25 October 2005

The Manager
Australian Stock Exchange Limited
Level 8 Exchange Plaza
2 The Esplanade
Perth WA 6000

Dear Sir/Madam

Withdrawal from Boston Project - Philippines

AXG Mining Limited (AXG) holds a 28% beneficial interest in the Boston Project on Mindanao Island in the Philippines through a Philippines registered company, First Pacific Mining Corporation. First Pacific holds a 70% interest in the joint venture and the Boston Tribal Multi-Purpose Cooperative retains a 30% interest in the joint venture. The Project area is the subject of 3 exploration tenement applications, numbered EXPA 103-XI, EXPA 104-XI and EXPA 104-XI, which cover an area of about 16,000 hectares.

The Board of AXG, after due deliberation as to the potential value of the exploration tenement applications and the conflicting aspects concerning the validity as to their ownership and the time delays in progress associated with the grant process in the Philippines has instructed the relevant parties to take all necessary action to quit the Company's interest in the tenements referred to as the Boston Project plus any interests that the Company may have in First Pacific Mining Corporation, effective immediately.

Yours sincerely,

Peter Jermyn
Chairman

AXG Mining Ltd
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