

AXG MINING LIMITED

A.B.N. 93 092 304 964

and Controlled Entities

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2007**

Contents

Title	Page
Chairman's report	3
Corporate governance statement	4
Directors report	7
Income statement	15
Balance sheet	16
Statement of changes in equity	17
Cash flow statement	18
Notes to the financial statements	19
Directors declaration	38
Independent auditors declaration	39
Independent auditors report	40



Dear Shareholder,

On behalf of your Board of Directors I am pleased to present the Company's 2007 Annual Report.

During the year the Company completed the sale of part of the Dalgaranga Gold Mines Joint Venture project to Mt Magnet Gold NL, a subsidiary of Harmony Gold. The terms of the sale resulted in staged payments to the joint venture partners with the price increasing in line with the prevailing gold price. At the time of writing, the Company had received 4 of the 5 payments due for a total of \$642,244 as the Company's share of the proceeds. One payment remains payable at the end of September 2007. The board is extremely happy with the result of this transaction as it results in a substantial cash injection into the Company from a gold resource that would have been unlikely to be mined had it been retained by the joint venture partners. Further negotiations are ongoing with other parties who are interested in the balance of this project.

The Company also completed a new acquisition during the year with the purchase of a package of tenements with good prospectivity for Uranium exploration. The projects are all located in Western Australia and have historic uranium occurrences. The Company has earmarked a portion of the funds generated from the divestment of the Dalgaranga JV project to explore these tenements.

On the corporate front, the Company is extremely pleased to have negotiated a placement with Westar Capital to raise a total of approximately \$3.3m before costs. Westar bring a group of sophisticated investors to the register and we look forward to working with them in the coming year to build the Company.

Upon the completion of the Westar placement, the Company will be well funded and in a good position to acquire further projects. The board continues to look at further acquisition opportunities and will announce these to the market in due course.

On behalf of your Board I would like to take this opportunity to thank all shareholders and consultants for their efforts and their support during the year.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Gordon Sklenka', written over a white background.

Gordon Sklenka
Director
24 September 2007

Corporate governance statement

This statement summarises policies and procedures AXG Mining Ltd has adopted in order to meet, as closely as practicable, best practice benchmarks in the area of corporate governance.

ASX Best Practice Recommendations

The ASX Listing Rules require listed companies to include in their Annual Report a statement disclosing the extent to which they have complied with the ASX Best Practice Recommendations in the reporting period. The recommendations are not prescriptive and if a company considers that a recommendation is inappropriate having regard to its particular circumstances, the company has the flexibility not to adopt it. Where the Company considered it was not appropriate to presently comply with a particular recommendation the reasons are set out in the latter part of this statement.

Board of Directors

The Board comprises three Directors. The names of each of the Directors in office at the date of this Report, the year they were first appointed, and their status as non-executive, executive or independent directors are set out in the Directors' Report.

Independence of Non-Executive Directors

The Board considers an independent chairman to be a non-executive director who satisfies the test for independence as set out in box 2.1 of the ASX Best Practice Recommendations ("Independence Test"). The Board considers that Mr. Bajada meets these criteria. Mr. Bajada has no material business or contractual relationship with the Company, other than in his capacity as a chairman of the company, and no conflicts of interest, which could interfere with the exercise of independent judgement. Accordingly, they are considered to be independent.

Independent Professional Advice

The Board has adopted a formal policy on access to independent professional advice, which provides that Directors are entitled to seek independent professional advice for the purposes of the proper performance of their duties. The Company will pay the reasonable expenses associated with obtaining such advice, subject to the prior approval of the Chairman.

Evaluation of Board Performance

During the reporting period an evaluation of the Board and its members was carried out on an informal basis, pursuant to best practice recommendation 8.1. The evaluation process comprised of an ongoing assessment of each member of the Board and the Board as a whole at each meeting by the Chairman.

The Company is currently reviewing and determining measurable milestones and performance criteria for evaluation of Board performance. This includes the intention to establish more formal evaluation procedures, including quantitative measures of performance.

Remuneration Policies

The full Board carries out the functions of a remuneration committee in accordance with best practice recommendation 9.2. Executive Directors and key executives are remunerated by way of a salary or consultancy fees, commensurate with their required level of services. Non-Executive Directors however receive a fixed monthly fee for their services, in accordance with the guidelines summarised by best practice recommendation 9.3. This is currently being reviewed to reflect the Company's current Board structure, operations in general and requirements placed on all Board members.

Retirement Benefits for Non-Executive Directors

AXG Mining Limited ABN 93 092 304 964 and Controlled Entities

The Company does not have any scheme relating to retirement benefits for Non-Executive directors.

Board Committees

The Company does not presently have a separate audit, nomination or remuneration committee. The Board considers that at this stage, no efficiencies or other benefits would be gained by establishing separate committees. The duties of such committees have been considered and formal charters outlining the role, rights, responsibilities and requirements are being considered by the Board.

ASX Guidelines on Corporate Governance

Pursuant to ASX Listing Rules the Company must provide a statement disclosing the extent to which the Ten Essential Corporate Governance Principles and the corresponding Best Practice Recommendations as published by the ASX Corporate Governance Council ("ASX Principles and Recommendations") have not been followed in the reporting period. During the reporting period the Company has complied with each of the ASX Principles and Recommendations, other than in relation to the matters specified below.

Principle Reference	Recommended Reference	Notification of Departure	Explanation for Departure
1	1.1	The functions of management were not formally disclosed prior to the Board providing its Statement of Board and Management Functions on 30 June 2007.	Prior to 30 June 2007 separate functions of the Board and management existed and were practised prior to the formal adoption of the Statement of Board and Management Functions.
2	2.4	A separate Nomination Committee has not been formed.	The role of the Nomination Committee is carried out by the full Board. The Board considers that at this stage, no efficiencies or other benefits would be gained by establishing a separate Nomination Committee. Prior to 30 June 2007, the full Board reviewed and considered the selection and appointment of directors on an as required basis.
3	3.1	No Code of Conduct has been formalised and adopted by the Company by 30 June 2007.	Prior to 30 June 2007 the Board considers that its business practices, as led by the example of Board and key executives, were the equivalent of a code of conduct.
3	3.2	No written securities trading policy has been adopted.	Although prior to 30 June 2007 there was no written policy, there was an understanding as to when it was appropriate for trading in securities to occur. This understanding will be formulated into a written securities trading policy.
4	4.2; 4.3	A separate Audit Committee has not been formed.	The Board does not consider that the Company will gain any benefit from a separate Audit Committee. The full Board carries out the duties of the Audit Committee. Prior to 30 June 2007, the full Board conducted a review of the Company's accounts on an informal basis.
4	4.4	The Company has not adopted a formal	Prior to 30 June 2007 all the Board

AXG Mining Limited ABN 93 092 304 964 and Controlled Entities

Principle Reference	Recommended Reference	Notification of Departure	Explanation for Departure
		Audit Committee Charter by 30 June 2007.	members considered audit issues to ensure compliance with statutory responsibilities relating to accounting policy disclosure.
5	5.1	There are no written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and accountability for the compliance.	Informal procedures were in place prior to 30 June 2007. These informal procedures will be formulated into the written policies and procedures.
6	6.1	The Company's shareholder communication strategy is being designed and disclosed will be completed in a formal manner.	The Company has a positive strategy to communicate with shareholders, identify the expectations of shareholders and actively promote shareholder involvement in the Company. These strategies are being documented.
7	7.1	The Company has informal policies and procedures to identify financial and operating risks and to effectively manage and communicate to the Board.	Prior to 30 June 2007 the Board had informal policies and procedures in place. The managing director was responsible for monitoring risks and addressed this issue as part of his reporting to the full Board.
8	8.1	The process for evaluation of the Board, individual directors and key executives was not disclosed.	The Chairman assesses the performance of the Board, individual directors and key executives on an informal basis. As the Company progresses its current businesses and investments, the Board intends to establish appropriate evaluation procedures.
9	9.1	The Company's remuneration policy has been disclosed.	Remuneration policy is disclosed in the director's report and was applied during the Reporting Period.
9	9.2	The Company has not adopted the Remuneration Committee Charter.	Prior to 30 June 2007 the full Board considered issues of remuneration. The Board also seeks professional advice when required.
10	10.1	A code of conduct has not been formally implemented.	Although until 30 June 2007 there was no code of conduct documented or disclosed, the Board considered its business practices, as led by the example of the Board and key executives, were the equivalent of a code of conduct. The Company will document these practices and principles into a written code of conduct.

DIRECTORS' REPORT

Your Directors present their report together with the financial report of AXG Mining Limited ("AXG") for the financial year ended 30 June 2007.

Directors

The names of the directors in office at any time during or since the end of the year are:

Peter Jeffrey Jermyn – resigned 1st August 2006
Alex Bajada - appointed 13 February 2007.
Charles Phillip Mostert - resigned 4 April 2007
Gordon Alfred Sklenka
Roland H Berzins

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

The Company's principal activity is mining exploration.

Results of Operations

The net loss of the Company after income tax for the financial year amounted to \$554,455 (2006: loss of \$1,739,888).

Dividends

No dividends were paid or declared during the financial year. No recommendation for the payment of dividends has been made.

Review of Operations

During the year the Company completed the sale of part of the Dalgaranga Joint Venture project to Mt Magnet Gold NL, a subsidiary of Harmony Gold. The terms of the sale resulted in staged payments to the joint venture partners with the price increasing in line with the prevailing gold price.

The Company also completed the acquisition the Mt Ida, Kalguddering and Nukarni Uranium projects for the issue of 2.5m shares and 2.5m options in the Company. The projects have had historical uranium results and occurrences and a work program is currently being planned culminating in a drilling program to test the mineralisation in the fourth quarter 2007.

Future Developments

The company's business strategies and prospects for growth in future financial years have not been included in this report, as the inclusion of this information is likely to result in an unreasonable prejudice to the company.

Significant Changes In State of Affairs

In the opinion of the Directors there were no significant changes in the state of affairs of the Company that occurred during the financial period under review not otherwise disclosed in this report or the financial statements.

AXG Mining Limited ABN 93 092 304 964 and Controlled Entities

Subsequent Events

No matters or circumstances have arisen since the end of the financial year, which significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in subsequent financial years.

Likely Developments

There are no likely developments of which the Directors are aware, which could be expected to affect the result of the Company's operations in subsequent years.

Environmental Issues

The Company's operations are subject to significant environmental regulation under the law of the Commonwealth, State and Local Authorities. Details of the Company's exposure in relation to environmental regulation is as follows:

Exploration activities are subject to significant environmental regulation under the Western Australia Mining Act 1978 and Environmental Protection Act 1986. These regulations affect amongst other issues, waste disposal, water and air pollution.

There have been no instances of material non-compliance with the regulation governing the exploration activities during the financial year.

REMUNERATION REPORT

Remuneration Policy

The remuneration policy of AXG Mining Ltd has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component. The board of AXG Mining Ltd believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the company, as well as create goal congruence between directors, executives and shareholders.

The board manages the remuneration policy, setting the terms and conditions for executive directors and other senior executives. All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation. Further remuneration including fringe benefits, options and performance incentives may be paid dependent upon individual performance, company performance, contract terms and the discretion of the board.

Directors and top executive remuneration is detailed below in this director's report and at note 20 to the accounts. There exists no contractual arrangement with any director.

All remuneration paid to directors and executives is valued at the cost to the company and expensed. Shares given to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive. Options are valued using the Black-Scholes methodology.

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the company. However to align directors' interests with shareholder interests, directors are encouraged to hold shares in the company and may be offered options at the discretion of the board.

The nature and amount of emoluments as detailed in this report reflects the remuneration policy above. As noted in the chairman's address tenement potential is now below previous expectations. Since remuneration is fixed there is no change in remuneration as a result of company performance during the reporting period. Due to the short history

AXG Mining Limited ABN 93 092 304 964 and Controlled Entities

of the company as a listed entity, there is at present no meaningful correlation between the Executive and Director remuneration and the performance of the company.

Names and positions held of Directors and Specified Executives in office at any time during the financial year are:

Mr. A Bajada	Non-Executive Chairman – appointed 13 th February 2007
Mr. P. G. Jermyn	Non-Executive Chairman – resigned 1 st August 2006
Mr. C. P. Mostert	Non-Executive Director – resigned 4 th April 2007
Mr. G. A. Sklenka	Non-Executive Director
Mr. R. H. Berzins	Non-Executive Director

Directors' Remuneration

2007	Director's Fees \$	Primary			Post Employment	Equity	Total \$
		Superannuation Contribution \$	Consulting fees \$	Bonuses \$	Superannuation \$	Options \$	
Mr. P. G. Jermyn	2,727	-	-	-	-	-	2,727
Mr. C. P. Mostert	15,167	-	-	-	-	-	15,167
Mr. A Bajada	18,938	-	-	-	-	-	18,938
Mr. G. A. Sklenka	24,610	4,500	60,000	-	-	-	89,110
Mr. R. H. Berzins	20,000	5,850	65,000	-	-	-	90,850
	81,442	10,350	125,000	-	-	-	216,792

2006	Director's Fees \$	Primary			Post Employment	Equity	Total \$
		Superannuation Contribution \$	Consulting fees \$	Bonuses \$	Superannuation \$	Options \$	
Mr. P. G. Jermyn	30,000	-	-	-	-	-	30,000
Mr. C. P. Mostert	20,000	-	-	-	-	-	20,000
Mr. R. C. Nichevich	10,000	-	-	-	-	-	10,000
Mr. G. A. Sklenka	20,000	-	60,000	-	-	-	80,000
Mr. R. H. Berzins	10,833	4,320	48,000	-	-	-	63,153
	90,833	4,320	108,000	-	-	-	203,153

Shareholdings – 2007

Number of Shares held by Directors and Specified Executives

Directors	Balance	Received as Remuneration	Options Exercised	Net Change Other*	Balance
	1.7.06				30.6.07
Mr. P. G. Jermyn	2,000,000	-	-	-	2,000,000
Mr. C. P. Mostert	1,500,000	-	-	(1,500,000)	-
Mr. A. Bajada	-	-	-	250,000	250,000
Mr. G. A. Sklenka	5,990,000	-	-	4,361,381	10,351,381
Mr. R. H. Berzins	10,000	-	-	300,000	310,000
Total	9,500,000	-	-	3,411,381	12,911,381

* Net Change other refers to shares purchased or sold during the financial year.

AXG Mining Limited ABN 93 092 304 964 and Controlled Entities

Option holdings – 2007

Number of Options held by Directors and Specified Executives

Directors	Balance	Received as	Options	Net Change	Balance
	1.7.06	Remuneration	Exercised	Other*	30.6.07
Mr. P. G. Jermyn	2,000,000	-	-	-	2,000,000
Mr. C. P. Mostert	1,500,000	-	-	(1,500,000)	-
Mr. G. A. Sklenka	1,000,000	-	-	5,214,856	6,214,856
Mr. R. H. Berzins	-	-	-	340,000	340,000
Mr. A. Bajada	-	-	-	125,000	125,000
	<u>4,500,000</u>	<u>-</u>	<u>-</u>	<u>4,179,856</u>	<u>8,679,856</u>

* Net Change other refers to options purchased or sold during the financial year.

Currently 51,250,000 options are on issue (2006: 40,250,000)

Directors' Particulars

Mr. A Bajada	Non-Executive Chairman, appointed 13th February 2007.
Qualifications	- B.Econ (UWA
Experience	- Mr. Bajada is Executive Director of Spartan Nominees Pty Ltd, corporate consultants. He is a former stockbroker with many years experience in the corporate sector and has been involved in the management of public companies for many years fulfilling the roles of chairman and director.
Other directorships	Mr. Bajada is Chairman of Energy Investments Limited (formerly Blue Energy Ltd) and a Director of Excalibur Mining Corporation Limited. He is also a Director of Wesbeam Pty Ltd and Hawkesbridge Limited. He was formerly Chairman of Inovax Ltd, Chairman of the Sealanes Company and is currently an independent Director of the WA Local Government Superannuation Plan which has \$890 million of member funds under management.
Remuneration	Mr. Bajada received director's fees of \$18,938 to 30 June 2007.
Interest in shares	Mr. Bajada an interest in 250,000 fully paid ordinary shares.
Interest in options	Mr. Bajada has an interest in 125,000 options on ordinary shares.
Related transactions	Mr. Bajada has had no related party transactions with the company.
Mr. G A Sklenka	- Non-Executive Director – appointed 16th February 2005
Qualifications	- B. Comm.
Experience	- Mr. Sklenka graduated from the University of Western Australia with a bachelor of Commerce majoring in accounting and finance. He has over 16 years experience in corporate finance in the areas of capital raisings, IPO's, acquisitions and project finance in the resource and technology sectors. Mr. Sklenka has worked with a number of listed public companies in both Australia and Canada and developed extensive experience in company formation, capital raising and project acquisition. Mr. Sklenka also holds directorships with Tribune Resources NL, Rand Mining NL and Regal Resources Ltd.
Other directorships	Mr. Sklenka is currently a director of Tribune Resources NL (since 16/8/2004), Rand Mining NL (since 16/8/2004), Regal Resources Limited (since 11/9/2003) and Advanced Energy Limited (since 10/11/2004).
Remuneration	Mr. Sklenka received director's fees of \$24,610 to 30 June 2007 and consulting fees of \$64,500.
Interest in shares	Mr. Sklenka has a direct and indirect interest in 10,351,381 fully paid ordinary shares.
Interest in options	Mr. Sklenka has an interest in 6,214,856 options on ordinary shares.
Related transactions	Mr. Sklenka has had no related party transactions with the company.

AXG Mining Limited ABN 93 092 304 964 and Controlled Entities

Mr. Roland H Berzins	Company Secretary and Public Officer, appointed a director on 15 December 2005.
Qualifications	B Comm. ACPA FFIN TA.
Experience	Mr. Berzins graduated from the University of Western Australia with a Bachelor of Commerce majoring in accounting and finance. Mr. Berzins has over 21 years experience in the mining industry and was previously Chief Accountant for 6 years for Kalgoorlie Consolidated Gold Mines Pty Ltd. Since 1996 Mr. Berzins has been company secretary for a variety of ASX listed companies, and has also had experience in retail, merchant banking, venture capital and SME business advisory.
Remuneration	Mr. Berzins received \$20,000 in director's fees; \$70,850 in consulting fees for the period ended 30 June 2007. Mr. Berzins was appointed in 14 December 2005.
Mr. P G Jermyn	- Chairman and Non-Executive Director, appointed 29 January 2004; resigned 1 August 2006.
Experience	- Mr. Jermyn has over 27 years experience in the minerals industry. After attending university under a scholarship from the Western Australian Department of Mines, he spent 10 years as an exploration consultant before becoming actively involved in the formation, financing and development of listed resource companies. He has had an extensive and successful involvement in the exploration for and the development of minerals and oil projects in Australia, Africa, North and South America, Indonesia, the Middle East and Russia. He has served at the executive level on the boards of companies listed on stock exchanges in Australia, New Zealand, the UK, Canada and the United States. Mr Jermyn brings to the Company considerable knowledge and expertise in the corporate and financial management, capital raising and promotional arenas of public companies, in addition to his background and experience in the exploration and mining of resource commodities.
Other directorships	Mr. Jermyn is currently a director of Optum Health Limited (since 26/08/2002) and was, from 22/12/2003 until 6 /7/2006, a director of Synergy Metals Limited.
Remuneration	Mr. Jermyn received director's fees of \$2,727 to 1 August 2007.
Interest in shares	Mr. Jermyn has an interest in 2,000,000 fully paid ordinary shares.
Interest in options	Mr. Jermyn has an interest in 2,000,000 options on ordinary shares.
Related transactions	Mr. Jermyn has had no related party transactions with the company.
Mr. C P Mostert	- Non-Executive Director, appointed 29 January 2004; resigned 4th April 2007.
Qualifications	- B. Comm. (Hons), MBA, Certificate in Mining Taxation.
Experience	- Mr. Mostert has over 25 years experience in the mining industry, including 18 years with Anglo American Corporation (Gold Division) and three years with Gold Fields of South Africa. In 1997, Mr Mostert joined Durban Roodeport Deep Ltd as financial director and was co-responsible for its enormous growth. Mr Mostert has been a director of 28 companies and has held the chairmanship of two ASX Listed companies, Hargraves Resources NL and Dome Resources NL. In June 2001, Mr Mostert was appointed Chief Executive Officer of Majestic Resources NL and joined its board on July 2001. He has been responsible for the transformation of Majestic Resources NL into Crown Diamonds NL
Other directorships	Mr. Mostert was a director of Crown Diamonds NL from 12/7/2001 until 2/9/2006 and is currently a director of Continental Goldfields Limited (since 14/3/2006).

AXG Mining Limited ABN 93 092 304 964 and Controlled Entities

Remuneration	Mr. Mostert received director's fees of \$15,167 to 4 April 2007.
Interest in shares	Mr. Mostert has an interest in nil fully paid ordinary shares.
Interest in options	Mr. Mostert has an interest in nil options on ordinary shares.
Related transactions	Mr. Mostert has had no related party transactions with the company.

Meetings of Directors

During the financial year fifteen meetings of directors were held. Attendances were:

Directors	Number eligible to attend	Number attended
A Bajada	10	10
P G Jermyn	1	1
C P Mostert	5	5
G A Sklenka	15	15
R H Berzins	15	15

Options

As at 30 June 2007 there were 51,250,000 options outstanding exercisable at \$0.20 with expiry on 31 August 2008. (2006: 40,250,000) of which 887,000 are unallocated.

Indemnifying Officers

During or since the end of the financial year the company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The company has paid premiums to insure each of the current directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a willful breach of duty in relation to the company.

Proceedings on Behalf of the Company

In March 2002, AXG entered into an exploration joint venture agreement with Terramin Australia Ltd ("Terramin") in which AXG undertook to do certain exploration work to earn an interest in Terramin's tenements in South Australia. The performance by AXG of the terms of the joint venture was guaranteed by WRF Securities Limited ("WRF"). Terramin has commenced proceedings against WRF in the District Court of South Australia alleging AXG withdrew from the joint venture before fulfilling its obligations. This is denied by WRF. Subsequent to the commencement of these proceedings, WRF has entered into a Deed with AXG whereby WRF has agreed to release AXG from any claim whatsoever that WRF may have against AXG as a result of these proceedings. The damages sought in the action are \$335,375 plus interest from 17 September 2003. This claim was settled by Terramin and WRF in November 2006 for \$200,000 without any contribution from AXG Mining Limited and without any contingent liability remaining upon AXG Mining Limited to any other party.

Other than the above no person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

AXG Mining Limited ABN 93 092 304 964 and Controlled Entities

Other than the Terramin action noted above, no proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the Corporations Act 2001.

Auditor's Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 42.


Non-audit Services

The company's auditors did not provide non-audit services during the financial year.

Corporate Governance

The directors of the company support and adhere to the principles of corporate governance, recognizing the need for the highest standard of corporate behaviour and accountability. A corporate governance statement precedes this director's report at page 4.

Signed in accordance with a resolution of the Board of Directors.



G. SKLENKA

DIRECTOR

Dated this 24th day of September 2007

Perth, Western Australia

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007

	Note	Economic Entity		Parent Entity	
		2007 \$	2006 \$	2007 \$	2006 \$
Other revenues	2	58,466	76,303	58,466	76,303
Exploration expenditure written off or incurred	3	(7,639)	(1,269,005)	(7,639)	(1,269,005)
Other expenses	3	(453,694)	(461,138)	(453,694)	(461,138)
<hr/>					
Profit / (loss) before income tax expense		(402,867)	(1,653,840)	(402,867)	(1,653,840)
Income tax expense	4	(151,588)	(86,048)	(151,588)	(86,048)
<hr/>					
Net profit / (loss)		(554,455)	(1,739,888)	(554,455)	(1,739,888)
Net profit / (loss) attributable to outside equity interests		-	-	-	-
<hr/>					
Net profit / (loss) attributable to members of the company		(554,455)	(1,739,888)	(554,455)	(1,739,888)
Share issue costs charged directly to equity		(60,712)	(27,913)	(60,712)	(27,913)
<hr/>					
Total changes in equity other than those resulting from transactions with owners as owners		(615,167)	(1,767,801)	(615,167)	(1,767,801)
Basic and diluted loss per share (cents per share)	27	(0.0126)	(4.18)	(0.0126)	(4.18)

The accompanying notes form part of these financial statements

AXG Mining Limited ABN 93 092 304 964 and Controlled Entities

**BALANCE SHEET
AS AT 30 JUNE 2007**

	Note	Economic Entity		Parent Entity	
		2007	2006	2007	2006
		\$	\$	\$	\$
CURRENT ASSETS					
Cash and cash Equivalents	6	1,104,213	629,515	1,104,213	629,515
Trade and other receivables	7	301,970	8,153	301,970	8,153
Other financial assets	8	444,074	725,205	444,074	725,205
Other current assets	9	1,070	1,070	171,739	1,070
TOTAL CURRENT ASSETS		1,851,327	1,363,943	2,021,996	1,363,943
NON CURRENT ASSETS					
Property, plant and equipment	11	17,033	1,024	17,033	1,024
Other non current assets	9	174,000	-	4,001	-
Formation expenses		670	-	-	-
Exploration and evaluation expenditure	12	1,280,344	1,000,000	1,280,344	1,000,000
TOTAL NON CURRENT ASSETS		1,472,047	1,001,024	1,301,378	1,001,024
TOTAL ASSETS		3,323,374	2,364,967	3,323,374	2,364,967
CURRENT LIABILITIES					
Trade and other payables	13	198,685	39,268	198,685	39,268
Short - term provisions	14	5,101	2,532	5,101	2,532
TOTAL CURRENT LIABILITIES		203,786	41,800	203,786	41,800
NON CURRENT LIABILITIES					
Deferred tax liability	15	251,654	100,066	251,654	100,066
TOTAL NON CURRENT LIABILITIES		251,654	100,066	251,654	100,066
TOTAL LIABILITIES		455,440	141,866	455,440	141,866
NET ASSETS		2,867,934	2,223,101	2,867,934	2,223,101
EQUITY					
Issued capital	16	6,073,370	4,924,082	6,073,370	4,924,082
Reserves	17	477,500	427,500	477,500	427,500
Retained earnings	18	(3,682,936)	(3,128,481)	(3,682,936)	(3,128,481)
TOTAL EQUITY		2,867,934	2,223,101	2,867,934	2,223,101

The accompanying notes form part of these financial statements

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2007**

Economic Entity	Ordinary shares	Options	Retained Earnings	Total
	\$	\$	\$	\$
Balance at 30 June 2006	4,924,082	427,500	(3,128,481)	2,223,101
Profit / (loss) financial year 2007			(554,455)	(554,455)
Shares issued during the year	1,210,000			1,210,000
Options issued during the year		50,000		50,000
Transaction costs	(60,712)			(60,712)
Balance at 30 June 2007	6,073,370	477,500	(3,682,936)	2,867,934

Parent Entity	Ordinary shares	Options	Retained Earnings	Total
	\$	\$	\$	\$
Balance at 30 June 2006	4,924,082	427,500	(3,128,481)	2,223,101
Profit / (loss) financial year 2007			(554,455)	(554,455)
Shares issued during the year	1,210,000			1,210,000
Options issued during the year		50,000		50,000
Transaction costs	(60,712)			(60,712)
Balance at 30 June 2007	6,073,370	477,500	(3,682,936)	2,867,934

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2007

	Note	Economic Entity		Parent Entity	
		2007	2006	2007	2006
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Share of joint venture cash		-	-	-	-
Payments to suppliers and employees		(821,270)	(760,765)	(821,270)	(760,765)
Payment for / reduction in – security deposit		281,132	(305,256)	281,132	(305,256)
Interest received		58,466	76,303	58,466	76,303
Net cash used in operating activities	21(b)	(481,672)	(989,718)	(481,672)	(989,718)
CASH FLOWS FROM INVESTING ACTIVITIES					
Payment for investments		(174,000)	(1,070)	(4,000)	(1,070)
Formation costs		(670)	-	-	-
Payment for property, plant and equipment		(18,246)	13,357	(18,246)	13,357
Net cash used in investing activities		(192,916)	12,287	(22,246)	12,287
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares and options		1,149,287	322,087	1,149,287	322,087
Repayment of loan		-	(326,005)	-	(326,005)
Loan to subsidiary		-	-	(170,670)	-
Net cash provided by financing activities		1,149,287	(3,918)	978,617	(3,918)
Net increase / (decrease) in cash held		474,699	(981,349)	474,699	(981,349)
Cash at the beginning of the financial year		629,515	1,610,864	629,515	1,610,864
Cash at the end of the financial year	6	1,104,214	629,515	1,104,214	629,515

The accompanying notes form part of these financial statements

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report, which has been prepared in accordance with Australian Accounting Standards, International Financial Reporting Standards, Urgent Issues Group Interpretations, the Corporations Act 2001 and other authoritative pronouncements of the Australian Accounting Standards Board.

AXG Mining Limited was an unlisted public company, incorporated and domiciled in Australia up to 15 September 2004. From this date, AXG Mining Limited is a listed public company, incorporated and domiciled in Australia (refer to note 29).

The financial report of AXG Mining Ltd complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety. Compliance with AIFRS ensures that the financial statements and notes thereto, complies with International Financial reporting Standards.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied unless otherwise stated.

Basis of Preparation

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

a) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, while there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income tax legislation and the anticipation that the company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by law.

b) Comparatives

Where required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year.

c) Plant & Equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected future net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

Plant and equipment is depreciated on a straight-line basis over its useful life to the Company commencing from the time the asset is held ready for use. The depreciation rates used for plant and equipment generally range between 10% and 40%.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

An assets carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

d) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and service tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

f) Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Company. Trade accounts payable are normally settled within 60 days.

g) Exploration and development expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs at that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with mining permits. Such costs are determined using estimates of future costs, current legal requirements and technology on a non-discounted basis.

Any changes in estimates for costs are accounted for on a prospective basis. In determining costs of site restoration uncertainty exists regarding the nature and extent of restoration work required due to changing community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

h) Revenue

Revenue from the sale of goods is recognised upon the total delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

i) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs.

Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

j) Impairment of Assets

At each reporting date, the company reviews the carrying values of its intangible and tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the assets fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the income statement.

k) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

l) Joint Ventures

The economic entity's share of the assets, liabilities, revenue and expenses of joint venture operations are included in the appropriate items of the company's statements of financial performance and financial position. Details of the company's interests are shown at note 10.

The company interests in joint venture entities are brought to account using the equity method of accounting in the financial statements.

m) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights and obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if required principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of assets are included in the income statement in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the groups intention to hold these investments to maturity. Any held-to-maturity investments held by the group are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the categories above. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value of all unlisted securities, including recent arms length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the company assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

n) Principles of consolidation

A controlled entity is any entity AXG Mining Limited has the power to control the financial and operating policies so as to obtain benefits from its activities. Details of controlled entities are at Note 30 to the financial statements. The controlled entities have a June 30 financial year end.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those policies applied by the parent entity.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

Note	Economic Entity		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
2 REVENUE				
Interest received	58,466	76,303	58,466	76,303
	<u>58,466</u>	<u>76,303</u>	<u>58,466</u>	<u>76,303</u>
3 PROFIT / (LOSS) BEFORE INCOME TAX				
Profit / (loss) before income tax has been determined after:				
Exploration and evaluation expenditure expensed	7,639	269,005	7,639	269,005
Write off of capitalised exploration expenditure	-	1,000,000	-	1,000,000
Administration expenses	200,376	226,850	200,376	226,850
Consultants	140,000	116,756	140,000	116,756
Depreciation of plant and equipment	2,238	6,400	2,238	6,400
Staff costs	111,080	107,997	111,080	107,997
Stamp duty	-	3,135	-	3,135
	<u>461,333</u>	<u>1,730,143</u>	<u>461,333</u>	<u>1,730,143</u>
4 INCOME TAX EXPENSE				
(a) The components of income tax expense comprise:				
Current tax	15,885	(223,177)	15,885	(223,177)
Deferred tax	135,703	309,225	135,703	309,225
	<u>151,588</u>	<u>86,048</u>	<u>151,588</u>	<u>86,048</u>
(b) Prima facie income tax expense (benefit) calculated at 30% of profit / (loss) (2006: 30%)	(120,860)	(496,152)	(120,860)	(496,152)
<u>Decrease in income tax benefit due to:</u>				
Entertainment expenses	424	58	424	58
Value of tenements forfeited	-	300,000	-	300,000
Depreciation per accounts	671	1,920	671	1,920
Taxable capital gain on tenement disposal	193,225	-	193,225	-
<u>Increase in income tax benefit due to :</u>				
Capital raising costs deducted	(19,038)	(15,355)	(19,038)	(15,355)
Timing differences deducted	(19)	(11,728)	(19)	(11,728)
Capitalised exploration expenses	(37,858)	-	(37,858)	-
Tax deductible depreciation	(661)	(1,920)	(661)	(1,920)
Income tax expense / (benefit) on profit / (loss)	<u>15,884</u>	<u>(223,177)</u>	<u>15,884</u>	<u>(223,177)</u>
Losses not brought to account	-	223,177	-	223,177
Losses recognized for the first time	(15,884)	-	(15,884)	-
Movement in deferred tax liability to 30/6/2007	151,588	86,048	151,588	86,048
Income tax expense / (benefit) on profit / (loss)	<u>151,588</u>	<u>86,048</u>	<u>151,588</u>	<u>86,048</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

Note	Economic Entity		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
5 DIVIDENDS				
No dividends have been paid or declared in respect of the financial years 30 June 2006 and 30 June 2007				
6 CASH AND CASH EQUIVALENTS				
Cash at bank	1,104,213	629,515	1,104,213	629,515
7 TRADE AND OTHER RECEIVABLES				
Other debtors	301,970	8,153	301,970	8,153
8 OTHER FINANCIAL ASSETS				
Security deposit	444,074	725,205	444,704	725,205
9 OTHER ASSETS				
Current				
AXG Queensland Ltd – Loan	-	-	1,070	1,070
Greencode Pty Ltd – Loan	-	-	170,669	-
AXG Queensland net assets	1,070	1,070	-	-
	1,070	1,070	171,739	1,070
Non-current				
Investment - Greencode Pty Ltd	-	-	1	-
Investment – Regal Resources Pty Ltd	170,000	-	-	-
Investment – Burey Gold Ltd	2,000	-	2,000	-
Investment – TWT Group	2,000	-	2,000	-
	174,000	-	4,001	-
10 INTEREST IN JOINT VENTURES				
The company has a 49.9% interest in the Dalgaranga Gold Mines joint venture, the principal activity is exploration. The company's share of assets employed is as follows:				
Current Assets				
Cash	10,948	13,726	10,948	13,726
Receivables	416	369	416	369
Total Current Assets	11,364	14,095	11,364	14,095
Non-Current Assets				
Exploration and evaluation expenditure	380,299	365,001	380,299	365,001
Total Non-Current Assets	380,299	365,001	380,299	365,001
Share of Total Assets of Joint Venture	391,663	379,096	391,663	379,096
Current Liabilities				
Trade creditors	3,496	29,624	3,496	29,624

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

Total Current Liabilities	<u>3,496</u>	<u>29,624</u>	<u>3,496</u>	<u>29,624</u>
Share of Total Liabilities of Joint Venture	<u>3,496</u>	<u>29,624</u>	<u>3,496</u>	<u>29,624</u>
Net Interest in Joint Venture	<u>388,167</u>	<u>349,472</u>	<u>388,167</u>	<u>349,472</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

Note	Economic Entity		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
11	PROPERTY, PLANT & EQUIPMENT			
Office equipment at cost	22,567	4,321	22,567	4,321
Less accumulated depreciation	(5,534)	(3,297)	(5,534)	(3,297)
	<u>17,033</u>	<u>1,024</u>	<u>17,033</u>	<u>1,024</u>
	Movements in carrying amounts			
	Movement in the carrying amount for each class of property, plant and equipment between the beginning and end of the current financial year:			
Balance at the beginning of the financial year	1,024	13,174	1,024	13,174
Additions	18,246	-	18,246	-
Depreciation expense	(2,237)	(6,400)	(2,237)	(6,400)
Disposals	-	(4,000)	-	(4,000)
Write off		(1,750)		(1,750)
Carrying amount at the end of the financial year	<u>17,033</u>	<u>1,024</u>	<u>17,033</u>	<u>1,024</u>
12	EXPLORATION AND EVALUATION EXPENDITURE			
Exploration and evaluation expenditure	<u>1,280,344</u>	<u>1,000,000</u>	<u>1,280,344</u>	<u>1,000,000</u>
	<i>Movement in carrying amounts</i>			
Balance at the beginning of the period	1,000,000	2,000,000	1,000,000	2,000,000
Capitalised expenditure this period	280,344	-	280,344	-
Exploration expenditure written off	-	(1,000,000)	-	(1,000,000)
Balance at the end of the period	<u>1,280,344</u>	<u>1,000,000</u>	<u>1,280,344</u>	<u>1,000,000</u>
13	TRADE AND OTHER PAYABLES			
Trade creditors	42,812	2,209	42,812	2,209
Other creditors and accruals	155,873	30,059	155,873	30,059
Audit fee accrual	-	7,000	-	7,000
	<u>198,685</u>	<u>39,268</u>	<u>198,685</u>	<u>39,268</u>
14	SHORT-TERM PROVISIONS			
Annual leave	5,100	2,531	5,100	2,531
Mining restoration	1	1	1	1
	<u>5,101</u>	<u>2,532</u>	<u>5,101</u>	<u>2,532</u>

The mining restoration provision is based on estimated future costs, current legal requirements and current technology. Costs have been determined on an undiscounted basis. There are no prospective or retrospective changes in estimates known at this stage, nor are there significant uncertainties, assumptions or judgements in the determination of these obligations.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

Note	Economic Entity		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
15 DEFERRED TAX LIABILITY				
Deferred tax liability	251,654	100,066	251,654	100,066
16 ISSUED CAPITAL				
59,750,000 fully paid ordinary shares (2006: 45,250,000)	6,073,370	4,924,082	6,073,370	4,924,082
At beginning of reporting period	4,924,082	4,626,995	4,924,082	4,626,995
Share issue	1,210,000	325,000	1,210,000	325,000
Capital raising costs on issue of shares	(60,712)	(27,913)	(60,712)	(27,913)
At reporting date	6,073,370	4,924,082	6,073,370	4,924,082

Ordinary shares participate in dividends and the proceeds on winding up the company in proportion to the number of shares held.

17 OPTIONS RESERVE				
51,250,000 options authorised, exercise price \$0.20, expiry 31/08/2008 (2006: 42,750,000)	477,500	427,500	477,500	427,500
At beginning of reporting period	427,500	402,500	427,500	402,500
Options issued	50,000	25,000	50,000	25,000
At reporting date	477,500	427,500	477,500	427,500

Nature and purpose of reserve:

The options reserve is used to recognise the fair value of options granted but not exercised.

<i>Listed options</i>	<u>No.</u>	<u>No.</u>	<u>No.</u>	<u>No.</u>
At the beginning of the reporting period	42,750,000	40,250,000	42,750,000	40,250,000
Issued with share issue	8,500,000	2,500,000	8,500,000	2,500,000
At reporting date	51,250,000	42,750,000	51,250,000	42,750,000

Each option if exercised entitles the option holder to one fully paid share.

<i>Employee options</i>	<u>No.</u>	<u>No.</u>	<u>No.</u>	<u>No.</u>
At the beginning of the reporting period	0	0	0	0
Issued	0	0	0	0
Surrendered	0	0	0	0
At reporting date	0	0	0	0

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

Note	Economic Entity		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
18 RETAINED EARNINGS				
Accumulated losses at beginning of the period	(3,128,481)	(1,388,594)	(3,128,481)	(1,388,594)
Net profit / (loss) attributable to members	(554,455)	(1,739,887)	(554,455)	(1,739,887)
Accumulated losses at reporting date	(3,682,936)	(3,128,481)	(3,682,936)	(3,128,481)

19. COMMITMENTS AND CONTINGENT LIABILITIES

There were no outstanding commitments, which are not disclosed in the financial statements of the company as at 30 June 2007 other than:

Tenement commitments

	2007	2006
	\$	\$
No later than one year	986,700	674,000
Longer than one year, but not longer than five years	2,253,000	1,539,000
Longer than 5 years	-	-

The Company intends to carry out expenditure on each project to meet Department of Industry and Resources and joint venture commitments. Future funding and / or farm –out options will be considered on an ongoing basis to ensure the Company has sufficient funds to comply with its commitments.

Subject to results obtained from such exploration as carried out and ongoing assessment of each of the Company’s projects, the Company may farm – out, or relinquish its rights to earn on any or all of its projects, thereby reducing the level of commitments disclosed above.

If the Company decides to relinquish certain leases and / or does not meet its obligations, assets recognised in the balance sheet may require review to determine the appropriateness of the carrying values. The sale, transfer or farm – out of explorations rights to third parties will reduce or extinguish these obligations.

Royalty

Pursuant to an agreement dated 1 November 2002 and assigned to the company on 8 March 2004, Geoinformatics Exploration Australia Pty Ltd (“GEA”) is entitled to a net smelter royalty in relation to the Western Queen area. The royalty is by way of a success fee on resources identified by GEA and is payable at the rate of 2% of net smelter returns for precious metals.

Performance Guarantees

Performance guarantees are held with the West Australian Department of Industry and Resources in respect to the Dalgara Gold Mine tenements to the value of \$444,074 (2006: \$725,205).

Native Title Claims

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

20. DIRECTORS AND EXECUTIVE REMUNERATION (cont'd)**(c) Shareholdings 2007**

Number of Shares held by Directors and Specified Executives

Directors	Balance 1.7.06	Received as Remuneration	Options Exercised	Net Change Other*	Balance 30.6.07
Mr. P. G. Jermyn	2,000,000	-	-	-	2,000,000
Mr. C. P. Mostert	1,500,000	-	-	(1,500,000)	-
Mr. A. Bajada	-	-	-	250,000	250,000
Mr. G. A. Sklenka	5,990,000	-	-	4,361,381	10,351,381
Mr. R. H. Berzins	10,000	-	-	300,000	310,000
Total	9,500,000	-	-	3,411,381	12,911,381

* Net Change other refers to shares purchased or sold during the financial year.

(d) Option-holdings 2007

Number of Options held by Directors and Specified Executives

Directors	Balance 1.7.06	Received as Remuneration	Options Exercised	Net Change Other*	Balance 30.6.07
Mr. P. G. Jermyn	2,000,000	-	-	-	2,000,000
Mr. C. P. Mostert	1,500,000	-	-	(1,500,000)	-
Mr. G. A. Sklenka	1,000,000	-	-	5,214,856	6,214,856
Mr. R. H. Berzins	-	-	-	340,000	340,000
Mr. A. Bajada	-	-	-	125,000	125,000
Total	4,500,000	-	-	4,179,856	8,679,856

* Net Change other refers to options purchased or sold during the financial year.

Currently 51,250,000 options are on issue (2006: 40,250,000)

The table above summarises movement in option holdings for directors and top executives. Directors have acquired their interest in options as a function of subscribing to the Initial Public Offering. These are exchange-traded options listed on the ASX.

(e) Shareholdings 2006

Number of Shares held by Directors and Specified Executives

Directors	Balance 1.7.05	Received as Remuneration	Options Exercised	Net Change Other*	Balance 30.6.06
Mr. P. G. Jermyn	2,000,000	-	-	-	2,000,000
Mr. C. P. Mostert	1,500,000	-	-	-	1,500,000
Mr. R. C. Nichevich	15,010,000	-	-	(735,000)	14,275,000
Mr. G. A. Sklenka	5,990,000	-	-	2,694,714	8,684,714
Mr. R. H. Berzins	-	-	-	10,000	10,000
Total	24,500,000	-	-	1,969,714	26,469,714

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

20. DIRECTORS AND EXECUTIVE REMUNERATION (cont'd)

* Net Change other refers to shares purchased or sold during the financial year.

(f) Option-holdings 2006

Number of Options held by Directors and Specified Executives

Directors	Balance 1.7.05	Received as Remuneration	Options Exercised	Net Change Other*	Balance 30.6.06
Mr. P. G. Jermyn	2,000,000	-	-	-	2,000,000
Mr. C. P. Mostert	1,510,000	-	-	-	1,510,000
Mr. R. C. Nichevich	12,808,000	-	-	(10,808,000)	2,000,000
Mr. G. A. Sklenka	1,000,000	-	-	6,214,856	7,214,856
Mr. R. H. Berzins	-	-	-	190,000	190,000
	-	-	-	-	-
	<u>17,318,000</u>	<u>-</u>	<u>-</u>	<u>(4,403,144)</u>	<u>12,914,856</u>

*Net Change other refers to options purchased or sold during the financial year

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

20. DIRECTORS AND EXECUTIVE REMUNERATION (cont'd)

(g) Remuneration Practices

The company's policy for determining the nature and amount of emoluments of board members and senior executives of the company is as follows:

Remuneration Policy

The remuneration policy of AXG Mining Ltd has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component. The board of AXG Mining Ltd believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the company, as well as create goal congruence between directors, executives and shareholders.

The board manages the remuneration policy, setting the terms and conditions for executive directors and other senior executives. All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation. Further remuneration including fringe benefits, options and performance incentives may be paid dependent upon individual performance, company performance, contract terms and the discretion of the board.

There exists no contractual arrangement with any director.

All remuneration paid to directors and executives is valued at the cost to the company and expensed. Shares given to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive. Options are valued using the Black-Scholes methodology.

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the company. However to align directors' interests with shareholder interests, directors are encouraged to hold shares in the company and may be offered options at the discretion of the board.

The nature and amount of emoluments as detailed in this report reflects the remuneration policy above. As noted in the chairman's address tenement potential is now below previous expectations. Since remuneration is fixed there is no change in remuneration as a result of company performance during the reporting period. Due to the short history of the company as a listed entity, there is at present no meaningful correlation between the Executive and Director remuneration and the performance of the company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

Note	Economic Entity		Parent Entity	
	2007 \$	2007 \$	2006 \$	2006 \$
21. NOTES TO THE STATEMENT OF CASH FLOWS				
a) Cash	1,104,213	1,104,213	629,515	629,515
For the purposes of the Statement of Cash Flows cash includes cash on hand and cash on investment.				
b) Reconciliation of Loss from Ordinary Activities after Income Tax to Net Cash Flows from Operations				
Profit/(Loss) after income tax	(554,455)	(554,455)	(1,739,887)	(1,739,887)
Non-cash flows in profit from ordinary activities				
Forgiveness of debt by parent entity	-	-	-	-
Depreciation	2,238	2,238	(1,207)	(1,207)
Write-down of exploration expenditure	(1,000,000)	(1,000,000)	1,000,000	1,000,000
Deferred tax movement	151,588	151,588	86,048	86,048
Other expenses	50,000	50,000	-	-
Changes in Assets and Liabilities				
(Increase)/decrease in receivables	(293,817)	(293,817)	3,792	3,792
(Increase)/decrease in other assets	1,000,788	1,000,788	(305,256)	(305,256)
Increase/(decrease) in payables	166,853	166,853	31,832	31,832
Increase/(decrease) in provisions & accruals	(4,867)	(4,867)	(65,040)	(65,040)
Increase/(decrease) in other non current liabilities	-	-	-	-
Cash flows from/(used) in operations	(481,672)	(481,672)	(989,718)	(989,718)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

22. RELATED PARTY TRANSACTIONS

- a) The direct, indirect and beneficial holdings of the directors and their director related entities in the shares of the Company as at 30 June 2007 were 12,911,381 fully paid ordinary shares and 8,679,865 options on shares (2006: 26,469,714 fully paid ordinary shares and 12,9914,856 options).

23. SEGMENTAL INFORMATION

The Company operates solely within the mining and exploration industry in Western Australia.

24. FINANCIAL INSTRUMENTS

Credit Risk Exposures

The credit risk on financial assets of the Company which have been recognised in the statement of financial position is generally the carrying amount, net of any provisions for doubtful debts.

The cash component of financial assets is considered to have low credit risk as it is maintained within accounts operated by a reputable financial institution.

Interest Rate Risk Exposures

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for each class of financial asset and liability is set out below.

Exposures to this type of risk arise predominantly from assets and liabilities bearing variable interest rates as any fixed rate assets or liabilities that the trust may hold are likely to be held to maturity.

	2007	2006	2007	2006	2007	2006
	Floating	Floating	Non	Non		
	Interest	Interest	Interest	Interest		
	Rate	Rate	Bearing	Bearing	Total	Total
	\$	\$	\$	\$	\$	\$
<u>Financial Assets</u>						
Cash	1,104,214	629,515	-	-	1,104,214	629,515
Receivables	-	-	301,970	8,153	301,970	8,153
Other financial assets	444,074	725,205	-	-	444,074	725,205
	<u>1,548,288</u>	<u>1,354,720</u>	<u>301,970</u>	<u>8,153</u>	<u>1,850,258</u>	<u>1,362,873</u>
Weighted average interest rate	4.84%	4.84%				
<u>Financial Liabilities</u>						
Payables	-	-	198,685	32,268	198,685	32,268
Unsecured loan payable	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>198,685</u>	<u>32,268</u>	<u>198,685</u>	<u>32,268</u>

Net Fair Value of Financial Assets and Financial Liabilities

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

The net fair value of the Company's financial assets and financial liabilities approximates their carrying value.

25. AUDITORS REMUNERATION	2007	2006
	\$	\$
Remuneration of the auditor of the Company for:		
- auditing or reviewing the financial report	31,000	16,200
- other services	-	-
	<u>31,000</u>	<u>16,200</u>

26. SUBSEQUENT EVENTS

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

	2007	2006
	\$	\$
27. EARNINGS PER SHARE		
a. Reconciliation of earnings to net profit or loss		
Net Profit / (Loss)	(554,455)	(1,739,887)
b. Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	48,875,000	41,592,465
Basic earnings per share (cents per share)	(0.0126)	(4.18)

	No	No
28. NUMBER OF EMPLOYEES		
Number of employees at reporting date.	2	2

29. COMPANY DETAILS

The registered and principal office of the Company is:
 1171 Hay Street
 West Perth WA 6005

30. CONTROLLED ENTITIES

AXG Mining Limited controls AXG Queensland Pty Ltd and Greencode Pty Ltd.

AXG Queensland Pty Ltd is not trading, holds no assets nor has incurred any liabilities.

AXG Mining Limited ABN 93 092 304 964

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

AXG Mining Limited holds a 100% interest in AXG Queensland Pty Ltd. AXG Queensland Pty Ltd is incorporated in Australia and has no principal activities at reporting date.

AXG Mining Limited holds a 100% interest in Greencode Pty Ltd. Greencode Pty Ltd is incorporated in Australia.

DIRECTORS' DECLARATION

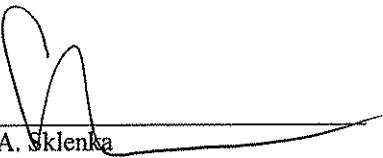
The directors of AXG Mining Limited declare that:

1. the financial statements and notes, as set out on pages 17 to 40 are in accordance with the Corporations Act 2001:
 - a) comply with Accounting Standards and the Corporations Act 2001; and
 - b) give a true and fair view of the financial position as at 30 June 2007 and performance for the year ended on that date of the Company and the economic entity;

2. the Chief Executive Officer and the Chief Finance Officer have each declared that:
 - (a) the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
 - (b) the financial statements and notes for the financial year comply with the Accounting Standards; and
 - (c) the financial statements and the notes for the financial year give a true and fair view.

3. in the directors opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors:


G. A. Sklenka
DIRECTOR

Dated this 24th day of September 2007

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of AXG Mining Ltd for the year ended 30 June 2007, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

WHK HORWATH PERTH AUDIT PARTNERSHIP



SEAN MCGURK
Principal

Perth, WA

Dated this 24th day of September 2007

INDEPENDENT AUDIT REPORT TO MEMBERS OF AXG MINING LIMITED

We have audited the accompanying financial report of AXG Mining Limited (the company) and AXG Mining Limited and Controlled Entities (the consolidated entity), which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

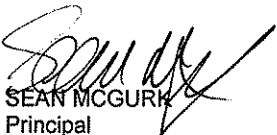
In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of AXG Mining Limited on 24 September 2007, would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's Opinion

In our opinion, the financial report of AXG Mining Limited is in accordance with the Corporations Act 2001 including:

- a) i. giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2007 and of their performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Regulations 2001.
- b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

WHK HORWATH PERTH AUDIT PARTNERSHIP



SEAN MCGURK
Principal

Perth, WA

Dated this 24th day of September 2007

Total Financial Solutions

Member Horwath International

WHK Horwath Perth Audit Partnership ABN 96 844 819 235
Level 6, 256 St Georges Terrace Perth WA 6000 Australia
GPO Box P1213 Perth WA 6844 Australia
Telephone +61 8 9481 1448 Facsimile +61 8 9481 0152
Email perth@whkhorwath.com.au www.whkhorwath.com.au
A WHK Group firm

ADDITIONAL SHAREHOLDERS INFORMATION

Additional information required by the Australian Stock Exchange (ASX) listing rules as at 19 September 2007

List of 20 largest shareholders

Ranking	Name	Shares Held	% of total shares
1	Tribune Resources NL	5,163,857	8.64
2	UBS Wealth Mgmt Aust. Nominees	3,550,000	5.94
3	Rand Mining NL	3,125,857	5.23
4	WRF Securities Ltd	2,875,000	4.81
5	King Town Holding Pty Ltd	2,590,000	4.33
6	RBC Dexia Investor Services	2,168,257	3.63
7	Arlco Australia Pty Ltd	2,000,000	3.35
8	Clear Range Pty Ltd	1,500,000	2.51
9	Hawerra Pty Ltd	1,000,000	1.67
10	MIL and SE Bassett	1,000,000	1.67
11	M Longman	890,625	1.49
12	C Edwards	800,000	1.34
13	Eppae Nominees Pty Ltd	800,000	1.34
14	P Oost	800,000	1.34
15	A Slater	690,625	1.16
16	Fay Holdings Pty Ltd	676,667	1.13
17	Australian African Global Investments Pty Ltd	675,000	1.13
18	Formaine Pty Ltd	66,667	1.12
19	Pinewood Holdings Pty Ltd	650,000	1.09
20	Fay Holdings Pty Ltd	500,000	0.84
Total of top 20 Shareholders			

Substantial Shareholders

Name	Shares held	% of total shares
Tribune Resources NL	5,163,857	8.64
UBS Wealth Mgmt Aust. Nominees	3,550,000	5.94
Rand Mining NL	3,125,857	5.23

Distribution of shareholder's holdings

Ordinary shares held	Number of shareholders	Number of shares
1 – 1,000	3	1,008
1,001 – 5,000	22	77,283
5,001 – 10,000	89	847,983
10,001 – 100,000	224	11,103,280
100,001 and over	82	47,720,446
Total	420	59,750,000

List of 20 largest optionholders

Ranking	Name	Options Held	% of total options
1	Sampart Pty Ltd	10,808,001	21.46
2	RBC Dexia Investor Services	4,009,066	7.96
3	Rand Mining NL	2,977,428	5.91
4	King Town Holding Pty Ltd	2,580,000	5.12
5	Tribune Resources NL	2,502,428	4.97
6	G and T Walker	2,050,000	4.07
7	Arlco Australia Pty Ltd	2,000,000	3.97
8	Koy Pty Ltd	1,953,450	3.88
9	Terabyte Computer Products	1,500,000	2.98
10	M Longman	890,625	1.77
11	A Slater	890,625	1.77
12	G and L Touzel	595,350	1.18
13	Amarilo Investments Pty Ltd	550,000	1.09
14	Hawerra Pty Ltd	500,000	0.99
15	L Degroot	500,000	0.99
16	Tambourine Trees Pty Ltd	500,000	0.99
17	P Oost	450,000	0.89
18	C Edwards	400,000	0.79
19	Australia African Global investments Pty Ltd	400,000	0.79
20	Vorina Enterprises Pty Ltd	318,750	0.63
Total of top 20 optionholders		36,375,723	72.20

Substantial option holders

Name	Option held	% of total option
Sampart Pty Ltd	10,808,001	21.46
RBC Dexia Investor Services	4,009,066	7.96
Rand Mining NL	2,977,428	5.91
King Town Holding Pty Ltd	2,580,000	5.12

Distribution of optionholder's holdings

Ordinary options held	Number of optionholders	Number of options
1 – 1,000	0	0
1,001 – 5,000	5	15,199
5,001 – 10,000	64	635,800
10,001 – 100,000	127	6,367,568
100,001 and over	56	43,344,433
Total	252	50,363,000

Please note that 887,000 options are unallocated.

Enquiries

Shareholders with any enquiries about any aspect of their shareholding should contact the Company's share register as follows:

Security Transfer Registrars Pty Ltd

Tel: +61 8 9315 2333

Fax: +61 8 9315 2233

Web: www.securitytransfer.com.au

Electronic Announcements and Report;

Shareholders who wish to receive announcements made to the ASX, as well as electronic copies of the Annual Report and Half yearly Report, are invited to provide their e mail address to the Company. This can be done in writing to the Company Secretary.

Removal from the Printed Annual Report mailing list

Shareholders who do not wish to receive the Annual report should advise the Share Registry in writing to remove their names from the mailing list. Those shareholders will continue to receive all shareholder information.

Change of name / address

Shareholders who are Issue Sponsored should advise the Share registry promptly of any changes of name and / or address so that correspondence with them does not go astray. All such changes must be advised in writing and cannot be accepted via telephone. Forms can be found on the share Registry website or obtained by contacting the Share registry.

Shareholders who are in CHESS and Brokered Sponsored should instruct their sponsoring brokers in writing to notify the Share Registry of any changes of name and / or address.

In the case of a name change, the written advice must be supported by documentary evidence.

Consolidation of Shareholdings

Shareholders who wish to consolidate their separate shareholdings into one account should write to the Share Registry or their sponsoring broker, whichever is applicable.

Stock Exchange Listing

The Company's shares are listed on the ASX. Details of share transactions and prices published in the financial papers of the daily capital city newspapers under the code AXC.

Registered Office

The registered office of the company is: AXG Mining Limited
1171 Hay Street
WEST PERTH WA 6005

Telephone +61 8 9481 1144
Fax +61 8 9481 1155
E mail admin@axgmining.com.au
Website www.axgmining.com.au

Company Secretary Roland Berzins

Mining Tenement Schedule

Project	Tenement	Blocks	Ha	Grant Date	Expiry Date	Holder	Interest - AXG
Wongan Hills "Kalguddering"	E70 / 2927	36		10/05/2007	09/05/2012	Foynes & Slater	100%
Merredin	E70 /2947	25		10/05/2007	09/05/2012	Foynes & Slater	100%
Gum Well "Mt Ida"	E29/601	8		21/12/2006	20/12/2011	Foynes & Slater	100%
Lake Raeside- Lake Barlee "Mt Ida"	E29 / 602	29		21/12/2006	20/12/2011	Foynes & Slater	100%
Dalgaranga JV	M59 / 293		403.3	22/09/1993	21/09/2014	AXG 499 EQU 501	49.9%
Dalgaranga JV	M59 / 311		977.7	09/03/1994	08/03/2015	AXG 499 EQU 501	49.9%

Project	Tenement	Blocks	Ha	Grant Date	Expiry Date	Holder	Interest - AXG
Dalgaranga JV	M59 / 312		971	09/03/1994	08/03/2015	AXG 499 EQU 501	49.9%
Dalgaranga JV	M59 / 353		489.7	28/11/1995	27/11/2016	WRF 499 EQU 501	49.9%
Western Queen	E59 / 1119	3		29/11/2004	29/11/2009	AXG Mining Ltd	100%
Western Queen	E59 / 1128	11		31/10/2005	30/10/2010	AXG Mining Ltd	100%
Western Queen	E59 / 1130	1		08/03/2005	07/03/2010	AXG Mining Ltd	100%
Western Queen	M59 / 207		996.5	17/12/1990	16/12/2011	AXG Mining Ltd	100%
Western Queen	M59 / 350		466.6	01/09/1994	31/08/2015	AXG Mining Ltd	100%