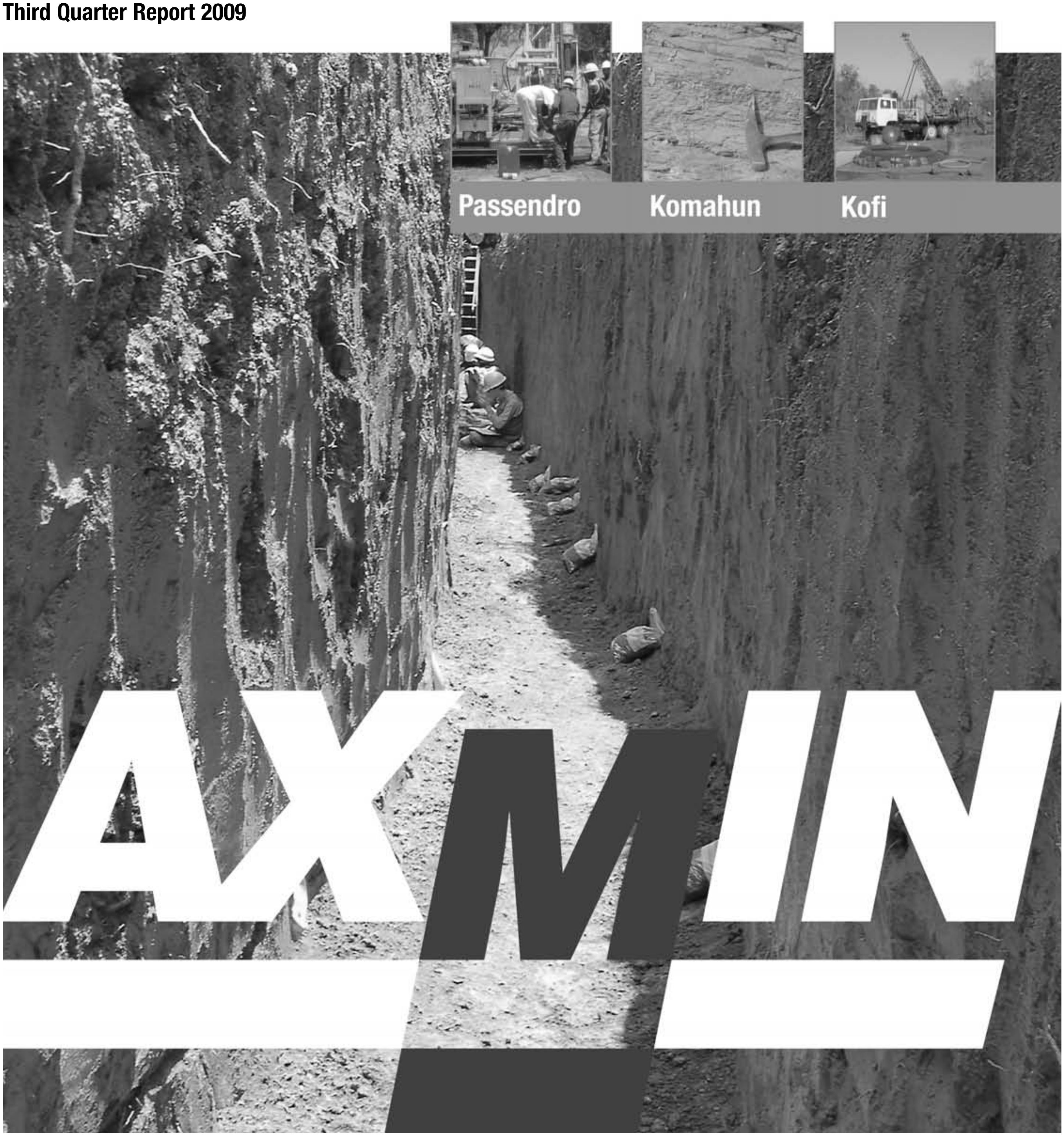
Positioned for Production

Third Quarter Report 2009



Management's Discussion and Analysis

This Management's Discussion and Analysis ("MD&A") provides a discussion and analysis of the financial condition and results of operations to enable a reader to assess material changes in the financial condition and results of operations as at and for the three months ended September 30, 2009 and 2008. The MD&A should be read in conjunction with the unaudited consolidated financial statements and notes thereto ("Statements") of AXMIN Inc. ("AXMIN" or the "Company") as at and for the three months ended September 30, 2009 and 2008, as well as the audited Statements of the Company as at and for the year ended December 31, 2008 including notes thereto. The Company's Consolidated Financial Statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles ("Canadian GAAP").

All amounts included in the MD&A are in thousands of United States dollars, unless otherwise specified. This report is dated as of November 25, 2009. Readers are encouraged to read the Company's other public filings, which can be reviewed on the SEDAR website (www.sedar.com).

Overview

AXMIN Inc. ("AXMIN", the "Company") is an international mineral exploration and development company with an exploration portfolio in the mineral belts of central and west Africa. The Company's mineral properties include various permits in the countries of Central African Republic ("CAR"), Sierra Leone, Mali and Senegal. A significant portion of the Company's exploration and development costs relate to its Passendro Gold Project ("Passendro") situated on a portion of the Bambari property in the CAR. The Company holds its interest in this property through its wholly owned CAR registered subsidiary, Aurafrique S.A.R.L. ("Aurafrique"), which holds prospecting and exploration permits for the property.

On November 9, 2009, the Company entered into a letter agreement with respect to a non-binding proposal that provides for, among other things, a binding provision with respect to exclusive negotiations (subject to customary exceptions which allow the Board of Directors of AXMIN to consider any superior proposal) until November 20, 2009 with Toro Gold Ltd. ("Toro Gold"), a private company incorporated under the laws of Guernsey, to acquire all of the outstanding common shares of AXMIN at a purchase price of C$0.14 in cash per common share (the "Transaction"). On November 23, 2009, both parties agreed to extend the exclusivity period to December 4, 2009.

The Transaction is expected to be completed by way of a statutory plan of arrangement under the *Canada Business Corporations Act*, and it is anticipated the Transaction will close in January 2010.

The exclusive negotiations arise from the formal strategic review process undertaken by the Board of Directors which began on March 19, 2009. This strategic review process encompassed a thorough analysis and evaluation of the prospects and options available to AXMIN, including the potential sale of AXMIN or its assets, the acquisition by AXMIN of another company or business, a business combination, merger or amalgamation, or any other alternative that may be identified.

There can be no assurances that the Transaction or any other Transaction will be completed.

Exploration and Development Properties

AXMIN has interests in the following mineral exploration properties as noted below:

- CAR: the Bambari, Bakala, Bogoin II and Pouloubou exploration permits;
- Sierra Leone: the Nimini Hills, Makong and Matotaka exploration permits;
- Mali: the Kofi North, Netekoto-Kenieti, Walia West, Walia and Kenieti-Dianisse exploration permits (collectively referred to as the "Kofi Gold Project");
- Senegal: the Sonkounkou, Sabodala NW and Heremakono exploration permits (collectively referred to as the "Senegal Permits").

On June 30, 2009, due to the limited results of its most recent financings and continued delays in obtaining the Passendro permit, the Company reassessed the carrying values of each of its properties in order to determine if impairments were necessary. The valuations obtained upon completion of this exercise have resulted in impairments for each of the Company's major properties being required. The Company has determined the aggregate impairment to be US$51.6 million. The Company remains hopeful that it will be successful in obtaining the mining permit for the Passendro project and for now, will continue with minimal exploration programs.

Global Resources / Reserve *(All resources & reserves are NI 43-101 compliant; based on 100% ownership)*

Category/Project	Tonnes (Mt)	Grade (g/t Au)	Gold Content (oz Au)	Stage
Passendro[1]				
Indicated	31.5	2.0	2,027,000	Permitting
Inferred	21.7	1.6	1,104,000	
Proven[4]	1.8	2.6	150,591	
Probable[4]	14.9	2.4	1,126,006	
Komahun[2]				
Indicated	0.4	9.1	110,000	Scoping Study
Inferred	3.1	4.3	435,000	
Kofi[3]				
Indicated	3.6	2.5	293,000	Resource
Inferred	5.3	2.2	368,000	Definition
Total				
Indicated	**35.5**	**2.1**	**2,430,000**	
Inferred	**30.1**	**2.0**	**1,907,000**	
Reserve[4]	**16.8**	**2.4**	**1,276,597**	

1 Passendro: June 2009; cut-off grades vary from 1.2 t/t Au, 1.0 g/t Au and 0.8 g/t Au
2 Komahun: September 2008; cut-off grades plus 1.8 g/t Au
3 Kofi: December 2007; cut-off grade at 1.0 g/t Au
4 Proven & Probable reserve included in the Measured & Indicated resource

CAR – Passendro Gold Project and Other Permits

On September 11, 2009, AXMIN expressed to the government of CAR an intent to not renew the Bakala, Bogoin II and Pouloubou permits. The decision was due partly to the availability of cash and that the properties would fall under the governance of the new mining code in CAR. The carrying value of Bakala in the amount of US$372 was subsequently written-off as of September 30, 2009.

At June 30, 2009, as a result of the continued inability of the Company to secure financing other than from its major shareholder, and the increasing delays in the Company's efforts to obtain the mining permit associated with the Passendro project, the Company had reassessed its carrying value of the Passendro asset and concluded that the current carrying value exceeded the fair value. The impairment charge was determined at US$40.5 million in order to reflect fair value of the project. The ability of the Company to successfully raise capital or source funds in the near future combined with its continued efforts to obtain the mining permit for Passendro will largely dictate the Company's decision to pursue this property. The Company continues to seek to obtain the required permits, mining license and state approvals for the Passendro project.

On June 18, 2009, the Company reported a 30% increase in the Measured and Indicated resource at Main Zone, Passendro Project in the Central African Republic. This together with the updated resources at Katsia, Baceta and the new zone Mbourou represent a 10% increase in the overall resources. The Measured and Indicated resource is now 2.0 million ounce gold (31.5 Mt grading 2.0 g/t Au) and an Inferred Mineral resource of 1.1 million ounce gold (21.7 Mt grading 1.6 g/t Au). Separately, a low grade (0.3-0.8 g/t Au) mineral resource estimate at Main Zone has also been completed which contains an additional 458,000 ounces of Measured and Indicated resource and 550,000 ounces of Inferred resource. The estimates have been prepared under the guidelines of National Instrument 43-101 and accompanying documents 43-101.F1 and 43-101.CF, the full technical report can be found on the SEDAR website at www.sedar.com.

The mineral resource estimate was undertaken by independent consultants, SRK Consulting (UK) Ltd ("SRK") and includes 16,500 metres of new drilling information gathered since June 2007, mostly at the 5 km long Main Zone where drilling focused primarily on converting the Inferred resources located in both the hanging wall and areas along strike into the Measured and Indicated category. Limited drilling was also conducted at Katsia, Baceta and the new discovery of Mbourou. The intention of this program was to eventually simplify existing pit design and decrease overall strip ratio. The mineral resource estimates for the French Camp, Bacanga Head, Barbacoa and Ngetepe deposits remain unchanged.

On March 17, 2009, in light of current project finance and economic conditions, the Company announced the results of a Study which considered a reduced production profile at Passendro. The Study proposes that the re-configured project produces similar economics at a lower capital cost compared to the Bankable Feasibility Study ("BFS") that was announced in April 2008. By reducing the scale of the project to 1.3 million tonnes per annum ("tpa"), this Study noted the following highlights (see next page):

Highlights of Bankable Feasibility Study (2008) vs Reduced Scenario Study (2009)	***Study, March 2009***	*BFS, April 2008*	*Change*
Initial capital cost (US$ Millions)	**127**	196	(69)
Capital cost (US$/oz)	**151**	183	(32)
Average annual gold production (oz)	**100,000**	203,000	(103,000)
Project payback (years)	**2.3**	2.2	(0.1)
Tonnes per annum	**1,300,000**	3,000,000	(1,700,000)
Mine Life (years)	**11.5**	5.9	5.6
Cash costs (including royalties)(US$/oz)	**431**	379	(52)
Based on $750/gold ounce			
Net Present Value (“NPV”), after tax, 5% discount (US$ Millions)	**135**	164	(29)
Internal Rate of Return (“IRR”) (%)	**27**	29	(2)
Based on $900/gold ounce			
NPV (US$ Millions)	**244**	311	(67)
IRR (%)	**41**	47	(6)

At December 31, 2008, due to the decline in the business climate, the limitations of raising capital in the markets and the uncertainty of the recoverability of exploration and development costs associated with the Bogoin II, Pouloubou and other ancillary properties, $1.0 million of these costs were written down. These projects are not directly related to the Passendro project and retain their own individual licenses that are currently in good standing. The ability of the Company to raise capital in the near future will in all likelihood, dictate the decision to pursue these properties.

On November 6, 2008, the Company announced that Aurafrique had received the “Certificat de Conformité” (“ESIA”) from the Ministry of Water, Forests, Fishing and Hunting responsible for the Environment for Passendro. The Certificat de Conformité is renewable on an annual basis until such time as the Regulations for the new Environmental Code are adopted by the CAR Government. The approval of the ESIA is an essential component of the mining license application.

On August 29, 2008, the Company was informed that an Amending Decree was published, amending Article 2 of the Bambari 1 and 2 permits located in the CAR. These permits were last renewed on June 29, 2007 and expire on June 29, 2010. Prior to the Amending Decree the Bambari 1 and 2 permits were valid for gold, silver, copper, nickel, lead, zinc and iron. The Amending Decree amends the mineral rights of these permits to gold only. Passendro is not affected by the Amending Decree. The government of CAR has not given a justification for the Amending Decree and the Company is pursuing its options in restoring the full rights of its permits.

On May 6, 2008, the Company announced that prior to the submission of the Mining License application for Passendro and during its ongoing discussions with the State of the CAR, the government has indicated its desire to review some of the conditions of the Mining Convention that was agreed upon and signed on January 27, 2006. AXMIN is mindful of the need for the government to increase its revenue from the resource industry and is therefore willing to discuss proposals provided they are not detrimental to the economic viability of Passendro.

On April 2, 2008, the Company reported the results of its BFS for Passendro. The first three years of production provides an average annual production of 223,000 ounces with an average cash cost of US$343/oz. The base case, using a gold price of US$750 per ounce, gives an IRR of 29.4% and a NPV at a 5% discount of US$164.0 million. The BFS was led by SENET (PTY) Ltd. of South Africa and included a multidisciplinary team of independent consultants.

Sierra Leone – Komahun Gold Project and Other Permits

In November 2009, the Company learned that the Government of Sierra Leone had passed a new mining act increasing royalties to 5% for gold as well as requiring mining companies to spend 0.1% of annual revenues on community projects. At this time, it is difficult to assess the impact of these changes since the Sierra Leone properties are still in the preliminary stages of exploration.

On September 15, 2009, the Company decided to terminate its interest in the Gori Hills Joint Venture and all permit rights were returned to the other Party.

At June 30, 2009, due to the increasing limitations in raising capital in the markets, the Company reassessed its carrying value of the Nimini asset in Sierra Leone and came to the conclusion that the current carrying value exceeded the fair value. The impairment charge was determined at US$4.3 million in order to reflect fair value of the project. The ability of the Company to successfully raise capital or source funds in the near future will in all likelihood, dictate the decision to pursue this property. The Company remains optimistic on exploration potential in Sierra Leone.

On March 12, 2009, the Company announced the results of a Preliminary Economic Assessment or Scoping Study (the "Scoping Study") for its Komahun Gold Project ("Komahun"), Nimini Hills Joint Venture located in east-central Sierra Leone. The Scoping Study demonstrated that the Komahun has potential for development as an underground gold mine with target production levels of about 50,000 ounces per annum, with an estimated 6 year mine life. In addition, economics for the project could be substantially enhanced by future exploration success that is targeting the immediate vertical extensions to the ore body which remain open beyond the currently known depth of 350 metres beneath surface.

The Scoping Study indicates that at a gold price of US$750/oz, Komahun has a NPV of US$11.0 million (at a 5% discount rate) and at US$900/oz gold the NPV figure increases substantially to US$48.0 million. This does not take into consideration the positive impact on NPV that resource increases will have on the project. The Scoping Study (+/-25 to 30% contingency) has provided guidance for planned exploration that justifies expansion of drill testing to depths of approximately 500 metres beneath surface with the objective of increasing resources and mine life.

On September 18, 2008, the Company reported a significant increase in mineral resource ounces and grade at Komahun. The mineral resource estimate has utilized all drilling to date totalling 168 core holes, for a total of 22,370 metres. The bulk of the resource lies within the central 300 metres strike length of the Komahun structure where modelling has been taken to depths of up to 400 metres from surface. Preliminary metallurgical testwork on the sulphide and oxide mineralisation suggests that recovery levels in excess of 90% may be achievable. In addition for the first time the mineral resource estimate includes an Indicated Mineral Resource of 370,000 tonnes grading 9.1 g/t Au (110,000 ounces) and an Inferred Mineral Resource of 3.1 million tonnes grading 4.3 g/t Au (435,000 ounces).

The in situ mineral resource estimate at a plus 1.8 g/t Au cut off was undertaken by SRK using robust three dimensional interpretations with grade interpolation carried out using Ordinary Kriging. The cut off grade reflects modelling parameters suitable for underground mining. The estimates have been prepared under the guidelines of National Instrument 43-101 and accompanying documents 43-101.F1 and 43-101.CP.

Komahun lies within the Nimini Hills licences which are held under a joint venture agreement with AFCAN Barbados Limited, a subsidiary of Eldorado Gold Corporation (ELD-TSX; EGO-ASX). Under the terms of the joint venture, Eldorado has elected not to participate in ongoing exploration expenditures. As a consequence AXMIN may increase its level of ownership in the project from 60% to 80% by completing a bankable feasibility study.

Mali – Kofi Gold Project

At June 30, 2009, due to the increasing limitations in raising capital in the markets and third party valuations determined during the ongoing advisory mandate, the Company assessed an impairment charge of US$6.8 million on the Malian assets. The ability of the Company to successfully raise capital or source funds in the near future will in all likelihood, dictate the decision to pursue this property.

At December 31, 2008, as part of its ongoing assessment of evaluating the carrying value of its mineral properties, the Company assessed an impairment charge of US$2.5 million on the Mali asset. Since no scoping study has been completed at this time, the fair value methods used to determine the valuation included: cost per oz compared to peers and recent acquisitions in the junior mining industry. Management believes that the Kofi Gold Project remains an asset of prime importance to AXMIN's project pipeline.

On July 23 and May 1, 2008, the Company announced exploration results from its ongoing resource definition and exploration drilling program at its Kofi Gold Project in Mali. High grade intersections were reported at both Kofi SW Zone C including 6.0 g/t Au over 27.6 metres, 4.0 g/t Au over 20 metres, 3.4 g/t Au over 19.5 metres and 3.0 g/t Au over 12.9 metres and Betea prospect including 3.2 g/t Au over 30 metres and 22.4 g/t Au over 8 metres. In addition, reconnaissance drilling has discovered a parallel new structure to the west of Zone C and at a vertical depth of between 130-250 metres results of which include 1.5 g/t Au over 13.0 metres. This new structure could represent the first indications of a separate lens of similar style to that of the Zone C and further drilling is planned to better understand the geometry.

On March 5, 2008, the Company announced preliminary metallurgical results for all potential ore types (sulphide, oxide and transition) at the Kofi Gold Project. Metallurgical samples taken from core samples at Kofi SW Zone C and B and Betea prospects averaged 91% recovery.

Senegal Permits

On November 3, 2008, the Company concluded a joint venture with Sabodala Mining Company SARL, a wholly owned subsidiary of Mineral Deposits Limited ("MDL") whereby MDL may earn a 51% interest in AXMIN's wholly owned gold exploration permits, Sonkounkou, Heremakono and Sabodala NW located in the Birimian belt of Eastern Senegal.

The terms of the joint venture with MDL include:

a) MDL must spend a total of US$2.5 million over three years to earn a 51% interest in each permit, with a minimum expenditure of US$500 in year one, US$800 in year two and US$1.2 million in year three. There is a minimum expenditure of US$800 before it may contemplate withdrawing from the JV.
b) Following earn-in, AXMIN may elect to maintain its 49% interest by funding future expenditure on a pro rata basis, or it may elect to dilute further to 20% in return for MDL spending a further US$3.5 million over an additional three year period. At this stage AXMIN may elect to participate or transfer its residual interest to MDL in return for a 1.5% royalty.

The company had previously entered in a joint venture with Harmony Gold Mining Company Limited ("Harmony"). As of November 30, 2007, Harmony had spent US$1.5 million and due to a change in exploration strategy, decided to terminate the project. Pursuant to the joint venture agreement, Harmony did not retain any interest in the permit and all permit rights were returned to the Company. Due to the uncertainty of the recoverability of exploration and development costs, $354 was written off in 2008. Subsequent expenditures of $255 associated with MDL's joint venture agreement have been capitalized.

On October 2, 2009, AXMIN announced the results of a reconnaissance program carried out by MDL on the Sonkounkou licence which included 16 trenches along a known geochemical gold anomaly. Significant results to date include a 78 metre interval grading 0.89 g/t Au inclusive of a smaller interval of 10 metres grading 4.41 g/t Au. Follow up work is being planned to fully explore this promising area.

Ghana

Effective June 27, 2008 AXMIN transferred its entire interest in the Cape Three Points property in Ghana to Noble Mineral Resources Limited ("Noble") for proceeds of 3,000,000 common shares, representing 2.17% of the total issued common shares of Noble. In addition, AXMIN retains a 1.5% royalty on any future gross smelter returns from ore mined from the Cape Three Points Licence area. This transaction was part of Noble's IPO on the Australian Securities Exchange ("ASX") which was priced at A$0.20 per common share and shares started trading on June 27, 2008. In accordance with the regulations of the ASX the common shares of Noble held by AXMIN are subject to a 24 months escrow period commencing on June 27, 2008. A gain of $575 was recognized on receipt of the shares. Subsequently, these shares were written down to reflect the estimated fair value. As of the date of the MD&A, the shares of Noble Resources Limited have traded at A$0.49 on the Australian Exchange.

For a fuller description of the above properties and any other properties in which the Company holds interests refer to the disclosures in note 4 of the Company's audited consolidated financial statements for the year ended December 31, 2008 and other filings made on the SEDAR website (*www.sedar.com*).

Outlook

On November 9, 2009, the Company announced that it had entered into a letter agreement with respect to a non-binding proposal with Toro Gold Ltd. ("Toro Gold"), a private company incorporated under the laws of Guernsey, to acquire all of the outstanding common shares of AXMIN at a purchase price of C$0.14 in cash per common share (the "Transaction"). In the event that Toro Gold obtains financing on terms acceptable to the Company and the Transaction is finalized, including the execution of a definitive Arrangement Agreement by both parties, the Transaction is anticipated to close in January of 2010, however, there can be no assurances that the Transaction or any other Transaction will be completed.

In the event that the Transaction is not completed, it will be necessary for AXMIN to consider alternatives in order to raise the necessary funds to continue its operations, including the potential sale of assets or property rights. AXMIN's ability to successfully raise capital has proven challenging since an amending decree, imposed by the government of CAR in August of 2008, limited the permits to the exploration of gold only. There are no guarantees that such capital raising will be successful in the future. The ability of AXMIN to continue as a going concern is dependent on shareholder support and its ability to raise additional financing.

Results of Operations

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

In thousands of US dollars, except per share amounts	**2009 3rd quarter**	**2009 2nd quarter**	**2009 1st quarter**	**2008 4th quarter**
Statements of operations and deficit				
Net loss for the period	(1,138)	(52,115)	(713)	(4,760)
Net loss per share	(0.004)	(0.179)	(.003)	(0.017)
Balance sheets				
Working capital	(401)	516	(153)	1,228
Total assets	34,329	34,830	84,748	85,461
Statements of cash flows				
Investments in exploration and development	(879)	(1,005)	(845)	(2,066)
Cash flow from financing activities	578	2,026	-	3,213

	2008 3rd quarter	**2008 2nd quarter**	**2008 1st quarter**	**2007 4th quarter**
Statements of operations and deficit				
Net (loss) profit for the period	(1,153)	(1,372)	(1,334)	(4,309)
Net (loss) profit per share	(0.005)	(0.006)	(0.005)	(0.020)
Balance sheets				
Working capital	1,147	5,772	1,129	8,264
Total assets	87,298	89,458	78,702	79,216
Statements of cash flows				
Investments in exploration and development	(3,739)	(6,345)	(7,234)	(7,659)
Cash inflow from financing activities	-	11,866	796	649

Period ended September 30, 2009

The net loss for the period ended September 30, 2009 was US$54.0 million compared to US$3.8 million in 2008, an increase of US$50.2 million. This increase is explained by an increase in impairment charges of exploration and development.

Administration expenses in 2009 were US$1.6 million compared to US$2.3 million in 2008. The principal reason for this decrease was the shutdown of the UK office and the reduced scope of the Company's activities in 2009 compared to 2008.

A review of the carrying values of the Company's exploration and development property assets led to impairment charges of US$52.0 million in 2009 compared to US$400 for the same period in 2008. The Company's policy is to continually assess the economic viability of its projects whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. An impairment loss is measured at the amount by which the carrying amount of the asset exceeds its fair value.

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

During the nine months ended September 30, 2009, the Company capitalized exploration and development for a total of US$2.7 million (of which US$1.6 million related to the Bambari-Bakala Permits) compared to US$13.6 million (of which US$11.5 million related to the Bambari-Bakala Permits) during the nine month period ended September 30, 2008. As at September 30, 2009 the Company's cumulative capitalized carrying value of exploration and development expenditures was US$34.0 million compared to the June 30, 2009 balance of US$33.5 million and to the March 31, 2009 balance of US$84.1 million. This significant decrease is a result of recording an impairment charge in the amount of US$52.0 million during the period ended September 30, 2009 and the reduced scope of the Company's exploration and development activities in 2009 compared to 2008.

Liquidity and Capital Resources

The recent uncertainty regarding the permitting process for the Passendro Gold Project has rendered the task of obtaining corporate financing difficult. Management has been informed by its various advisors in the investment banking sector that project financing may also be difficult, which in turn, could cause delays in the ramp up of Passendro. Management has reviewed and modified all expenditure programs in order to narrow the Company's focus and preserve resources until the Mining Permit is in hand.

The Company's main sources of funding are equity markets, outstanding warrants and options. As at September 30, 2009, the Company had cash resources of US$187 compared to US$1.2 million balance as at June 30, 2009 and to the March 31, 2009 balance of US$465. All of these amounts are retained as cash on deposit, thus minimizing the credit risk. The decrease in cash resources is mostly due to investments in exploration and development, working capital and administrative expenses.

On November 23, 2009, the Company's major shareholder AOG Holdings BV ("AOG"), a wholly owned subsidiary of the Addax & Oryx Group Limited exercised 2,300,000 common share purchase warrants at a price of Cdn$0.14 per share for a total consideration of Cdn$322. Following the exercise of the warrants, AOG exercises control and direction over 153,825,326 common shares of the Company, representing 49.95% of the Company's 307,979,901 issued and outstanding common shares.

On October 15, 2009, the Company's major shareholder AOG Holdings BV ("AOG"), a wholly owned subsidiary of The Addax & Oryx Group Limited exercised 4,000,000 common share purchase warrants at a price of Cdn$0.14 per share for a total consideration of Cdn$560.

On September 16, 2009, the Company's major shareholder AOG Holdings BV ("AOG") exercised 4,400,000 common share purchase warrants at a price of C$0.14 per share for a total consideration of C$616.

On April 21, 2009, the Company had closed a non-brokered private placement with its major shareholder, AOG, of 25,000,000 Units at a price of C$0.10 per unit for total gross proceeds of US $2.0 million. Each Unit consists of one common share plus one common share purchase warrant. Each whole common share purchase warrant entitles the holder to purchase one additional common share of AXMIN at a price of C$0.14 expiring on April, 21 2012.

As at September 30, 2009, the Company had a negative working capital of US$401 compared to the amount of US$516 as at June 30, 2009 and to the March 31, 2009 negative amount of US$153. The decrease in working capital in 2009 mostly relates to the investment in exploration and development, decrease in trade payables and administrative expenses.

Contractual Obligations

The Company has entered into agreements to lease premises for various periods until October 31, 2013. The annual rent of premises consists of minimum rent plus realty taxes, maintenance and utilities.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Related Parties

During the period ended September 2009 and 2008, the Company received:

(a) $54 (2008: $150) in legal services provided by a partnership related to a director of the Company. At September 30, 2009, $23 (2008 - $42) was due to this partnership.
(b) $28 (2008: $14) in management services from Addax and Oryx Group Limited, a company related to the Chairman of the Company. At September 30, 2009, $84 (2008: $43) was due to this company.

International Financial Reporting Standards

In February 2008, the Canadian Accounting Standards Board (AcSB) confirmed that Canadian Generally Accepted Accounting ("GAAP") principles would cease for publicly accountable enterprises and the International Financial Reporting Standards ("IFRS") would become the new basis of accounting. The effective date of transition is January 1, 2011 whereby the Company plans to report its 2011 interim and annual financial statements under IFRS guidelines. The financial reporting in 2011 will also include the restatement of the 2010 figures in compliance with IFRS guidelines for comparative purposes.

Management has put into place a conversion plan that includes; i) education and awareness ii) identifying major differences between current Canadian GAAP and IFRS iii) impact on systems and processes. At the date of this report, the education and awareness phase is completed while the other segments of the plan are in progress. The Company continues to assess the impact of transition to IFRS on its consolidated financial statements. A diagnostic assessment of the Company's current accounting policies, systems and processes to identify the differences between Canadian GAAP and IFRS is in progress and the impact on our consolidated financial position and results of operations has not yet been determined.

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 Passendro in the CAR none of the properties in which AXMIN has an interest contain a known body of commercial ore. Passendro 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

Additional funds over and above those currently held by the Company will be required to for further exploration to prove economic ore bodies and to bring such ore bodies to production. The 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 and Senegal. 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, and Senegal will not result in their respective governments adopting different policies respecting foreign development and ownership of mineral resources. Any such changes in policy may result in changes in laws affecting ownership of assets, mining policies, monetary policies, taxation, rates of exchange, environmental protection, labour relations, repatriation of income and return of capital, which may affect both AXMIN's ability to undertake exploration and development activities in respect of present and future properties in the manner currently contemplated, as well as its ability to continue to explore, develop and operate those properties in respect of which it has obtained exploration rights to date. The possibility that future governments of these and other African countries may adopt substantially different policies, which might extend to expropriation of assets, cannot be ruled out. The Company's projects may be subject to the effects of political changes, war and civil conflict, changes in government policy, lack of law enforcement and labor unrest and the creation of new laws. The effect of unrest and instability 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.

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 and Senegal. 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, and Senegal 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 holds approximately 49.95% of the common shares issued by the Company. AOG is able to exercise significant influence over all matters requiring shareholder approval, including the election of directors and approval of significant corporate transactions. AOG's shareholding excludes shares in AXMIN held by the Company's Chairman, Jean Claude Gandur, who is a senior officer and director of an affiliate of AOG.

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.

Estimation of Asset Carrying Values
The Company undertakes a periodic 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.

Share Capital

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

Securities	**Common shares on exercise**
Common shares	307,979,901
Stock options	5,825,000
Common share purchase warrants	55,966,667
Fully diluted share capital	**369,771,568**

Contingencies

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

Forward-Looking Statements

This report contains "forward-looking information" which may include, but is not limited to, statements with respect to the future financial or operating performances of AXMIN, its subsidiaries and their respective projects, the future price of gold, base metals and other commodities, the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, requirements for additional capital, 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

November 25, 2009

AXMIN Inc.
Notice to the Reader

In accordance with National Instrument 51-102, Part 4, sub-section 4.3(3)(a), notice is hereby given that the accompanying interim consolidated financial statements of AXMIN Inc. (the “Company”) for the nine months ended September 30, 2009 have not been reviewed by the Company’s auditors.

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

Consolidated Balance Sheets

As at September 30, 2009 and December 31, 2008
(Nature of operations and going concern - *Note 1*)
(Unaudited and expressed in thousands of United States dollars)

	2009	2008 (audited)
Assets		
Current assets		
Cash and cash equivalents	**187**	1,994
Accounts receivable	**24**	59
Prepaid expenses and deposits	**17**	64
	228	2,117
Exploration and development costs *(Note 3)*	**33,962**	83,205
Other assets	**139**	139
	34,329	85,461
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities	**522**	803
Amounts due to related parties *(Note 5)*	**107**	86
	629	889
Commitments and contingencies *(Notes 3 and 8)*		
Shareholders' equity *(Note 4)*		
Share capital	**104,258**	102,655
Warrants	**3,189**	2,364
Contributed surplus	**6,048**	5,382
Deficit	**(79,795)**	(25,829)
	33,700	84,572
	34,329	85,461

See accompanying notes to the unaudited consolidated financial statements.

Consolidated Statements of Operations and Deficit

For the three and nine month periods ended September 30, 2009 and 2008
(Unaudited and expressed in thousands of United States dollars except per share data)

	Three months ended September 30,		Nine months ended September 30,	
	2009	2008	**2009**	2008
Expenses				
Administration	**630**	778	**1,592**	2,262
Impairment charges *(Note 3)*	**372**	-	**51,972**	353
Stock-based compensation *(Note 4)*	**150**	254	**490**	1,112
	1,152	1,032	**54,054**	3,727
Other income				
Loss (gain) on foreign exchange	(14)	160	**(84)**	239
Interest income	**-**	(39)	**(4)**	(107)
	(14)	121	**(88)**	132
Net loss and other comprehensive loss for the period	**1,138**	1,153	**53,966**	3,859
Deficit, beginning of period	**78,657**	19,916	**25,829**	17,210
Deficit, end of period	**79,795**	21,069	**79,795**	21,069
Net loss per share (basic and diluted)	**0.004**	0.00	**0.191**	0.02
Weighted average number of common shares outstanding	**297,997,292**	245,613,234	**282,219,355**	228,115,389

See accompanying notes to the unaudited consolidated financial statements.

Consolidated Statements of Shareholders' Equity

As at September 30, 2009 and December 31, 2008
(Unaudited and expressed in thousands of United States dollars, except per share data)

	2009		2008	
	Number	**Amount *($)***	Number	Amount *($)*
Share Capital				
Authorized: Unlimited common shares				
Issued: common shares				
Balance at beginning of period	**272,279,901**	**102,655**	214,513,234	88,760
Shares issued on financing *(note 4)*	**25,000,000**	**1,025**	56,666,667	12,714
Exercise of warrants *(note 4)*	**4,400,000**	**578**	-	-
Exercise of stock options	**-**	**-**	1,100,000	797
Stock based compensation expense	**-**	**-**	-	384
Balance at end of period	**301,679,901**	**104,258**	272,279,901	102,655
Warrants				
Balance at Beginning of period	**41,666,667**	**2,364**	-	-
Warrants issued on financing *(note 4)*	**25,000,000**	**1,001**	41,666,667	2,364
Warrants exercised *(note 4)*	**(4,400,000)**	**(176)**	-	-
Balance at end of period	**62,266,667**	**3,189**	41,666,667	2,364
Contributed surplus				
Balance at beginning of period		**5,382**		4,466
Stock based compensation expense *(note 4)*		**490**		1,300
Exercise of stock options		**-**		(384)
Exercise of warrants *(note 4)*		**176**		-
Balance at end of period		**6,048**		5,382
Deficit				
Balance at beginning of period		**(25,829)**		(17,210)
Net loss for the period		**(53,966)**		(8,619)
Balance at end of period		**(79,795)**		(25,829)
Shareholders' equity at end of period		**33,700**		84,572

See accompanying notes to the unaudited consolidated financial statements.

Consolidated Statements of Cash Flows

For the nine month periods ended September 30, 2009 and 2008
(Unaudited and expressed in thousands of United States dollars)

	Three months ended September 30,		Nine months ended September 30,	
	2009	2008	**2009**	2008
Operating activities				
Net profit (loss) for the period	**(1,138)**	(1,153)	**(53,966)**	(3,859)
Impairment charges *(Note 3)*	**372**	-	**51,972**	353
Stock-based compensation expense	**150**	254	**490**	1,112
Unrealized (gain) loss on foreign exchange	**(23)**	56	**(84)**	(322)
Change in non-cash working capital	**(80)**	(1,195)	**(178)**	(1,635)
Net cash outflow from operating activities	**(719)**	(2,038)	**(1,766)**	(3,707)
Investing activities				
Exploration and development costs	**(879)**	(3,739)	**(2,729)**	(17,318)
Other assets	**-**	(67)	**-**	(67)
Net cash outflow from investing activities	**(879)**	(3,806)	**(2,729)**	(17,358)
Financing activities				
Issuance of units *(Note 4)*	**-**	-	**2,043**	12,706
Exercise of warrants *(Note 4)*	**578**	-	**578**	-
Cost of units issuance	**-**	-	**(17)**	(44)
Net cash inflow from financing activities	**578**	-	**2,604**	12,662
Effect of foreign exchange on cash and cash equivalents	**23**	(56)	**84**	322
Change in cash and cash equivalents	**(997)**	(5,900)	**(1,807)**	(8,752)
Cash and cash equivalents, beginning of period	**1,184**	8,269	**1,994**	11,121
Cash and cash equivalents, end of period	**187**	2,369	**187**	2,369
Supplemental cash flow information				
Interest	**-**	-	**-**	-
Tax paid	**-**	-	**-**	-

See accompanying notes to the unaudited consolidated financial statements.

1. Nature of operations and going concern

AXMIN Inc. ("AXMIN", the "Company") is an international mineral exploration company with an exploration portfolio in the mineral belts of central and west Africa. A significant portion of the Company's exploration and development costs relate to its Passendro Gold Project (the "Project") situated on a portion of the Bambari property in the Central African Republic (the "CAR"). The Company holds its interest in this property through its wholly owned CAR registered subsidiary, Aurafrique S.A.R.L. ("Aurafrique"), which holds prospecting and exploration permits for the property.

The Company is in its development stage. Aside from the properties that comprise the Passendro Gold Project, it has not yet determined whether other properties in its exploration portfolio contain resources that are economically recoverable. The recoverability of the amounts shown for exploration and development costs is dependent upon the existence of economically recoverable resources, the ability of the Company to obtain all necessary permits and raise financing to complete the exploration and development, and future profitable production or proceeds from the disposition of such properties. In addition, the Company's properties may be subject to sovereign risk, including political and economic uncertainty, changes in existing government regulations to mining which may withhold the receipt of required permits or impede the Company's ability to acquire the necessary surface rights as well as currency fluctuations and local inflation. These risks may adversely affect the investment in the properties and may result in the impairment or loss of all or part of the Company's investment.

These unaudited consolidated financial statements have been prepared on the basis that the Company is a "going concern", which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. As at September 30, 2009, the Company had no source of operating cash flows and does not have sufficient cash to fund the development of its properties. It will require additional financing or other sources of funding, which if not raised, would result in the curtailment of activities.

To date, the Company has raised funds principally through the issuance of shares. In the foreseeable future, the Company will likely remain dependent on the issuance of shares, the sale of assets and the availability of project finance to raise funds to explore and develop its properties. Management expects that it will be able to fund its immediate cash requirements and will require funding through financing or the sale of assets to allow the Company to continue future exploration and development activities. However, there can be no assurance that it will be successful.

There can be no assurances that the Company's activities will be successful or sufficient funds can be raised in a timely manner. As a result, there is significant doubt regarding the "going concern" assumption and accordingly, the use of accounting principles applicable to a going concern. These unaudited 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. If the "going concern" assumption was not appropriate for these consolidated financial statements, then adjustments to the carrying values of the assets and liabilities, expenses and balance sheet classifications, which could be material, would be necessary.

2. Basis of presentation and new accounting standards

These unaudited interim consolidated financial statements include the financial statements of the Company, including all of its wholly owned subsidiaries.

The interim consolidated financial statements are prepared by management in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") and follow the same accounting policies and methods of computation as the most recent annual financial statements for the year ended December 31, 2008. They do not necessarily include all of the disclosures required by Canadian GAAP for annual consolidated financial statements. These unaudited interim consolidated financial statements should be read in conjunction with the Company's audited annual consolidated financial statements and notes for the year ended December 31, 2008.

Effective January 1, 2008, the Company adopted Canadian Institute of Chartered Accountants ("CICA") Handbook Section 1400 *Assessing Going Concern,* Handbook Section 1535 *Capital Disclosures* and Handbook Section 3862 *Financial Instruments – Disclosures* and Handbook Section 3863 *Financial Instruments – Presentation*. These standards were adopted on a prospective basis and as such, prior periods have not been restated.

Assessing Going Concern (Section 1400)
Section 1400 has been amended to include requirements for management to assess and disclose an entity's ability to continue as a going concern. The standard is effective for interim and annual financial statements for years beginning on/after January 1, 2008. The resulting disclosures from implementation are presented in Note 1.

Capital Disclosures (Section 1535)
Section 1535 specifies the disclosure of the Company's objectives, policies and processes for managing capital; quantitative data about what the Company regards as capital; whether the Company has complied with any capital requirements and the consequences, if any, of non-compliance and how the Company is meeting its objectives for managing capital. The resulting disclosures from implementation are presented in Note 8.

Financial Instruments – Disclosures and Presentation (Section 3862 and 3863)
The new 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. The adoption of these standards did not have any material impact on the Company's results of operations or financial position and the required disclosures are presented in Note 9.

Goodwill and Intangible Assets (Section 3064)
The CICA issued accounting Section 3064 "*Goodwill and Intangible Assets*" which replaces Section 3062 "Goodwill and Other Intangible Assets", Section 3450 – Research and Development and EIC 27 – Revenues and Expenditures during the Pre-operating period. The new standard provides guidance on the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The adoption of this policy has had no material impact on the Company's financial statements.

Mining Exploration Costs (EIC 174)
The Emerging Issues Committee of the CICA approved abstract EIC 174 "Mining Exploration Costs", which provides guidance on capitalization of exploration costs related to mining properties in particular, and on impairment of long-lived assets in general. The Company has applied this new abstract and its impact is reflected on the financial statements.

New Accounting Pronouncements Not Yet Adopted

Business Combinations (Section 1582), *Consolidated Financial Statements* (Section 1601) and *Non-controlling Interests* (Section 1602)
These sections replace the former Section 1581, *Business Combinations* and Section 1600, *Consolidated Financial Statements* and establish a new section for accounting for a non-controlling interest in a subsidiary. These sections provide the Canadian equivalent to FASB Statements No. 141 (R) Business Combinations and No. 160 Non-controlling interests in Consolidated Financial Statements. CICA 1582 is effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Section 1601 and 1602 apply to interim and annual consolidated financial statements relating to years beginning on or after January 1, 2011. The Company is currently assessing the impact of these new accounting standards on its financial statements.

International Financial Reporting Standards ("IFRS")
The Canadian Accounting Standards Board has announced its decision to replace Canadian GAAP with IFRS for all Canadian Publicly Accountable Enterprises (PAEs). The effective changeover date is January 1, 2011, at which time IFRS will take effect. Following this timeline, the Company will issue its first set of interim financial statements prepared under IFRS in the first quarter of 2011.

The Company continues to assess the impact of transition to IFRS on its consolidated financial statements. A diagnostic assessment of the Company's current accounting policies, systems and processes to identify the differences between Canadian GAAP and IFRS is in progress and the impact on our consolidated financial position and results of operations has not yet been determined.

(Unaudited and all tabular amounts expressed in thousands of United States dollars, unless otherwise stated)

3. Exploration and development costs

(US$ '000)	**Bambari (CAR)**	**Kofi (Mali)**	**Nimini (Sierra Leone)**	**Others**	**Total**
Balance - December 31, 2007	50,240	9,806	6,182	1,466	67,694
Exploration costs	12,302	3,216	2,842	1,024	19,384
Impairment Charges	-	(2,500)	-	(1,373)	(3,873)
Balance – December 31, 2008	62,542	10,522	9,024	1,117	83,205
Exploration costs	1,641	510	509	69	2,729
Impairment Charges	(40,872)	(6,800)	(4,300)	-	(51,972)
Balance – September 30, 2009	**23,311**	**4,232**	**5,233**	**1,186**	**33,962**

Exploration and development costs are capitalized on a per project basis. The Company reviews for impairment of exploration and development costs whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Reductions in the carrying value of the exploration and development costs are recorded as impairments to the extent the carrying value of the related assets exceeds their fair value. The determination of fair value is based on discounted cash flow projections and assumptions that include; commodity pricing, availability of financing, obtaining the exploration and mining permits and various other factors. When the determination of fair value based on cash flow projections are deemed difficult or impossible, Management utilizes other methods such as cost per oz compared to peers, cost per oz of net exploration kilometre and recent market transactions.

Central African Republic ("CAR")
AXMIN holds a 100% interest in the Bakala, Bambari, Bogoin II and Pouloubou properties through its two wholly owned CAR registered subsidiaries, which hold prospecting and exploration permits for the properties. Of these project areas, the Bambari-Bakala properties have 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. On September 11, 2009, AXMIN expressed to the government of CAR an intent to not renew the Bakala, Bogoin II and Pouloubou permits. The decision was due partly to the availability of cash and also, that these properties would fall under the governance of the new mining code in CAR. The carrying value of the Bakala property in the amount of US$372 was subsequently written off as of September 30, 2009.

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 the Company. 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 C$100. 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 C$500, 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%.

At June 30, 2009, as a result of the continued inability of the Company to obtain financing other than from its major shareholder, and the increasing delays in the Company's efforts to obtain the mining permit associated with the Passendro project, the Company had reassessed its carrying value of the Passendro asset and concluded that the carrying value exceeded the fair value. The impairment charge was determined at US$40.5 million in order to reflect fair value of the project. The ability of the Company to successfully raise capital or source funds in the near future combined with its continued efforts to obtain the mining permit for Passendro will largely dictate the Company's decision to pursue this property. The Company continues to seek to obtain the required permits, mining license and state approvals for the Passendro project.

At December 31, 2008, due to the decline in the business climate, the limitations of raising capital in the markets and the uncertainty of the recoverability of exploration and development costs associated with the Bogoin II, Pouloubou and other ancillary properties, $1.0 million of these costs were written down. These projects are not directly related to the Passendro project and retain their own individual licences that are currently in good standing. The ability of the Company to raise capital in the near future will in all likelihood, dictate the decision to pursue these properties. In early 2009, the Sosso Polipo permit was not renewed and the carrying value associated with the property is $nil at December 31, 2008.

Mali
The Kofi North, Netekoto-Kenieti, Walia West, Walia and Kenieti-Dianisse permits are collectively referred to as the "Kofi Gold Project".

AXMIN holds directly and indirectly:

(a) an 83.62% interest in the Kofi North permits (prior to the 10% free carried interest of the government of Mali) from joint venture partners African Goldfields Corporation ("AGC), a subsidiary of African Selection Mining Corporation ("ASMC") and Société Financière et d'Exploration de l'Or au Mali ("SOFOM");
(b) an 89.88% interest in the Netekoto-Kenieti permits (prior to the 10% free carried interest of the government of Mali) from joint venture partner AGC;
(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;
(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"); and
(e) a 94.44% interest in the Kenieti-Dianisse permit (prior to the 10% free carried interest of the government of Mali) from joint venture partner Dianisse SARL ("Dianisse").

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

At June 30, 2009, due to the increasing limitations in raising capital in the markets and third party valuations determined during the ongoing advisory mandate, the Company assessed an impairment charge of US$6.8 million on the Malian assets. The ability of the Company to successfully raise capital or source funds in the near future will in all likelihood, dictate the decision to pursue this property.

At December 31, 2008, as part of its ongoing assessment of evaluating the carrying value of its mineral properties, the Company assessed an impairment charge of US$2.5 million on the Mali asset. Since no scoping study has been completed at this time, the fair value methods used to determine the valuation included: cost per oz compared to peers and recent acquisitions in the junior mining industry.

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$2.3 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$2.3 million and hence AXMIN earned a 60% interest in the project.

On September 15, 2009, the Company decided to terminate its interest in the Gori Hills Joint Venture and all permit rights were returned to the other Party. The carrying value of this property is $nil as of September 30, 2009.

At June 30, 2009, due to the increasing limitations in raising capital in the markets, the Company reassessed its carrying value of the Nimini asset in Sierra Leone and came to the conclusion that the current carrying value exceeded the fair value. The impairment charge was determined at US$4.3 million in order to reflect fair value of the project. The ability of the Company to successfully raise capital or source funds in the near future will in all likelihood, dictate the decision to pursue this property. The Company remains optimistic on exploration potential in Sierra Leone.

Senegal
On November 3, 2008, the Company concluded a joint venture with Sabodala Mining Company SARL, a wholly owned subsidiary of Mineral Deposits Limited ("MDL") whereby MDL may earn a 51% interest in AXMIN's wholly owned gold exploration permits, Sonkounkou, Heremakono and Sabodala NW located in the Birimian belt of Eastern Senegal.

The terms of the joint venture agreement with MDL include:

a) MDL must spend a total of US$2.5 million over three years to earn a 51% interest in each permit, with a minimum expenditure of US$500 in year one, US$800 in year two and US$1.2 million in year three. There is a minimum expenditure of US$800 before it may contemplate withdrawing from the joint venture.
b) Following earn-in, AXMIN may elect to maintain its 49% interest by funding future expenditure on a pro rata basis, or it may elect to dilute further to 20% in return for MDL spending a further US$3.5 million over an additional three year period. At this stage AXMIN may elect to participate or transfer its residual interest to MDL in return for a 1.5% royalty.

The company had previously entered in a joint venture with Harmony Gold Mining Company Limited ("Harmony"). As of November 30, 2007, Harmony had spent US$1.5 million and due to a change in exploration strategy, decided to terminate the project. Pursuant to the joint venture agreement, Harmony did not retain any interest in the permit and all permit rights were returned to the Company. Due to the uncertainty of the recoverability of exploration and development costs, $354 was written off in 2008. Subsequent expenditures of US$255 associated with MDL's joint venture agreement have been capitalized.

Ghana
During the year ended December 31, 2007, the Company entered into an agreement with Ausgold Ghana Limited ("Ausgold") whereby the Company agreed to transfer its entire interest and rights under the agreement with Consolidated Minerals Limited ("Consmin") to Ausgold in exchange for payment, by January 31, 2008, of US$550 upon the closing of an initial public offering ("IPO") of the ordinary shares of Noble Mineral Resources Limited ("Noble"), a company to which Ausgold intended 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.

Effective June 27, 2008, AXMIN transferred its entire interest in the Cape Three Points property to Noble for proceeds of 3,000,000 common shares, representing 2.17% of the total issued common shares of Noble. In addition, AXMIN retains a 1.5% royalty on any future gross smelter returns from ore mined from the Cape Three Points Licence area at that time. This transaction was part of Noble's IPO on the Australian Securities Exchange ("ASX") which was priced at A$0.20 per common share and shares started trading on June 27, 2008. In accordance with the regulations of the ASX the common shares of Noble held by AXMIN are subject to a 24 months escrow period commencing on June 27, 2008. A gain of $575 was recognized on receipt of the shares. Subsequently, these shares were written down to reflect the estimated realizable value of $nil as of December 31, 2008.

(Unaudited and all tabular amounts expressed in thousands of United States dollars, unless otherwise stated)

4. Share capital

On September 16, 2009, the Company's major shareholder AOG Holdings BV ("AOG") exercised 4,400,000 common share purchase warrants at a price of C$0.14 per share for a total consideration of C$616 (US$578). The aggregate increase in the share capital as a result of this transaction was 4,400,000 common shares. The fair value of the warrants exercised, C$216 (US$176) was reclassified from warrants to contributed surplus in the shareholder's equity section.

Following the exercise of the described above warrants, the Company's major shareholder, AOG Holdings BV ("AOG"), held 147,525,325 (2008: 95,108,327) common shares and 62,266,667 (2008: 7,500,000) common share purchase warrants, representing approximately 48.9% (2008: 41.0%) of AXMIN's issued and outstanding common shares on a non-dilutive basis.

On April 21, 2009, the Company had closed a non-brokered private placement with its major shareholder, AOG, of 25,000,000 Units at a price of C$0.10 per unit for total gross proceeds of C$2.5 million (US$2.0 million). Each unit consists of one common share plus one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of AXMIN at a price of C$0.14 expiring on April 21, 2012. The aggregate increase in the share capital as a result of this transaction was 25,000,000 common shares at a fair value of C$1.3 million (US$1.0 million) and 25,000,000 warrants at a fair value of C$1.2 million (US$1.0 million). Unit issuance costs amounted to C$21 (US$17).

A relative fair value calculation was used to present the carrying value of the warrants. The fair value of the warrants issued was estimated using a Black-Scholes pricing model with the following assumptions:

Risk free interest rate	2.2%
Expected life in years	3 years
Expected volatility	95%
Dividends per share	0.0%

During the year ended December 31, 2008, the Company closed:

a) A non-brokered private placement in June 2008 totalling 30,000,000 Units at a price of C$0.40 per Unit, for total gross proceeds of C$12.0 million (US$11.8 million). Each Unit consists of one common share plus one-half of one common share purchase warrant. Each whole common share purchase warrant entitles the holder to purchase one additional common share of AXMIN at a price of C$0.57 expiring 24 months after the date of closing of each tranche. The aggregate increase in the share capital as a result of this transaction was 30,000,000 common shares at a fair value of C$10.4 million (US$10.3 million) and 15,000,000 warrants at a fair value of C$1.6 million (US$1.5 million). Unit issuance costs amounted to C$100 (US$95).

   A relative fair value calculation was used to present the carrying value of the warrants. The fair value of the warrants issued was estimated using a Black-Scholes pricing model with the following assumptions:

Risk free interest rate	3.1%
Expected life in years	2 years
Expected volatility	63.8%
Dividends per share	0.0%

b) A non-brokered private placement in November 2008 of up to 26,666,667 Units in the Company at a price of C$0.15 per Unit, for total gross proceeds of C$4.0 million (US$3.2 million). Each Unit consists of one common share plus one common share purchase warrant, which entitles the holder to purchase one additional common share of the Company at a price of C$0.20 for a period of twenty four months following the close of the placement. The aggregate increase in the share capital as a result of this transaction was 26,666,667 common shares at a fair value of C$3.0 million (US$2.4 million) and 26,666,667 warrants at a fair value of C$1.0 million (US$800).

   A relative fair value calculation was used to present the carrying value of the warrants. The fair value of the warrants issued was estimated using a Black-Scholes pricing model with the following assumptions:

Risk free interest rate	1.9%
Expected life in years	2 years
Expected volatility	96.3%
Dividends per share	0.0%

(Unaudited and all tabular amounts expressed in thousands of United States dollars, unless otherwise stated)

Stock Options
The Incentive Stock Option Plan (the "Plan') authorizes the Directors to grant options to purchase shares of the Company to directors, officers, employees and consultants. The majority of options granted vest over 2 years and expire 5 years from the date of issuance. The Plan allows for the maximum number of common shares issuable under the Plan to equal 10% of the issued and outstanding common shares of the Company at any point in time, and that options once exercised would be re-endorsed into the pool of ungranted options.

As at September 30, 2009, 23.4 million (2008: 14.0 million) options are available for issuance under the Plan.
As at September 30 2009, common share stock options held by directors, officers, employees and consultants are as follows:

	Outstanding			**Exercisable**	
Range of exercise prices (C$)	Number of options	Weighted average exercise price (C$)	Weighted average remaining contractual life	Number of options	Weighted average exercise price (C$)
0.05 to 0.10	500,000	0.10	4.63	125,000	0.10
0.15 to 0.30	850,000	0.15	4.02	550,000	0.15
0.31 to 0.70	895,000	0.59	1.32	832,500	0.60
0.71 to 1.00	4,555,000	0.88	2.70	4,555,000	0.88
	6,800,000	0.69	2.83	6,062,500	0.76

	Number of options	Weighted Average Exercise Price (C$)
Balance as at December 31, 2007	11,392,500	0.86
Options granted	1,150,000	0.22
Options expired	(3,447,500)	0.87
Options exercised	(1,100,000)	0.72
Balance as at December 31, 2008	**7,995,000**	**0.77**
Options granted	500,000	0.10
Options expired/cancelled	(1,695,000)	0.90
Options exercised	-	-
Balance as at September 30, 2009	**6,800,000**	**0.69**

The Company used the Black-Scholes option pricing model to estimate the fair value of the options granted during the period ended September 30, 2009 and year ended December, 31 2008 using the following assumptions:

	2009	2008
Assumptions:		
Weighted average risk free rate	**2.16%**	2.86%
Annualized volatility	**98.8%**	81.3%
Weighted average expected life	**5 years**	5 years
Expected dividend yield	**0.0%**	0.0%

The Company granted 500,000 options during the period ended September 30, 2009.

(Unaudited and all tabular amounts expressed in thousands of United States dollars, unless otherwise stated)

5. Related Parties

During the period ended September 2009 and 2008, the Company received:

c) $54 (2008: $150) in legal services provided by a partnership related to a director of the Company. At September 30, 2009, $23 (2008 - $42) was due to this partnership.
d) $28 (2008: $14) in management services from the Addax and Oryx Group Limited, a company related to the Chairman of the Company. At September 30, 2009, $84 (2008: $43) was due to this company.

6. Commitments and contingencies

The following is a summary of rental lease commitments for various periods due for the next 5 years and thereafter. The annual rent payments consist of minimum rent plus realty taxes, maintenance and utilities.

	September 30, 2009	December 31, 2008 (audited)
Less than 1 year	**102**	100
1 - 3 years	**305**	196
4 - 5 years	**8**	171
Total	**415**	467

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

7. Segmented information

The Company operates in one industry segment: mineral exploration and development. The Company conducts its exploration activities in CAR, Sierra Leone, Mali and Senegal. Note 3 to the financial statements sets out details of capitalized exploration and development by country.

8. Capital management

The Company manages its cash and cash equivalents, common shares, stock options, and warrants as capital. The policy of the Board of Directors of the Company is to maintain a strong capital base so as to sustain future development of the business and maintain investor, creditor and market confidence. To meet these objectives the Company monitors its financial position on an ongoing basis. The Company does not currently have debt outstanding and so it is not subject to externally imposed capital requirements other than the requirement to maintain sufficient cash balances to fund continuing operations.

9. Financial instruments and risk management

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

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

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

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

(b) Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities. The Company's objective is to maintain sufficient liquid resources to meet operational requirements. As at September 30, 2009, the Company had cash and cash equivalents of $187 (2008 - $2.4 million). Substantially all of the Company's financial liabilities mature within 6 months.

(c) Market risk

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

The global financial crisis has led to dramatic volatility in the foreign currency markets. As the Company maintains certain of its cash and cash equivalents in the Canadian dollar and is thus susceptible to market volatility as cash balances are revalued to the functional currency of the Company. The rate published by the Bank of Canada at the close of September 30, 2009 was 1.0707 Canadian dollars to 1 US dollar. Based on the balances at September 30, 2009, earnings will increase or decrease by $56 given a 5% increase or decrease, respectively, in the US dollar to Canadian dollar exchange rate.

(ii) Interest rate risk
The Company has no interest-bearing debt or short term investments.

10. Reclassification of Comparative Figures

Certain comparative figures have been reclassified to conform to the current period's presentation.

11. Subsequent Events

(a) On November 23, 2009, the Company's major shareholder AOG Holdings BV ("AOG"), a wholly owned subsidiary of The Addax & Oryx Group Limited, exercised 2,300,000 common share purchase warrants at a price of C$0.14 per share for a total consideration of C$322. Following the exercise of the warrants AOG exercises control and direction over 153,825,326 common shares of the Company, representing 49.95% of the Company's 307,979,901 issued and outstanding common shares.

(b) On November 9, 2009, the Company entered into a letter agreement with respect to a non-binding proposal that provides for, among other things, a binding provision with respect to exclusive negotiations (subject to customary exceptions which allow the Board of Directors of AXMIN to consider any superior proposal) until November 20, 2009 with Toro Gold Ltd. ("Toro Gold"), a private company incorporated under the laws of Guernsey, to acquire all of the outstanding common shares of AXMIN at a purchase price of C$0.14 in cash per common share (the "Transaction"). On November 23, 2009, both parties agreed to extend the exclusivity period to December 4, 2009.

The Transaction is expected to be completed by way of a statutory plan of arrangement under the *Canada Business Corporations Act* and it is anticipated the Transaction will close in January 2010. There can be no assurances that the Transaction or any other Transaction will be completed by such date or at all.

(c) On October 15, 2009, the Company's major shareholder AOG Holdings BV ("AOG") exercised 4,000,000 common share purchase warrants at a price of C$0.14 per share for a total consideration of C$560.