30th April 2013

ASX Release

The directors of AXG Mining Ltd ("AXG" or "The Company") are pleased to present their Quarterly Report for the period ended 31st March, 2013.

Corporate

During the quarter AXG announced its intention to spin out part of it Peruvian Joint Venture Agreements with TSX-V listed Lara Exploration Inc. (TSX-V: LRA) into a newly listed TSX-V Company. This transaction will allow AXG and its shareholders to continue to have exposure to the significant upside of the Condoroma project, without suffering the dilution of further capital raisings. It also provides access to the North American capital markets where the Peruvian Mining sector is better understood. Completion of the transaction will allow AXG the freedom to look at other high impact exploration opportunities.

During the period AXG also executed a 12-month option with XTL Energy International on three strategic Albany-Fraser Range tenements, one with an immediate drill target with an interpreted layered mafic intrusion. The tenements lie approximately 100km North-North-East from Sirius Resources (ASX: SIR) Nova discovery, which is understood to be remobilized sulphides from an ultramafic layered intrusion.

AXG agreed to undertake a placement of up to 200 million shares at 0.2c to raise $400,000 (before costs). At the end of the quarter, negotiations with strategic investor groups were continuing.

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Activity

In light of a challenging financial climate and unfavorable seasonal conditions, work at the Company's South American projects was downscaled and limited to mapping, analysis and further interpretation of data. Following the conclusion of the wet period in Southern Peru, AXG intends to further refine drill targets and begin preparations for the exploration drilling program on the high impact *Condoroma* copper-gold exploration target.

It is proposed that following the completion of the transaction and the proposed capital raising, AXG will prepare to undertake an exploration program on the key Mt Ridley tenement in the Albany-Fraser Range, Western Australia. AXG has options over three strategic Fraser Range tenements, one with an immediate drill target within the only other layered mafic intrusion in the Albany-Fraser Range belt outside of the Nova Deposit (Sirius Resources NL, 10Mt @ 2.4% Ni, 1.0% Cu, 0.08% Co). AXG is proposing to undertake a 5,000 metre Aircore drill program within the next two to three months on the key Mt Ridley tenement (EL63/1547).

Roland Berzins

Company Secretary

About AXG Mining Ltd.

AXG Mining (ASX: AXC) is an Australian listed exploration company with a primary focus on large scale base and precious metals deposits. AXG's exploration portfolio includes the *Condoroma and Coparaque* copper-gold projects in the world class Andahuaylas-Yauri mineral belt in Southern Peru, as well as the Albany-Fraser Range exploration projects in Western Australia.

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

AXG MINING LIMITED

ABN	Quarter ended ("current quarter")
93 092 304 964	31 March 2013

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (9 months) $A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for:		
	(a) exploration & evaluation	(15)	(15)
	(b) development	-	-
	(c) production	-	-
	(d) administration	137	(106)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other	-	-
	Net Operating Cash Flows	122	(121)
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other	-	-
	Net investing cash flows	-	-
1.13	Total operating and investing cash flows (carried forward)	122	(121)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	122	(121)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	30	30
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	(151)	85
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (share issue costs)	1	(11)
	Net financing cash flows	120	104
	Net increase (decrease) in cash held	2	(17)
1.20	Cash at beginning of quarter/year to date	2	21
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	4	4

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	14
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Consulting fees, Director fees and Management fees – 1.2
On consolidation, costs formerly accrued to administration were reversed

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

Financing facilities available
Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	2
4.2	Development	-
4.3	Production	-
4.4	Administration	2
	Total	**4**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	4	2
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	4	2

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed				
6.2	Interests in mining tenements acquired or increased				

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	588,132,597	588,132,597		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	55,000,000	55,000,000		
7.5	**+Convertible debt securities** *(description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*	nil	nil	*Exercise price*	*Expiry date*
7.8	Issued during quarter				
.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

+ See chapter 19 for defined terms.

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: Roland Berzins (Director/Company secretary) Date: 30 April 2013

Print name: Roland Berzins

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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