AXMIN Inc.

Interim Condensed Consolidated Financial Statements
Six Months ended June 30, 2019 and 2018

(Expressed in United States dollars)

(Unaudited)

Notice of No Review of Condensed Interim Financial Statements

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim condensed consolidated financial statements; they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim condensed consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditors have not performed a review of these unaudited interim condensed consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim condensed consolidated financial statements by an entity's auditor.

Interim Condensed Consolidated Statements of Financial Position

(Expressed in United States dollars)

	As at June 30, 2019	As at December 31, 2018
Assets	**$**	$
Current assets		
Cash and cash equivalents	**1,538,520**	1,059,425
Receivables *(note 4)*	**74,203**	276,247
Prepaid expenses and deposits	**8,368**	44,933
Long term assets		
Property, plant and equipment *(note 6)*	**53,178**	-
Total Assets	**1,674,269**	1,380,605
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	**231,695**	260,358
Amounts due to related parties *(note 8)*	**220,900**	184,424
Total Liabilities	**452,595**	444,782
Shareholders' Equity (Deficit) *(note 7)*		
Share capital	**140,088,634**	140,088,634
Warrants reserve	**7,868,733**	7,868,733
Stock options reserve	**8,979,795**	8,974,207
Deficit	**(157,428,256)**	(157,669,225)
Accumulated other comprehensive income	**1,712,768**	1,673,474
Total Shareholders' Equity (Deficit)	**1,221,674**	935,823
Total Liabilities and Shareholders' Equity	**1,674,269**	1,380,605

(Nature of operations and going concern – Note 1)
(Commitments and contingencies – Note 5 and 9)
See accompanying notes to the consolidated financial statements

On Behalf of the Board of Directors

"Lucy Yan"

Lucy Yan, CEO and Director

"David Weill"

David de Jongh Weill, CFO and Director

Interim Condensed Consolidated Statements of Operations and Comprehensive Loss

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

	Three month period ended June 30,		Six month period ended June 30,	
	2019	2018	**2019**	2018
Revenue				
Royalty income *(note 5)*	**68,617**	576,643	**563,028**	1,067,194
	68,617	576,643	**563,028**	1,067,194
Expenses				
Consulting fees	**29,352**	32,967	**53,333**	60,246
Director fees	**18,685**	31,214	**37,493**	39,121
General admin expenses	**4,178**	4,286	**8,833**	24,846
IR expenses	**11,298**	9,240	**20,717**	5,119
Professional fees	**25,581**	26,606	**25,953**	27,229
Project costs	**6,796**	970	**39,271**	12,326
Rental expenses	**6,619**	5,692	**13,349**	11,470
Salaries and wages	**29,574**	11,255	**59,115**	22,755
Share-based compensation (*note 7*)	**-**	16,171	**5,589**	51,352
Amortization	**2,707**	-	**2,707**	-
Travel expenses	**11,110**	7,670	**11,110**	8,792
	145,900	146,071	**277,470**	263,256
(Loss) Income from continuing operations	**(77,283)**	430,572	**285,558**	803,938
Other Income				
(Loss) Gain on foreign exchange	**(6,503)**	7,014	**(48,872)**	7,175
Interest income	**2,249**	-	**4,283**	-
	(4,254)	7,014	**(44,589)**	7,175
Net (Loss) income for the period	**(81,537)**	437,586	**240,969**	811,113
Other comprehensive gain (loss)				
Foreign currency translation	**19,510**	(21,686)	**39,294**	(9,098)
Other comprehensive gain (loss)	**19,510**	(21,686)	**39,294**	(9,098)
Total Comprehensive (loss) Income	**(62,027)**	415,900	**280,263**	802,015
Net income per common share (basic and diluted)	**(0.001)**	0.003	**0.002**	0.006
Basic and diluted income per common share	**(0.001)**	0.003	**0.002**	0.006
Weighted average number of common shares outstanding	**134,237,381**	130,497,381	**134,237,381**	130,497,381

Interim Consolidated Statements of Changes in Shareholders' Equity (Deficit)

(Expressed in United States Dollars)
(Unaudited)

For the six months period ended June 30,	**2019** Number	**2019** Amount ($)	2018 Number	2018 Amount ($)
Share Capital				
Authorized: Unlimited common shares				
Issued: Common shares				
Balance, beginning of period	**134,237,381**	**140,088,634**	130,497,381	139,494,998
Shares issued during the period *(note 7)*	**-**	**-**	-	-
Balance, end of period	**134,237,381**	**140,088,634**	130,497,381	139,494,998
Warrants Reserve				
Balance, beginning of period	**-**	**7,868,733**	-	7,868,733
Warrants issued	**-**	**-**	-	-
Warrants expired *(note 7)*	**-**	**-**	-	-
Balance, end of period	**-**	**7,868,733**	-	7,868,733
Stock Options Reserve				
Balance, beginning of period		**8,974,207**		8,908,683
Share-based compensation *(note 7)*		**5,588**		51,352
Balance, end of period		**8,979,795**		8,960,035
Deficit				
Balance, beginning of period		**(157,669,225)**		(158,882,728)
Net income for the period		**240,969**		811.113
Balance, end of period		**(157,428,256)**		(158,071,615)
Accumulated other comprehensive income, net of tax				
Balance, beginning of period		**1,673,474**		1,394,778
Other comprehensive gain (loss)		**39,294**		(9,098)
Balance, end of period		**1,712,768**		1,385,680
Shareholders' equity (deficit), end of period		**1,221,674**		(362,169)

See accompanying notes to the interim condensed consolidated financial statements.

Interim Condensed Consolidated Statements of Cash Flows

(Expressed in United States Dollars)
(Unaudited)

For the six months period ended June 30,	**2019**	2018
Operating Activities		
Net income	**240,969**	811,113
Loss (gain) on foreign exchange	**47,512**	(7,175)
Share-based compensation	**5,588**	51,352
	294,069	855,290
Changes in non-cash working capital		
Accounts receivable	**196,119**	19,267
Prepaid expenditures	**35,493**	10,577
Amortization	**2,707**	-
Accounts payable and accrued liabilities	**(29,504)**	(91,458)
Due to related parties	**35,406**	(774)
Net cash inflow from operating activities	**534,290**	792,902
Investing Activities		
Purchase of property, plant and equipment	**(55,885)**	-
Net cash (outflow) from investing activities	**(55,885)**	-
Effect of exchange rate changes	**690**	36,216
Change in cash and cash equivalents during the period	**479,095**	829,118
Cash and cash equivalents, beginning of period	**1,059,425**	1,115,331
Cash and cash equivalents, end of period	**1,538,520**	1,994,449
Supplemental Cash Flow Information		
Interest paid	**-**	-
Income taxes paid	**-**	-

See accompanying notes to the interim condensed consolidated financial statements.

1. Nature of operations and going concern

AXMIN Inc. ("AXMIN" or the "Company") is incorporated under the Canada Business Company Act and is an international mineral exploration company with an exploration portfolio in central and West Africa. A major portion of the Company's exploration and development costs relate to its Passendro gold project (the "Project" or "Passendro") situated on a portion of the Bambari property in the Central African Republic ("CAR"). The Company holds its interest in this property through its wholly owned CAR registered subsidiaries, Aurafrique SARL ("Aurafrique"), which holds prospecting and exploration permits for the property, and SOMIO Toungou SA, which holds the mining permit for the Passendro project. The corporate office is located in Vancouver at 1111 Alberni Street, Suite 2209, Vancouver, BC, V6E 4V2, Canada.

The Company is in the development stage. Aside from the properties that comprise of the Passendro project, it has not yet determined whether other properties in its exploration portfolio contain resources that are economically recoverable. The recoverability of the amounts shown for mineral properties costs is dependent upon the ability of the Company to secure adequate financing to meet the capital required to successfully complete the exploration and development of the project, the political risk relating to obtaining all necessary permits and maintaining the licences in good standing, the future profitable production or proceeds from the disposition of such properties and its ability to continue as a going concern. In addition, the Company's properties may be subject to sovereign risk, including political and economic uncertainty, changes in existing government regulations to mining which may not uphold the Company's 25-year Mining Permit and the associated contractual agreements, as well as currency fluctuations and local inflation. These risks may adversely affect the investment in the properties and may result in the impairment or loss of all or part of the Company's investment. The Company determined the Passendro project is impaired in its entirety in 2013.

These condensed interim consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a "going concern", which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. As at June 30, 2019, the Company had working capital of $1,168,496, but it did not have sufficient cash to fund the development of the Passendro Project and its other properties. The Company will require additional financing or other sources of funding, which if not raised, would result in the curtailment of activities. As a result, there is a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and accordingly use accounting principles applicable to a going concern.

To date, the Company has raised funds principally through the Gora royalty income, the issuance of shares and sale of assets. In the foreseeable future, the Company will likely remain dependent on the royalty income, issuance of shares, and the availability of project financing. Management expects that it will be able to fund its immediate cash requirements and will require additional funding to allow the Company to continue future exploration and development activities. However, there can be no assurances that the Company's financing activities will be successful or that sufficient funds can be raised in a timely manner or on terms satisfactory to the Company.

These interim condensed consolidated financial statements do not include any adjustments related to the recoverability and classification of recorded asset amounts, or to the amounts or classification of liabilities, that might be necessary and material should the Company not be able to continue as a going concern.

2. Basis of preparation – statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). These interim condensed consolidated financial statements have been prepared following the same accounting policies as the audited annual consolidated financial statements for the year ended December 31, 2018. They are condensed as they do not include all of the information required for full annual financial statements in accordance with the International Financial Reporting Standards ("IFRS"), and should be read in conjunction with the annual consolidated financial statements of the Company for the year ended December 31, 2018.

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

Basis of Presentation

The interim condensed consolidated financial statements have been prepared on the historical cost basis, except certain financial instruments that are measured at revalued amounts or fair value at the end of each reporting period, as explained in the accounting policies. The Company's accounting policies have been applied consistently in preparing these interim condensed consolidated financial statements.

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

These interim condensed consolidated financial statements of the Company have not been reviewed by an auditor and were authorized for issuance by the Board of Directors on August 29, 2019.

Basis of Consolidation

The interim condensed consolidated financial statements comprise the financial statements of the Company and subsidiaries as at June 30, 2019.

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

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

All Intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Company are eliminated in full on consolidation.

The interim consolidated financial statements include the accounts of the Company and its subsidiaries, as follows:

AXMIN Limited (BVI)	*100% owned*
Aurafrique SARL (CAR)	*100% owned*
SOMIO Toungou SA (CAR)	*100% owned*
AXMIN RCA SARL (CAR) - inactive	*100% owned*
ToPex Limited (BVI) - inactive	*100% owned*

The Company does not have interests in any associated companies or in any joint arrangements with either joint control or significant influence.

The Company is a party to a joint arrangement without joint control or significant influence through its joint venture agreement with Sabodala Mining Company SARL ("SMC"), in Senegal. Although the Company has actual and potential royalty interests in the project, the Company has no power to direct relevant operational and financing activities such as operating policies, capital decisions, key management, appointments or project management, and thus has no joint control or significant influence. The joint venture agreement and royalty interests are described in note 5(b).

Basis of Measurement

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

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

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

(Unaudited and all amounts expressed in United States dollars, except otherwise stated and per unit basis)

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

Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires the Company's management to make judgments, estimates and assumptions on reported amounts of assets and liabilities, and reported amounts of expenses. The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may be substantially different. The critical accounting, judgments, estimates and assumptions are the same as those in our most recent audited annual financial statements

Changes in accounting standards

IFRS 16 Leases

On January 1, 2019, the Company adopted IFRS 16, Leases, which specifies how leases should be recognized, measured, presented and disclosed. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. The adoption of this new standard has not had a material impact on the financial position and results of the Company.

4. Receivables

The Company's receivables arise from royalty receivable related to Senegal Project (Note 5), goods and services tax and harmonized sales taxes receivable from government taxation authorities as follows:

	June 30, 2019	December 31, 2018
Interest receivable	**3,778**	1,838
Royalty income receivable	**69,617**	268,094
Refundable taxes	**1,808**	6,315
	74,203	276,247

Royalty income receivable in the amount of $69,617 has been received subsequent to the three months ended June 30, 2019.

5. Exploration and evaluation assets

a) *Mineral properties*

<u>*Central African Republic*</u>
AXMIN holds a 100% interest in the Bambari properties which consist of a 25-year Mining Licence (355 sq km), granted in August 2010 and two Exploration Licences, Bambari 1 and 2 (1,240 sq km), also granted in August 2010. The Bambari properties had been the subject of substantial exploration by AXMIN since the discovery of the Passendro project. The Passendro project is situated in the centre of the Mining Licence which is ring-fenced by the two Bambari Exploration Licences.

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

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

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

On November 28, 2016, the Minister of Mines, Energy and Hydraulics of the CAR issued Ministerial Order No 245/16/MMEH/DIRCAB/DGMD, giving an Exemption Certificate of one (1) year to start the development and pre-production work at the Passendro Gold Project to SOMIO Toungou SA, a wholly-owned subsidiary of the Company.

The period of the Exemption is valid within a duration of one (1) year starting from November 28, 2016 to November 27, 2017. On March 26, 2018, the Minister of Mining and Geology issued an executive order No 031/18/MMG/DIRCAB/DGM to grant SOMIO Toungou an extension period of exemption from the development work and productions of the Passendro gold mine for one (1) year, running from March 22, 2018 to March 21, 2019.

Also on November 28, 2016, the Minister of Mines, Energy and Hydraulics of the CAR issued the Ministerial Order No 246/16/MMEH/DIRCAB/DGMD, giving an Exemption Certificate of one (1) year for exploration and research of the primary layer of gold and others related to substances of Licenses of BAMBARI 1 and 2 to Aurafrique SARL, a wholly-owned subsidiary of the Company. The period of the Exemption is valid within duration of one year from November 28, 2016 to November 27, 2017. In 2016, the Company incurred $1,000,000 for the extension of the licenses of BAMBARI 1 and 2, which is included in accounts payable and accrued liabilities in consolidated statements of financial position as of December 31, 2017. On March 26, 2018, the Minister of Mining and Geology issued an executive order No 032/18/MMG/DIRCAB/DGM to grant Aurafrique SARL an extension period of exemption from exploration and research for one (1) year, running from March 22, 2018 to March 21, 2019.

As of the date of this report, management is unable to determine when the Minister of Mining and Geology will approve the renewal applications submitted for the Exemption Certificates and there is no assurance that the Company will be successful in obtaining the renewal of the Exemption Certificates.

Force Majeure
In 2012, AXMIN announced that it officially notified the Minister of Mines and Minister of Defence of the Central African Republic, as per its 2006 Mining Convention, of the existence of Force Majeure factors arising from the widely reported rebel activity in the country at that time.

AXMIN’s operating camp based in close proximity to Ndassima Village was temporarily occupied on December 21, 2012 by rebels apparently en route to the major town of Bambari. In April 2013, AXMIN has received confirmed reports that all facilities, tools, equipment and vehicles on site were stolen or destroyed by the rebels or by the locals.

As a result of this rebel activity, camp operations in CAR have been suspended and have been limited to administrative office activity in Bangui only.

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

Impairment charges on mineral properties
Impairment in the amount of $37,346,576 was recognized as at December 31, 2013 on the Bambari properties to reflect the decrease in their recoverable value as the result of the current political turmoil in CAR. The new government of the CAR might adopt different policies respecting foreign development and ownership of mineral resources. Any such changes in policy may result in changes in laws affecting mining policies, ownership of mineral assets and might extend to expropriation of mineral assets. The recoverable amount of the Company’s Bambari properties is $nil based on management’s estimate of the asset’s fair value less costs to sell (“FVLCD”).

As at June 30, 2019, there has been no significant change in the assumptions used to determine the FVLCD since the impairment loss was recognized in 2013.

(b) Other exploration, evaluation and development costs disposed or expensed

(Unaudited and all amounts expressed in United States dollars, except otherwise stated and per unit basis)

5. Exploration and evaluation assets *(continued)*

Mali – discontinued operation

On March 31, 2010, AXMIN and Avion Gold Corporation ("Avion") (AVR-TSX) entered into an agreement for the sale of AXMIN's Kofi Gold Project and other ancillary permits in Mali. The total sales proceeds for the nine permits consist of C$500,000 cash and 4,500,000 common shares of Avion. As of December 31, 2017, eight of the nine permits met the conditions for closing. The consideration for the eight permits represents 95% of the total sale proceeds.

For the year ended December 31, 2018, the Company reassessed the accrued tax liability related to its capital gain generated from the the sale of AXMIN's Kofi Gold Project and other ancillary permits in Mali from 2010. Based on the laws and regulations in Mali and management's best estimate, it is not probable that the reversal of the liability would be challenged by the tax authorities in the future. Therefore, the accrued tax liability of $323,103 has been reversed during the year ended December 31, 2018.

Senegal

In July 2011, through its wholly-owned subsidiary SMC, Teranga Gold Company ("Teranga") earned 80% interest in Sounkounkou, Heremokono and Sabodala NW exploration licences (the "Senegal Project") located in the Birimian belt of eastern Senegal, by spending $6 million on exploration. AXMIN has retained a 20% interest in the Project.

On February 28, 2012, as a result of Teranga advancing the Gora deposit towards development, AXMIN and its joint venture partner SMC had agreed to amend the original 2008 joint venture agreement to more adequately represent AXMIN's interest in the exploration potential of the Senegal licences. The amended joint venture and royalty agreement (the "Agreement") supersedes and replaces the original joint venture agreement. As per the Agreement, AXMIN had a free-carried interest of $2.5 million, with respect to the Target Areas work costs starting from October 1, 2011, after which both parties are to jointly fund Target Area work costs on a pro-rata basis. As of December 31, 2016, the free-carried interest balance is $nil.

The Agreement also stipulates that AXMIN can make an election to convert its 20% interest in Target Area into a Royalty interest (a "Royalty Election"). If a Royalty Election is made, then SMC must pay to AXMIN a Royalty interest of 1.5% of Net Smelter Returns ("1.5% NSR") from the sale or disposition of Minerals produced in the specified Target Area. SMC will solely fund all finance work costs for each of the Royalty Target Areas (being Target Areas have been made Royalty Election on). As of February 28, 2012, AXMIN elected to take a 1.5% NSR Royalty Interest in the Gora Deposit, located on the Sounkounkou permit.

On June 18, 2015, in addition to its royalty interest of 1.5% NSR in the Gora Target Area, AXMIN has elected to convert its 20% interests in another 15 Target Areas into a 1.5% NSR Royalty interest from each Target Area under the Agreement. On January 12, 2016, AXMIN elected to convert its 20% interest in one new Target area into a 1.5% NSR. On January 12, 2016, after this Royalty Election, AXMIN holds a 1.5% NSR on 17 Royalty Target Areas in total and maintains 20% interests of Remainder Areas within the Senegal Project.

Gora Deposit began production in the third quarter of fiscal 2015. Royalty income in the amount of $563,028 has been recognized in the six months ended June 30, 2019. (Six months ended June 30, 2018 - $1,067,194).

6. Property, plant and equipment

Cost	**Computer**	**Vehicle and equipment**	**Total**
Balance 1 Jan, 2019	**-**	**-**	**-**
Additions	**2,617**	**53,268**	**55,885**
Balance June 30, 2019	**2,617**	**53,268**	**55,885**

Accumulated Depreciation	**Computer**	**Vehicle and equipment**	**Total**
Balance 1 Jan, 2019	**-**	**-**	**-**
Amortization	**44**	**2,663**	**2,707**
Balance June 30, 2019	**44**	**2,663**	**2,707**

Carrying Value	**Computer**	**Vehicle and equipment**	**Total**
At June 30, 2019	**2,573**	**50,605**	**53,178**

(Unaudited and all amounts expressed in United States dollars, except otherwise stated and per unit basis)

7. Share capital

The Company is authorized to issue an unlimited number of common shares with one vote per share and no par value per share. Share capital outstanding at June 30, 2019 was 134,237,381 (December 31, 2018: 134,237,381 common shares).

On October 12, 2018, the Company has issued 3.46 million shares at a price of C$0.30 per share with a combination of a cash payment of US$1.2 million to settle an account payable. This account payable was for a consultancy agreement (the "Consulting Agreement") to assist AXMIN with securing its ownership of licenses in the Central African Republic on November 15, 2013. Under this Consulting Agreement the consultant was entitled to remuneration upon the successful completion of its services. The total outstanding payments due under this Consulting Agreement amount to US$2 million and were duly recorded in the Company's accounts payable. The Company has benefited from the renewal of its respective licenses and permits and is in good standing with the Government of the Central African Republic. The fair value of the common shares was $584,145, resulting in a gain on debt settlement of $215,855.

The shares issued pursuant to the above-referenced Settlement Agreement will be subject to transfer restrictions under a two (2) year lock-up agreement, during which time the shares may not be sold. The transfer restrictions under the lock-up agreement will expire two (2) years plus one day from the date of grant.

On October 19, 2018, 280,000 stock options were exercised, 100,000 were exercised at a price of C$0.025 and 180,000 were exercised at a price of C$0.05.

Warrants

There were no common share purchase warrants outstanding, issued or exercised during the three months ended June 30, 2019 and 2018.

Stock Options

A summary of the changes in options is presented below:

	Number of options	Weighted Average Exercise Price – C$(dollars)
Balance at December 31, 2016	**3,150,000**	**0.034**
Options expired on March 9, 2017	(50,000)	0.60
Options granted on September 25, 2017	5,140,000	0.05
Balance at December 31, 2017	**8,240,000**	**0.04**
Options exercised on October 19, 2018	(280,000)	0.04
Options cancelled on November 15, 2018	(60,000)	0.05
Balance at December 31, 2018	**7,900,000**	**0.04**

The Incentive Stock Option Plan (the "Plan") authorizes the Directors to grant options to purchase shares of the Company to directors, officers, employees and consultants. All options granted vest over 18 months from the date of grant and expire five years from the date of issuance. The Plan allows for the maximum number of common shares issuable under the Plan to equal 10% of the issued and outstanding common shares of the Company at any point in time.

On September 25, 2017, the Company granted an aggregate of 5,140,000 options, exercisable at C$0.05 each and expiring five years from the date of issue.

All of the options were vested equally over an 18 month period from the date of the grant (25% on the date of grant and 25% on each of the 6 (six) month, 12 (twelve) month and 18 (eighteen) month from the date of grant) and are exercisable in accordance with the terms of the Company's Stock Option Plan. Share-based compensation expense amounted to $5,589 for the six months ended June 30, 2019 (2018 - $51,352). No share-based compensation amount was capitalized in the three months ended June 30, 2019 and 2018.

(Unaudited and all amounts expressed in United States dollars, except otherwise stated and per unit basis)

7. Share capital *(continued)*

As at June 30, 2019, common share stock options held by directors, officers and employees and activity are as follows:

	Outstanding			**Exercisable**	
Range of exercise prices -C$ (dollars)	Number of options	Weighted average exercise price - C$ (dollars)	Weighted average remaining contractual life in years	Number of options	Weighted average exercise price - C$ (dollars)
0.025	3,000,000	0.025	1.22	3,000,000	0.025
0.05	4,900,000	0.05	3.24	4,900,000	0.05
	7,900,000	0.04	2.47	7,900,000	0.04

8. Related party transactions

Related party balances

	June 30, 2019	December 31, 2018
	$	$
Kin Foon (Joe) Tai (a)	**-**	9,163
David Weill (a)	**-**	-
Lucy Yan (b)	**220,900**	175,261
Total due to related parties	**220,900**	184,424

Related parties in the consolidated statements of financial position.

(a) Balances consist of director fees due to the current directors, which have been included in amounts due to related parties in the consolidated statements of financial position.

(b) Balance consists of consulting fees due to the current CEO, which has been included in amounts due to related parties in the consolidated statements of financial position.

(c) As of June 30, 2019, the Company's significant shareholder, Dickson Resources Limited ("Dickson"), held 45,000,000 common shares (December 31, 2018 – 45,000,000) representing approximately 34% of AXMIN's issued and outstanding common shares on a non-dilutive basis.

(d) As of June 30, 2019, the Company's other significant shareholder, Shanghai Shenglin Trading Co., Ltd., held 20,000,000 common shares (2018–20,000,000 common shares) representing approximately 15% of AXMIN's issued and outstanding common shares on a non-dilutive basis.

As of June 30, 2019, the Company's other significant shareholder, AOG Participations BV ("AOG"), a wholly-owned subsidiary of the Addax and Oryx Group Limited, held 15,001,938 common shares (December 31, 2018 - 15,001,938 common shares) representing approximately 11% of AXMIN's issued and outstanding common shares on a non-dilutive basis.

a) Compensation of key management personnel

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

	2019	2018
	$	$
Share-based payments	**5,589**	51,352
Consulting fees	**53,333**	60,246
Director fees	**37,493**	39,121
	96,415	150,719

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

(Unaudited and all amounts expressed in United States dollars, except otherwise stated and per unit basis)

9. Commitments and contingencies

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

10. Segmented information

The Company has one reportable operating segment: mineral exploration and development. There were no exploration activities in CAR due to the force majeure mentioned in Note 5a.

The Company's comprehensive income (loss) by geographic locations for the six months ended June 30, 2019 and December 3, 2018 are as follow:

Net Income (loss)	**Six Months Ended June 30, 2019**	Year Ended December 31, 2018
Canada	**$304,456**	$1,312,123
Central African Republic	**(63,487)**	(98,620)
Total	**$240,969**	$1,213,503

The Company's total assets by geographic locations as of June 30, 2019 and December 31, 2018 are as follows:

Total Assets	**June 30, 2019**	December 31, 2018
Canada	**$1,590,777**	$1,254,699
Central African Republic	**83,492**	125,906
Total	**$1,674,269**	$1,380,605

11. Capital management

The Company manages its cash and cash equivalents, common shares, stock options, and warrants as capital. The policy of the board of directors of the Company is to maintain a strong capital base so as to sustain future development of the business and maintain investor, creditor and market confidence. To meet these objectives the Company monitors its financial position on an ongoing basis.

As at June 30, 2019, the Company's capital primarily consisted of cash and cash equivalents in the amount of $1,538,520 and receivables in the amount of $74,203. The Company's primary objectives when managing capital are to safeguard the Company's ability to meet its immediate cash requirements, and to perform exploration and development on its properties as well as maintain market confidence.

As at June 30, 2019, the Company had working capital of $1,168,496, but it did not have sufficient cash to fund the development of its properties. The Company will require additional financing or other sources of funding, which if not raised, would result in the curtailment of activities. Management reviews its capital management approach on an ongoing basis and believes that this approach is appropriate given the Company's size. The Company is not subject to other externally imposed capital requirements.

12. Financial instruments and risk management

The recorded amounts for cash and cash equivalents, receivables excluding the GST receivable (June 30, 2019 - $1,808; December 31, 2018 - $6,315), accounts payable and accrued liabilities and amounts due to related parties approximate fair values based on the short-term nature of those instruments. The Company has classified its financial instruments as follows: cash and cash equivalents as FVTPL; receivables as amortized cost; accounts payable and accrued liabilities; amounts due to related parties as other financial liabilities.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from the following:

(Unaudited and all amounts expressed in United States dollars, except otherwise stated and per unit basis)

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

(i) Cash and cash equivalents

The Company minimizes its exposure to credit risk by keeping the majority of its cash and cash equivalents 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 of June 30, 2019, the Company had cash and cash equivalents of $1,538,520 (December 31, 2018: $1,059,425), and the Company have sufficient cash on hand to discharge its current liabilities. As of June 30, 2019, the Company had working capital of $1,168,496 (December 31, 2018 - $935,823 working capital).

(c) Market risk

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

(i) Foreign currency risk

The functional currency of the Company is the Canadian dollar and the functional currency of its subsidiaries is the United States dollar. The Company's operations expose it to significant fluctuations in foreign exchange rates. The Company's main source of funds are denominated in the Canadian dollar and the Company has monetary assets and liabilities denominated in the Canadian dollar, UK pound sterling, United States dollar and the CFA franc. A significant change in the currency exchange rates between the US dollar and foreign currencies could have an effect on the Company's total comprehensive loss.

The Company maintains certain of its cash and cash equivalents in the US dollar, and CFA franc 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 June 30, 2019 was 1.3363 Canadian dollars to 1 US dollar. Based on the balances at June 30, 2019, income will increase or decrease by $100,737 given a 5% increase or decrease in the US dollar to Canadian dollar. The total amount of cash and cash equivalents held in foreign currency at June 30, 2019 is $1,507,696 in USD and 17,786,218 in CFA franc.

(i) Interest rate risk
The Company has no short-term investments or loans that has variable interest rate, and therefore not subject to interest rate risk fluctuation.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments which are measured at fair value by valuation technique:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., as derived from prices); and

Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table presents the Company's financial assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2019:

	Total	**Level 1**	**Level 2**	**Level 3**
Cash and cash equivalents	1,538,520	1,538,520	-	-

13. Subsequent events

On July 2, 2019, the Company granted 3,750,000 stock options to directors, officers and advisors at an exercise price of $0.60 and expiry date July 2, 2024.