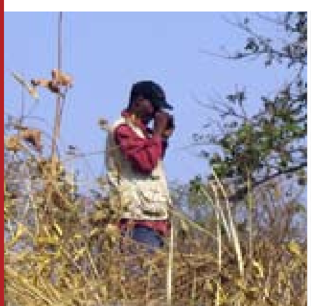
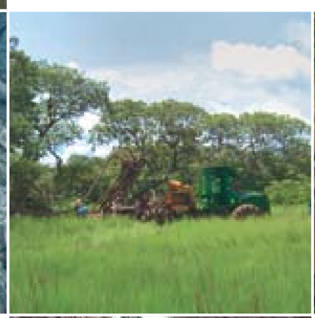
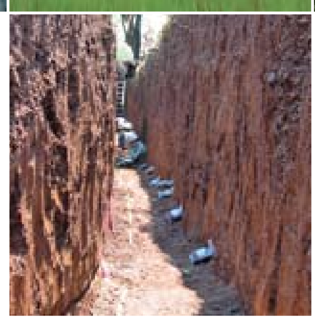
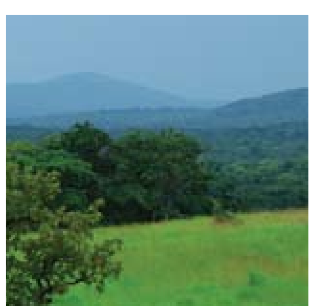
ANNUAL REPORT **2007**







experienced **explorer**
emerging **producer**



“Our challenge in the coming years is to build on our strong portfolio of projects and advance them towards the next stage of development, and to confirm AXMIN as a successful African mineral developer and producer.”

Mario Caron, *President & CEO*

CURRENT RESOURCES

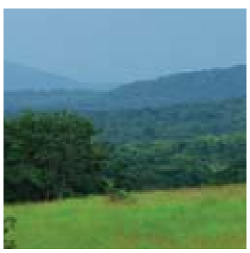
Category		Tonnes (t) (in millions)	Grade (g/t Au)	Gold Content (oz)
Passendro, CAR[1]	Indicated	23.2	2.4	1,795,000
	Inferred	16.7	1.9	1,009,000
Kofi, Mali[2]	Indicated	3.6	2.5	293,000
	Inferred	5.3	2.2	368,000
Komahun, Sierra Leone[3]	Inferred	4.9	2.5	392,000
TOTAL	**Indicated**	**26.8**	**2.4**	**2,088,000**
	Inferred	**26.9**	**2.1**	**1,769,000**

1. Passendro: Apr 08, cut off grades vary from 1.2 g/t Au, 1.0 g/t Au and 0.8 g/t Au

2. Kofi: Dec 07, cut off grade 1.0 g/t Au

3. Komahun: Oct 06, cut off grade 0.5 g/t Au

PASSENDRO GOLD PROJECT - FEASIBILITY STUDY RESULTS HIGHLIGHTS ROBUST +200,000 OUNCE PER ANNUM PROJECT



Feasibility study details a conventional open pit Gravity-CIL project that has an average annual production of 223,000 ounces in the first three years, with an average cash cost of US$343/oz Au. This strong production profile coupled with a better than average exploration potential highlights the value of the Passendro Gold Project. The base case, using a gold price of US$750 per ounce, gives an internal rate of return (“IRR”) of 29.4% and a net present value (“NPV”) at a 5% discount of US$164 million.

FEASIBILITY STUDY HIGHLIGHTS

Mine Throughput		3 mtpa
Mine Life		5.9 years
Development & Construction		24 months
Strip Ratio		8.4:1
Average Annual Gold Production	(life of mine)	203,000 ounces
Base Case Economics (US$750/oz Au)		
Total Capital Cost		US$196 million
Cash Operating Costs	(including royalties)	US$379/oz Au
IRR	(after tax & royalties)	29.4%
NPV	(after tax, 0% discount)	US$233 million
NPV	(after tax, 5% discount)	US$164 million
Payback Period		2.2 years
Metallurgical Recovery	Oxide	94%
	Transition	94%
	Sulphide	96%
Gravity Recovery	Average	40%

Note: All financial analysis is based on 100% ownership

Our challenge in the coming years is to build on our strong portfolio of projects and advance them towards the next stage of development, and to confirm AXMIN as a successful African mineral developer and producer. As a first step toward this goal AXMIN delivered, in early April 2008, a positive bankable feasibility study on the Passendro Gold Project ("Passendro") located in the Central African Republic ("CAR"). Our organic growth pipeline is also accelerating as we announced increased resources at both the Passendro and the Kofi Gold Project ("Kofi") in Mali coupled with the excellent drill results out of our Komahun Gold Project in Sierra Leone.

Central African Republic - Passendro

Exploration will remain an important aspect of our activities but we will now focus our efforts in developing Passendro. The feasibility study at Passendro highlights a total capital cost of US$196 million for a plus 200,000 ounce per annum production profile with the first three years averaging 223,000 ounces of gold at an average cash cost of US$343 per ounce, well below the industry average. The mine life is 5.9 years. The study is based on a US$750 per ounce gold price and a proven and probable reserve of 1.3 million ounces (16.8 Mt at 2.4 g/t Au) representing a 12% increase in reserves over the May 2006 pre-feasibility study. This does not take into consideration the better than average exploration potential of the belt and any extension of the mine life that will result from the ongoing exploration effort. The project is economically robust over a range of gold prices and based only on our current proven and probable reserves it generates an IRR of almost 30% (29.4%) and an NPV, at a 5% discount rate, of US$164 million. The financial analysis does not take into consideration that there is an additional inferred resource and low grade material within the engineered pits that with further work could be expected to add to the reserves, representing almost another full year of production.

We recently added key members to our exploration and mine management team at Passendro and strengthened our skills in all facets of project development and operations. As we begin our transition from explorer to producer we will look to expand our team with a priority in the environmental, human resources and community relations areas.

Mali - Kofi

During 2007 we continued to advance our Kofi Gold Project in Mali and in December we announced a 25% increase in resources which now stand at of 3.6 Mt grading 2.5 g/t Au (293,000 oz contained gold) of indicated resources and 2.2 Mt grading 2.2 g/t Au (368,000 oz contained gold) of inferred resources. This increase represents an important step towards our target to add sufficient ounces at Kofi to merit scoping engineering studies for a stand-alone development. It also reinforces our belief that our structures, which extend from the 11 million ounce deposit of Randgold's Loulo-Yalea mine, continue to represent highly prospective targets. We expect that this coming exploration season could prove very significant for the project as we test strike and depth extensions of known resources and expand exploration along major structures. As well, early in 2008 we announced excellent metallurgical recoveries averaging 91% from our initial test work further establishing our belief that Kofi continues to be a project of importance to AXMIN.

Sierra Leone - Komahun

This year our Komahun Gold Project in Sierra Leone has started to emerge as a strong contender and in February 2008 we announced high grades over some very impressive widths at the main section of the prospect (7.2 g/t Au over 31 metres and 9.2 g/t Au over 13.5 metres). These drilling results are starting to build a picture of a strongly mineralised system within the central portion of the Komahun structure which is conducive for underground mining and has excellent upside for further expansion. We are continuing to aggressively explore this structure both in the main section and further to the south, and expect a resource update around mid-year.

Central African Republic - Topa Iron Ore

There is also another asset in the Company which over the past year has been overlooked and is now the subject of a US$600,000 drilling program – that is the Topa Iron Ore Prospect in CAR. Given the strong condition of the iron ore market it is our expectation that, as we begin to demonstrate the size and scale of this high grade iron ore range of hills to be similar to that of the major deposits currently in production in Brazil and Australia, we will see its value reflected in our share price.

The Next Step ...

Now that the feasibility study is behind us our next step for Passendro will be to ensure a timely granting of the mining licence, to that end we expect to be making a formal presentation of the study and Environmental and Social Impact Assessment ("ESIA") to the President and Mines Minister of CAR very soon. In tandem we have also been actively working with Endeavour Financial, our financial advisors, to facilitate and solicit interest for project financing.

However, our work does not stop there - over the next year our key focus will be to further optimize the project economics. Most importantly though, in 2008 we stepped up our exploration efforts both within the Passendro project area and within haulage distance along the belt ensuring that we will continue to produce gold at these levels for many years to come.

We recognize that similar to our peers AXMIN's share price has not preformed relative to the gold price and it is our mandate going forward to build AXMIN's presence in the market, to look for opportunities to increase our asset base and to ensure that the path to production is achieved as expeditiously as possible. We are confident that as we begin to achieve the requisite milestones at Passendro the market will begin to give value to our assets and exceptional pipeline of projects benefiting our shareholders.

Lastly, we would like to thank Dr Jonathan Forster who has been a key executive in building the portfolio from grassroots discovery to three significant projects, and we naturally extend our thanks to all of our employees for their dedication and hard work, our fellow Directors for their guidance and our shareholders for their continuing support.

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

"Signed"	*"Signed"*
Jean Claude Gandur *Chairman & Director*	Mario Caron *President, Chief Executive Officer & Director*

April 22, 2008

For a fuller description of the following properties and any other properties in which the Company holds interests refer to the disclosures in note 3 of the Company's consolidated financial statements for the year ended December 31, 2007 and other filings made on the SEDAR website (*www.sedar.com*) including the most recently filed Annual Information Form dated July 23, 2007.

Central African Republic ("CAR")

Passendro Gold Project

The Passendro Gold Project is located in a sparsely populated area of the CAR, just 60 km north of the town of Bambari, in the centre of the 140 km long Bambari Archaean greenstone belt which is covered by AXMIN's wholly owned Bambari-Bakala permits. The project comprises a conventional open pit Gravity-Carbon in Leach ("CIL") operation with a mine production rate of 3 million tonnes per annum ("mtpa").

The results of the bankable feasibility study for the Passendro Gold Project were reported on April 2, 2008 following extensive work programs that commenced in late 2006, and completed in early in 2008. The study demonstrates that the Passendro Gold Project is economically very robust at a gold price of US$750/oz with an initial mine life of 5.9 years at a throughput rate of 3 mtpa producing an average of 223,000 ounces per annum for the first three years, and 203,000 ounces per annum over the life of mine. The average cash cost for the first three years is US$343/oz Au and the life of mine average is US$379/oz Au (including royalties and taxes). The economic base case (at US$750/oz gold price) gives an internal rate of return ("IRR") of almost 30% (29.4%) and a net present value ("NPV") at a 5% discount of US$164 million. The capital cost is estimated at US$196 million, including a contingency of US$18.5 million.

Feasibility Study Highlights

Mine throughput		3 mtpa
Mine life		5.9 years
Development and construction		24 months
Strip ratio		8.4:1
Average annual gold production	(life of mine)	203,000 ounces
Base Case Economics (US$750/oz Au)		
Total capital cost		US$196 million
Cash operating costs	(including royalties)	US$379/oz Au
IRR	(after tax and royalties)	29.4%
NPV	(after tax, 0% discount)	US$233 million
NPV	(after tax, 5% discount)	US$164 million
Payback period		2.2 years
Metallurgical recovery	Oxide	94%
	Transition	94%
	Sulphide	96%
Gravity recovery	Average	40%

Note: All financial analysis is based on 100% ownership

In January 2006 the Company signed a Mining Convention with the State of the CAR (the "State") covering exploration, development and mining activities on the Company's Bambari permit. The Mining Convention is valid for a period of 25 years from the date of signing, extendable by mutual consent. The key terms include:

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

Mineral Resource Estimate

The in-situ Mineral Resource estimate at Passendro was released in March 2008 and is based on drilling completed to the end of June 2007, at which time the database was handed to independent consultants SRK Consulting (UK) Ltd. ("SRK"). SRK undertook geological modelling and resource estimation of the seven gold mineralised deposits that together comprise the Passendro Gold Project, namely Main Zone, French Camp, Katsia, Bacanga Head, Baceta, Barbacoa and Ngetepe. The work demonstrated a 17% increase in measured and indicated resources over that of the estimate used in the 2006 pre-feasibility study.

A block cut off grade of 1.2 g/t Au for French Camp, Katsia and Bacanga Head, 0.8 g/t Au for Main Zone and 1.0 g/t Au for Baceta, Barbacoa and Ngetepe was applied by SRK when reporting in-situ Mineral Resources. High grades were capped at 17 g/t Au at Main Zone, 40 g/t Au at Katsia and 20 g/t Au at Barbacoa. No cutting was required at the French Camp, Bacanga Head, Baceta and Ngetepe deposits.

Resource category	*Tonnes (million)*	*Grade (g/t Au)*	*Contained gold (oz)*
Measured	2.6	2.4	197,000
Indicated	20.6	2.4	1,598,000
Measured and Indicated	23.2	2.4	1,795,000
Inferred	16.7	1.9	1,009,000

Mining Reserve Estimate

The Mining Reserve estimate, also prepared by SRK, was calculated on seven discrete engineered pits optimized at a gold price of US$650 per ounce using the whittle process employing current operating costs and royalties and pit slopes varying from 38 to 46 degrees. Approximately 69% of the ore reported in the pits is oxide material with 20% in transitional ores and 11% within sulphide mineralisation. Contained within the engineered pits is an additional inferred resource of 1.04 million tonnes grading 2.12 g/t Au containing 71,000 ounces of gold, it is expected that these resources, with additional work will be added to the overall reserves.

Reserve category	*Tonnes (million)*	*Grade (g/t Au)*	*Contained gold (oz)*
Proven	1.83	2.56	150,591
Probable	14.94	2.35	1,126,006
Total reserve	16.77	2.37	1,276,597

Note: proven and probable reserve is derived from measured and indicated resources

Metallurgical test work was carried out by SGS Lakefield of South Africa and indicates a simple flowsheet incorporating an industry standard Gravity-CIL process. Average gravity recovery for all ore types is 40% and the gold recoveries range between 87-97% (average 94%) in all ore types.

A contractor will be used for construction and pre-stripping periods and owner-operated mining fleet will be selected based on the requirements of the pits.

AMEC Earth & Environmental ("AMEC") is responsible for the Tailings Management Facility ("TMF") and Water Storage Dam ("WSD") for the project. Studies confirmed the optimum location for the TMF and WSD, with respect to minimum environmental impact, land use, location to operations, infrastructure and economics, to be within the Baceta River eastern catchment area, southwest of French Camp and adjacent to the proposed process plant site. The TMF will be protected by a lining of natural lateritic mineral and environmental impact on surface waters will be mitigated by a storm water interception and diversion system.

Make up water will be drawn from the French Camp open pit pumping discharge and from the Baceta River. The dam will be filled during the wet season to minimise the impact on the river.

The Feasibility Study has identified the Atlantic port of Douala (Cameroon) to Bangui (CAR) as the optimal routing for early stage transportation of processing plant and for ongoing project logistical support. All road upgrades, including building and reinforcing of six bridges along the logistical route are included in the capital cost estimates. The Douala-Bangui and the Douala-N'Djamena routes is currently the subject of a US$67 million African Development Bank Transportation Facilitation Grant. This will greatly benefit the Company's current development plans and future operations of the project.

Project infrastructure development will include roads, housing, processing facilities, community facilities, an air strip and power generation. A 10.5 MW power supply system, based on Heavy Fuel Oil power generation, has been selected for the project.

Golder Associates (UK) Limited ("Golder") has prepared the Environmental and Social Impact Assessment ("ESIA") for the Passendro Gold Project. The study has reviewed the possible impacts of the Passendro Project on the local environment and social structure, and has defined mitigating measures required to minimize these impacts while maximizing the benefits of the project both locally and nationally.

AXMIN has engaged Endeavour Financial International Corporation to facilitate the debt finance portion of the project financing of the Passendro Gold Project. Project construction is expected to take approximately 24 months subject to obtaining the mining licence and project financing, allowing for commencement of production in the third quarter of 2010.

Exploration in CAR

The work programs in 2007 at the Passendro Gold Project provided heavy utilisation of in-house drilling capacity, significantly reducing the amount of drilling available for regional exploration. None the less, trenching and soil geochemical programs continued through the year on the Bakala and Bambari 2 Permits, with the identification of targets that are the subject of future drill programs. In addition, surface sampling over nearly 30 km of iron bearing ridges in the Bambari 1 Permit indicates the potential for significant tonnage of >60% Fe material. As well, a short (750 metre) drill program was concluded on the Sosso Polipo Permit, with the confirmation of gold mineralised quartz vein structures below historic adits.

Topa Iron Belt

The Topa Iron Belt consists of two northwest trending ranges of hills, the "West Limb" and the "East Limb" which can be traced over a strike of at least 28 km and 20 km respectively within a zone up to 6 km in width. The West Limb comprises a series of parallel iron enriched horizons, while as yet the East Limb has not yet been explored beyond one prominent iron horizon and Topa Hill. The horizons or ridges typically stand 50-100 metres above the valleys, except at Topa Hill which is believed to be underlain by folded iron horizons and rises some 240 metres above ground level. Airborne magnetic survey and geological mapping suggest that the cumulative strike length of the entire Topa Iron Belt iron horizons could potentially exceed 75 km. Surface sampling of iron outcrop and float located along all of these ridges averaged 64.3% Fe.

In April 2008 the Company reported high grade iron assays from initial core drilling that have a weighted average 63.1% Fe over true widths that range from more than 10 metres up to 52 metres to a maximum tested depth of 150 metres. The results are from the first batch of exploration drill holes - to date AXMIN has completed 13 core and 35 reverse circulation ("RC") holes at the West Limb and the results from the first 5 core holes are detailed here, the remaining 8 core holes and all of the RC holes are pending.

Mali

Kofi Gold Project

Four drilling programs, totalling 41,760 metres were completed across the Kofi Gold Project in 2007, with the focus on the following prospects: Kofi SW Zones A, B and C, Blanaid, Kofi NE, Betea and Dabara.

These programs included 28,500 metres of RC and some 9,000 metres of RAB drilling; 4,200 metres of diamond core drilling. In addition trenching, ground IP (geophysics) and soil geochemistry programs were conducted across a number of new zones in order to generate drill targets for the 2008 drill program. The new season of exploration is underway with a 3,000 metre diamond core program testing the potential for deeper mineralisation at areas of known resources recently completed with results awaited, while a 20,000 metre exploration RC program is planned for the second quarter.

Gold mineralisation is structurally controlled and has been interpreted in the Kofi SW and Blanaid zones to be associated with competent, steeply dipping medium grained, arkosic sandstone, tourmaline bearing sandstone and locally altered, sub-angular to sub-rounded conglomerates. Other sites of mineralisation within the Kofi Gold Project are associated with competence differences at steeply dipping lithological contacts, such as between the greywacke-siltstone units. Silicification and quartz veining is often noted along these contact zones. The main sulphide minerals present are pyrite, pyrrhotite, chalcopyrite and arsenopyrite with gold found encapsulated within them.

The oxidation profile generally lies at 30 metres below surface within quartzites and down to 80 metres in phyllites and greywackes units.

Preliminary metallurgical tests were conducted independently at two separate laboratories for samples from Kofi SW Zone B and C, and also at Betea. Overall gold dissolutions for oxide, transition and sulphide mineral types using cyanide bottle roll without any addition of carbon generally fell in a range of 81% to 98%, with an average of 91%. Further simulated Carbon in Leach ("CIL") tests returned even higher recoveries, averaging in excess of 95%.

A Mineral Resource Estimate was undertaken by independent consultants SRK in late 2007, utilising all of the diamond core and RC drilling completed through the year. The results are shown below:

Reserve category	*Tonnes (million)*	*Grade (g/t Au)*	*Contained gold (oz)*
Indicated	3.602	2.5	293,000
Inferred	5.259	2.2	368,000

Sierra Leone

Nimini Hills Joint Venture

The focus of exploration in Sierra Leone is at the Komahun Prospect and its southerly extension, Zones 1 and 2. At Komahun the gold mineralisation is controlled by a NE-SW trending shear zone of 800 metre strike length. Drilling in 2007 and in the first quarter of 2008 is predominantly focusing on the central 400 metre of strike length of the main Komahun structure, on fences mainly 40-80 metres apart. A 3,100 metre diamond core drilling program was completed in the latter part of 2007, supplementing core drilling undertaken by AXMIN's own man portable drill rig during the first part of 2007. A planned 5,000 metre program is currently in progress.

The Komahun structure has a relatively simple 20-30 metre wide sub-vertical geometry, with gold mineralisation being shear-hosted within discrete units and occurring in the vicinity of a near-vertical sequence of Banded Ironstone Formation ("BIF") horizons within basic volcanics close to their contact with talcose ultramafic schists. Most significant gold intersections appear to be sulphide related and much of it is in association with the intervals of highest strain within the mineralised host rock package.

The Mineral Resource Estimate of October 2006, comprising 4.9 Mt grading 2.5 g/t Au (392,000 ounces contained gold) has not yet been revised with an update expected in the second half of the year. Extensive drilling subsequent to the estimate suggests that there is potential for resource expansion, with results over 2007 indicating good continuity of high grade gold mineralisation to depth in the central part of the main Komahun structure. Results from 2007 include those from the Central Zone of the Komahun Prospect, which included 7.2 g/t Au over 31 metres, 13.3 g/t Au over 15.5 metres and 9.2 g/t Au over 13.5 metres. In addition, initial drilling to the south of the Central Zone suggests that the gold bearing structures continue; holes drilled both 300 metres to the south at Zone I and also 600 metres further south at Zone II intersected 6.7 g/t Au over 6 metres and 12.1 g/t Au over 4.5 metres respectively.

Initial metallurgical test work undertaken by SGS-Lakefield in Johannesburg, South Africa was reported in October 2007. The work focused on the recovery of gold using standard cyanide extraction techniques. Ten core samples were selected from within the Komahun resource area. Eight samples were sulphide with mineralisation associated with pyrite, arsenopyrite and pyrrhotite and two were oxide. Of these samples, two sulphide samples had grades below 0.2 g/t Au, the remainder lying within the range of 2.5-30 g/t Au. This preliminary work has given gold recoveries ranging from 85-98% indicating that the Komahun mineralisation could be amenable to cyanide extraction.
Early stage exploration is ongoing at the Makong-Matotaka licences and at the Gori Hills licence. Potential new drill targets are emerging at several prospects on each licence, with follow up planned for later 2008.

Senegal

The Sonkounkou, Sabodala NW and Heremakono permits were the subject of ongoing early stage exploration during 2007, where during the first half of the year the work program comprised of trenching, ground geophysics and 1,000 metres of reconnaissance core drilling completed under the joint venture with Harmony Goldfields Ltd. ("Harmony"). Harmony subsequently withdrew from the joint venture due to internal re-organisation, at which time AXMIN continued the ground exploration into the current year. The work continues to identify multiple primary gold mineralised structures which to date are relatively narrow in width. AXMIN will seek a partner to take exploration forward in Senegal, enabling it to concentrate on its primary exploration programs in CAR, Mali and Sierra Leone.

Overview

AXMIN Inc. ("AXMIN", the "Company") is an international mineral exploration company with an exploration portfolio in the mineral belts of central and west Africa. The Company is in its development stage and it is in the process of exploring its mineral properties and, other than with respect to the properties that comprise the Passendro Gold Project in the Central African Republic (the "CAR") (discussed below), it has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of the amounts shown for exploration and development costs is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development, and future profitable production or proceeds from the disposition of such properties. To date the Company has raised funds to explore its mineral properties principally through the issuance of shares. In the foreseeable future the Company will likely remain dependent on the issuance of further shares to raise funds to explore and develop its properties. In addition the success of the Company will be influenced by a number of factors including environmental risks, and legal and political risks. See "Risk Factors".

Exploration and Development Properties

A significant portion of the Company's exploration and development costs relate to its Bambari property in the CAR. The Company holds its interest in this property through its indirect wholly-owned subsidiary Aurafrique S.A.R.L. ("Aurafrique"), which holds prospecting and exploration permits for the property. The Passendro Gold Project is situated on a portion of the Bambari property and is contained within the Bambari permits.

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

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

The Bakala, Bogoin II, Pouloubou and Sosso Polipo exploration permits (CAR), the Sabodala NW and Heremakono exploration permits (Senegal), the Cape Three Points exploration permits (Ghana), the Bouroum, Yeou and Ankouma exploration permits (Burkina Faso) and the B-B Lake exploration permits (Canada) are currently not material to AXMIN's operations. During the year ended December 31, 2007 due to uncertainty of the recoverability of exploration and development costs associated with the Sosso Polipo, Gori Hills, Sokoya and the Senegal Permits properties these costs have been fully written-off.

During the year ended December 31, 2007 Harmony notified the Company that with effect from November 30, 2007 it was terminating the joint venture over the Senegal Permits. As such Harmony's 10% interest in the Senegal Permits was returned to the Company. The Company will continue to maintain the Senegal Permits in good standing and carry out exploration activities thereon.

Earlier in April 2008 the Company reported the results of a bankable feasibility study ("BFS") for the Passendro Gold Project. The first three years of production provides an average annual production of 223,000 ounces with an average cash cost of US$343/oz Au, and with a better than average exploration potential the Passendro Gold Project is very robust. The base case, using a gold price of US$750 per ounce, gives an internal rate of return ("IRR") of 29.4% and a net present value ("NPV") at a 5% discount of US$164 million. The BFS was led by SENET (PTY) Ltd. of South Africa and included a multidisciplinary team of independent consultants. The highlights of the BFS are as follows:

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

Mine throughput		3 mtpa
Mine life		5.9 years
Development and construction		24 months
Strip ratio		8.4:1
Average annual gold production	(life of mine)	203,000 ounces
Base Case Economics (US$750/oz Au)		
Total capital cost		US$196 million
Cash operating costs	(including royalties)	US$379/oz Au
IRR	(after tax and royalties)	29.4%
NPV	(after tax, 0% discount)	US$233 million
NPV	(after tax, 5% discount)	US$164 million
Payback period		2.2 years
Metallurgical recovery	Oxide	94%
	Transition	94%
	Sulphide	96%
Gravity recovery	Average	40%

Note: All financial analysis is based on 100% ownership

The in-situ Mineral Resource estimate was prepared by independent consultants SRK Consulting (UK) Ltd. ("SRK") and is based on results from drilling up to June 2007 presenting a 17% increase in the measured and indicated resource to 23.2 Mt grading 2.4 g/t Au (1.8 million ounces of contained gold) and inferred resources remain essentially unchanged at 16.7 Mt grading 1.9 g/t Au (1.0 million ounces of contained gold).

A block cut off grade of 1.2 g/t Au for French Camp, Katsia and Bacanga Head, 0.8 g/t Au for Main Zone and 1.0 g/t Au for Baceta, Barbacoa and Ngetepe was applied by SRK when reporting in-situ Mineral Resources. High grades were capped at 17 g/t Au at Main Zone, 40 g/t Au at Katsia and 20 g/t Au at Barbacoa. No cutting was required at the French Camp, Bacanga Head, Baceta and Ngetepe deposits. Grade interpolation was carried out using ordinary kriging and classification of the Mineral Resource estimate is based on geological continuity, bore hole spacing and the results of a structural variography analysis. The estimates have been prepared under the guidelines of National Instrument 43-101 and accompanying documents 43-101.F1 and 43-101.CF.

Resource category	*Tonnes (million)*	*Grade (g/t Au)*	*Contained gold (oz)*
Measured	2.6	2.4	197,000
Indicated	20.6	2.4	1,598,000
Measured and Indicated	23.2	2.4	1,795,000
Inferred	16.7	1.9	1,009,000

The Mining Reserve estimate, prepared by SRK, was calculated on seven discrete engineered pits optimized at a gold price of US$650 per ounce using the whittle process utilizing current operating costs and royalties and pit slopes varying from 38 to 46 degrees. The calculation presented a total proven and probable reserve of 16.8 million tonnes of ore at an average grade of 2.4 g/t Au containing 1.3 million ounces of gold. Approximately 69% of the ore reported in the pits is oxide material with 20% in transitional ores and 11% within sulphide mineralisation. Contained within the engineered pits is an additional inferred resource of 1.04 Mt grading 2.12 g/t Au containing 71,000 ounces of gold, with additional work it is expected that these resources will be added to the overall reserves.

Reserve category	*Tonnes (million)*	*Grade (g/t Au)*	*Contained gold (oz)*
Proven	1.83	2.56	150,591
Probable	14.94	2.35	1,126,006
Total reserve	16.77	2.37	1,276,597

Note: proven and probable reserve is derived from measured and indicated resources

For a fuller description of the above properties and any other properties in which the Company holds interests refer to the disclosures in note 3 of the Company's consolidated financial statements for the year ended December 31, 2007 and other filings made on the SEDAR website (*www.sedar.com*) including the most recently filed Annual Information Form dated July 23, 2007.

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

Results of Operations

The following tables set out selected unaudited consolidated financial information for the Company for each of the financial quarters in 2007 and 2006:

	2007 1st quarter	*2007 2nd quarter*	*2007 3rd quarter*	*2007 4th quarter*
Unaudited consolidated statements of operations and deficit				
Net (loss) profit for the period	(1,047)	220	(794)	(4,309)
Net (loss) profit per share	(0.0049)	0.0010	(0.0037)	(0.0201)
Unaudited consolidated balance sheets				
Working capital	28,958	23,669	17,077	8,264
Total assets	80,337	81,277	80,899	79,216
Unaudited consolidated statements of cash flows				
Exploration and development costs outflow	(5,203)	(6,037)	(6,274)	(7,659)
Net cash inflow from financing activities	693	14	-	649

	2006 1st quarter	*2006 2nd quarter*	*2006 3rd quarter*	*2006 4th quarter*
Unaudited consolidated statements of operations and deficit				
Net loss for the period	(482)	(343)	(452)	(2,748)
Net loss per share	(0.0030)	(0.0021)	(0.0028)	(0.0163)
Unaudited consolidated balance sheets				
Working capital	10,597	6,084	5,971	33,520
Total assets	43,873	44,381	48,189	80,027
Unaudited consolidated statements of cash flows				
Exploration and development costs outflow	(3,793)	(4,318)	(4,592)	(4,896)
Net cash inflow from financing activities	-	44	4,740	33,364

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

Fourth financial quarter and three months ended December 31, 2007 compared to the fourth financial quarter and three months ended December 31, 2006

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

A period-end review of the carrying values of the Company's exploration and development property assets led to a write-down of US$3.472 million in 2007 (related to the Sosso Polipo property in CAR, the Gori Hills and Sokoya properties in Sierra Leone and the Senegal Permits) compared to US$1.300 million in 2006 (related to the Cape Three Points property in Ghana and the B-B Lake property in Canada). The write-down of exploration and development costs reflects the Company's policy of continually assessing the economic viability of its projects and where necessary writing them down to their net realizable value.

Administration costs in 2007 were US$0.541 million compared to US$0.660 million in 2006.

The stock-based compensation expense in 2007 was US$0.451 million compared to US$0.369 million in 2006. The reason for this increase was the grant of stock options for the following number of shares during the year ended December 31, 2007:

i. 3,700,000 common shares of the Company exercisable at Cdn$0.99 each expiring on January 24, 2012;
ii. 200,000 common shares of the Company exercisable at Cdn$0.90 each expiring on October 31, 2012;
iii. 200,000 common shares of the Company exercisable at Cdn$0.77 each expiring on December 2, 2012; and
iv. 2,000,000 common shares of the Company exercisable at Cdn$0.82 each expiring on December 23, 2012.

The net loss for the fourth financial quarter and three months ended December 31, 2007 was US$4.309 million as compared to US$2.748 million in 2006. This increase is explained by the increase in administration costs and stock-based compensation expense (see above), net of foreign exchange gains and increased interest income.

Year ended December 31, 2007 compared to the year ended December 31, 2006

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

A period-end review of the carrying values of the Company's exploration and development property assets led to a write-down of US$3.472 million in 2007 (related to the Sosso Polipo property in CAR, the Gori Hills and Sokoya properties in Sierra Leone and the Senegal Permits) compared to US$1.300 million in 2006 (related to the Cape Three Points property in Ghana and the B-B Lake property in Canada). The write-down of exploration and development costs reflects the Company's policy of continually assessing the economic viability of its projects and where necessary writing them down to their net realizable value.

Administration costs in 2007 were US$2.145 million compared to US$1.961 million in 2006. The increased administration costs are the result of the Company's expansion to support its increased level of exploration and development activities.

The stock-based compensation expense in 2007 was US$2.436 million compared to US$0.936 million in 2006. The reason for this increase was the grant of stock options for the following number of shares during the year ended December 31, 2007:

i. 3,700,000 common shares of the Company exercisable at Cdn$0.99 each expiring on January 24, 2012;
ii. 200,000 common shares of the Company exercisable at Cdn$0.90 each expiring on October 31, 2012;
iii. 200,000 common shares of the Company exercisable at Cdn$0.77 each expiring on December 2, 2012; and
iv. 2,000,000 common shares of the Company exercisable at Cdn$0.82 each expiring on December 23, 2012.

The net loss for the year ended December 31, 2007 was US$5.930 million as compared to US$4.025 million in 2006. This increase is explained by increases in administration costs, the write-down of exploration and development costs and stock-based compensation expense (see above), net of foreign exchange gains and increased interest income.

During the year ended December 31, 2007 exploration and development expenditure was US$26.590 million (of which US$18.502 million related to the Bambari-Bakala Permits in the CAR) compared to US$17.751 million (of which US$12.669 million related to the Bambari-Bakala Permits) during the year ended December 31, 2006. As at December 31, 2007 the Company's cumulative capitalized carrying value of exploration and development expenditures was US$67.694 million compared to the December 31, 2006 balance of US$44.576 million.

During the year ended December 31, 2007 Harmony Gold Mining Limited ("Harmony") notified the Company that with effect from November 30, 2007 it was terminating the joint venture over the Company's three wholly owned permits in

Senegal, being Sonkounkou, Sabodala NW and Heremakono permits (collectively the "Senegal Permits"). As such Harmony's 10% interest in the Senegal Permits was returned to the Company. The Company will continue to maintain the Senegal Permits in good standing and carry out exploration activities thereon.

Liquidity and Capital Resources

As at December 31, 2007 the Company had cash resources of US$11.121 million compared to the December 31, 2006 balance of US$35.025 million.

During the year ended December 31, 2007 2,050,000 stock options were exercised at Cdn$0.32 each, 500,000 stock options were exercised at Cdn$0.34 each and 67,500 stock options were exercised at Cdn$0.71 each, for total proceeds of Cdn$873,925 (US$751,148), and as a result the Company issued 2,617,500 common shares of the Company to the stock option holders.

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

As at December 31, 2007 the Company had working capital (defined as the difference between current assets and current liabilities) which amounted to US$8.264 million compared to the December 31, 2006 amount of US$33.520 million.

Contractual Obligations

The Company has no material contractual obligations.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Critical Accounting Policies and Estimates

The Company's significant accounting principles and methods of application are disclosed in note 2 of the Company's consolidated financial statements for the year ended December 31, 2007. The following is a discussion of the critical accounting policies and estimates which management believes are important for an understanding of the Company's financial results.

Exploration and development costs

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

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

As at December 31, 2007 the Company had capitalized US$67.694 million of exploration and development costs. The comparative figure as at December 31, 2006 was US$44.576 million.

Stock-based compensation

The Company recognizes compensation expense over the vesting period of the stock options granted.

The fair value of options granted has been estimated at the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions: risk free interest rate of 4.05% (2006 - 3.96%), expected dividend yield of nil, expected volatility of 89.7% (2006 - 107.4%), and expected option life of 5 years (2006 - 2 to 5 years). The weighted average fair market value of options granted in 2007 was US$0.6627 (2006 - US$0.3819).

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

The impact of the expense relating to all stock options granted (both to employees and non-employees) has been included in the consolidated statements of operations and deficit for the years ended December 31, 2007 and 2006.

The cumulative stock-based compensation expense is as follows:

Contributed surplus	**2007**	2006
Balance, beginning of year	**2,209**	1,387
Stock-based compensation expense	**2,436**	936
Transfer to share capital on exercise of stock options	**(179)**	(114)
Balance, end of year	**4,466**	2,209

Changes in Accounting Policy

Effective January 1, 2007, the Company adopted four new accounting standards issued by the Canadian Institute of Chartered Accountants in 2005: Handbook Section 1530 *Comprehensive Income*; Handbook Section 3855 *Financial Instruments - Recognition and Measurement*; Handbook Section 3861 *Financial Instruments - Presentation and Disclosure*; and Handbook Section 3865 *Hedges.* A description of these standards and the impact of their adoption on the Company is discussed in note 2 of the Company's consolidated financial statements for the year ended December 31, 2007.

Hedging and Derivative Instruments

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

Related Parties

The Company's balances with related parties as at December 31, 2007 and 2006 and transactions with related parties included in the determination of results of operations for the years then ended are disclosed in note 5 to the Company's consolidated financial statements for the year ended December 31, 2007.

Risk Factors

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

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

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.

No Production Revenues; History of Losses

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

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

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

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

Uncertainty in the Estimation of Mineral Reserves and Resources

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

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

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

Nature of Mineral Exploration

Other than with respect to the properties that comprise the Passendro Gold Project in the CAR none of the properties in which AXMIN has an interest contain a known body of commercial ore. The Passendro Gold Project is situated on a portion of the Bambari property and is contained within the Bambari permits. The exploration and development of mineral deposits involve significant financial risks over a significant period of time which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties which are explored are ultimately developed into producing mines. Major expenditures may be required to establish reserves by drilling and to construct mining and processing facilities at a site. It is impossible to ensure that the proposed exploration programs on the properties in which AXMIN has an interest will result in a profitable commercial mining operation.

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

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

Uncertainty Relating to Inferred Mineral Resources

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

Joint Venture Strategy

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

Additional Funding Requirements

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

Necessary Personnel and Equipment May Not Be Available

Due to market conditions, the availability, timeliness of such availability and cost of suitable personnel and equipment with which AXMIN requires to carry on its business currently and is reasonably expected to require to carry on its business in the future is uncertain. There is no certainty that such personnel and equipment will be available in a timely fashion, if at all, and that the costs of such personnel and equipment will not be prohibitively expensive.

Political Risk

AXMIN currently conducts its exploration activities in the African countries of the CAR, Mali, Sierra Leone, Senegal, Ghana and Burkina Faso. A significant portion of the Company's mineral properties are located in the CAR and as such the success of the Company will be influenced by a number of factors including the legal and political risks associated with that country. There have been recent news reports of a deteriorated security situation in the north-eastern sector of the CAR. To date, AXMIN's operations have not been materially affected by these activities. The Company's management is continuing to monitor this situation.

There is no assurance that future political and economic conditions in the CAR, Mali, Sierra Leone, Senegal, Ghana or Burkina Faso 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 labour unrest and the creation of new laws. The effect of unrest and instability on political, social or economic conditions in the countries in which the Company carries on its business could result in the impairment of the exploration, development and mining operations at those projects. Any such changes are beyond the control of the Company and may adversely affect its business.

Insurance and Uninsured Risks

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

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 AXMIN's exploration and development activities are currently carried out in material compliance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development.

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

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

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

Contractual Arrangements

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

Commodity Prices

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. Depending on the price of gold and other metals, projected cash flow from planned mining operations may not be sufficient and the Company could be forced to discontinue any development and may lose its interest in, or may be forced to sell, some of its properties. Future production from the Company's mining properties is dependent on gold and other metal prices that are adequate to make these properties economic.

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

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

Commodity Hedging

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

Competition

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

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

Currency Risk

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

Title Matters

Title to AXMIN's properties may be challenged or impugned. No assurances can be given that applicable governments will not revoke or significantly alter the conditions of the applicable exploration authorizations of AXMIN and that such exploration authorizations will not be challenged or impugned by third parties. 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.

Conflict of Interest

Certain of AXMIN's directors are directors or officers of, or have significant shareholdings in, other mineral resource companies and, to the extent that such other companies may have participated in ventures in which AXMIN may participate, the directors of AXMIN may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. Such other companies may also compete with AXMIN for the acquisition of mineral property rights.

Repatriation of Earnings

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

Management; Dependence on Key Personnel

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

Environmental Risks and Hazards

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

Enforceability of Civil Liabilities

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

Concentration of Share Ownership

As at the date of this report AOG Holdings BV (a wholly owned subsidiary of The Addax & Oryx Group Limited) holds approximately 37% of the common shares issued by the Company. AOG Holdings BV is therefore able to exercise significant influence over all matters requiring shareholder approval, including the election of directors and approval of significant corporate transactions.

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. AXMIN has previously completed private placements at prices per common share of the Company which are lower than the current market price of the common shares of the Company. Accordingly, a significant number of shareholders of AXMIN have an investment profit in the common shares of the Company that they may seek to liquidate.

Estimation of Asset Carrying Values

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

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

Health Issues

HIV/AIDS, malaria and other diseases represent a serious threat to maintaining a skilled workforce in the mining industry of central and west Africa. As such HIV/AIDS is a major healthcare challenge faced by AXMIN's operations. There can be no assurance that AXMIN will not incur the loss of 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.

Increased Labour Costs

Wages and related labour costs account for a large portion of AXMIN's costs. Accordingly, AXMIN's costs may be materially affected by increases in wages and related labour costs.

Compliance with Health and Safety Regulations

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

Requirement for Permits and Licences

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

Dividend Policy

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

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

Share Capital

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

Securities	Expiry date	Exercise price	Securities outstanding	Common shares on exercise
Common shares				215,613,234
Stock options	December 18, 2008	Cdn$1.00	1,470,000	1,470,000
Stock options	October 4, 2009	Cdn$0.70	150,000	150,000
Stock options	December 13, 2009	Cdn$0.67	710,000	710,000
Stock options	December 5, 2010	Cdn$0.55	200,000	200,000
Stock options	March 8, 2011	Cdn$0.71	912,500	912,500
Stock options	January 24, 2012	Cdn$0.99	3,700,000	3,700,000
Stock options	October 31, 2012	Cdn$0.90	200,000	200,000
Stock options	December 02, 2012	Cdn$0.77	200,000	200,000
Stock options	December 23, 2012	Cdn$0.82	2,000,000	2,000,000
Fully diluted common shares				225,155,734

Disclosure of Controls and Procedures

Management is responsible for the design of the Company's internal control over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian generally accepted accounting principles. During the process of management's review and evaluation of the design of the Company's internal control over financial reporting, it was determined that the lack of segregation of duties and effective risk assessment were identified as areas where weaknesses existed. The existence of these weaknesses is compensated for by senior management supervision. The Company is introducing new accounting and reporting systems to augment and improve the procedures and controls. It should be noted that a control system, no matter how well conceived or operated, can only provide reasonable assurance that the objectives of the control system are met.

The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") have commenced the evaluation of the effectiveness of the Company's internal control over financial reporting, pursuant to the requirements of Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* of the Canadian Securities Administrators.

Outlook

The Company has two main priorities at the project level. At the Passendro Gold Project, Bambari-Bakala permits, in the CAR the Company has recently completed a bankable feasibility study. The Company will now take steps towards the issuance of the associated mining permit and progress the project finance. Elsewhere on the Bambari-Bakala permits and other permits in the CAR, and on the Company's properties in Mali, Sierra Leone and Senegal the Company intends to progress well defined exploration programs, including undertaking drilling of key targets. At the corporate level, the Company expects to raise the profile of the Company and will continue to assess market opportunities to raise additional capital.

Forward-Looking Statements

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

Additional Information

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

On behalf of the Board of Directors

"Signed"

Mario Caron
President, Chief Executive Officer & Director

April 22, 2008

AXMIN Inc.

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

Management's Report on the Consolidated Financial Statements

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

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

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

"Signed"	*"Signed"*
Mario Caron *President, Chief Executive Officer & Director*	Craig Banfield *Chief Financial Officer & Secretary*

Auditors' Report

To the Shareholders of AXMIN Inc.

We have audited the consolidated balance sheets of AXMIN Inc. ("the Company") as at December 31, 2007 and 2006 and the consolidated statements of operations and deficit and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2007 and 2006 and the results of its operations and cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Ernst & Young LLP *("Signed")*
Chartered Accountants
Licensed Public Accountants
Toronto, Ontario, Canada

April 21, 2008

AXMIN Inc.

Consolidated Balance Sheets

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

As at December 31, 2007 and 2006	**2007**	2006
Assets		
Current assets		
Cash and cash equivalents	**11,121**	35,025
Prepaid expenses	**212**	266
Sundry debtors	**131**	102
	11,464	35,393
Exploration and development costs *(Note 3)*	**67,694**	44,576
Other assets	**58**	58
	79,216	80,027
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable	**2,824**	1,220
Accrued liabilities and sundry creditors	**332**	640
Amounts due to related parties *(Note 5)*	**44**	13
	3,200	1,873
Commitments and contingencies *(Notes 3 and 9)*	**-**	-
Shareholders' equity		
Share capital *(Note 4)*	**88,760**	87,225
Contributed surplus *(Note 4(c))*	**4,466**	2,209
Deficit	**(17,210)**	(11,280)
	76,016	78,154
	79,216	80,027

See accompanying notes to the consolidated financial statements.

Approved by the Board of Directors

"Signed"	*"Signed"*
Jean Claude Gandur *Chairman & Director*	Mario Caron *President, Chief Executive Officer & Director*

AXMIN Inc.

Consolidated Statements of Operations and Deficit

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

Years ended December 31, 2007 and 2006	**2007**	2006
Expenses		
Administration *(Note 5)*	**2,145**	1,961
Write-down of exploration and development costs *(Note 3)*	**3,472**	1,300
Stock-based compensation expense *(Note 4(c))*	**2,436**	936
(Gain) loss on foreign exchange	**(1,115)**	128
	6,938	4,325
Other income		
Interest income	**1,008**	300
	1,008	300
Net loss, and other comprehensive loss for the year	**5,930**	4,025
Deficit, beginning of year	**11,280**	7,255
Deficit, end of year	**17,210**	11,280
Loss per share (basic and diluted)	**0.0278**	0.0247
Weighted average number of common shares outstanding	**213,436,657**	162,977,794

See accompanying notes to the consolidated financial statements.

AXMIN Inc.

Consolidated Statements of Cash Flows

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

Years ended December 31, 2007 and 2006	**2007**	2006
Operating activities		
Net loss for the year	**(5,930)**	(4,025)
Write-down of exploration and development costs	**3,472**	1,300
Stock-based compensation expense	**2,436**	936
Gain on foreign exchange	**(1,198)**	(402)
Change in amounts due to related parties	**31**	13
Change in non-cash working capital	**(96)**	634
Net cash outflow from operating activities	**(1,285)**	(1,544)
Investing activities		
Exploration and development costs	**(25,173)**	(17,599)
Net cash outflow from investing activities	**(25,173)**	(17,599)
Financing activities		
Issuance of common shares	**1,382**	39,817
Cost of share issuances	**(26)**	(1,669)
Net cash inflow from financing activities	**1,356**	38,148
Effects of foreign currency on cash and cash equivalents	**1,198**	402
Net cash (outflow) inflow	**(23,904)**	19,407
Cash and cash equivalents, beginning of year	**35,025**	15,618
Cash and cash equivalents, end of year	**11,121**	35,025
Supplemental Cash Flow Information		
Interest paid	**1**	-
Taxation paid	**156**	28

See accompanying notes to the consolidated financial statements.

1. Nature of Operations and Basis of Presentation

AXMIN Inc. ("AXMIN", the "Company") is an international mineral exploration company with an exploration portfolio in the mineral belts of central and west Africa. The Company is in its development stage and it is in the process of exploring its mineral properties and, other than with respect to the properties that comprise the Passendro Gold Project (discussed below), it has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of the amounts shown for exploration and development costs is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development, and future profitable production or proceeds from the disposition of such properties. To date the Company has raised funds to explore its mineral properties principally through the issuance of shares. In the foreseeable future the Company will likely remain dependent on the issuance of further shares to raise funds to explore and develop its properties. In addition the success of the Company will be influenced by a number of factors including environmental risks, and legal and political risks.

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

A significant portion of the Company's exploration and development costs relate to its Bambari property in the Central African Republic (the "CAR"). The Company holds its interest in this property through its indirect wholly-owned CAR registered subsidiary, Aurafrique S.A.R.L. ("Aurafrique"), which holds prospecting and exploration permits for the property. The Passendro Gold Project is situated on a portion of the Bambari property and is contained within the Bambari permits.

2. Significant Accounting Policies

Principles of consolidation

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

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

Changes in accounting policy

Effective January 1, 2007, the Company adopted four new accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA") in 2005: Handbook Section 1530 *Comprehensive Income*; Handbook Section 3855 *Financial Instruments - Recognition and Measurement*; Handbook Section 3861 *Financial Instruments - Presentation and Disclosure*; and Handbook Section 3865 *Hedges.* These accounting policy changes were adopted on a prospective basis; accordingly, comparative amounts for prior periods have not been restated.

(a) Comprehensive Income (Section 1530)

Section 1530 introduces a new requirement to temporarily present certain gains and losses from changes in fair value outside net income. It includes unrealized gains and losses, such as: changes in currency translation adjustment relating to self-sustaining foreign operations; unrealized gain or losses on available-for-sale investments; and the effective portion of gains or losses on derivatives designated as cash flow hedges or hedges of the net investment in self-sustaining foreign operations. The Company does not have any components of comprehensive income (loss) except for net income (loss) and therefore this policy has had no impact on the Company's financial statements.

(b) Financial Instruments – Recognition and Measurement (Section 3855); Presentation and Disclosure (Section 3861)

Section 3855 sets out standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. It requires that financial assets and financial liabilities, including derivatives, be measured at fair value on initial recognition and recorded on the balance sheet. Measurement in subsequent periods depends on whether the financial instrument has been classified as held-for-trading, available-for-sale, held-to-maturity, loans and receivables, or other financial liabilities. Section 3861 sets out standards for the presentation and disclosure of financial instruments.

Financial assets and financial liabilities held-for-trading are measured at fair value with changes in those fair values recognized in net income. Financial assets and financial liabilities considered held-to-maturity, loans and receivables, and other financial liabilities are measured at amortized cost using the effective interest method of amortization. Available-for-sale financial assets are measured at fair value with unrealized gains and losses recognized in other comprehensive income. Investments in equity instruments classified as available-for-sale that do not have a quoted market price in an active market are measured at cost.

The Company's financial instruments consist of cash and cash equivalents, prepaid expenses and sundry debtors, accounts payable, accrued liabilities and sundry creditors, and amounts due to related parties. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency and credit risks arising from financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

(c) Hedges (Section 3865)

Section 3865 provides alternative treatments to Section 3855 for entities which choose to designate qualifying transactions as hedges for accounting purposes. It replaces and expands on Accounting Guideline 13 *Hedging Relationships*, and the hedging guidance in Section 1650 *Foreign Currency Translation* by specifying how hedge accounting is applied and what disclosures are necessary when it is applied. The Company currently does not have any components of hedges in place and therefore this policy has had no impact on the financial statements.

(d) Impact upon adoption of CICA Handbook Sections 1530, 3855 and 3865

The Company has evaluated the impact of Sections 1530, 3855 and 3865 on its financial statements and determined that no adjustments are currently required.

The Company has made the following classifications:

- Cash and cash equivalents are classified as a financial asset "held-for-trading" and are measured at fair value. Gains and losses resulting from the periodic revaluation are recorded in net income (loss).
- Sundry debtors are classified as "loans and receivables" and are recorded at amortized cost, which upon their initial measurement is equal to their fair value. Subsequent measurements are recorded at amortized cost using the effective interest rate method.
- Accounts payable, accrued liabilities and sundry creditors, and amounts due to related parties are classified as "other financial liabilities" and are initially measured at their fair value. Subsequent measurements are recorded at amortized cost using the effective interest rate method.

(e) Accounting Changes

Effective January 1, 2007, the Company adopted the revised CICA Handbook Section 1506 *Accounting Changes*, relating to changes in accounting policies, changes in accounting estimates and error. Adoption of these recommendations had no effect on the consolidated financial statements for the year ended December 31, 2007, except for the disclosure of accounting changes that have been issued by the CICA but have not yet been adopted by the Company because they are not effective until a future date (note 2(f)).

(f) Future Accounting Standards

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

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

In February 2008, the CICA issued Section 3064 *Goodwill and Intangible Assets* replacing Section 3062 *Goodwill and Intangible Assets*, and Section 3450 *Research and Development Costs*. The new pronouncement establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of tangible assets by profit oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. This section is effective in the first quarter of 2009.

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

Cash and cash equivalents

Cash and cash equivalents consists of cash in the bank and short-term deposits with a remaining term to maturity at the time of purchase of less than ninety days. Cash equivalents were US$7,072,551 as at December 31, 2007 (December 31, 2006 - US$Nil) which have a weighted average effective interest rate of 2.80% (December 31, 2006 - Nil%).

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

Translation of foreign currencies

The functional currency of the Company is the United States dollar (US$).

Monetary assets and liabilities denominated in foreign currencies are translated into United States dollars at current rates of exchange. Non-monetary assets and liabilities denominated in foreign currencies are translated into United States dollars at historical rates of exchange. Foreign exchange gains and losses are recognized in the consolidated statement of operations in the period in which they arise.

Financial statements of the Company's integrated foreign operations are translated into United States dollars using the temporal method. Under this method, monetary assets and liabilities denominated in foreign currencies are translated at current rates of exchange with the resultant gains or losses recognized in the consolidated statement of operations, while non-monetary items are translated at historical rates of exchange. Expenses are translated using rates of exchange approximating those in effect when the transactions occur.

Exploration and development costs

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

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

Income taxes

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

Stock-based compensation

The Company has a stock option plan which is used to compensate directors, officers, employees and consultants of the Company. Under this plan, options are awarded to purchase common shares at prices equal to the closing market price of the shares on the day prior to the grant date, subject to vesting provisions. The Company accounts for stock options using the fair value method of accounting. Under this method the Company recognizes a compensation expense based on the fair value of the options granted using an option pricing model. The fair value of the options is recognized over the vesting period of the options granted as compensation expense and contributed surplus. The contributed surplus balance is reduced as the options are exercised and credited to share capital.

Use of estimates

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

Loss per share

Loss per share has been calculated based on the weighted average number of common shares outstanding during the period. Since the Company is in a loss position the effects of share purchase options and warrants are anti-dilutive. Therefore diluted earnings per share and basic earnings per share are the same for both 2007 and 2006.

3. Exploration and Development Costs

	2007	2006
Balance, beginning of year	**44,576**	28,125
Additions	**26,590**	17,751
Write-downs	**(3,472)**	(1,300)
Balance, end of year	**67,694**	44,576

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

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

	2007	2006
Central African Republic		
Bambari-Bakala	**50,253**	31,751
Pouloubou	**446**	439
Bogoin II	**133**	95
Sosso Polipo	**-**	112
Mali		
Kofi Gold Project	**9,806**	5,770
Sierra Leone		
Nimini Hills	**6,182**	2,757
Makong	**660**	352
Matotaka	**214**	146
Gori Hills	**-**	284
Sokoya	**-**	86
Senegal		
Sonkounkou	**-**	2,320
Sabodala NW	**-**	252
Heremakono	**-**	212
	67,694	44,576

Central African Republic ("CAR")

AXMIN holds a 100% interest in the Bakala, Bambari, Bogoin II, Pouloubou and Sosso Polipo properties through its two wholly-owned CAR registered subsidiaries, which hold prospecting and exploration permits for the properties. Of these project areas, three (Bogoin II, Pouloubou and Sosso Polipo) are at an early stage of exploration, while the fourth, the Bambari-Bakala project, has been the subject of substantial exploration by AXMIN since the discovery of the Passendro Gold Project. The Passendro Gold Project is situated on a portion of the Bambari property and is contained within the Bambari permits. As at December 31, 2007, due to uncertainty of the recoverability of exploration and development costs associated with the Sosso Polipo property these costs have been fully written-down.

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

In January 2006 the Company signed a Mining Convention with the State of the CAR (the "State") covering exploration, development and mining activities on the Company's Bambari permit. The Mining Convention is valid for a period of 25 years from the date of signing, extendable by mutual consent. The key terms include:

(a) a 2.25% royalty on the proceeds from the sale of gold

(b) 10% free carried interest for the State with an option to acquire an additional participating interest of 10% at market value;

(c) exemption from:

- (i) taxes (including value added tax ("VAT")) and duties on fuel used in the mining operations;
- (ii) VAT on imported capital equipment, consumables and any mining contract; and
- (iii) duties on imported capital equipment and consumables during the development phase and for a period of five years thereafter;

(d) exoneration from withholding tax on dividends, capital repayments and interest; and

(e) a five year tax holiday from the date of first commercial production, following which the corporate tax rate will be 30%.

Subsequent to December 31, 2007 the Company reported the results of a bankable feasibility study ("BFS") for the Passendro Gold Project (note 8).

Mali

AXMIN holds:

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

(b) an 87.50% interest in the Netekoto-Kenieti permits (prior to the 10% free carried interest of the government of Mali) from joint venture partner ASMC;

(c) a 94.44% interest in the Walia West permits (prior to the 10% free carried interest of the government of Mali) from joint venture partner SOFOM; and

(d) a 94.44% interest in the Walia permits (prior to the 10% free carried interest of the government of Mali) from joint venture partner l'Agence Générale de Contact et de Relations Internationales ("AGCRI").

In the case of the Kofi North, Netekoto-Kenieti and Walia West permits, AXMIN may increase its level of interest to 100% (prior to government dilution) by buying out the interests of the other parties on submission of a BFS on an independently evaluated net present value of the proven and probable reserves using a discount rate of 15%. In the case of the Walia permits AXMIN may increase its level of interest to 100% (prior to government dilution) by buying out the interest of AGCRI on submission of a BFS for US$2 per pro rata ounce of proven and probable gold reserves.

Sierra Leone

In March 2004 AXMIN elected to exercise an option whereby AXMIN may earn a 60% interest in the Nimini Hills project owned by AFCAN Barbados Limited ("AFCAN"), a subsidiary of Eldorado Gold Corporation, by expenditure of US$2.25 million over a three year period. Thereafter, AFCAN has the right to participate on a pro rata basis or if it elects not to then AXMIN can earn an additional 20% by producing a BFS. The monies spent on AFCAN's behalf to earn this additional 20% will be recovered by AXMIN from AFCAN's share of future production. During the year ended December 31, 2006 AXMIN's cumulative expenditure on the Nimini Hills project exceeded US$2.25 million and hence AXMIN earned a 60% interest in the project. See note 9.

In addition, during 2004 AXMIN acquired a wholly owned licence (named Matotaka) and entered into separate joint ventures over three other licences (namely Gori Hills, Makong and Sokoya). The terms of the joint ventures over Gori Hills, Makong and Sokoya are such that AXMIN has the ability to earn up to 80%, 77.5% and 80% interests respectively. During the year ended December 31, 2007 AXMIN satisfied terms whereby it earned a 57.5% interest in the Makong licence. As at December 31, 2007, due to uncertainty of the recoverability of exploration and development costs associated with the Gori Hills and Sokoya properties these costs have been fully written-down.

Senegal

AXMIN holds a 100% interest in the Sonkounkou exploration permit. The government of Senegal retains the right at the time of a decision to mine from the property, to elect to participate in the project for a 10% free carried interest and has a further right to purchase an additional 25% participating interest. The government's interest is subject to reduction upon negotiation at the mining stage.

AXMIN holds a 100% interest in the Sabodala NW and Heremakono exploration permits.

With effect from April 28, 2006 the Company entered into a joint venture with Harmony Gold Mining Company Limited ("Harmony") wherein by funding expenditure of US$4.00 million over three years Harmony may earn a 50% interest in the Company's three wholly owned Sonkounkou, Sabodala NW and Heremakono permits (collectively the "Senegal Permits"). Under the terms of the agreement Harmony has the right to earn a 50% interest in AXMIN's Senegal Permits by expenditure of US$4.00 million over a three year period, with a minimum of US$0.80 million in the first year to earn a 10% interest, US$1.20 million in the second year to earn a 25% total interest and US$2.00 million in the third year to earn the full 50% interest. In the event that Harmony should elect to discontinue the joint venture prior to earning a 25% interest then it must return the initial 10% interest to AXMIN. Once Harmony has earned its 50% interest in the Senegal Permits all further exploration and development expenditures will be shared between Harmony and AXMIN in proportion to each party's interest. Under this arrangement all previous back-in rights held by Harmony (through its acquisition of Avgold Limited) on the Sonkounkou permit have been extinguished.

During the year ended December 31, 2007 Harmony notified the Company that with effect from November 30, 2007 it was terminating the joint venture over the Senegal Permits. As such Harmony's 10% interest in the Senegal Permits was returned to the Company. The Company will continue to maintain the Senegal Permits in good standing and carry out exploration activities thereon.

As at December 31, 2007, due to uncertainty of the recoverability of exploration and development costs associated with the Senegal Permits these costs have been fully written-down.

Ghana

AXMIN may earn up to a 72% interest (net of the 10% free carried interest of the government of Ghana) in the Cape Three Points property from joint venture partner Consolidated Minerals Limited ("Consmin") by carrying Consmin through to completion of a BFS. During the year ended December 31, 2005 the Company earned a 55% interest (prior to the 10% free carried interest of the government of Ghana) in the Cape Three Points property by expending a minimum of US$0.50 million on the property. As at December 31, 2006, due to uncertainty of the recoverability of exploration and development costs associated with this property these costs were fully written-down.

During the year ended December 31, 2007 the Company entered into an agreement with Ausgold Ghana Limited ("Ausgold") whereby the Company wishes to transfer its entire interest and rights under the agreement with Consmin to Ausgold in exchange for payment, by January 31, 2008, of US$0.55 million upon the closing of an initial public offering ("IPO") of the ordinary shares of Noble Mineral Resources Limited ("Noble"), a company to which Ausgold intends to vest its entire interest in the Cape Three Points property upon the closing of an IPO of the ordinary shares of Noble. Furthermore AXMIN agreed for such payment to be made by the issuance of marketable fully paid ordinary shares of Noble, subject to any regulatory requirements. Subsequent to December 31, 2007 such payment date was extended, by mutual consent, to June 30, 2008.

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

Canada

B-B Lake, Northwest Territories represents a 25% interest in 16 leased contiguous mining claims. The claims are subject to a 12.5% net profits royalty. As at December 31, 2006, due to uncertainty of the recoverability of exploration and development costs associated with this property these costs were fully written-down.

As a result of the sale of its interest in 16 leased mining claims in the Timmins area of Ontario, the Company acquired 310,000 common shares of Black Pearl Minerals Consolidated Inc. ("Black Pearl"), representing approximately 2% of the total shares in issue of Black Pearl as at December 31, 2005. During the year ended December 31, 2006 the Company sold its entire holding in Black Pearl for gross proceeds of Cdn$41,160 (net Cdn$39,768 after the deduction of selling costs).

Burkina Faso

The Company's Bouroum, Yeou and Ankouma permits in Burkina Faso are subject to an exploration joint venture dated June 14, 2004 with High River Mines Ltd ("High River") whereby High River may earn a 100% interest in the three permits by spending US$1.50 million on exploration over three years (subject to AXMIN retaining a back-in right up to the time of completion of a feasibility study for a 50% interest in one or all of the permits by paying High River a multiple of 1.5 times High River's expenditure on the relevant permit(s)). During the year ended December 31, 2007 High River fulfilled its requirement to expend US$1.50 million.

4. Share Capital

(a) Authorized share capital

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

(b) Issued share capital

Common shares	*Number of common shares*	*Amount*
Balance as at January 1, 2006	159,861,296	48,963
Issue for cash, net of costs	42,500,000	33,110
Exercise of stock options	1,390,000	468
Exercise of common share purchase warrants	6,641,732	4,396
Exercise of compensation options	328,206	174
Stock-based compensation expense	-	114
Balance as at December 31, 2006	210,721,234	87,225
Cost of share issuances	-	(26)
Exercise of stock options	2,617,500	751
Exercise of compensation options	1,174,500	631
Stock-based compensation expense	-	179
Balance as at December 31, 2007	214,513,234	88,760

On December 29, 2006 AXMIN closed an offering totaling 42,500,000 common shares priced at Cdn$0.95 each for gross proceeds of Cdn$40,375,000 (US$34,779,051) (the "Offering"). The Offering was co-led by RBC Dominion Securities Inc. and BMO Nesbitt Burns Inc., and included Haywood Securities Inc. and Canaccord Capital Corporation. Immediately prior to the Offering the Company's major shareholder, AOG Holdings BV (a wholly owned subsidiary of The Addax & Oryx Group Limited) ("Addax"), held approximately 42% of AXMIN's outstanding common shares. As part of the Offering Addax purchased 17,811,538 common shares, being its pro rata share of the Offering. The net proceeds of the Offering are being used to fund completion of the definitive feasibility study on the Passendro Gold Project as well as ongoing resource and exploration work in each of the CAR, Mali and Sierra Leone. Any additional net proceeds will be used for working capital and general corporate purposes.

During the year ended December 31, 2006:

a. the following stock options were exercised:
   - i. 1,025,000 stock options were exercised at Cdn$0.32 each, for total proceeds of Cdn$328,000 (US$289,443);
   - ii. 125,000 stock options were exercised at Cdn$0.34 each, for total proceeds of Cdn$42,500 (US$37,458);
   - iii. 25,000 stock options were exercised at Cdn$0.55 each, for total proceeds of Cdn$13,750 (US$12,119);
   - iv. 157,500 stock options were exercised at Cdn$0.67 each, for total proceeds of Cdn$105,525 (US$93,120);
   - v. 57,500 stock options were exercised at Cdn$0.71 each, for total proceeds of Cdn$40,825 (US$35,982); and

   as a result the Company issued 1,390,000 common shares of the Company to the stock option holders.

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

b. 6,641,732 common share purchase warrants expiring on September 5, 2006 were exercised at Cdn$0.75 each, for total proceeds of Cdn$4,981,299 (US$4,395,742), and as a result the Company issued 6,641,732 common shares of the Company to the common share purchase warrant holders.

c. 328,206 compensation options expiring on September 5, 2006 were exercised at Cdn$0.60 each, for total proceeds of Cdn$196,924 (US$173,775), and as a result the Company issued 328,206 common shares of the Company to the compensation option holder.

During the year ended December 31, 2007:

a. the following stock options were exercised:
   - i. 2,050,000 stock options were exercised at Cdn$0.32 each, for total proceeds of Cdn$656,000 (US$560,493);
   - ii. 500,000 stock options were exercised at Cdn$0.34 each, for total proceeds of Cdn$170,000 (US$145,399);
   - iii. 67,500 stock options were exercised at Cdn$0.71 each, for total proceeds of Cdn$47,925 (US$45,256); and

   as a result the Company issued 2,617,500 common shares of the Company to the stock option holders.

b. 1,174,500 compensation options expiring on December 14, 2007 were exercised at Cdn$0.52 each, for total proceeds of Cdn$610,740 (US$631,386), and as a result the Company issued 1,174,500 common shares of the Company to the compensation option holder.

As at December 31, 2007 Addax (the Company's major shareholder) held 88,102,631 common shares of the Company, representing approximately 41% of AXMIN's outstanding common shares.

(c) Stock options

The Company has an incentive stock option plan which governs the granting and exercise of stock options issued to directors, officers and employees of the Company, and consultants to the Company. During the years ended December 31, 2007 and 2006 the following transactions took place:

Number of stock options	**2007**	2006
Outstanding, beginning of year	**7,970,000**	6,510,000
Granted	**6,100,000**	3,080,000
Exercised	**(2,617,500)**	(1,390,000)
Expired or not vested	**(60,000)**	(230,000)
Outstanding, end of year	**11,392,500**	7,970,000
Exercisable, end of year	**7,742,500**	6,482,500

As at January 1, 2006 the Company had the following stock options on issue and outstanding:

Expiry date	*Exercise price*	*Stock options on issue and outstanding*
January 17, 2007	Cdn$0.32	3,075,000
January 17, 2007	Cdn$0.34	625,000
December 18, 2008	Cdn$1.00	1,530,000
October 4, 2009	Cdn$0.70	150,000
December 13, 2009	Cdn$0.67	880,000
December 5, 2010	Cdn$0.55	250,000
Total		6,510,000

During the year ended December 31, 2006:

a. the Company granted stock options for:
   - i. 900,000 common shares of the Company exercisable at Cdn$0.71 each expiring on March 8, 2008;
   - ii. 950,000 common shares of the Company exercisable at Cdn$0.74 each expiring on April 4, 2008; and
   - iii. 1,230,000 common shares of the Company exercisable at Cdn$0.71 each expiring on March 8, 2011.

b. the following stock options expired or did not vest:
   - i. 25,000 stock options exercisable at Cdn$0.55 each for 25,000 common shares of the Company;
   - ii. 12,500 stock options exercisable at Cdn$0.67 each for 12,500 common shares of the Company;
   - iii. 132,500 stock options exercisable at Cdn$0.71 each for 132,500 common shares of the Company; and
   - iv. 60,000 stock options exercisable at Cdn$1.00 each for 60,000 common shares of the Company.

As at December 31, 2006 the Company had the following stock options on issue and outstanding:

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

Expiry date	*Exercise price*	*Stock options on issue and outstanding*
January 17, 2007	Cdn$0.32	2,050,000
January 17, 2007	Cdn$0.34	500,000
March 8, 2008	Cdn$0.71	900,000
April 4, 2008	Cdn$0.74	950,000
December 18, 2008	Cdn$1.00	1,470,000
October 4, 2009	Cdn$0.70	150,000
December 13, 2009	Cdn$0.67	710,000
December 5, 2010	Cdn$0.55	200,000
March 8, 2011	Cdn$0.71	1,040,000
Total		7,970,000

During the year ended December 31, 2007:

a. the Company granted stock options for:
   i. 3,700,000 common shares of the Company exercisable at Cdn$0.99 each expiring on January 24, 2012;
   ii. 200,000 common shares of the Company exercisable at Cdn$0.90 each expiring on October 31, 2012;
   iii. 200,000 common shares of the Company exercisable at Cdn$0.77 each expiring on December 2, 2012; and
   iv. 2,000,000 common shares of the Company exercisable at Cdn$0.82 each expiring on December 23, 2012.

b. 60,000 stock options exercisable at Cdn$0.71 each for 60,000 common shares of the Company expired or did not vest.

As at December 31, 2007 the Company had the following stock options on issue and outstanding:

Expiry date	*Exercise price*	*Stock options on issue and outstanding*
March 8, 2008	Cdn$0.71	900,000
April 4, 2008	Cdn$0.74	950,000
December 18, 2008	Cdn$1.00	1,470,000
October 4, 2009	Cdn$0.70	150,000
December 13, 2009	Cdn$0.67	710,000
December 5, 2010	Cdn$0.55	200,000
March 8, 2011	Cdn$0.71	912,500
January 24, 2012	Cdn$0.99	3,700,000
October 31, 2012	Cdn$0.90	200,000
December 02, 2012	Cdn$0.77	200,000
December 23, 2012	Cdn$0.82	2,000,000
Total		11,392,500

The fair value of options granted has been estimated at the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions: risk free interest rate of 4.05% (2006 - 3.96%), expected dividend yield of nil, expected volatility of 89.7% (2006 - 107.4%), and expected option life of 5 years (2006 - 2 to 5 years). The weighted average fair market value of options granted in 2007 was US$0.6627 (2006 - US$0.3819).

The impact of the expense relating to all stock options granted (both to employees and non-employees) has been included in the consolidated statements of operations and deficit for the years ended December 31, 2007 and 2006.

Contributed Surplus

The cumulative stock-based compensation expense is as follows:

Contributed surplus	**2007**	2006
Balance, beginning of year	**2,209**	1,387
Stock-based compensation expense	**2,436**	936
Transfer to share capital on exercise of stock options	**(179)**	(114)
Balance, end of year	**4,466**	2,209

Subsequent to December 31, 2007 an additional 1,100,000 stock options were exercised (note 8).

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

(d) Common share purchase warrants

Number of common share purchase warrants	**2007**	2006
Outstanding, beginning of year	**-**	6,691,733
Exercised at Cdn$0.75 each	**-**	(6,641,732)
Expired at Cdn$0.75 each	**-**	(50,001)
Outstanding, end of year	**-**	-

As at January 1, 2006 the Company had on issue and outstanding common share purchase warrants for 6,691,733 common shares of the Company exercisable at Cdn$0.75 each expiring on September 5, 2006.

As at December 31, 2006 and December 31, 2007 the Company had no common share purchase warrants on issue and outstanding.

(e) Compensation options

Number of compensation options including attached common share purchase warrants	**2007**	2006
Outstanding, beginning of year	**1,174,500**	1,502,706
Exercised at Cdn$0.52 each	**(1,174,500)**	-
Exercised at Cdn$0.60 each	**-**	(328,206)
Outstanding, end of year	**-**	1,174,500

As at January 1, 2006 the Company had on issue and outstanding compensation options for:

i. 328,206 common shares of the Company exercisable at Cdn$0.60 each expiring on September 5, 2006; and
ii. 1,174,500 common shares of the Company exercisable at Cdn$0.52 each expiring on December 14, 2007.

As at December 31, 2006 the Company had on issue and outstanding compensation options for 1,174,500 common shares of the Company exercisable at Cdn$0.52 each expiring on December 14, 2007.

As at December 31, 2007 the Company had no compensation options on issue and outstanding.

5. Related Parties

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

Balances	Footnote	**2007**	2006
Due to The Addax & Oryx Group Limited	(a)	**29**	13
Due to Fasken Martineau DuMoulin LLP	(b)	**15**	-
Due to related parties		**44**	13

The Company's transactions with related parties included in the determination of results of operations for the years ended December 31, 2007 and 2006 are summarized below:

(a) On December 6, 2005 the Company entered into a Contract for Services with The Addax & Oryx Group Limited, the parent company of Addax (the Company's major shareholder), for the provision of the services of Jean Claude Gandur in the capacity of Chairman of the Company. The fees payable for these services, which commenced on January 1, 2004 for an initial period of three years, are GBP£27,500 per annum, payable quarterly in arrears. The fees for the years ended December 31, 2004 and December 31, 2005, being GBP£55,000 (equivalent to US$94,679) were paid subsequent to December 31, 2005 during the year ended December 31, 2006. The fees for the year ended December 31, 2007 were GBP£28,875 (equivalent to US$57,651) (2006 - GBP£27,500 (equivalent to US$51,689)).

(b) Legal services are provided by Fasken Martineau DuMoulin LLP, a law firm to which Robert Shirriff, a director of the Company, is counsel. In addition to US$42,960 (2006 - US$37,776) included in the determination of results of operations for the period Fasken Martineau DuMoulin LLP provided legal services in the amount of US$Nil (2006 - US$101,916) in connection with share offerings made by the Company. Fees relating to such transactions have been charged against the gross proceeds of the related share offerings. Furthermore Fasken Martineau DuMoulin LLP provided professional services in connection with the Company's exploration properties at a cost of US$17,878 (2006 - US$60,312). In accordance with the Company's accounting policy for exploration and development costs such costs have been capitalized by the Company.

6. Income Taxes

Significant items causing the Company's effective tax rate to differ from the combined Canadian federal and provincial statutory tax rate of approximately 36.12% (2006 - 36.12%) are as follows:

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

	2007	2006
Net loss for the year before income tax	**5,930**	4,025
Expected tax recovery based at statutory rate at approximately 36%	**(2,142)**	(1,454)
Foreign tax rate difference	**798**	555
Stock option expense	**880**	338
Foreign exchange	**(3,360)**	93
Share issue costs	**(11)**	(599)
Non-taxable portion of capital gain	**-**	(68)
Expiry of losses	**51**	70
Reduction in Canadian federal future income tax rate	**186**	109
Other	**3**	38
Change in valuation allowance	**3,595**	918
Income tax expense	**-**	-

Future Income Tax Balances

The tax effects of temporary differences that give rise to future income tax assets approximate the following:

Future income tax assets	**2007**	2006
Non-capital losses	**1,490**	1,135
Exploration and development costs	**2,466**	1,450
Share issue costs and other	**551**	632
Unrealised foreign exchange losses	**2,795**	489
Total	**7,302**	3,706
Valuation allowance	**(7,302)**	(3,706)
Net future income tax asset	**-**	-

The Company has non-capital loss carry forwards in Canada of approximately US$5,100,000 for which it has applied a valuation allowance on the basis that the Company does not expect to generate taxable income in the foreseeable future. The tax losses may be used to reduce income in future years and expire as follows:

Year of expiry	*Amount*
2008	162
2009	613
2010	620
2014	593
2015	1,118
2026	1,399
2027	630

7. Segmented Information

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

8. Subsequent Events

Subsequent to December 31, 2007 900,000 stock options expiring on March 8, 2008 were exercised at Cdn$0.71 each, for total proceeds of Cdn$639,000 (US$648,731), and as a result the Company issued 900,000 common shares of the Company to the stock option holders.

Subsequent to December 31, 2007 200,000 stock options expiring on April 4, 2008 were exercised at Cdn$0.74 each, for total proceeds of Cdn$148,000 (US$147,557), and as a result the Company issued 200,000 common shares of the Company to the stock option holder.

In April 2008 the Company reported the results of a BFS for the Passendro Gold Project. The BFS was led by SENET (PTY) Ltd. of South Africa and included a multidisciplinary team of independent consultants. On April 15, 2008 the submission on SEDAR (*www.sedar.com*) of a technical report in respect of the BFS, prepared in compliance with National Instrument 43-101 and Form 43-101F, gave rise to bonuses becoming payable to staff totalling GBP£60,000 (US$118,482).

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9. Commitments and Contingencies

The Company's commitments as at December 31, 2007 and 2006 are summarized below:

	2007	2006
Lease rental commitments		
Less than 1 year	**24,196**	23,731
1 - 2 years	**18,508**	18,153
2 - 3 years	**18,508**	18,153
3 - 4 years	**3,296**	18,153
4 - 5 years	**-**	3,233

In respect of the Nimini Hills project in Sierra Leone a third party claims to have an interest in the project through AFCAN. The interest of the third party, if correct, does not affect the Company's interest in the project.

10. Comparative Figures

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

Officers and Directors

Officers

Jean Claude Gandur
Chairman & Director

Mr. Gandur is the Chairman of the Advisory Board of The Addax & Oryx Group Limited, an integrated African oil business, and President, CEO and a director of Addax Petroleum Corporation. He became the Chairman of SAMAX Gold Inc. in 1996 and of AXMIN in 2002. SAMAX Gold Inc. was sold to Ashanti Goldfields Company Limited in 1998. Prior to founding The Addax & Oryx Group in 1987 Mr. Gandur worked with a number of major commodity trading houses such as Philipp Brothers, Sigmoil Resources N.V. and Kaines SA. For 10 years Mr. Gandur was the honorary consul for the Republic of Congo in Geneva (Switzerland) and has been awarded the position of diplomat by Senegal. In addition he has received the decorations of Grand Officer of the Lion Order of Senegal and Commander of the National Order of Benin.

Dr. Michael Martineau
Deputy Chairman & Director

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

Mario Caron
President, Chief Executive Officer & Director

Mr. Caron joined AXMIN in January 2008 as President and CEO and is also a director of the Company. Most recently he was President and CEO of Tiberon Minerals Ltd., a former Toronto listed company developing a large tungsten fluorite deposit in Vietnam. Mr. Caron's African experience includes being Vice President of Defiance Mining Corporation, which held the Tasiast gold project in Mauritania, and President and CEO of Eden Roc Mineral Corp., a gold producer in Côte d'Ivoire. He holds a Bachelor of Engineering, Mining from McGill University in Montréal (Canada) and is fluent in English and French.

Craig Banfield
Chief Financial Officer & Secretary

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

Other Directors

Dr. Jonathan Forster
Head of Exploration

Dr. Forster co-founded AXMIN in 1999. He was appointed CEO in 2001 and held that office until the end of 2007 when he resigned as CEO and was appointed Head of Exploration. Previously Dr. Forster was Group Exploration Manager for SAMAX Gold Inc. having joined SAMAX in 1992. Prior to that Dr. Forster worked for several mining and mineral exploration companies and for three years was a Senior Resource Analyst at a firm of London (United Kingdom) stockbrokers. Dr. Forster is AXMIN's in-house qualified person, being a Fellow of the Institute of Materials, Minerals & Mining ("IMMM") in the United Kingdom.

Robert Jackson
President, Chief Executive Officer & Director of Tiomin Resources Inc.

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

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

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

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

Mr. Shirriff has over 47 years experience in the field of commercial and corporate law and has acted for a number of corporations operating in Canada and internationally. He became a director of SAMAX Gold Inc. in 1996. Mr. Shirriff was appointed director of AXMIN in 1999.

Anthony Walsh
Former President & Chief Executive Officer of Miramar Mining Corporation

Mr. Walsh graduated from Queen's University (Canada) in 1973 and became a member of The Canadian Institute of Chartered Accountants in 1976. Mr. Walsh has over 20 years experience in the field of mining. Prior to joining Miramar Mining Corporation in 1995 he was the Senior Vice-President and CFO of a computer leasing company from 1993 to 1995 and the CFO and Senior Vice-President, Finance of International Corona Mines Ltd., a major North American gold producer, from 1989 to 1992. Miramar Mining Corporation was sold to Newmont Mining Corporation in 2007. From 1985 to 1989 Mr. Walsh was Vice-President, Finance of International Corona Mines Ltd., and from 1973 to 1985 he held various positions at Deloitte, Haskins & Sells, a firm of Chartered Accountants. Mr. Walsh was appointed director of AXMIN in 2004. Currently Mr. Walsh is also a Director of Queensland Minerals Ltd. and a Director of Stornoway Diamonds Corporation.

corporate information

OFFICERS

Jean Claude Gandur [4]
Chairman

Michael Martineau [4,5]
Deputy Chairman

Mario Caron [4]
President & Chief Executive Officer

Craig Banfield [4]
Chief Financial Officer & Secretary

DIRECTORS

Mario Caron [4]

Jonathan Forster

Jean Claude Gandur [4]

Robert Jackson [1,2,3,5]

Michael Martineau [4,5]

Edward Reeve [1,2,3,5]

Robert Shirriff [2]

Anthony Walsh [1,3]

SENIOR MANAGEMENT

Charles Carron Brown
General Manager,
Passendro Gold Project

Judith Webster [4]
Manager - Investor Relations

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

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Toronto, Ontario, Canada

LEGAL COUNSEL

Fasken Martineau DuMoulin LLP
Toronto, Ontario, Canada

INVESTOR AND ANALYST INQUIRIES

Judith Webster
Manager - Investor Relations

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E-mail: service@computershare.com

STOCK LISTING

TSX Venture Exchange (TSX Venture)
Symbol: AXM

COMMON SHARES OUTSTANDING

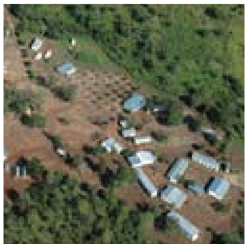
(As at December 31, 2007)
214.5 million

PRINCIPAL BANKERS

Canadian Imperial Bank of Commerce
Toronto, Ontario, Canada

Barclays Bank PLC
St Helier, Jersey, Channel Islands

The Annual & Special Meeting of Shareholders will be held on June 24, 2008 at 10:30 am ET, at The National Club, Tudor Room, 303 Bay Street, Toronto, Ontario M5H 2R1



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