

AXG Mining Ltd
(ASX: **AXC**)

ASX Announcement
31 July 2014



Quarterly report for the Period ending 30 June 2014

The directors of AXG Mining Ltd ("AXG" or "the Company") are pleased to provide the following report for the quarterly period ended 30 June 2014.

Corporate

The Company has continued, during the quarter ended 30 June 2014, to aggressively reduce costs and to consider viable alternate with respect to minimising corporate overheads.

Funding of operational activities.

The Company has held a series of discussions with interested parties concerning the Company's tenements and options over tenements in the Fraser Range. These discussions have been very successful in determining the Company's future direction and the level of activity to be undertaken on these tenements.

Activity

Option Exercised

As announced last quarter, the Company exercised its option to acquire a 100% interest in the Mt Ridley Exploration Licence (E63/1547) situated in the Fraser Range of Western Australia. Consideration for the acquisition was the issue of approximately 35.7 million fully paid ordinary shares in AXG Mining. The Company continues to hold options over two additional tenements in the area and is undertaking further analysis before making a final decision.

EM Interpretation

The Company's contractor has continued to assess the potential of its 100% interest in the Mt Ridley Exploration Licence (E63/1547), situated in the Fraser Range of Western Australia.

The Company believes that this primary target is a layered mafic intrusion that has the potential to host Cu-Ni-Co mineralisation similar to that outlined at the Albany-Fraser Range Nova-Bollinger Deposit by **Sirius Resources NL** (ASX: **SIR**).

The Company acknowledges the continued support of shareholders and remains committed to its strategy of developing high impact exploration projects.



Schedule as per **ASX Listing Rule 5.3.3**

Mining Tenement Schedule

Project	Tenement	Location	Holder	Interest - AXG	The beneficial percentage interests held in farm-in or farm-out agreements at the end of the quarter	The beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter
Fraser Range Tenement Option	EL63/1547	WA	AXG Mining Ltd – formerly held by Fraka Investments Pty Ltd	Bare trust arrangement	100%	Nil
Fraser Range Tenement Option	EL63/1564	WA	Global Metals NL	Bare trust arrangement	Nil	Nil
Fraser Range Tenement Option	EL63/1617	WA	Proto Resources & Investments Limited	Bare trust arrangement	Nil	Nil

Roland Berzins
Company Secretary

31 July 2014

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

93 092 304 964

Quarter ended ("current quarter")

30 Jun 2014

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for:		
	(a) exploration & evaluation	(2)	(77)
	(b) development	-	-
	(c) production	(29)	(106)
	(d) administration	-	-
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	9	33
1.5	Interest and other costs of finance paid	(8)	(13)
1.6	Income taxes paid	-	-
1.7	Other	-	-
Net Operating Cash Flows		(30)	(163)
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)	(30)	(163)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(30)	(163)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	70
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	27	95
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (share issue costs)	-	(3)
	Net financing cash flows	27	162
	Net increase (decrease) in cash held	(3)	(1)
1.20	Cash at beginning of quarter/year to date	3	1
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	-	-

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	-
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 – Nil.

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	-
4.2 Development	-
4.3 Production	-
4.4 Administration	1
Total	1

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	-	3
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	-	3

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				

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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	213,050,185	213,050,185		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
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)	1,785,714 12,559,747	1,785,714 12,559,747	Exercise price \$0.07 \$0.021	Expiry date 30 June 2016 31 December 2016
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)				

+ See chapter 19 for defined terms.

7.12	Unsecured notes (<i>totals only</i>)		
------	-----------------------------------------------	--	--

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: 31 July 2014

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.

+ See chapter 19 for defined terms.