



30 April 2009

ASX Release

The Directors of AXG Mining Ltd (“AXG”) have pleasure in presenting their quarterly report for the period ended 31 March 2009.

Operations

Dalgaranga J/V (AXG 49.8%: Equigold 51.1%)

The Dalgaranga project is a 50.1 / 49.9% JV between Equigold and AXG Mining. The mine and processing facilities were closed and rehabilitated in 2002 and still carry substantial bonds in relation to the rehabilitation works.

During the quarter a field inspection was carried in the presence of department of Mines and Petroleum (“DMP”) staff and representatives of Equigold to access the progress of the rehabilitation works. A report from the DMP is pending assessing the progress and the request put forward by the JV partners for the release of part or all of the bonds. The project still carries bonds in the order of \$60,000.

The Joint Venture partners are considering all options and offers in regard to this Joint Venture.

Turkmenistan project

AXG has entered into an agreement to acquire up to 100% of the issued capital of the MAPP. MAPP is the first foreign company to be awarded the exclusive right to carry out exploration works for minerals within Turkmenistan. Initially, MAPP has the right to explore two areas covering a total of 18,500 square kilometres in the Koytendag and Tuvergyr (contractual territories) regions of Turkmenistan.

The acquisition of MAPP will be on a staged program, with the consideration and acquisition, via three tranches, dependent upon the achievement of successive milestones, plus allowance made for the payment to the vendors of MAPP in relation to Performance and Hydrocarbon bonus based on other distinct criteria.

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It is anticipated that settlement will be completed in the second quarter for the acquisition of the first tranche of shares in MAPP. Following this, a field program will commence to access the uranium potential of the Koytendag region where uranium was previously mined.

The Directors believe that MAPP's exclusive rights to mineral exploration in Turkmenistan will give the Company the opportunity to develop and grow into an international mineral explorer.

Roland Berzins
Company Secretary

Information in this report pertaining to mineral resources and exploration results was compiled by Mr. J Jordan who is a member of Aus. I.M.M. Mr J Jordan has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent person as defined in the 2004 Edition of the "Australasian Code for Reporting to Exploration Results, Mineral Resources and Ore Reserves". Mr J Jordan consents to the inclusion in the report of matters based on this information in the form and context which it appears.



Appendix 5B

Mining exploration entity quarterly report

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

Name of entity

AXG MINING LIMITED

ABN

93 092 304 964

Quarter ended ("current quarter")

31 MARCH 2009

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 and evaluation (b) development (c) production (d) administration	457 (410)	(43) (837)
1.3	Dividends received	19	107
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 (provide details if material)		
	Net Operating Cash Flows	234	(773)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a)prospects (b)equity investments (c)other fixed assets	(40)	(62)
1.9	Proceeds from sale of: (a) prospects (b)equity investments (c)other fixed assets	(173)	(173)
1.10	Loans to other entities	(685)	(985)
1.11	Loans repaid by other entities		
1.12	Other (share application)		
	Net investing cash flows	(1,066)	(1,220)
1.13	Total operating and investing cash flows (carried forward)	(832)	(1,993)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(832)	(1,993)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(832)	(1,993)
1.20	Cash at beginning of quarter/year to date	1,930	3,091
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	1,098	1,098

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	77
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

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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

Nil

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

Nil

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	Nil	N/A
3.2	Credit standby arrangements	Nil	N/A

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	75
4.2	Development	
Total		75

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	1,098	1,930
5.2	Deposits at call		
5.3	Bank overdraft		
5.4	Other (provide details)		
Total: cash at end of quarter (item 1.22)		1,098	1,930

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	L59/36	Surrendered	100%	-
		L59/38	Surrendered	100%	-
		L59/42	Surrendered	100%	-
		M39/207	Surrendered	100%	-
6.2	Interests in mining tenements acquired or increased				

+ See chapter 19 for defined terms.

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 <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	99,750,000	99,750,000		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	99,750,000	99,750,000	<i>Exercise price 20 cents</i>	<i>Expiry date 31 August 2010</i>
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ 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 H Berzins..... Date: 30 April 2009
(Director/Company secretary)

Print name:Roland H 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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