

AXMIN Inc.

***Management's Discussion and Analysis
Nine Months ended September 30, 2020 and 2019***

The following Management's Discussion and Analysis ("MD&A") of AXMIN Inc. ("AXMIN" or the "Company") provides a discussion and analysis of the financial condition and results of operations to enable a reader to assess material changes in the financial condition and results of operations as at and for the nine months ended September 30, 2020 and 2019. The MD&A should be read in conjunction with the unaudited interim consolidated financial statements and notes thereto ("Statements") of Axmin as at and for the nine months ended September 30, 2020 and audited consolidated financial statements and notes thereto ("Statements") of AXMIN as at and for the years ended December 31, 2019 and 2018.

The Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All amounts included in this MD&A are in United States dollars, except where otherwise specified and per unit basis.

This MD&A contains forward-looking information within the meaning of Canadian securities legislation (see "Forward Looking Information" below for a full discussion on the nature of forward-looking information). Information regarding the adequacy of cash resources to carry out the Company's exploration and development programs or the need for future financing are forward-looking information. All forward-looking information, including information not specifically identified herein, is made subject to cautionary language at the end of this document. Readers are advised to refer to the cautionary language included at the end of this MD&A when reading any forward-looking information. The MD&A is prepared in accordance with NI 51-102F1 and has been approved by the Company's board of directors (the "Board of Directors" or the "Board") prior to its release.

This report is dated as of November 27, 2020. Readers are encouraged to read the Company's other public filings, which can be viewed on the SEDAR website (www.sedar.com).

Second Quarter 2020 Highlights

- The net loss for the three months ended September 30, 2020 was \$165,525 compared to a net loss of \$790,223 in the same period of 2019.

Business and Summary of Activities

AXMIN is a publicly listed corporation with its shares trading on the TSX Venture Exchange ("TSXV") under the symbol AXM. The Company is an international mineral exploration and development company with a strong focus on the African continent. AXMIN, through its wholly-owned subsidiaries, has exploration projects in the Central African Republic ("CAR") and Senegal. The Company's primary asset is the Passendro gold project situated in the CAR. Due to escalating interreligious conflicts in the CAR, all in-country operations other than administrative functions, carried out in the capital city of Bangui, have been suspended.

In June 2018, Axmin has received confirmation from Teranga that the Government of the Republic of Senegal has granted two new exploration permits under the 2016 Senegalese Mining Code for Sounkounkou and Bransan, encompassing the 17 target areas that the Company shares an interest in with Teranga.

The initial term of the exploration permits is for a period of 4 years with a requisite minimum expenditure commitment during this initial period. Thereafter the exploration permits are renewable two times for consecutive periods not exceeding three years each provided that Teranga has satisfied its work and expenditure commitments. The Bransan perimeter is 337.3km² and Sounkounkou is 291.7km², which together cover roughly 90% of the prior permit areas.

AXMIN holds a 1.5% NSR on 17 Royalty Target Areas (being Target Areas have been made Royalty Election on) in total and maintains 20% interests of Remainder Areas within the above Senegal permits. Axmin's royalty rights are intended to continue and survive the Joint Venture Agreement and remain tied to the permits themselves, irrespective of title holder.

In August of 2015, Axmin Inc. began to generate the 1.5-per-cent net-smelter-return royalty's income from the Gora deposit. Royalty income in the amount of \$4,864,482 has been recognized since the Gora Deposit began production. The royalty was applied to the production of gold from the Gora deposit, located in the Senegal Republic. The Gora deposit is operated by Axmin's joint venture partner, Sabodala Mining Company SARL, a wholly owned subsidiary of Teranga Gold Corp. As of June 2019, the Company's royalty rights have been completed and royalty payments to the Company have ceased.

Operations

Central African Republic – Passendro Gold Project

The Company's primary asset is the Passendro gold project, which is situated in the centre of a 25-year Mining License (355 sq km) that was awarded to AXMIN in August 2010. At the same time, the Company was also awarded two, three-year renewable Exploration Licenses, Bambari 1 and 2 (1,240 sq km), which ring fence the Mining License and cover a 90 km strike along the highly prospective Bambari greenstone belt. The Exploration Licenses were issued for an initial term of 3 years and under Article 21 of the CAR Mining Code, the Exploration Licenses are automatically renewable two times each for 3 consecutive years subject to the payment of the rights and obligations provided for by the mining regulations.

On December 24, 2012, the Company officially notified the CAR Minister of Mines and Defence of the existence of a state of Force Majeure due to the escalating rebel activity in the country and the necessity to withdraw its field operations. Since that time, AXMIN has not had access to its Passendro project. The Mining Convention of 2006 and the addendum thereto concluded in August 2010 provide the Company with full protection under the circumstances and, in the event that there is a change of Government in the CAR, the existence of Force Majeure stays work related obligations. It is these circumstances that have caused the Company to suspend all Passendro based operations as well as negotiations with prospective lenders.

Prior to the Force Majeure, the Company was working towards securing financing to develop the Passendro gold project into CAR's first modern gold mine. The following is a brief summary of the status at Passendro gold project as at December 2012. A full description of the Passendro gold project can be found in the Company's audited financial statements for 2014 and 2013, its June 2012 Annual Information Form, the 2011 Bankable Feasibility Study Optimization & Update and its 2009 Mineral Resource Estimate prepared in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101"). All reports can be accessed under the Company's profile on the SEDAR website at www.sedar.com.

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.

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.

On October 18, 2013, the Government of the CAR certified that the License of Exploitation (the "Mining License") held by SOMIO Toungou SA, which was originally granted to the Company on August 5, 2010 and recorded under the Chronological Code PE001/10 (Registration number 002 of August 5, 2010) by the Department of Mines, 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 duration of one (1) year starting from November 28, 2016 to November 27, 2017.

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.

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.

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.

On November 10, 2018 the Company settled an account payable of \$2.0 million by making a payment of US\$1.2 million and the issuance of 3.46 million shares at a price of C\$0.30 per share. A settlement agreement was entered into (the "**Settlement Agreement**") and the transaction relating to the Settlement Agreement received final approval from the TSX Venture Exchange. The US\$1.2 million was paid and the 3.46 million shares were issued extinguishing this accounts payable in its totality.

The shares issued pursuant to the above-referenced Settlement Agreement are 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.

At this current time, the Company's operations at Passendro remain suspended. Axmin is working with the Ministry of Mines and other governmental agencies in the CAR and expects to be operational again in the CAR in the near future. Impairment of \$37,346,576 was recognized in December 31, 2013 as a result of the uncertainties at that time. When the Company recommences it's activity this impairment will be re-evaluated.

This impairment recognized in the financial statements does not in any way mean that the Company is relinquishing its rights to the assets and it reflects the utmost conservative view by management on the objective circumstances and will be reviewed once operations recommence and subject to recovery when certain conditions are met pursuant to the accounting standards the Company has adopted.

The Company through its in-country staff have maintained close communications with senior ministers and officials in Bangui and also in Bambari which is the closest city to the Company's asset near Ndassima. AXMIN's country manager Mr Boubacar Sidbe recently meet with the Vice Mayor of Bambari and Sub-prefect to discuss the situation on the ground and express the Company's desire to get back on site. Meetings have also been held with the Mining Minister and Chief of the Office of the Head of State. AXMIN remains confident that stability will eventually return to the country and that the Company will be well positioned and ready to work with the elected government of the CAR to develop a pragmatic mining plan focusing on the extremely high-grade deposits that will be safe for our employees and contractors, have limited capital expenditure and hopefully achieve very profitable returns in a very timely fashion for shareholders.

The Company noted as reported in the world press that the Central African Armed Forces (FACA) had recently been deployed in the city of Bambari and the vicinity. AXMIN regrets the violence that has taken place during this time, and believes that the combination of the FACA and MINUSCA forces on joint patrols should hopefully bring stability to the region enabling the Company to become operational again at Ndassima near Bambari.

On February 2, 2019 the Government of the CAR announced on social media that an agreement for peace had been made at the talks taking place in Khartoum. The Government stated that the agreement would be initialed on Sunday February 3, 2019 and thereafter it was signed in Bangui on February 6th.

The agreement comes after discussions that were facilitated in Khartoum by the African Union and the United Nations with assistance from Russia. The key points of this agreement are:

- An immediate cessation of violence by the armed groups against defence and security forces, UN personnel, humanitarian workers and the general population.
- The armed groups will respect the legitimacy of the CAR's institutions and will disband.
- The Government will analyze the reintegration of the leaders of the armed groups who previously served as civil servants or in the military.
- The Government will set up a Truth, Justice, Reparation and Reconciliation Commission within 90 days.
- The parties to the agreement will undertake to set up mixed security units that will include both the defense and security forces as well as former members of the armed groups.
- A Prime Minister would be appointed who would also be representative of the former armed groups.
- The former armed groups will have the right to start political parties without hinderance.

On April 5, 2019 Aurafrique SARL, the CAR subsidiary of Axmin wrote to his honor Mr Leopold Mbolli-Fatran the Minster of Mines requesting another year extension to the exemption from the development work and production of the Company's assets. This request is under review by the Ministry of Mines at this time; and if the security situation continues to improve and specifically if a security solution for Ndassima is implemented, the Company does not believe that this further extension will in fact be necessary.

On April 10, 2019 Axmin appointed Mr. Lifei Jiang as CEO of Somio Toungou S.A and CEO of Aurafrique SARL in Central African Republic. The appointment was made to assist Axmin with augmenting its in country operations as the Company believes the region of the Passendro asset will be secure in the future enabling Axmin to get back to work in the CAR.

The Company has prepared and presented a Site Recovery and initial project plan to the Executive and to the Ministry of Mines in the CAR. Axmin is working directly with the Government to return to work at Passendro imminently. The Company is fully prepared to recommence activities as soon as the Government of the CAR is confident of the security solution that is being put in place.

On May 6, 2019 AXMIN announced that it has commenced the formal process for the selection of a strategic partner or partners for the development of the Passendro asset in the CAR as the company had clarity on its return to operations in the CAR.

On May 20, 2019 the Government of the CAR announced that it had successfully established a FACA military base at Kaga Bandoro without violence after an absence of 5 years from this area. The Company is delighted with this development as it should provide a key strategic base to establish security in the Bambari, Djiboussi, Katsia and Ndassima corridor in which the Passendro asset is located.

Throughout 2019, the Company continued to work closely with the Minister of Mining and Geology and other senior officials of the Central African Republic. In December 2019, a site visit of the Passendro property was held at the invitation of the Minister of Mining and Geology with the Company's management, the staff from the Company's local subsidiaries, and local government officials. During the site visit, Company committed to provide funding to assist the local government in purchasing school supplies and repairing infrastructure. Due to the effect of COVID-19 in 2020, a final amount has not been agreed upon.

On January 20, 2020, the Company announced that it signed a Letter of Intent for the development of its Passendro Gold Asset in the Central African Republic (CAR) with AU Metals Limited (AU Metals) a subsidiary of the AU Group Limited, to work together on the results of site survey to define a scoping study based on the situation on site, the results and implications of illegal mining activity and the past exploration and geological analysis performed by the company. The Company is working with AU Metals, as well as other industrial and financial parties, to define what equity capital and debt facility will be required to implement the project in the CAR.

In January 2020, the Company learned informally that the exploration and mining permits held by Aurafrique and Somio Toungou have been withdrawn. The Company has not, at the time of this report, received formal notice of any withdrawal. Later in January 2020, the Company was advised by the Minister of Mining and Geology of the Central African Republic to submit a formal request for legal review of the status of the Company's assets in the CAR. As a result the Company engaged the local law firm, Cabinet Mboligoumba & Associates, to file the request for legal review with the Conseil d'Etat of the CAR. It should be noted that the entire balance of property, plant and equipment related to the Passendro Gold Asset were written off in the Consolidated Financial Statements for the years ended December 31, 2013 as a result of force majeure conditions in the CAR.

In March 2020, the Company received an invitation by the office of the President of the Central African Republic. Due to the impact of COVID-19 on international travel, the meeting has been delayed.

On April 7, 2020, the Conseil d'Etat ruled that while the government of the CAR does not have the authority to withdraw the Aurafrique and Somio Toungou permits, the Conseil d'Etat did not have the jurisdiction to overturn the withdrawal of the permits.

On April 23, 2020, Cabinet Mboli-Goumba & Associates filed another proceeding before the Conseil d'Etat claiming the invalidity of the contested permits deemed granted to one or more companies while this proceedings were on-going. The Company has not received a ruling on this proceeding. The Company is continuing ongoing discussion with CAR government officials to reach a satisfactory resolution of this matter.

As of the writing of this report, AXMIN continues to maintain operations in the Central African Republic, including its office, country manager, and supporting staff and continues to be in contact with the local authorities. The Central African Republic continues to experience challenges with regards to the global COVID-19 pandemic. In June 2020, UN peacekeeping chief Jean-Pierre Lacroix stated that the "The (coronavirus) pandemic is exacerbating existing vulnerabilities [in the Central African Republic]." On June 18, 2020, the EU announced that it would grant €54 million to the Central African Republic to help the government shore up public expenditure negatively affected by the fight against COVID-19. As of November 2020, the World Health Organization has reported that there have been 4,913 confirmed cases of COVID-19 in the Central African Republic.

On June 8, 2020, Arafrique and Somio Tongou, through its lawyers, Cabinet Mboli-Goumba & Associes, filed a request for arbitration with the government of the Central African Republic and the Chambre Arbitrale Internationale de Paris for its permits. On July 24, 2020, the Ministry of Mines and Geology of the Central African Republic accepted the request from Arafrique and Somio Tongou for arbitration with the Chambre Arbitrale Internationale de Paris for the status of their properties. On August 18, 2020, the parties agreed that the location of the arbitration be the city of Abidjan, Côte d'Ivoire.

The Company has been advised that Presidential and legislative elections will be held simultaneously on December 26, 2020, with results to be officially announced one week after the elections.

On November 2, 2020, the Company has received notice from Central African State to confirm in participating in the mediation process with the company's subsidiaries AURAFRIQUE SARL SOMIO TOUNGOU SA. Mediation between the Company and the Central African State is progressing and practical arrangements are being made to resolve the difficulties within a short period of time. The date will be further confirmed from the arbitral chamber. The Company has received notice that the Central African State will be represented by Flavien Mbata, Minister of Justice and Human Rights, and Léopold Mboli Fatran, Minister of Mines and Geology in the arbitration.

Senegal Joint Venture

On February 28, 2012, AXMIN and its joint venture partner and manager, Sabodala Mining Company SARL ("SMC"), a wholly-owned subsidiary of Teranga Gold Corporation ("Teranga") amended its 2008 joint venture agreement. At the time, Teranga had earned an 80% interest in the Sounkounkou, Heremokono and Sabodala NW explorations licenses (the "Project") located in the Birimian belt of eastern Senegal, by spending US\$6 million on exploration. AXMIN has retained a 20% interest in the Project. The amended joint venture and royalty agreement (the "Agreement") supersedes and replaces the original joint venture agreement. Under the terms of the Agreement, AXMIN had a free-carried interest of \$2.5 million, with respect to the Project work costs starting from October 1, 2011, after which both parties are to jointly fund the Project work costs on a pro-rata basis. As of September 30, 2017, the free-carried interest balance was \$nil.

The 2012 Agreement with SMC includes, among other things, the following terms: (a) both parties agree that their respective interests (Teranga–80% and AXMIN–20%) in the Project are divided into Target Areas (being areas subject to exploration) and Remainder Areas (areas not yet subject to exploration); and (b) that both parties will retain all respective interests in all of these areas, until an election is made by AXMIN to convert its 20% interest in a Target Area into a 1.5% NSR or Royalty Interest ("Royalty Election"). After AXMIN has made a Royalty Election with respect to the Target Area, SMC will solely fund all finance work costs for each of the Royalty Interests.

As of February 28, 2012, AXMIN elected to take a 1.5% NSR Royalty Interest in the Gora Deposit, located on the Sounkounkou permit. In July 2012, the Republic of Senegal declined the application submitted by SMC, the manager, for the extension for the Sabodala NW license, which has now expired and is believed to have been granted by the Senegal Government to a third party.

On September 5, 2014, an extraordinary extension of 24 months for the Heremokono exploration permit has been granted by the Senegal authorities.

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 from each Target Area. On January 12, 2016, AXMIN elected to convert its 20% interest in one new Target area into a 1.5% NSR. After this Royalty Election, AXMIN holds a 1.5% NSR on 17 Royalty Target Areas (being Target Areas have been made Royalty Election on) in total and maintains 20% interests of Remainder Areas within the Senegal permits. The free carried interest of US\$2.5 million granted to AXMIN under the Agreement has been depleted on account of its 20% Participation Interest in respect of all Participation Target Areas (being areas subject to exploration and both parties remain their respective interests (Teranga – 80% and AXMIN – 20%)). No further participation contribution needs to be made by AXMIN beyond this \$2.5 million free carried interest with respect to the Participation Target Areas where a Royalty Election has been made.

In 2020, for the Sounkounkou permit, Teranga has indicated to the Company that it is expected to spend approximately US\$1 M on exploring two BLEG (Bulk Leach Extractable Gold) anomalies, including the following planned activities:

- +/- 3,000 soil samples
- +/- 5,500 m of excavator trenching
- +/- 3,500 m of RC / DD drilling

Full details of the exploration programs at the Senegal JV can be found on the Teranga website at www.terangagold.com.

In July 2019, AXMIN received through SMC, a tax notification from the Senegalese tax authorities. The Senegalese tax authorities considers that AXMIN, as a result of the royalties paid to it by SMC, is required to declare and pay corporate income tax in Senegal. In 2020, AXMIN obtained a tax opinion from the Senegal office of a major global accounting firm that the royalties received by AXMIN cannot be taken as revenues from the exploitation or concession of exploitation of mineral deposits located in Senegal, and therefore, AXMIN concludes that it is not liable for any taxes claimed by the Senegalese tax authorities. As of the date of this report, the Company has engaged with the accounting firm to represent the Company in resolving the issue with the authorities.

On November 16, 2020, Endeavour Mining Corporation (TSX:EDV) and Teranga announced that they have entered into a definitive agreement whereby Endeavour will acquire all of the issued and outstanding securities of Teranga. In their joint press release, the companies stated that the combination would “leverage Endeavour’s West African operating model to extract significant financing, operating and capital synergies across all of Teranga’s assets [including] Sabodala-Massawa, in Senegal, to become a flagship asset alongside Ity and Houndé with the potential to become a top tier asset given its high grade, low cost, long mine life, large reserves and significant exploration potential.”

The Company is in discussions with Teranga regarding the 5 proposed targets within Bransan Lot C on whether the Company will participate in the exploration, which will include funding 20% of proposed work costs, or elect to convert to a 1.5% net smelter royalty. .

Senegal JV – Gora Deposit (1.5% Royalty Interest)

In February 2012, AXMIN elected to hold a 1.5% NSR royalty interest in the Gora deposit. Since August 2015, Axmin Inc. started to generate the 1.5-per-cent net-smelter-return royalty’s income from the Gora deposit.

As of June 2019, the Company’s royalty rights have been completed and royalty payments to the Company have ceased. Over the four years period, Gora Deposit had provided Royalty income in the amount of \$4,864,482 to the Company.

Readers are advised that the information about the Gora project contained in this MD&A is based on information publicly disclosed by Teranga and has not been independently verified by the Company. Specifically, as a royalty holder, the Company has limited, if any, access to the Gora project and is dependent on the operator of the property and its qualified persons to provide information to the Company regarding the project or on publicly available information and the Company generally has limited or no ability to independently verify such information.

For a fuller description of the above properties and any other properties in which the Company holds interests, refer to the disclosure in note 6 of the Company’s audited consolidated financial statements for the year ended December 31, 2019 and other filings made on the SEDAR website (www.sedar.com).

Selected Annual Information

The following chart summarizes selected annual financial information:

	Fiscal Year Ended31/12/2019	Fiscal Year Ended31/12/2018	Fiscal Year Ended31/12/2017
Balance Sheet:			
Total Assets	1,571,151	1,380,605	1,738,742
Total long-term liabilities	(90,490)	-	-
Operation:			
Total revenue	563,028	1,482,775	1,585,578
Net (loss) income from operations	(1,010,246)	1,213,503	1,230,930
Basic and diluted income (loss) per share	(0.007)	0.009	0.009
Dividend per share	-	-	-

Summary of Quarterly Results

The results of operations are summarized in the following tables, which have been prepared in accordance with IFRS.

<i>In thousands of US dollars, except per share amounts</i>	2020 3rd quarter	2020 2nd quarter	2020 1st quarter	2019 4th quarter
Statements of operations and comprehensive loss				
Net income (loss) from operations for the period	(165,525)	(174,072)	(247,580)	(460,992)
Net income (loss) per share from operations	(0.00)	(0.00)	(0.00)	(0.00)
Statement of financial position				
Working capital surplus	293,532	369,340	595,776	761,352
Total assets	988,674	1,106,969	1,274,904	1,571,151

<i>In thousands of US dollars, except per share amounts</i>	2019 3rd quarter	2019 2nd quarter	2019 1st quarter	2018 4th quarter
Statements of operations and comprehensive loss				
Net income (loss) from continuing operations for the period	(790,223)	(81,536)	322,505	414,667
Net income (loss) per share from continuing operations	(0.01)	(0.00)	0.00	0.00
Statement of financial position				
Working capital surplus (deficit)	1,101,346	1,168,496	1,283,718	935,823
Total assets	1,559,078	1,674,269	1,707,026	1,380,605

Financial Results

For the three months ended September 30, 2020, Axmin reported net loss of 165,525 compared to net loss of \$790,223 in the same period of 2019, a decrease in the net loss of \$624,698. The decrease in net loss was mainly due to:

- Decreased in stock based compensation from 689,955 during the three months ended September 30, 2019 to \$35,274 three months ended September 30, 2020, as there were stock options issued on July 2, 2019.
- Project cost increased from \$25,520 three months ended September 30, 2019 to \$52,779 three months ended September 30, 2020, the increase was due to legal expenses incurred in the Central African Republic.
- Increased in IR expenses from \$5,905 during the three months ended September 30, 2019 to \$11,161 three months ended September 30, 2020, was the partial cost for the Annual General Meeting (AGM) hosted on October 5, 2020.

Under IFRS, exploration, evaluation and development costs for all projects are expensed as incurred and incurred only at the point when a Bankable Feasibility Study ("BFS") is completed and the mining exploitation permit is obtained. Consequently, only acquisition, exploration and development costs relating to Bambari (Passendro) gold project are capitalized from the point the mining permit is granted and the BFS is completed. However, the entire balance of property, plant and equipment related to the Passendro Gold Asset were written off in the Consolidated Financial Statements for the years ended December 31, 2013 as a result of force majeure conditions in the CAR. All other exploration expenditures incurred for other projects are expensed as incurred.

During the three months ended September 30, 2020 and 2019, the Company did not capitalize any exploration and development costs to mineral properties relating to the Bambari properties.

Total current liabilities at September 30, 2020 amounted to \$449,634 compared to \$541,100 at December 31, 2019.

Exploration and Evaluation Assets and Expenditures

a) *Exploration and evaluation assets*

AXMIN holds a 100% interest in the Bambari properties which consist of a 25-year Mining Licence (355 sq km), which was granted in August 2010 and remains valid up to date, and two Exploration Licences, Bambari 1 and 2 (1,240 sq km), which were also granted in August 2010 and remains valid up to date. 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 License which is ring-fenced by the two Bambari Exploration Licences.

b) 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 September 30, 2020, there has been no significant change in the assumptions used to determine the FVLCD since the impairment loss was recognized in 2013 but as stated above the Board may re-evaluate the FVLCD once the Company is back on site and operational.

c) Exploration and evaluation expenses

The following table shows the composition of exploration, evaluation and development costs that have been expensed in the consolidated statements of operations and comprehensive loss.

	Bambari (CAR)	Others	Total
Exploration, evaluation and development costs – January 1, 2016	20,685,609	1,349,217	22,034,826
Additions*	1,014,562	-	1,014,562
Exploration, evaluation and development costs – December 31, 2016	21,700,171	1,349,217	23,049,388
Additions*	11,288	-	11,288
Exploration, evaluation and development costs – December 31, 2017	21,711,459	1,349,217	23,060,676
Additions*	64,036	-	64,036
Exploration, evaluation and development costs – December 31, 2018	21,775,495	1,349,217	23,124,712
Additions*	3,310	-	3,310
Exploration, evaluation and development costs – December 31, 2019	21,778,805	1,349,217	23,128,022
Additions*	-	-	-
Exploration, evaluation and development costs – September 30, 2020	21,778,805	1,349,217	23,128,022

* The additions for the year ended December 31, 2019 is mainly related to surface taxes incurred for the exploration permits in CAR.

Liquidity and Capital Resources

Going Concern

The Company is in the development stage. Aside from the properties that comprise the Passendro gold project, it has not yet determined whether other properties in its exploration portfolio contain mineral resources that are economically recoverable. The recoverability of the amounts shown for mineral properties costs is dependent upon the existence of economically recoverable resources, the ability of the Company to secure adequate financing to meet the capital required to successfully complete the exploration and development of the projects, political risk relating to obtaining all necessary permits and maintaining the licenses in good standing, future profitable production or proceeds from the disposition of such properties and 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 at the Passendro gold project 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 consolidated financial statements of the Company have been prepared using 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 September 30, 2020, the Company's current assets exceeded its current liabilities by \$293,532. Although the Company has generated royalty income, and the royalty income achieved to date has generated sufficient cash to discharge all of the Company's liabilities, the Company does not have sufficient cash to fund the development of the Passendro project and its properties. The Company will require additional financing, dependent on the royalty income or other sources of funding, which if not raised, would result in the curtailment of activities. As a result, there is a substantial doubt about the Company's ability to continue as a going concern and accordingly use accounting principles applicable to a going concern.

In the foreseeable future, the Company will remain dependent on the availability of funds to continue operation and development of the Passendro gold project (assuming that the Force Majeure is lifted and that the Company may resume operations at the project). Management expects that it will require additional funding to allow the Company to continue its activities. However, there can be no assurances that the Company's financing initiatives will be successful or sufficient funds can be raised in a timely manner.

The consolidated financial statements of the Company 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.

Liquidity and Capital Resources

Cash flows

The following table sets forth a summary of our statements of cash flows for the nine months ended **September 30, 2020** and 2019:

	2020	2019
Net cash generated (used) in operating activities	\$ (596,612)	\$ 411,889
Net cash (used) from investing activity	-	(76,601)
Net cash generated from financing activity	42,287	-
Effect of exchange rate changes	6,274	1,590
Net increase (decrease) in cash and cash equivalents	\$ (548,051)	\$ 336,878

The Company's main sources of funding continue to be in the equity markets, outstanding warrants and options. As of September 30, 2020, the cash and cash equivalents balance of the Company is **\$733,704** (December 31, 2019 - \$1,281,755).

As at September 30, 2020, the Company had positive working capital of **\$293,532** compared to \$761,352 as at December 31, 2019. The change in working capital is consistent.

The cash used in operating activities **\$596,612** was from cash operating expenses, compared to same period in 2019 the cash inflow from operating activities \$411,889 was generated from \$563,028 royalty income received deduced the cash operating expenses.

The **\$42,287** inflow from financing activities as at September 30, 2020 was \$92,787 proceeds from option exercised offset by \$39,917 and \$10,583 related to lease and interest payments for the office location Gangui, Central African Republic, compared to the same period in 2019 where the lease payments were part of operating activities.

Contractual Obligations

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.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Transactions between Related Parties

Related party balances

	September 30, 2020	December 31, 2019
	\$	\$
Director (a)	-	5,644
CEO (b)	207,814	261,080
Total due to related parties	207,814	266,724

- (a) Balances consist of director fees, expense reimbursement and expected receivable from option exercise from the current director.
- (b) Balance consists of consulting fees due to the current CEO.
- (c) As of September 30, 2020, the Company's significant shareholder, Dickson Resources Limited ("Dickson"), held 45,000,000 common shares (December 31, 2019 – 45,000,000) representing approximately 32.5% of AXMIN's issued and outstanding common shares on a non-dilutive basis.
- (d) As of September 30, 2020, the Company's other significant shareholder, Shanghai Shenglin Trading Co., Ltd., held 20,000,000 common shares (December 31, 2019 – 20,000,000 common shares) representing approximately 14.5% of AXMIN's issued and outstanding common shares on a non-dilutive basis.
- (e) As of September 30, 2020, the Company's other significant shareholder, AOG Participations BV ("AOG"), a wholly-owned subsidiary of the Addax and Oryx Group Limited, held 14,901,938 common shares (December 31, 2019 - 15,001,938 common shares) representing approximately 10.8% of AXMIN's issued and outstanding common shares on a non-dilutive basis.

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 years were as follows:

	2020	2019
	\$	\$
Share-based payments	34,294	695,544
Consulting fees	83,093	78,531
Director fees	55,396	56,429
	172,783	830,504

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.

New Accounting Policies Adopted

IFRS 16, Leases

On January 1, 2019, the Company adopted IFRS 16 – Leases ("IFRS 16") which replaced IAS 17 – Leases and IFRIC 4 – Determining Whether an Arrangement Contains a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead, all leases are treated in a similar way to finance leases applied in IAS 17. IFRS 16 does not require a lessee to recognize assets and liabilities for short-term leases (i.e. leases of 12 months or less), leases with certain variable lease payments and leases of low-value assets.

The Company applied IFRS 16 using the modified retrospective method. Under this method, financial information will not be restated and will continue to be reported under the accounting standards in effect for those periods. The Company will recognize lease liabilities related to its lease commitments for its office leases. The lease liabilities will be measured at the present value of the remaining lease payments, discounted using the Company's estimated incremental borrowing rate, resulting in no adjustment to the opening balance of deficit. The associated right-of-use assets will be measured at the lease liabilities amount. The Company has implemented the following accounting policies permitted under the new standard:

Lease liability, right of use assets

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Corporation assesses whether the contract involves the use of an identified asset, whether the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement exists, and if the Company has the right to direct the

use of the asset. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

As a lessee, the Company recognizes a right-of-use asset and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. Lease payments included in the measurement of the lease liability are comprised of:

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- exercise prices of purchase options if the Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in the estimate or assessment of the expected amount payable under a residual value guarantee, purchase, extension or termination option. Variable lease payments not included in the initial measurement of the lease liability are charged directly to profit or loss.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less. The lease payments associated with these leases are charged directly to profit or loss on a straight-line basis over the lease term.

The Company's operating lease obligations at December 31, 2018 is \$26,389 which is lease that's considered to be short-term, and as such, the lease obligations recognized on initial application of IFRS 16 on January 1, 2019 is \$nil.

Lease contracts that are classified as short-term are not counted under lease obligations. For the year ended December 31, 2019, the Company expensed \$39,510 related to leases that are classified as short-term. These expenses have been included in rental expenses and project costs in the consolidated statements of income (loss) and comprehensive income (loss).

The Company leases office in Central African Republic. The lease period for the office space is from January 1, 2019 to March 31, 2026. The office location is Docteur Cureau Street in Gangui, Central African Republic. The Company's right-of-use assets are depreciated on a straight-line basis, over the lease term. The office location is Docteur Cureau Street in Gangui, Central African Republic. The Company has paid \$6,160 rent deposit for the lease.

Right-of-use assets

A summary of the changes in the right-of-use assets for the nine months ended September 30, 2020 is as follow:

	\$
Cost	
Balance at January 1, 2020	216,802
Additions	-
Depreciation	(26,071)
Foreign exchange difference	8,651
Balance at June 30, 2020	199,382

Lease liabilities

On adoption of IFRS 16, the Company has recognized lease liability. The IFRS 16 opening adjustment related to the lease liability was \$235,405 (undiscounted value of \$303,221, discount rate used is 15%) as at July 1, 2019. This liability represents the monthly lease payment from July 1, 2019 to March 31, 2026, the end month of the lease.

A summary of changes in lease liabilities for the nine months ended September 30, 2020 is as follows:

	\$
Cost	
Balance at January 1, 2020	132,338
Additions	-
Lease payments on principal portion	(39,917)
Lease payments on interest portion	(10,583)
Lease liability accretion expense	10,583
Foreign exchange difference	4,252
Balance at September 30, 2020	<u>96,671</u>
Current portion	<u>8,909</u>
Long term portion	87,762

The following is a schedule of the Company's future lease payments under lease obligations:

	September 30, 2020
	\$
2020	5,633
2021	22,532
2022	26,825
2023	26,825
2024	26,825
2025	26,825
2026	7,349
Total undiscounted lease payments	<u>142,814</u>
Less: imputed interest	<u>(46,143)</u>
Total carry value of lease obligations	<u>96,671</u>

IFRIC 23 Uncertainty over Income Tax Treatments

In June 2017, the IFRS Interpretation Committee issued IFRIC 23, which clarifies how the recognition and measurement requirements of IAS 12 Income Taxes are applied where there is uncertainty over income tax treatments. IFRIC 23 becomes effective for annual periods beginning on or after January 1, 2019 and is to be applied retrospectively with early adoption permitted. The adoption of this standard did not have material impact to the Company's consolidated financial statements.

Critical Accounting Estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of expenses and other income during the reporting periods. These estimates and assumptions are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experiences.

Significant estimates and assumptions include those related to the recoverability of mineral properties and benefits of future income tax assets, share compensation valuation assumptions and determinations of functional currency, carrying value of goodwill, and whether costs are expensed or capitalized. While management believes that these estimates and assumptions are reasonable, actual results may differ from the amounts included in the consolidated financial statements.

Areas of significant accounting judgments, estimates and assumptions that have the most significant impact on the amounts recognized in the financial statements are disclosed in note 4 of the Company's interim consolidated financial statements as at and for the three months ended September 30, 2020.

Risk Factors

Due to the nature of the Company's business and present stage of exploration and development of its mineral properties, the Company faces the following risk factors and uncertainties, similar to those faced by other exploration and development companies.

Political Risk

AXMIN currently conducts its primary exploration activities in the African countries of the CAR and Senegal. A significant portion of the Company's mineral properties are located in the CAR and as such the success of the Company will be influenced by a number of factors including the legal and political risks associated with that country.

On December 24, 2012, AXMIN announced that it officially notified the Minister of Mines and Minister of Defence of the CAR, as per its 2006 Mining Convention, of the existence of Force Majeure arising from the widely reported rebel activity in the country at that time. As of the date of this report, the political situation in the CAR remains tenuous. The Company is monitoring the situation and is not able to access the Passendro gold project or resume camp operations in the CAR until stability is restored in the country.

There is no assurance that future political and economic conditions in the CAR and Senegal will not result in their respective governments adopting different policies respecting foreign development and ownership of mineral resources. Any such changes in policy may result in changes in laws affecting ownership of assets, mining policies, monetary policies, taxation, rates of exchange, environmental protection, labour relations, repatriation of income and return of capital, which may affect both AXMIN's ability to undertake exploration and development activities in respect of present and future properties in the manner currently contemplated, as well as its ability to continue to explore, develop and operate those properties in respect of which it has obtained exploration rights to date. The possibility that future governments of these and other African countries may adopt substantially different policies, which might extend to expropriation of assets, cannot be ruled out. The Company's projects may be subject to the effects of political changes, war and civil conflict, changes in government policy, lack of law enforcement and labor unrest and the creation of new laws. The effect of unrest and instability in respect of political, social and/or economic conditions in the countries in which the Company carries on its business could result in the impairment of the exploration, development and potential cessation of the Company's mining operations at those projects. Any such changes are beyond the control of the Company and may adversely affect its business.

Mining Industry

The exploration for and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of a mineral deposit may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration programs planned by the Company or its joint venture partners will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices, which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot accurately be predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

Mining operations generally involve a high degree of risk. Such operations are subject to all the hazards and risks normally encountered in the exploration for, and development and production of gold, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability.

Ability to Raise Funds

Because the Company has been an exploration Company, the Company is dependent upon its ability to raise funds in order to carry out its business. With ongoing cash requirements for operations, it will be necessary to secure funding in the near future in order to meet its current financial obligations and to continue as a going concern. Over the long-term, substantial funds will be required to continue exploration and development. If the Company does not raise these funds, it will be unable to pursue its business activities and investors could lose their investment. If the Company is able to raise funds, investors could experience a dilution of their interests which may negatively impact the market value of the shares.

Substantial Funding Requirement

The Company requires substantial funds to build its proposed mine at the Passendro gold project which it may not be able to raise in the current economic environment. In order to construct a mine at its Passendro project, the Company estimates it will require approximately US\$280 to US\$310 million. However, in the current economic environment there is substantial doubt that the Company would be able to raise these funds through sales of its equity, the means it has used to finance its operations in the past. In addition, although the Company has investigated the possibility of financing construction of the mine through debt, there can be no assurance that debt financing would be available on acceptable terms, if at all. In the event that the Company is unable to raise the necessary funds to build the mine, the Company will not be able develop and construct a mine at the Passendro gold project.

As at September 30, 2020, the Company had positive working capital of \$293,532, however, did not have sufficient cash to fund the development of the Passendro gold project (assuming the resumption of currently suspended activities). The inability of the Company to secure additional immediate financing could have an adverse effect on the Company's results of operations and financial condition.

No Production Revenues; History of Losses

AXMIN does not currently operate a mine on any of its properties. There can be no assurance that the Company's exploration programs will result in locating commercially exploitable mineral reserves or that the Company's properties will be successfully developed.

To date, the Company has not recorded any revenues from mining operations nor has the Company commenced commercial production on any of its properties. There can be no assurance that significant additional losses will not occur in the near future or that the Company will be profitable in the future. The Company's operating expenses and capital expenditures may increase in subsequent years as consultants, personnel and equipment associated with advancing exploration, development and commercial production of its properties are added.

The Company does not expect to receive revenues from operations in the foreseeable future. The Company expects to continue to incur losses unless and until such time as its properties enter into commercial production and generate sufficient revenues to fund its continuing operations. The exploration and development of the Company's properties will require the commitment of substantial resources. There can be no assurance that the Company will generate any revenues or achieve profitability.

Uncertainty in the Estimation of Mineral Reserves and Mineral Resources

There is a degree of uncertainty to the calculation of mineral reserves and mineral resources and corresponding grades being mined or dedicated to future production. Until mineral reserves or mineral resources are actually mined and processed, the quantity of mineral resources and mineral reserve grades must be considered as estimates only. In addition, the quantity of mineral reserves and mineral resources may vary depending on, among other things, metal prices. Any material change in quantity of mineral reserves, mineral resources, grade or stripping ratio may affect the economic viability of the properties. Further, mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, socio-political, marketing, or other relevant issues.

The volume and grade of mineral reserves mined and processed and recovery rates may not be the same as currently anticipated. Any material reductions in estimates of mineral reserves and mineral resources could have an adverse effect on AXMIN's results of operations and financial position.

Nature of Mineral Exploration

Other than with respect to the properties that comprise the Passendro gold project in the CAR, none of the properties in which AXMIN has an interest contain a known body of mineral reserves. The exploration and development of mineral deposits involve significant financial risks over a significant period of time whereby a combination of careful evaluation, experience and knowledge may not fully eliminate the risks. Few properties which are explored are ultimately developed into producing mines. Major expenditures may be required to establish mineral reserves by drilling and to construct mining and processing facilities at a site. If AXMIN's exploration is successful, development of its properties will be subject to all of the hazards and risks normally incident to gold exploration and development, any of which could result in damage to life or property, environmental damage and possible legal liability for any or all damage. There are also risks against which AXMIN cannot insure or against which it may elect not to insure. The potential costs that could be associated with any liabilities not covered by insurance or in excess of insurance coverage or in compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays.

Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as its size and grade, proximity to infrastructure, financing costs and governmental regulations, including

regulations relating to prices, taxes, royalties, infrastructure, land use, importing and exporting of gold and environmental protection. The effect of these factors cannot be accurately predicted, but the combination of these factors may result in AXMIN not receiving an adequate return, if any, on investment capital.

Uncertainty Relating to Inferred Mineral Resources

Inferred mineral resources cannot be converted into mineral reserves as the ability to assess geological continuity is not sufficient to demonstrate economic viability. Due to the uncertainty which may attach to inferred mineral resources, there is no assurance that inferred mineral resources will be upgraded to mineral resources with sufficient geological continuity to constitute proven and probable mineral reserves as a result of continued exploration.

Insurance and Uninsured Risks

AXMIN's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to AXMIN's properties or the properties of others, delays in development or mining, monetary losses and possible legal liability. If any such catastrophic event occurs, investors could lose their entire investment.

Although AXMIN maintains insurance to protect against certain risks in such amounts as it considers reasonable, its insurance will not cover all the potential risks associated with its operations. AXMIN may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to AXMIN or to other companies in the mining industry on acceptable terms. AXMIN might also become subject to liability for pollution or other hazards which may not be insured against or which AXMIN may elect not to insure against because of premium costs or other reasons. Losses from these events may cause AXMIN to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Government Regulation

AXMIN's mineral exploration and planned development activities are subject to various laws governing prospecting, mining, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters. Although management believes that AXMIN's exploration and development activities are currently carried out in material compliance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development.

Many of the mineral rights and interests of AXMIN are subject to government approvals, licenses and permits. Such approvals, licenses and permits are, as a practical matter, subject to the discretion of the applicable governments or governmental officials. No assurance can be given that AXMIN will be successful in maintaining any or all of the various approvals, licenses and permits in full force and effect without modification or revocation.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions.

Contractual Arrangements and Joint Ventures

AXMIN has entered into and may in the future enter into contractual arrangements to acquire interests in mineral resource properties with governmental agencies and joint venture agreements which contain time-sensitive performance requirements. The foundation of certain of these agreements may be based on recent political conditions and legislation and not supported by precedent or custom. The Company may lose its option rights and interests in joint ventures if it is not able to fulfill its share of costs. As such, the contractual arrangements may be subject to cancellation or unilateral modification. Any change in government or legislation may affect the status of AXMIN's contractual arrangements or its ability to meet its contractual obligations and may result in the loss of its interests in mineral properties.

Commodity Price Fluctuations

The development and success of any project of the Company will be primarily dependent on the future price of gold and other metals. Commodity prices are subject to significant fluctuation and are affected by a number of factors which are beyond the control of the Company. Such factors include, but are not limited to, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand and political and economic

conditions. The price of gold and other metals has fluctuated widely in recent years, and future price declines could cause any future development of and commercial production from the Company's properties to be impracticable.

If the price of gold (including other base and precious metals) is below the cost to produce gold, the properties will not be mined at a profit. Fluctuations in the price of gold affect the Company's mineral reserve estimates, its ability to obtain financing and its financial condition as well as requiring reassessments of feasibility and operational requirements of a project. Reassessments may cause substantial delays or interrupt operations until the reassessment is completed.

Competition

The mineral exploration business is competitive in all of its phases. AXMIN competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources than AXMIN, in the search for and the acquisition of attractive mineral properties. AXMIN's ability to acquire properties in the future will depend not only on its ability to develop its present properties, but also in its ability to select and acquire suitable producing properties or prospects for mineral exploration or development.

There is no assurance that AXMIN will be able to compete successfully with others in acquiring such properties or prospects.

Currency Risk

AXMIN's costs are incurred in Canadian dollars, United States dollars, UK pounds sterling, Euros and also in the currencies of the CAR (CFA Franc), South Africa (ZAR). There is no guarantee that these other currencies will be convertible into Canadian and United States dollars in the future and that foreign currency fluctuations will not adversely affect AXMIN's financial position and operating results. AXMIN currently does not undertake currency hedging activities.

Title Matters

Title to AXMIN's properties may be challenged or impugned. There is no guarantee that applicable governments will not revoke or significantly alter the conditions of the applicable exploration authorizations of AXMIN and that such exploration authorizations will not be challenged or impugned by third parties. While AXMIN has applied for rights to explore various properties and may also do so in the future, there is no certainty that such rights will be granted or granted on terms satisfactory to AXMIN. Local mining legislation of certain countries in which AXMIN operates requires AXMIN to grant to the government an interest in AXMIN's property rights. In addition, the properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects. If title to properties is challenged or impugned, the Company may not be able to explore, develop or operate its properties as permitted and enforce its rights to these properties.

Management: Dependence on Key Personnel

Investors will be relying on the good faith, experience and judgement of AXMIN's management and advisors in supervising and providing for the effective management of the business and operations of AXMIN and in selecting and developing new investment and expansion opportunities. AXMIN may need to recruit additional qualified personnel to supplement existing management. AXMIN is currently dependent on a relatively small number of key personnel, the loss of any one of whom could have an adverse effect on the Company.

Environmental Risks and Hazards

All phases of AXMIN's operations are subject to environmental regulations in the various jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect AXMIN's operations. Environmental hazards may exist on the properties on which AXMIN holds interests which are unknown to AXMIN at present and which have been caused by previous or existing owners or operators of the properties.

Artisanal Mining

The Company understands that illegal artisanal miners have and may continue to trespass on the Company's property in the CAR and engage in dangerous practices, including building tunnels and deep pits in unstable conditions, without any government regulation or oversight. The greatest risk associated with illegal artisanal mining activities is safety. Due to the existence of a state of Force Majeure, the Company has not had access to and has been unable to directly monitor its Passendro project. Assuming the lifting of the Force Majeure and the resumption of operations at the project, the presence of illegal miners could also lead to project delays and disputes regarding the development or operation of mineral deposits. The illegal activities of miners could cause

pollution and other environmental damage or other damage to mineral properties, as well as personal injury or death. Ongoing and escalating political and interreligious conflict in the CAR have disrupted exploration and mining activities in the past and may affect the Company's operations or plans in the future. In addition, publicity adverse to the Company, the Company's operations, or extractive industries generally, could have an adverse effect on the Corporation and may impact relationships with the communities in which the Company operates and other stakeholders.

Concentration of Share Ownership

As at the date of this report, AOG Participations BV holds approximately 10.8% of the issued and outstanding common shares of the Company on a non-diluted basis, Shenglin Trading holds approximately 14.5% of the issued and outstanding common shares of the Company on a non-diluted basis and Dickson holds approximately 32.5% of the issued and outstanding common shares of the Company on a non-diluted basis.

Stock Price Volatility

The market price of the common shares, like that of the common shares of many other junior mining companies, has been and is likely to remain volatile. Results of exploration activities, the price of gold and silver, future operating results, changes in estimates of the Company's performance by securities analysts, market conditions for natural resource shares in general and other factors beyond the control of the Company could cause a significant decline on the market price of the common shares.

Future Sales of Shares by Existing Shareholders

Sales of a large number of common shares of the Company in the public markets, or the potential for such sales, could decrease the trading price of the common shares of the Company and could impair AXMIN's ability to raise capital through future sales of common shares of the Company.

Health Issues

HIV/AIDS, malaria and other diseases represent a serious threat to maintaining a skilled workforce in the mining industry of central and West Africa. As such, HIV/AIDS is a major healthcare challenge faced by AXMIN's operations. There can be no assurance that AXMIN will not incur the loss of its contractors, members of its workforce or workforce hours or incur increased medical costs, which may have a material adverse effect on AXMIN's operations.

Compliance with Health and Safety Regulations

AXMIN operates in the mining industry, which is a hazardous industry. While management believes that AXMIN is in material compliance with all health and safety regulations, the adoption and enforcement of more stringent regulations in the future could adversely affect operational flexibility and costs.

Requirement for Permits and Licenses

The operations of AXMIN require licenses, permits and in some cases renewals of existing licenses and permits from various governmental authorities. Except as set forth below, management believes that AXMIN currently holds or has applied for all necessary licenses and permits to carry on the activities that it is currently conducting under applicable laws and regulations in respect of its properties, and also believes that AXMIN is complying in all material respects with the terms of such licenses and permits. However, AXMIN's ability to obtain, sustain or renew such licenses and permits on acceptable terms is subject to changes in regulations and policies and the discretion of the applicable governmental authorities.

The Bambari 1 and 2 Exploration Licences held by AXMIN in respect of the Passendro gold project were subject to renewal on or before March 21, 2019. Due to the current political environment in the CAR, the Company has not been able to file applications for the renewal of such Exploration Licences. At the report date, the Company intends to continue negotiations with the CAR government and file the renewal applications at the appropriate time. As of the date of this report, management is unable to determine when negotiations will come to the end and accordingly when the renewal applications may be submitted and there is no assurance that the Company will be successful in obtaining the renewal of the Bambari 1 and 2 Exploration Licences.

Dividend Policy

No dividends have been paid to date on the common shares of the Company. AXMIN anticipates that for the foreseeable future it will retain any future earnings and other cash resources for the operation and development of its business. Payment of any future dividends will be at the discretion of AXMIN's Board of Directors after taking into account many factors, including AXMIN's operating results, financial condition and current and anticipated cash needs.

Share Capital

As at the date of this report, the outstanding common shares and other securities of the Company comprise:

Securities	Common shares on exercise
Common shares	138,437,381
Stock options	6,700,000
Fully diluted share capital	145,137,381

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. As of March 1, 2020, 750,000 stock options have been cancelled. Total 3,250,000 stock options remaining.

On November 14, 2019, 375,000 stock options were exercised at a price of \$0.025.

On Feb 13, 2020, 1,950,000 stock options were exercised, 750,000 options exercised at a price of \$0.025, and 1,200,000 shares exercised at a price of \$0.05.

On September 15, 2020, 1,500,000 stock options were exercised at a price of C\$0.025 for gross proceeds of C\$37,500.

On September 15, 2020, 375,000 stock options were exercised at a price of C\$0.025 for gross proceeds of C\$9,375.

Contingencies

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

Forward-Looking Information

This report contains “forward-looking information”, within the meaning of applicable Canadian securities legislation, which may include, but is not limited to, information with respect to the future financial or operating performances of AXMIN, its subsidiaries and their respective projects, the future price of gold, base metals and other commodities, the estimation of mineral reserves and mineral resources, the realization of mineral reserve estimates, the timing and amount of estimated future production (if any), costs of production (if any), capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, requirements for additional capital, ability to raise funds, government regulation of mining operations, the ability to recommence operations at the Passendro gold project, the renewal of relevant exploration licences in which the Company has an interest, environmental risks, reclamation and rehabilitation expenses, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of pending litigation and regulatory matters. Often, but not always, forward-looking information can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes”, or variations (including negative variations) of such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “might”, or “will” be taken, occur or be achieved. Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of AXMIN and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include, among others, those factors discussed in the section entitled “Risk Factors” in this report. Although AXMIN has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking information contained herein is given as of the date of this report based on the opinions and estimates of management, and AXMIN disclaims any obligation to update any forward-looking information, whether as a result of new information, estimates or opinions, future events or results or otherwise. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information.

Additional Information

Additional information relating to the Company may be obtained from the SEDAR website (www.sedar.com) and the Company's website (www.axmininc.com).

On behalf of the Board of Directors

“Signed”

Lucy Yan

Chairman and Chief Executive Officer

November 27, 2020