



2001 annual report

A photograph of a savanna landscape at sunset or sunrise. The sky is a warm, hazy orange. In the foreground, the silhouettes of several animals, including an elephant and a zebra, are visible against the horizon. A large, iconic acacia tree stands prominently in the middle ground.

new gold discoveries

Corporate Profile

AXMIN is a mineral exploration company with a strong portfolio of highly prospective gold properties in Africa including the Central African Republic ("CAR"), Mali, Ghana, Senegal, Tanzania and, more recently, Burkina Faso. AXMIN is led by a highly experienced management and exploration team that honed its African expertise with SAMAX Gold Inc., which was sold to Ashanti Goldfields Company Limited for Cdn\$213 million in 1998.

AXMIN has made important gold discoveries in an Archean greenstone belt in the CAR thought to be an extension of the Kilo-Moto gold deposits in the Democratic Republic of Congo. AXMIN's Mali

discovery is strategically located around and between the mineralized corridor which host the world class Sadiola mine, the Yatela mine, the Loulo deposit and the Segala deposit.

AXMIN's Cape Three Points prospect in Ghana and the Bouroum Permit in Burkina Faso have high-grade deposit potential and provide opportunities to generate cash flow in the near-term.

Following the successful completion of the reverse takeover of Asquith Resources Inc. (YAO – CDNX) in 2001 AXMIN Inc. is listed with symbol "AXM" on the Canadian Venture Exchange in Canada.



2002 exploration highlights

- Discovery of 3 new gold zones at Kofi in Mali with open pit resource potential; many targets remain to be tested
- Signing of a Heads of Agreement with Channel Resources Ltd over the Bouroum Permit in Burkina Faso, with indicated resources totalling 230,000 oz grading 3.1 g/t Au and inferred resources of 235,000 oz grading 2.8 g/t Au
- Commencement of a 5,000 metre RAB drilling program on the 2,000 km² Bambari Permit in the Central African Republic ("CAR") expected to increase the number of known gold zones
- Delineation of a plus 30 g/t Au pod of mineralization at the Satin Mine on the Cape Three Points project in Ghana with the potential for exploitation
- Commencement of first pass soil and mapping surveys on exploration permits in Senegal

FUTURE DEVELOPMENTS

- RAB drilling program in the CAR to be completed mid-2002
- Planning for a major RC and core drilling program in the CAR late 2002 driven by the 2002 RAB drilling program results
- Independent resource estimation by RSG on the Kofi discoveries
- Planning for resource and reconnaissance drilling at Kofi – last quarter 2002
- Pre-feasibility drilling, engineering and regional exploration studies at Bouroum to commence mid-2002
- Announcements on the results of follow-up soil surveys in the Netekoto and Satifara Permits in Mali
- 2,000 metre RAB drilling program on the Siga Hills prospect in the Lake Victoria Goldfield in Tanzania – summer 2002

Letter to Shareholders

The year 2001 was important in the development of AXMIN Inc. The reverse take-over of AXMIN Limited in November in conjunction with a Cdn\$3.7 million equity financing established the Company as one of the pre-eminent junior exploration companies operating in Africa.

The reverse take-over has resulted in the unification of the very exciting Bambari Permit gold project in the Central African Republic, as well as providing the Company with a broad portfolio of mineral exploration properties in some of the most prospective, yet under explored gold mineral belts in west and east Africa. At the same time, AXMIN has brought a wealth of management experience and success gained in African

exploration – much of it with SAMAX Gold Inc. which was sold to Ashanti Goldfields Company Limited in 1998 for Cdn\$213 million.

Building on the success and track record of SAMAX, AXMIN is moving forward with the objective of making world class discoveries; at the same time the Company is ready to develop high quality gold projects which have the ability to generate cash flow to fund the exploration activities. To achieve these two aims, AXMIN is maintaining an aggressive exploration program in the Central African Republic, Mali, Ghana and Burkina Faso as well as commencing more "grassroots" programs in Senegal and Tanzania.

The first step towards production has already been taken with an agreement in place that will see AXMIN advancing towards a pre-feasibility study on resources in Burkina Faso, with potential for fast track towards production.

In the Central African Republic, we continue to be very excited about the potential of the Bambari Permit to host multi-million ounce gold deposits, as well as the opportunities to discover other minerals as witnessed by the high quality Topa Iron Ore discovery. With the Bambari Permit once again wholly owned, we are optimistic that the substantial reconnaissance drilling program planned for the 2002 dry season on the Passendro prospect will identify new gold zones which together with the discoveries already made at Main Zone and French Camp will form the focus of a systematic follow up resource drilling program later in the year. With three other major gold prospects already identified on the Permit and many other highly prospective areas awaiting initial exploration we believe that the Bambari Permit has all the hallmarks of becoming a world class gold district.

The first drill program of the 2002 year in Mali has had an auspicious start with three gold discoveries on the Kofi Project. Once the data is fully evaluated, we anticipate that the first resource statement emanating from an AXMIN discovery will be announced. The Kofi Project still has many targets yet to be drilled, and we are confident that the resource base will grow significantly with time. Moreover, with two other companies completing feasibility studies on nearby projects in the Kofi district, the opportunity may well occur for AXMIN to be able to consider either stand alone or joint development scenarios for any gold resources identified.

Cash flow from our own projects remains part of our focus. This is exemplified by the discovery of a small high grade lens of gold ore at the Cape Three Point Licence in Ghana which has the potential for one-off sale or joint venture to existing producers in Ghana.

As mentioned above, in a more recent development AXMIN has reached agreement with Channel Resources Ltd. over the Bouroum Permit in Burkina Faso. This project has resources outlined and represents an opportunity that could lead to the Company having its first production project. Under the terms of the agreement, AXMIN can over time fully acquire the Bouroum Permit. The resources at Bouroum are sufficiently advanced that if the pre-feasibility study is positive then it should be possible to fast track the development through feasibility to production.

In summary, we are delighted with the start made to the "new" AXMIN and look forward to maintaining the momentum through the coming year as we strive to grow the Company and make major discoveries in Africa.

"Signed"

Philip Adeane
*Chairman of the Board
and Director*

May 15, 2002

"Signed"

Jonathan Forster
*Chief Executive
Officer and Director*

Review of Operations

HIGHLIGHTS

- **May 2002, commenced 5,000 metre Rotary Air Blast (“RAB”) drill program on Main and French Camp Zones**
- **Planning for a major Reverse Circulation (“RC”) and core drilling program in late 2002 driven by the 2002 RAB program results**



Central African Republic

Bambari Permit

AXMIN holds 100% interest in the 2,000 km² Bambari Permit, located in the central region of the Central African Republic (“CAR”). The Permit covers 90 km of strike across the full width of the Archaen Bandas greenstone belt. It is thought that this belt represents the extension of the Kilo-Moto greenstone belts of the Democratic Republic of Congo, where there has been more than 10 million ounces of historic gold production. Though previously unexplored in the modern era the French produced 50,000 ounces of gold from alluvial deposits within the Bambari Permit during the Colonial Period. To date, four main gold prospects have been identified, of which the Passendro prospect is the first to be drill tested.

In mid-1999 AXMIN focused its exploration resources on two major soil anomalies at Passendro coincident with alluvial workings, Main Zone and the French Camp Zone. The Main Zone is defined by a strong northwest trending soil anomaly 5.5 km long and up to 500 metres wide while the parallel French Camp Zone comprises a 5 km long zone of soil anomalies.

In 2000 AXMIN completed two campaigns of RC drilling, totalling 7,500 metres on the Main Zone and French Camp soil anomalies and discovered two new gold bearing zones.

The objective of the 2002 RAB program is to identify further RC drill targets within the strike extensions of the Main Zone and the French Camp, that collectively have the potential for a multi-million ounce resource which will require systematic resource drilling. AXMIN plans a further RC and core drilling campaign, in late 2002, with the objective of delineating oxide and sulphide resources along the Main Zone and French Camp Trends.

Main Zone

RC drill fences spaced at 80 to 180 metres across the Main Zone have identified multiple gold bearing zones each of which has a true thickness ranging up to 10 metres with potentially ore grade mineralization. The mineralization has been tested in the oxide zone to a depth of 50 metres within a corridor up to 300 metres wide over a strike length of 1.6 km. The zones are hosted by a saprolitized chlorite-sericite schist unit up to 300 metres thick with thin interca-

lations of banded iron formation ("BIF"), and which is sandwiched between two major BIF units that form prominent ridges. Free gold in saprolite is spatially associated with a zone of tourmaline-quartz veining and gold is often located close to BIF-schist contacts within the main tuff package.

The Main Zone is open to the southeast, northwest and at depth with good evidence that gold mineralization extends beneath the 50 metre oxide layer in to the sulphide zone. Several deeper RC holes intersected fresh chlorite-sericite schist, which contained abundant pyrite, minor arsenopyrite and pyrrhotite and free gold. Hole number PRC-109 intersected 1 metre at 33.4 g/t Au and hole

number PRC-157 intersected 3 metres at 5.3 g/t Au. Both holes were stopped in mineralization for technical reasons at 57 metres and 89 metres respectively.

French Camp Zone

RC drilling at the French Camp has confirmed gold in oxides over a minimum 480 metre strike length along a NW trending BIF-chlorite schist contact with grades and thickness of intersections comparable with the Main Zone. Recent geological mapping of the 5 km long French Camp Trend suggests that gold mineralization is associated with BIF-schist contact zones along the trend although tourmaline float is widespread but confined to areas underlain by chlorite schist with minor BIF.

The geology of the CAR remains largely unstudied since the 1950's and with the exception of AXMIN's activities there has been no systematic exploration carried out in the modern era. AXMIN has recently identified a fourth Archean greenstone belt in the southeast of the country in an area of historic Colonial gold production. It is interesting to note that French Colonial geologists mapped this newly recognized belt as a Proterozoic terrane and AXMIN believes that other, as yet unrecognized, Archean greenstone belts exist in this under-explored country, which has a land surface area two thirds that of Tanzania.

HIGHLIGHTS

- **Discovered three new gold zones in Kofi permit, indicating excellent resource potential**
- **An independent resource estimation, conducted by Resource Service Group Limited (“RSG”), a mining engineering consulting firm is underway at Kofi**
- **Results from the current soil exploration program on both the Netekoto and Satifara permits is expected in the second half of 2002**
- **Planning for a further resource and reconnaissance drilling program at Kofi scheduled for late 2002**



Mali

Kofi Project

The Kofi project, located in western Mali in the same belt that hosts the Sadiola, Tabakoto and Loulo deposits, continues to be an important exploration project for AXMIN. In 2001, AXMIN trenched and drill tested a number of gold in soil anomalies across the permit, and as a result the Company initiated a 7,000 metre RC drilling campaign in early February 2002.

In April 2002, AXMIN announced the discovery of three new gold discoveries at the Kofi Southwest Zones B and C and Kofi Southeast Prospects. AXMIN believes that these new gold zones emphasize the increasing potential of the Kofi Permit to host substantial gold deposits, moreover, at least 15 gold in soil anomalies of significant dimensions and gold content still remain to be drill tested. Exploration to date demonstrates the close correlation between underlying gold-bearing structures with overlying gold-in-soil anomalies.

AXMIN is in the process of systematic analysis of one-metre samples over all of the mineralized sections of the 2002 RC drilling program. Current assay results are considered preliminary because they are based on the analysis of five-metre composite RC drill samples.

Australian consultants RSG reviewed AXMIN's drilling and sampling techniques during the 2002 drilling program. This review by RSG has initiated the "audit trail" and has prepared the way for an independent resource estimation of resources on AXMIN's Kofi discoveries.

Kofi Southwest – Zone B

Zone B was identified by AXMIN in 2000 with a single RC drill fence across a north trending soil anomaly, 350 metres long by 150 metres wide. The southern edge of this anomaly is defined by AXMIN's Kofi and Rangold Resources Ltd's Loulo permit boundary.

In 2002, a total of 2,300 metres were drilled on seven RC drill fences spaced at 40 metre intervals. Initial results demonstrate continuity of potentially economic mineralization over a broad width, extending from the Kofi Permit boundary northwards for at least 350 metres. The mineralization is open to the north, where the soil anomaly weakens, although scattered float blocks suggest that the mineralized zone may continue for at least a further 200 metres. It is believed, that Zone B is the extension of Randgold's Baboto gold prospect, which has been trenched and drilled by Randgold on ground immediately south of the Kofi Permit boundary.

Following the delineation of the mineralized zone to an average depth of 40 metres, four deeper RC holes spaced at 80 metre intervals, were drilled confirming the persistence of the mineralized structure to a vertical depth of at least 80 metres.

The gold mineralization is hosted by a sheared sequence of tourmaline bearing quartzites, sandstones and greywackes with gold associated with quartz-pyrite stockworks lying at or close to the contacts between the tourmaline quartzites and sandstones. The depth of oxidation lies at about

40 metres and the water table is approximately at a depth of 80 metres.

Preliminary geological modeling suggests that the gold bearing system comprises a sub-vertical, north-trending Main Zone at least 350 metres in length, open to the north and south. Two other zones, West Zones, splay off the Main Zone, each with a strike length of approximately 100 metres. Using 0.5 g/t Au as a cut-off, the Main Zone has an interpreted true width ranging from 25-50 metres while the West Zones gradually decrease in width from 20-35 metres down to 8 metres southwards along their length. The mineralization carries a high grade core, 6-16 metres in width, that can be traced along the length of the structures.

Kofi Southwest – Zone C

Zone C is located on a ferricrete plateau 2.5 km west of Zone B. The mineralized system was first located by AXMIN in 2000 on a single RC drill fence across the 500-metre long soil anomaly.

In 2002, a total of 1,568 metres, on six RC drill fences were drilled across the anomaly at intervals ranging from 40 to 120 metres. The central portion of the mineralized system was drilled on fences spaced at 40 metre intervals.

The underlying geology is similar to that of Zone B and preliminary geological modelling of the mineralized zone suggests that it comprises of a single lens with a strike length of at least 160 metres. The mid-section of the lens has a maximum true width of about 40 metres. Two higher grade zones have been recognized within the lens which have strike lengths of about 100 metres. Drilling to date has tested the system to a vertical depth of only 30 metres.

Kofi Southeast

The Kofi Southeast prospect, located 7.5 km to the east of Zone B, is defined by at least three parallel north to south trending soil anomalies covering an area 1.2 km by 1 km. This anomaly is interpreted to overlie a major north-south structure.

Four RC drill fences were completed across this anomaly during the 2002 drilling program for a total of 2000 metres. Angled RC holes were drilled to a vertical depth of 30 metres on three fences spaced at 200 metre intervals, a fourth fence was drilled at a further 100 metres to the north.

Gold mineralization has been identified over a strike length of 400 metres and the mineralized zone remains open to the south where the soil anomaly indicates that the structure may extend for at least a further 400 metres.

A preliminary interpretation indicates that the true width of the mineralized envelope, using a 0.5g/t Au cut-off, ranges from 50 metres in the north to about 10 metres in the south.

HIGHLIGHTS

- **Finalized Heads of Agreement with Channel Resources Ltd over the Bouroum Permit in Burkina Faso**
- **Exploration and pre-feasibility drilling scheduled for mid-2002**

Burkina Faso

Bouroum Project

During December 2001 AXMIN secured a 90 day Option to acquire an interest in the Bouroum exploration permit in Burkina Faso from Channel Resources Ltd. AXMIN had previously carried out check drilling at Bouroum in late 2000. The Bouroum project is located 200 km by road northeast of Ouagadougou and 35 km to High River Gold's Taparko project, which is now at the pre-feasibility study stage.

AXMIN exercised the option over the 275 km² Bouroum permit in March 2002 following a review of historical exploration data on the property, the completion of an independent resource estimate on the F12, Welcome Stranger and Bissinga deposits by Steffen Robertson & Kirsten (UK) Limited ("SRK") and a scoping study to investigate project economics by Metallurgical Design & Management (Pty) Ltd ("MDM").

SRK's independent estimate of the mineral resources at Bouroum is 2.3 million tonnes at 3.1 g/t Au (230,000 ounces) for the F12-Welcome Stranger deposit, which has been classified as an Indicated Resource. SRK has delineated a further 2.6 million tonnes at 2.8 g/t Au (235,000 ounces) within the F12-Welcome Stranger deposit and the nearby Bissinga deposit and classified these as Inferred Resources. In addition, SRK modelled a high

grade core within the F12 deposit, which contains an estimated 86,000 ounces of gold with a mean grade of 8.9 g/t Au.

SRK report that the classification into Indicated and Inferred categories is in accordance with National Instrument 43-101.

AXMIN is planning to commence a 2,000 metre core and RC drilling program in mid-2002 at Bouroum. The objective of the program is to increase the level of confidence in the resources and better delineate the high grade zones. The pre-feasibility study will commence and will include metallurgical and geotechnical studies.

The F12 and Welcome Stranger deposits are interpreted to lie at a site of tensional opening within the NNW trending "Bouroum Deformation Corridor", which cuts across the full length of the Bouroum Permit. AXMIN believes there is excellent potential for discovery of additional resources in F12-Welcome Stranger analogues elsewhere within this major structure with similar size potential.

Regional exploration will also commence in mid-2002 on seven priority targets within a 15 km radius of the F12-Welcome Stranger deposit. Typically these targets are sites of artisanal gold mining activity and gold in soil anomalies along gold bearing structures within the Bouroum Deformation Corridor.



Other Exploration Developments

Ghana

Cape Three Points Project

AXMIN can earn a 72% interest (after government interest of 10%) in the Cape Three Points licence which covers the location of many small scale mines and prospects based on narrow, high grade gold bearing quartz veins that were worked early in the 20th century. AXMIN has initially focussed on two prospects, Satin and Sefwi. At the former RC drilling in 2001 and early in 2002 has identified a small, high grade (greater than 30 g/t Au) lens that lies within 40 metres of surface and which may justify extraction and processing through one of a number of gold plants within haulage distance. AXMIN is planning to identify a suitable treatment route during 2002 with the intent of generating early cash flow. Work at Sefwi has identified gold mineralized structures, but further drilling will be required to locate high grade shoots.

Senegal

In 2002, AXMIN was granted exploration rights by the Senegalese government in its Sounkounkou and Sabodala Northwest permits. Exploration in these highly prospective areas is at a grassroots stage and the first pass soil and geological mapping surveys currently in progress.

Tanzania

Siga Hills Project

AXMIN's Siga Hills project comprises two contiguous Prospecting Licences ("PL") located midway between Barrick's Bulyanhulu gold mine and its Golden Ridge project in the Lake Victoria Goldfield. AXMIN has the right to earn 42.5% of the Siga Hills PL and 50% of the Magamba PL though its agreements with Ormonde Mining (Tanzania) Limited.

In March 2001, AXMIN completed 10 RC drill holes for a total of 861 metres on the Kayenze gold prospect within the Siga Hills licence. Two parallel target zones 1.2 km long, previously identified by soil sampling and trenching, were drill tested with the first zone failing to provide further encouragement. The second target zone, which runs along the base of a BIF ridge, appears to be associated with a shear zone evidenced by sheared float and outcrop. Two RC holes drilled in to the shear intersected intermediate to mafic volcanics with zones of intense pyrite mineralization (up to 15%) and anomalous gold.

Re-interpretation of the soil geochemistry coupled with geological mapping suggests that a discrete "tongue" of persistently anomalous soils, 1.5 km long and up to 500 metres wide, which trends WNW, may be a splay off of the NW oriented shear.

AXMIN is planning to RAB drill this target in mid-2002.



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

Overview

On November 21, 2001 AXMIN Inc. (the "Company") (formerly Asquith Resources Inc.) successfully completed the reverse take-over of AXMIN Limited ("AXMIN") by the acquisition of all of the outstanding shares of AXMIN in exchange for the issuance to the AXMIN shareholders of 34,506,532 common shares of the Company (the "RTO Transaction"). Concurrent with the completion of the RTO Transaction the Company closed the issue and sale of 14,627,000 common shares of the Company at a price of Cdn\$0.25 per common share for total gross proceeds of Cdn\$3,656,750 (the "Offering").

The RTO Transaction resulted in the former shareholders of AXMIN owning the majority of the issued and outstanding common shares of the Company. Under the purchase method of accounting AXMIN has been identified as the acquirer and, accordingly, the entity is considered to be a continuation of AXMIN with the net assets of Asquith Resources Inc. at the date of the RTO Transaction deemed to have been acquired by AXMIN. Since the RTO Transaction is accounted for as a reverse take-over the comparative figures shown in the financial statements are those of AXMIN.

The Company is an international mineral exploration company with a substantial exploration portfolio in the mineral belts of the Central African Republic, Mali, Ghana, Senegal and Tanzania. The

Company is the process of exploring its mineral properties and has not yet determined whether these properties contain reserves that are economically recoverable. To date the Company has raised funds to explore its mineral properties through the issuance of shares. In the foreseeable future the Company will remain dependent on the issuance of further shares to raise funds to explore its properties.

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

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

As at December 31, 2001 the Company had capitalized US\$7.445 million of exploration and development costs. The comparative figure as at December 31, 2000 was US\$6.404 million.

Results of Operations

Year ended December 31, 2001 compared to the year ended December 31, 2000

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

Administration costs in 2001 were US\$0.297 million compared to US\$0.403 million in 2000 reflecting the cost savings from the relocation of AXMIN's administrative and support functions to a lower cost region.

At year-end 2001 a review of the carrying values of the Company's exploration and development property assets led to a write-down of US\$0.145 million as compared with a write-down of US\$0.411 million in 2000. The write-down of exploration and development costs reflects the Company's policy of continually assessing the economic viability of its projects and where necessary writing them down to their net realizable value.

The net loss for operations in 2001 was US\$0.429 million as compared to US\$0.817 million in 2000.

Liquidity and Capital Resources

As at December 31, 2001 the Company had cash resources of US\$1.323 million compared to the

December 31, 2000 balance of US\$0.024 million. During the year ended December 31, 2001 and prior to the RTO Transaction AXMIN raised US\$1.000 million through the issuance of shares. In February 2001 the Company raised US\$0.065 million through the issuance of shares. Concurrent with the RTO Transaction the Company closed a further share issuance for gross proceeds of US\$2.298 million. The Company's cash resources were utilized mainly on capitalized exploration and development costs, administration and costs directly attributable to the RTO Transaction and the Offering.

As at December 31, 2001 the Company had a surplus of working capital (defined as the difference between current assets and current liabilities) which amounted to US\$1.313 million.

Hedging and Derivative Instruments

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

Risks and Uncertainties

There are many risks inherent in the exploration and development of a mineral deposit. The success of the Company will be influenced by a number of factors including environmental risks, legal and political risks, gold prices and the ability of the Company to discover economically recoverable reserves and to bring such reserves into future profitable production.

Management's Report on the Consolidated Financial Statements

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

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

Kraft, Berger, Grill, Schwartz, Cohen & March LLP have examined these consolidated financial statements and their report follows.

"Signed"

Philip Adeane
Chairman of the Board and Director

"Signed"

Craig Banfield
Chief Financial Officer

Auditors' Report

To the Shareholders of AXMIN INC. (formerly Asquith Resources Inc.)

We have audited the balance sheet of AXMIN INC. (formerly Asquith Resources Inc.) as at December 31, 2001 and 2000 and the statements of operations and deficit and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2001 and 2000 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

"Signed"

KRAFT, BERGER, GRILL, SCHWARTZ, COHEN & MARCH LLP
Chartered Accountants

Toronto, Ontario
March 13, 2002 (except for Note 10
which is dated May 15, 2002)

Consolidated Balance Sheets

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

As at December 31, 2001 and 2000	2001	2000
Assets		
Current assets		
Cash and short term investments	1,323	24
Accounts receivable	23	8
Prepaid expenses and sundry debtors	20	35
Due from related parties (Note 5)	137	264
	1,503	331
Exploration and development costs (Note 3)	7,445	6,404
Other assets	7	16
	8,955	6,751
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities	156	57
Due to related parties (Note 5)	34	32
	190	89
Shareholders' equity		
Share capital and contributed surplus (Note 4)	10,759	8,227
Deficit	(1,994)	(1,565)
	8,955	6,751

See accompanying notes to the consolidated financial statements.

Approved by the Board of Directors

"Signed"

Philip Adeane
Director

"Signed"

Jonathan Forster
Director

Consolidated Statements of Operations and Deficit

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

Years ended December 31, 2001 and 2000

	2001	2000
Revenue	-	-
Expenses		
Administration	297	403
Write-down of exploration and development costs	145	411
(Gain) loss on foreign exchange	(4)	35
	438	849
Other income		
Interest income	9	32
Net loss for the period	429	817
Deficit, beginning of period	1,565	748
Deficit, end of period	1,994	1,565
Net loss per share	0.0242	0.0708
Weighted average number of common shares outstanding	17,747,670	11,548,822

See accompanying notes to the consolidated financial statements.

Consolidated Statements of Cash Flows

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

Years ended December 31, 2001 and 2000	2001	2000
Operating activities		
Net loss for the period	(429)	(817)
Write-down of exploration and development costs	145	411
Change in working capital	99	(38)
Net cash outflow from operating activities	(185)	(444)
Investing activities		
Exploration and development costs	(1,186)	(683)
Other assets	9	24
Net cash outflow from investing activities	(1,177)	(659)
Financing activities		
Issuance of common shares	2,532	594
Related parties	129	43
Minority interest	–	(19)
Net cash inflow from financing activities	2,661	618
Net cash inflow (outflow) from operations	1,299	(485)
Cash and short term investments, beginning of period	24	509
Cash and short term investments, end of period	1,323	24

See accompanying notes to the consolidated financial statements.

Notes to the Consolidated Financial Statements

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

1. Nature of Operations and Basis of Presentation

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

A significant portion of the Company's exploration and development costs relate to its Bambari property in the CAR. The Company holds its interest in this property through a CAR registered company, Aurafrique S.A.R.L. ("Aurafrique"), which holds prospecting and exploration permits for the property. Previously and immediately prior to the completion of the reverse take-over of AXMIN Limited ("AXMIN") by the Company on November 21, 2001 the Bambari property was subject to a Heads of Agreement between the Company and AXMIN wherein as at December 31, 2000 and immediately prior to completion of the reverse take-over the Company had a 49% and AXMIN had a 51% beneficial interest in Aurafrique. See notes 3 and 4(b).

As at December 31, 2001 Aurafrique is a wholly owned subsidiary of the AXMIN Inc. group.

On November 21, 2001 the Company successfully completed the reverse take-over of AXMIN by the acquisition of all of the outstanding shares of AXMIN in exchange for the issuance to the AXMIN shareholders of 34,506,532 common shares of the Company (the "RTO Transaction"). Concurrent with the completion of the RTO Transaction the Company closed the issue and sale of 14,627,000 common shares of the Company at a price of Cdn\$0.25 per common share for total gross proceeds of Cdn\$3,656,750 (the "Offering").

The RTO Transaction has been accounted for using the purchase method based upon the following:

- (a) immediately prior to completion of the RTO Transaction the issued share capital of the acquired company, Asquith Resources Inc., was 12,281,986 common shares;
- (b) the RTO Transaction was completed on November 21, 2001 and accordingly the results of Asquith Resources Inc. from that date are included in the determination of results of operations for the period;
- (c) the net assets of Asquith Resources Inc. acquired at the time of the RTO Transaction were Cdn\$3,075,031 (see note 8);
- (d) the value of the consideration given for the net assets of Asquith Resources Inc. acquired at the time of the RTO Transaction was Cdn\$8,626,633 (being the issuance to the AXMIN shareholders of 34,506,532 common shares of the Company at a deemed value of Cdn\$0.25 each).

The RTO Transaction resulted in the former shareholders of AXMIN owning the majority of the issued and outstanding common shares of the Company. Under the purchase method of accounting AXMIN has been identified as the acquirer and, accordingly, the entity is considered to be a continuation of AXMIN with the net assets of Asquith Resources Inc. at the date of the RTO Transaction deemed to have been acquired by AXMIN. Since the RTO Transaction is accounted for as a reverse take-over the comparative figures are those of AXMIN.

2. Significant Accounting Policies

Principles of consolidation

The consolidated financial statements are prepared in accordance with accounting principles generally accepted in Canada and include the accounts of the Company and all of its subsidiaries (the "Company") which are listed below:

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

Translation of foreign currencies

With effect from the date of completion of the RTO Transaction the functional currency of the Company was changed from Canadian dollars (Cdn\$) to United States dollars (US\$). Foreign denominated monetary assets and liabilities are translated into United States dollars at the rate of exchange prevailing at the period end. Foreign denominated non-monetary assets and liabilities are translated at historical rates of exchange. Exchange gains and losses are included in the determination of results of operations for the period.

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

Exploration and development costs

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

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

Use of estimates

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

Comparative figures

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

Net income (loss) per share

Net income (loss) per share has been calculated based on the weighted average number of common shares outstanding during the period.

3. Exploration and Development Costs

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

Country (project)	2001	2000
<i>Central African Republic</i>		
Bambari	3,839	3,510
Other	18	13
<i>Mali</i>		
Kofi	1,576	1,392
Satifara	11	11
Other	573	400
<i>Ghana</i>		
Cape Three Points	311	155
Other	115	74
<i>Senegal</i>		
Sonkounkou	371	251
Other	23	23
<i>Tanzania</i>		
Siga Hills	332	214
Magamba	31	30
Other	72	59
<i>Canada</i>		
B-B Lake	137	137
Tully Township	-	-
Diana	-	-
<i>Other</i>	36	135
	7,445	6,404

Other also includes costs which have yet to be assigned to specific projects.

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

Central African Republic ("CAR")

On June 1, 1999 the Company entered into a Heads of Agreement (the "HoA") with AXMIN to form a joint venture for the further exploration and development of the Bambari property in the CAR. The Company holds its interest in this property through a CAR registered company, Aurafrique, which holds prospecting and exploration permits for the property.

The HoA gave AXMIN an exclusive option, until December 31, 1999, to complete a minimum of 2,500 metres (actual – 3,520 metres) of reverse circulation ("RC") drilling on the Bambari anomaly previously defined by the Company and then elect to form a joint venture. AXMIN agreed to assume all of the Company's carrying costs in the CAR and utilize certain of its technical staff on an as required basis. AXMIN exercised its option to form the joint venture on January 17, 2000.

AXMIN had the right to earn a 51% interest in Aurafrique by completing, at its cost, a further program of 4,000 metres of RC drilling and regional exploration programs covering 200 sq. kms. of the Bambari permit. AXMIN earned a 51% interest in Aurafrique effective August 31, 2000. AXMIN had the further right to increase its interest in Aurafrique to 60% by making additional exploration expenditures of US\$500,000. Thereafter, the Company was to be entitled to participate pro rata or convert to a carried interest through bankable feasibility in which case AXMIN could earn a 75% interest.

As at December 31, 2000 and immediately prior to completion of the RTO Transaction the Company had a 49% and AXMIN had a 51% beneficial interest in Aurafrique.

The HoA also provided for annual payments to be made to the Company by AXMIN until such time as a bankable feasibility study has been completed as follows:

- during 2000 – Cdn\$50,000 (paid)
- subsequent years – Cdn\$75,000 (2001 paid subsequent to December 31, 2000)

The parties never entered into a joint venture agreement to govern the development of the Bambari project. On November 21, 2001 the Company successfully completed the reverse take-over of AXMIN. Subsequent to the reverse take-over and as at December 31, 2001 Aurafrique is a wholly owned subsidiary of the AXMIN Inc. group.

See notes 1 and 4(b).

The Bambari property is subject to a 2% net smelter royalty payable to United Reef Limited, a company previously related to the Company, from production once all capital expenditure has been recovered by Aurafrique.

Mali

AXMIN has a 65% interest (net of the 20% carried interest of the government of Mali) in the Kofi property from joint venture partner African Selection Mining Corporation ("ASMC") (YAFU-CDNX). AXMIN may increase its interest to 80% by buying out the interests of other parties on submission of a bankable feasibility study on an independent net present valuation of the proven and probable reserves using a discount rate of 15%.

AXMIN has a 65% interest (net of the 20% carried interest of the government of Mali) in the Satifara property from joint venture partner ASMC. AXMIN may increase its interest to 80% by buying out the interests of other parties on submission of a bankable feasibility study on an independent net present valuation of the proven and probable reserves using a discount rate of 15%.

Ghana

AXMIN may earn up to a 72% interest (net of the 10% carried interest of the government of Ghana) in the Cape Three Points property from joint venture partner Consolidated Minerals Limited ("Consmin") by carrying Consmin through to completion of a bankable feasibility study.

Senegal

AXMIN has a 100% interest in the Sounkounkou property from joint venture partner Avgold Limited ("Avgold"). Avgold may, at any time prior to a decision to mine or within three months of a decision to mine, claw-back up to a 51% participating interest in the project by paying AXMIN an amount equal to two times the funds expended to that date by AXMIN, multiplied by the percent interest to be clawed back by Avgold. The government of Senegal retains the right at the time of a decision to mine from the property, to elect to participate in the project for a 15% free carried interest and has a further right to purchase an additional 5% participating interest. The government's interest is subject to reduction upon negotiation at the mining stage.

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

Tanzania

AXMIN has the right to earn a 42.5% interest in the Siga Hills property from joint venture partner Ormonde Mining (Tanzania) Limited ("Ormonde") by spending US\$350,000 on the property before October 20, 2002.

AXMIN has the right to earn a 50% interest in the Magamba property from joint venture partner Ormonde by spending US\$350,000 on the property before October 20, 2002. The Magamba property is subject to a 3% net smelter royalty in favour of E-B Hance Company Limited, the underlying Tanzanian licence holder.

Canada

B-B Lake, NWT represents a 25% interest in 16 leased contiguous mining claims. The Company earned its interest by means of a Cdn\$375,000 expenditure on the property in prior years. The claims are subject to a 12.5% net profits royalty.

The Company sold its 75% interest in 16 leased mining claims in the Timmins area of Ontario (known as "Tully Township") to a third party in 1998. The Company retains a 1.5% net smelter royalty on the property, which may be purchased by the third party. Pursuant to a letter agreement dated April 2, 2001, subject to regulatory approval, the Company agreed to sell the 1.5% net smelter royalty on the property to Black Pearl Minerals Consolidated Inc. ("Black Pearl") (YBL-CDNX) for 300,000 common shares of Black Pearl. The Company is awaiting the delivery of the shares in Black Pearl.

Diana property, Manitoba represents a 100% interest in one unpatented mining claim in southern Manitoba. Subsequent to December 31, 2001 the claim was allowed to lapse.

4. Share Capital and Contributed Surplus

(a) Authorized share capital

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

(b) Issued share capital and contributed surplus

<i>Common shares and contributed surplus</i>	<i>Number of common shares</i>	<i>Amount</i>
Balance as at January 1, 2000	10,736,986	8,053
Exercise of stock options	45,000	8
Issued for cash	1,000,000	166
Balance as at December 31, 2000	11,781,986	8,227
Issue for cash (February 9, 2001)	500,000	65
Issue for RTO Transaction, net	34,506,532	169
Issue for cash (November 21, 2001)	14,627,000	2,298
Balance as at December 31, 2001	61,415,518	10,759

On November 21, 2001 the Company successfully completed the reverse take-over of AXMIN by the acquisition of all of the outstanding shares of AXMIN in exchange for the issuance to the AXMIN shareholders of 34,506,532 common shares of the Company (the "RTO Transaction"). Concurrent with the completion of the RTO Transaction the Company closed the issue and sale of 14,627,000 common shares of the Company at a price of Cdn\$0.25 per common share for total gross proceeds of Cdn\$3,656,750 (the "Offering"). See note 1.

Adryx Mining & Metals Limited ("Adryx"), a wholly owned subsidiary of The Addax & Oryx Group Limited, received pursuant to the RTO Transaction 30,546,409 common shares of the Company in exchange for the shares of AXMIN held by Adryx. Adryx also purchased an additional 3,180,000 common shares of the Company under the Offering. As a result, Adryx now holds 33,726,409 common shares of the Company representing as at December 31, 2001 approximately 55% of the Company's outstanding shares. Adryx has advised the Company that these shares were acquired by it for investment purposes and it may in the future increase or decrease its ownership of securities of the Company from time to time, depending upon the business and prospects of the Company and future market conditions. Adryx has entered into an agreement with the Company wherein Adryx has agreed not to sell the shares it received pursuant to the RTO Transaction for a two year period expiring on November 21, 2003. As well, the shares Adryx acquired under the RTO Transaction are subject to the terms of an escrow agreement entered into by Adryx in accordance with the requirements of the Canadian Venture Exchange. Adryx has also advised the Company that it did not own any shares of the Company prior to the RTO Transaction.

The contributed surplus (US\$590,567 being Cdn\$877,500) included in the amount for common shares and contributed surplus shown in the above table represents the value of common shares cancelled during 1999.

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

(c) *Stock options*

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

<i>Number of stock options</i>	2001	2000
Outstanding, beginning of period	535,000	580,000
Exercised	–	(45,000)
Outstanding, end of period	535,000	535,000

The outstanding stock options are exercisable at Cdn\$0.25 per share and expire on May 21, 2003. Prior to completion of the RTO Transaction the outstanding options were due to expire on June 27, 2002.

(d) *Compensation options*

As part of their compensation the agents to the Offering (Haywood Securities Inc., Loewen, Ondaatje, McCutcheon Limited and Canaccord Capital Corporation) were issued a total of 1,144,700 compensation options. Each compensation option entitles the holder to purchase one common share of the Company at a price of Cdn\$0.25 until May 21, 2003.

- (e) Effective February 9, 2001 the Company closed a private placement of 500,000 Units at Cdn\$0.20 per Unit for total gross proceeds to the Company of Cdn\$100,000. Each Unit consisted of one common share and one half of a common share purchase warrant. A full warrant plus Cdn\$0.25 entitles the investor to purchase one common share of the Company until February 8, 2002. See note 10(a).

See notes 1, 3, 10(a), 10(b) and 10(d).

5. Related Parties

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

<i>Balances</i>	Footnote	2001	2000
Due from SAMAX Services Limited	(a)	137	244
Due from Adryx Mining & Metals Limited	(b)	–	20
Due from related parties		137	264
Due to Adryx Mining & Metals Limited	(b)	22	–
Due to M.D. Coulter & Associates Inc.	(c)	12	32
Due to related parties		34	32

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

<i>Transactions</i>	Footnote	2001	2000
Administration expense	(a)	129	221
Administration expense	(c)	7	–
Professional fees	(d)	86	4
Professional fees	(e)	4	–

Related party transactions of Asquith Resources Inc. not included in the determination of the Company's results of operations for the period are summarized below:

<i>Transactions</i>	Footnote	2001	2000
Administration expense	(c)	81	83
Professional fees	(e)	192	5
Consulting expense	(f)	–	4
Consulting expense	(g)	–	5

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

- (a) Balances with SAMAX Services Limited ("SSL"), a company of which Michael Martineau and Jonathan Forster, both Directors of the Company, were shareholders until August 31, 2001, represent amounts advanced by the Company to fund its activities managed by SSL. Administration services provided by SSL comprise exploration, administrative and financial services. With effect from January 1, 2002 the contract for services with SSL has been renegotiated and as a result SSL renders fees on flat fee basis. Previously SSL's fees were calculated as a percentage of expenditures under management.
- (b) Balances with Adryx Mining & Metals Limited, the Company's major shareholder, represent amounts owing for expenses paid on behalf of and cash advances made to the Company less interest receivable by the Company.
- (c) Balances with M.D. Coulter & Associates Inc., a company owned by Michael Coulter a Director and Secretary of the Company, represent amounts owing for fees, services and disbursements. Administration services provided by M.D. Coulter & Associates Inc. comprise administrative, accounting, rent and secretarial services.
- (d) Professional services provided by Fasken Martineau DuMoulin, a law firm of which Robert Shirriff, a Director of the Company, is a partner.
- (e) Professional services provided by Macleod Dixon, a law firm of which Richard Lachcik (a former Director of the Company, retired November 26, 2001) is a partner.
- (f) Consulting services provided by Strathcona Mineral Services Limited, a company of which Henrik Thalenhorst, a Director of the Company, is a principal.
- (g) Consulting services provided by J.L. Tindale & Associates Inc., a company of which John Tindale (a former Director of the Company, retired November 26, 2001) is a shareholder.

6. Income Taxes

The major components of the future tax assets and liabilities classified by the source of temporary differences that gave rise to the benefit are as follows:

	2001	2000
Assets		
Net operating losses (expiring 2001-2008)	410	431
Canadian exploration and development costs	518	480
Foreign exploration and development costs	79	83
Total	1,007	994
Valuation allowances	(1,007)	(994)
	-	-

In assessing the realizability of the future tax assets, management considers whether it is more likely than not that some portion or all of the future tax assets will not be realized. The ultimate realization of future tax assets and liabilities is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods which the future tax assets are deductible, management believes it is more likely than not the Company will not realize the benefits of these deductible differences at December 31, 2001.

As at the year end the Company had the following approximate tax loss carry forwards available, to the extent permitted by tax regulations, to reduce future income taxes:

- (a) Non-capital losses of US\$819,900 expiring between 2002 and 2008.
- (b) Canadian exploration and development costs of approximately US\$1,207,000. Of this amount US\$169,800 is restricted.
- (c) Foreign exploration and development costs of approximately US\$157,200.

7. Financial Instruments

The carrying amounts of the Company's financial assets and liabilities including cash and short term investments, accounts receivable, prepaid expenses, sundry debtors, accounts payable and accrued liabilities approximate the fair value due to the short-term maturity of these items.

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

8. Financial Statements Prior to Completion of RTO Transaction

The balance sheet of Asquith Resources Inc. immediately prior to completion of the RTO Transaction was as follows:

Balance Sheet

(Stated in thousands of Canadian dollars)

As at November 20, 2001

Assets	
Current assets	
Cash and short term investments	6
Prepaid expenses and sundry debtors	22
Deferred acquisition costs	534
	<u>562</u>
Exploration and development costs	3,137
	<u>3,699</u>
Liabilities and shareholders' equity	
Current liabilities	
Accounts payable and accrued liabilities	457
Advance from joint venture partner	103
Due to related parties	64
	<u>624</u>
Shareholders' equity	
Share capital and contributed surplus	8,971
Deficit	(5,896)
	<u>3,699</u>

The statement of operations and deficit of Asquith Resources Inc. for the period January 1, 2001 to November 20, 2001 (i.e. immediately prior to completion of the RTO Transaction) was as follows:

Statement of Operations and Deficit

(Stated in thousands of Canadian dollars)

Period ended November 20, 2001

Revenue	-
Expenses	
Administration	188
Write-down of exploration and development costs	3
Gain on foreign exchange	(2)
	<u>189</u>
Other income	
Interest income	-
Net loss for the period	189
Deficit, beginning of period	5,707
Deficit, end of period	5,896

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

The statement of cash flows of Asquith Resources Inc. for the period January 1, 2001 to November 20, 2001 (i.e. immediately prior to completion of the RTO Transaction) was as follows:

Statement of Cash Flows

(Stated in thousands of Canadian dollars)

Period ended November 20, 2001

Operating activities	
Net loss for the period	(189)
Write-down of exploration and development costs	3
Change in working capital	(76)
Net cash outflow from operating activities	<u>(262)</u>
Investing activities	
Exploration and development costs	60
Net cash inflow from investing activities	<u>60</u>
Financing activities	
Issuance of common shares	100
Advance from joint venture partner	93
Related parties	5
Net cash inflow from financing activities	<u>198</u>
Net cash outflow from operations	(4)
Cash and short term investments, beginning of period	10
Cash and short term investments, end of period	<u>6</u>

9. Segmented Information

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

10. Subsequent Events

- (a) The investors identified in note 4(e) exercised their 250,000 warrants on February 8, 2002 for total gross proceeds to the Company of Cdn\$62,500 and as a result the Company issued 250,000 common shares of the Company to the investors.
- (b) Effective January 18, 2002 the Company granted options for: (i) 3,625,000 shares in the Company exercisable at Cdn\$0.32 each expiring January 17, 2007; and (ii) 500,000 shares in the Company exercisable at Cdn\$0.32 each expiring July 18, 2003.
- (c) On May 3, 2002 AXMIN entered into a formal Heads of Agreement to acquire an interest in the Bouroum Permit (275 sq. kms.) in Burkina Faso which is owned by Channel Resources Ltd. ("Channel") (CHU-TSE).

Under the terms of the Heads of Agreement, AXMIN will make a payment of Cdn\$55,000 to Channel and a second payment of Cdn\$75,000 will be due to Channel on the six month anniversary of the first payment. AXMIN may earn a 65% undivided beneficial interest in the Bouroum Permit by completing a bankable feasibility study. Should AXMIN decide to proceed with development then AXMIN will buy out the pro rata interest of Channel in the proven and probable reserves on the Bouroum Permit. The buy out price will be US\$10/oz at a gold price of less than US\$300/oz, escalating at a rate of US\$1/oz for each US\$25/oz increase in the gold price, up to a maximum of US\$15/oz (i.e. spot gold price at, or greater than US\$400/oz). In addition, there is a minimum expenditure of US\$250,000 on exploration across the Bouroum Permit by AXMIN within twelve months of signature of the Heads of Agreement.

- (d) On April 8, 2002 the Company acquired a mobile drill rig for a purchase price of Cdn\$50,000 to be settled by the issue of 200,000 common shares of the Company to the vendor, United Reef Limited a company previously related to the Company, at a deemed price of Cdn\$0.25 per common share. This transaction is subject to regulatory approval.

Officers and Directors

OFFICERS

Philip Adeane, Chairman & Director – Mr. Adeane, a British national, was responsible in the 1960s and 1970s for the management of the interests and investments of the Drayton Group of Investment Trusts in Central and South America, principally in the rail transportation sector. He was also a director of various investment trusts managed by the Drayton Group and its successor, Montagu Investment Management Limited, from 1968 to 1982. Since 1979, Mr. Adeane has been managing director of Antofagasta Plc (listed on The London Stock Exchange) which has developed both gold and copper mining operations as well as rail transportation and industrial holdings in Chile. Antofagasta Plc is now one of the top ten copper producing companies in the world with its world class Los Pelambres mine. Mr. Adeane became a non-executive director of SAMAX Resources Limited in 1994 and of SAMAX Gold Inc. in 1996. He has been a non-executive director of AXMIN Limited since July 1999 and was elected Chairman in October 2000. Mr. Adeane was appointed Chairman and a director of AXMIN Inc. in November 2001.

Dr. Michael Martineau, President & Director – Dr. Martineau, a British national, graduated as geologist from Oxford University, is a Fellow of the Institute of Mining and Metallurgy and has over 30 years experience in the international mining industry. After an initial career with Kennecott Copper Corporation, Dr. Martineau joined BP Minerals International Limited in 1977, becoming General Manager (Exploration) in 1980. In 1983, he was seconded to Seltrust Mining Corporation in Australia as Director (Exploration). From 1987 to 1989, he was Director (Minerals) for Cluff Resources Plc. In 1989, Dr. Martineau founded SAMAX Resources Limited with the backing

of The Addax and Oryx Group Limited. The company listed on The Toronto Stock Exchange as SAMAX Gold Inc. in 1996 with Dr. Martineau as President and Chief Executive Officer. Following the acquisition by Ashanti Goldfields Company Limited of SAMAX Gold Inc. in 1998, Dr. Martineau co-founded AXMIN Limited. He became a director of AXMIN Limited in March 1999 and was appointed President and a director of AXMIN Inc. in November 2001. Dr. Martineau is currently a director of several other resource companies including Ashanti Goldfields Company Limited.

Dr. Jonathan Forster, Chief Executive Officer & Director – Dr. Forster, a British national, graduated in geology from the University of Birmingham and gained a PhD from the University of London, has an MBA from the Cranfield School of Management and is a Fellow of the Geological Society of London. He acquired seven years varied mineral exploration experience with BP Minerals, South African Iron and Steel Corporation and RF Loxton Venn & Associates in Africa and Indonesia and was for three years a Senior Resource Analyst at a firm of London stockbrokers, prior to joining SAMAX Resources Limited in 1992. Dr. Forster was Exploration Manager, West Africa from 1992 until taking on the position of Group Exploration Manager for SAMAX Gold Inc. in 1997 where he was responsible for exploration and project evaluation in west, central and east Africa, including Tanzania. Following the acquisition by Ashanti Goldfields Company Limited of SAMAX Gold Inc. in 1998, Dr. Forster co-founded AXMIN Limited and was the General Manager prior to taking on the position of Chief Executive Officer in January 2001. He became a director of AXMIN Limited in January 2001 and was appointed Chief Executive Officer and a director of AXMIN Inc. in November 2001.

Craig Banfield, Chief Financial Officer – Mr. Banfield, a British national, graduated from the University of Lancaster in 1987 with an MA in Accounting and Finance and qualified as a Chartered Accountant in 1991. He worked for a number of accounting firms until 1994, when he joined SAMAX Resources Limited as Financial Controller and Company Secretary. Mr. Banfield was a key member of the team which listed SAMAX Gold Inc. on The Toronto Stock Exchange in 1996. Following the acquisition by Ashanti Goldfields Company Limited of SAMAX Gold Inc. in 1998, Mr. Banfield has been Finance Director for a mobile telecommunications manufacturer and in 2000 established a consultancy offering professional services to the resource industry. Mr. Banfield was appointed Chief Financial Officer of AXMIN Limited in April 2001 and of AXMIN Inc. in November 2001.

DIRECTORS

Michael Coulter, Director & Secretary – Mr. Coulter, a Canadian national, has over 20 years of management experience in the international mining industry, and as President of M.D. Coulter & Associates Inc. provides administrative, accounting, secretarial and securities regulation compliance services to Canadian public companies. Mr. Coulter has been a director of AXMIN Inc. since December 1995 and held the post of President until November 2001.

Michael Ebsary, Director – Mr. Ebsary, a Canadian and British national, graduated from Queen's University with an MBA in Finance and Accounting after having obtained a BA in Mathematics. After working in the retail banking sector in Canada with the Bank of Nova Scotia, Mr. Ebsary transferred to London and worked in the corporate banking team of the Bank of Montreal. In

1989, Mr. Ebsary joined Occidental Petroleum Corporation, in the treasury department, working primarily on structured finance for the UK North Sea and other areas in Asia. Following the sale of its North Sea assets by Occidental to Elf Aquitaine, Mr. Ebsary was named as Treasurer for Elf Enterprise PLC, a joint venture between Elf and Enterprise and thereafter as Treasurer for all of Elf's upstream activities in the UK. He was transferred to Elf's head office in Paris in 1994 and was responsible for the project finance activities for Elf where the focus was primarily on financing the company's African activities. Mr. Ebsary joined Addax Petroleum, the upstream arm of the Addax & Oryx Group, in 1999 as Chief Financial Officer and has recently been named as Chief Financial Officer for investments covering the upstream, downstream and mining activities of the group. Mr. Ebsary was appointed a director of AXMIN Inc. in March 2002.

Robert Jackson, Director – Mr. Jackson, a Canadian national, graduated from Camborne School of Mines, Cornwall, United Kingdom with a BSc in 1980. He has an MBA from the University of Western Ontario, an MSc from Queen's University and is a Professional Engineer in Ontario. He entered the securities industry in 1987 as a base metals analyst for Burns Fry and subsequently worked in the mining sector for S.G. Warburg, McLean McCarthy, Midland Walwyn Capital Inc., McCarvill Corporation (as President), and Dundee Securities Corporation. He is presently employed as Energy Technology Analyst with Yorkton Securities Inc. Prior to entering the securities business he was employed as a mining engineer by Falconbridge Ltd. Mr. Jackson has been a director of AXMIN Inc. since June 1999.

Peter Lehner, Director – Mr. Lehner, a Swiss national, received his Federal Certificate of Capacity (Commerce) in 1980. Prior to joining The Addax & Oryx Group Limited in 1992, Mr. Lehner worked for Andre & Cie SA. In 1992 he joined Addax BV Geneva Branch and was appointed Chief Financial Officer in 1995. In 2000 he was appointed Managing Director of Addax & Oryx Advisory Services SA. Mr. Lehner is a member of The International Energy Credit Association. He has been a non-executive director of AXMIN Limited since May 1999 and was appointed a director of AXMIN Inc. in November 2001.

Robert Shirriff, Director – Mr. Shirriff, a Canadian national, graduated from the University of Toronto with a Bachelor of Law degree in 1956. He joined Fasken Martineau DuMoulin LLP in 1958 and has been a partner of the firm since 1965. Mr. Shirriff has over 35 years experience in the field of commercial and corporate law and has acted for a number of companies engaged in the mining and natural resource industry. He is currently a director of a number of corporations operating in Canada and internationally. Mr. Shirriff became a non-executive director of SAMAX Gold Inc. in 1996, a non-executive director of AXMIN Limited in July 1999 and was appointed a director of AXMIN Inc. in November 2001.

Dr. Henrik Thalenhorst, Director – Dr. Thalenhorst, a German national, graduated with a DrSc from the University of Munich in 1968. He is presently employed as a Senior Geologist for Strathcona Mineral Services Ltd., an international mining and consulting firm, and has over 25 years of industry experience. Dr. Thalenhorst has been a director of AXMIN Inc. since June 1990.

SENIOR MANAGEMENT

J. Howard Bills, Exploration Manager – Mr. Bills, a British national, graduated as a geologist from Kingston University, London and gained an MSc from the Royal School of Mines, London and is a Fellow of the Geological Society of London. He gained ten years of gold and diamond exploration experience in Africa and Asia with Geosurvey International Limited, Star Guinee, Diamond Distributors Inc. and BP Minerals International before joining SAMAX Resources Limited in 1990 to manage exploration in Tanzania. On leaving SAMAX Resources Limited in 1993, Mr. Bills worked as a consultant to a number of companies operating in Tanzania and South America before joining consultants, Steffen Robertson and Kirsten (UK) Limited ("SRK"), as Principal Exploration Geologist in 1995. While with SRK, Mr. Bills provided exploration consulting and management services to the industry on an international basis including projects in Africa. Mr. Bills joined SAMAX Services Limited in February 1999 as Manager, East and Central Africa on behalf of AXMIN Limited prior to being appointed Exploration Manager in January 2001. Mr. Bills was appointed Exploration Manager of AXMIN Inc. in November 2001.

Shareholder Information

UK Representative Office

Suite 107, Kent House
81 Station Road
Ashford
Kent TN23 1PP
United Kingdom
Tel: +44 (0)1233 665600
Fax: +44 (0)1233 643728
E-mail: info@axmin.com

Registered Office

15 Toronto Street
Suite 600
Toronto, Ontario
M5C 2E3 Canada
Tel: +1 416 368 0993
Fax: +1 416 368 8957

Investor and Analyst Inquiries

Jon Forster,
Chief Executive Officer
Tel: (UK) 44 1233 665600
Tel: (Canada) 416 368 0993
E-mail: info@axmin.com
Website: www.axmin.com

Annual Meeting

The Annual Meeting of
shareholders will be held at:
10:30 am (EST) on Monday,
June 24, 2002
at the offices of:
Fasken Martineau DuMoulin LLP
Toronto Dominion Bank Tower
Suite 4200
Toronto-Dominion Centre
66 Wellington Street West
Toronto, Ontario
M5K 1N6 Canada

Auditors

Kraft, Berger, Grill, Schwartz,
Cohen & March LLP
Markham, Ontario, Canada

Legal Counsel

Fasken Martineau DuMoulin LLP
Toronto, Ontario, Canada

Transfer Agent

Computershare Trust Company
of Canada
Toronto, Ontario, Canada
Tel: 416 981 9500
Tel: 800 663 9097
E-mail:
carregistry@computershare.com

Stock Listing

Exchange Listing – Canadian
Venture Exchange (CDNX), Tier 2
Symbol – AXM

Common Shares Outstanding

As at December 31, 2001
61.416 million

Bankers

Canadian Imperial Bank of
Commerce
Toronto, Ontario, Canada

Barclays Bank PLC
St Helier, Jersey, Channel Islands

AXMIN