shares) and nil balance of the common share purchase warrants (2012 – 825,000 common share purchase warrants) representing, in 2013, approximately 15% (2012 – 26%) of AXMIN's issued and outstanding common shares on a non-dilutive basis.

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

9**. Related Party Transactions** *(continued)*

Related party transactions

a) Compensation of key management personnel

The Company has identified its directors and senior officers as its key management personnel. The remuneration of directors and senior officers during the year was as follows:

	2013	2012
	$	$
Share-based payments	(27)	425
Salaries	544	1,047
Consulting fees	166	-
Termination fees	310	-
Director fees	163	209
	1,156	1,681

b) During the year ended December 31, 2013 and 2012, the Company incurred $164 (2012 - $440) in legal services provided by Fasken Martineau DuMoulin LLP which was related to a former director of the Company.

c) During the year ended December 31, 2013 and 2012, the Company incurred $58 (2012 - $140) in consulting services provided by Extract Consultancy Limited whose principal consultant was a director of the Company from April 25, 2012 until May 24, 2013.

d) The Company leases premises in Africa from George Roach, director and the former President and CEO. The monthly occupancy cost under the agreement is C$5.5. During the year ended December 31, 2013 and 2012, the Company incurred $32 (2012 - $66) in this occupancy cost. The lease agreement has been terminated on July 31, 2013.

These transactions were entered into in the normal course of operations and were recorded at the exchange amount established and agreed to between the related parties.

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 Vancouver office rental lease expires on April 30, 2015.

	December 31, 2013	December 31, 2012
Less than 1 year	**41**	**234**
1 - 5 years	**14**	**-**
More than 5 years	**-**	**-**
Total	**55**	**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 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.

In April, 2013, IAF Capital Limited (“IAFC”), a UK financial advisory business, 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.

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

10. Commitments and contingencies *(continued)*

During the year ended December 31, 2013, the Company settled a claim related to the terminated employee seeking termination payment in the amount of $15,000.

11. Accumulated other comprehensive income

During the year ended December 31, 2013, the following activities impacted the accumulated other comprehensive income balance:

	December 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	**(40)**	375
Balance, end of year	**1,106**	1,146

12. Segmented information

The Company has one reportable operating segment: mineral exploration and development. During the year ended December 31, 2013, the Company, through its joint venture partners, conducted exploration activities in Senegal. There were no exploration activities in CAR due to the force majeure mentioned in Note 4a.

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 December 31, 2013, the Company's capital primarily consisted of cash and cash equivalents in the amount of $288 and amounts receivable in the amount of $148. 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 December 31, 2013, the Company had negative working capital of $2,135, no source of operating cash flows and did not have sufficient cash to fund the development of the Passendro Project and its other 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 excluding the GST receivable (2013 - $145; 2012 - $185), 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; amounts due to related parties as other financial liabilities; and Unrealized fair value of derivatives as financial liability at fair value through profit and loss.

(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. Credit risk arises from the following:

(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

14. Financial instruments and risk management *(continued)*

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 December 31, 2013, the Company had cash and cash equivalents of $288 (December 31, 2012- $1,116), and the Company did not have sufficient cash on hand to discharge its current liabilities. As of December 31, 2013, the Company had negative working capital of $2,135 (December 31, 2012 - $1,658 negative working capital).

Investment in Noble Resources

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.

Investment in Gora Hill

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

Market risk consists of currency risk, interest rate risk, and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable limits while maximizing returns.

(i) Foreign currency risk

The functional currency of the Company is the Canadian dollar and the functional currency of its subsidiaries is the United States 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 total comprehensive loss.

The Company maintains certain of its cash and cash equivalents in the US dollar, CFA franc 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 December 31, 2013 was 1.0636 Canadian dollars to 1 US dollar and 1.7627 Canadian dollars to 1 UK pound sterling. Based on the balances at December 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 December 31, 2013 is not significant, US$7,893, 4,135 UK pound sterling, and 42,525,614CFA franc.

(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 December 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).

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

14. Financial instruments and risk management *(continued)*

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

	Total	**Level 1**	**Level 2**	**Level 3**
Cash and cash equivalents	288	288	-	-
Warrant liability	-	-	-	-

15. Prepaid expenses

December 31	**2013**	2012
Prepaid rent deposit	**12**	9
Prepaid insurance and other expenses	**56**	154
	68	163

16. Deferred charges

The Company incurred total costs of $548 in connection with the signing of the Mandate Letters with four financial institutions. These costs are reported as deferred charges on the consolidated statements of financial position and will be netted against the first drawdowns once the debt financing is finalized. On April 15, 2013, one of the four financial institutions with which the Company had entered into Mandate Letters with terminated its debt Mandate Letter.The debt providers' commitment to arrange financing is subject to the lifting of the Force Majeure declared on December 24, 2012, in addition 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.

As of December 31, 2013, the Company assessed that it is very unlikely for AXMIN to pursue any kinds of the financing with these three financial institutions in the near future, the deferred charges of $548 were expensed during the year ended December 31, 2013 and reported in the consolidated statements of operations and comprehensive loss.

17. Supplemental disclosures on cash flows

Changes in non-cash working capital:

	December 31 2013	**December 31** 2012
Changes in non-cash working capital		
Decrease in accounts receivable	**30**	96
Increase in accounts payable and accrued liabilities	**894**	334
Decrease in prepaid expenditures	**39**	2
Decrease in advance to vendors for exploration and development	**-**	494
	963	926

18. Income Taxes

	2013	2012
Discontinued operations income tax expense (recovery)	**-**	-
Continuing operations income tax expense (recovery)	**(20)**	(27)
Total income taxes recorded in the financial statements	**(20)**	(27)

The following table reconciles the expected income tax expense (recovery) at the Canadian statutory income tax rates to the amounts recognized in the consolidated statements of operations and comprehensive loss for the years ended December 31, 2013 and 2012:

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

18. Income Taxes *(continued)*

	2013	2012
Net loss before tax from continuing operations	**(44,176)**	(6,131)
Statutory tax rate	**26.50%**	26.50%
Tax benefit of statutory rate	**(11,707)**	(1,625)
Foreign tax expense differential	**(1,438)**	(63)
Temporary differences not recognized for financial statement purposes	**13,018**	1,537
Permanent differences	**107**	124
Total tax expense	**(20)**	(27)

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off the current tax assets and current tax liabilities or deferred tax assets and liabilities and they relate to taxes levied by the same tax authority.

Deferred taxes reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax values. The deductible temporary differences at December 31, 2013 and 2012 are comprised of the following:

	2013	**2012**
Tax loss carry-forwards	**21,800**	**16,060**
Exploration and development	**108,978**	**71,623**
Share issue costs	**1,017**	**652**
Foreign exchange	**(24)**	**7,386**
Property plant and equipment	**117**	**89**
Deferred tax assets	**131,888**	**95,810**

The Company has non capital loss carryforwards of approximately $18,845 (2012: 16,060) which may be carried forward to apply against future year income tax for Canadian income tax purposes, subject to the final determination by taxation authorities, expiring in the following years:

Expiry date	**Amount**
2014	**548**
2015	**1,032**
2026	**1,292**
2027	**500**
2028	**1,685**
2029	**2,420**
2030	**1,781**
2031	**2,586**
2032	**3,145**
2033	**3,856**
	18,845

The Company has net operating loss carryforwards of approximately $2,283 (2012 - nil) which may be carried forward to apply against future year income tax for Mozambique tax purposes, subject to the final determination by taxation authorities, expiring in 2018.

The Company has net operating loss carryforwards of approximately $619 (2012 - nil) which may be carried forward to apply against future year income tax for Central African Republic tax purposes, subject to the final determination by taxation authorities.

Corporate Information

Officers

Lucy Yan
Chairman & CEO

Jin Kuang
CFO

Directors

Lucy Yan, Chairman

Joe Tai

Bright Chiu

David de Jongh Weill

Senior Management

Aaron Hao
VP Business Development & Corporate Secretary

Lifei Jiang
VP & CAR Country Manager

Registered Office

One First Canadian Place
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M5X 1A4

Auditors

MNP LLP Chartered Accountants
Vancouver, BC, Canada

Legal Counsel

Bennett Jones LLP
Toronto, ON, Canada

Stock Listing

TSX Venture Exchange
Symbol: AXM

Common Shares Outstanding

(As at December 31, 2013)
108,940,881

Investor Inquiries

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Annual and Special Meeting

The Annual and Special Meeting of Shareholders will be held on Friday, September 5, 2014 at 9:00 am (Pacific Time) at AXMIN's Corporate Office, Whistler Boardroom.

www.axmininc.com