



Quarterly report for the Period ending 31 March 2014

The directors of AXG Mining Ltd (“AXG” or “the Company”) are pleased to provide the following report for the quarterly period ended 31 March 2014.

Corporate

Following the review of operations and finances the Company is pleased to report a significant reduction in corporate overheads. The Company is continuing with exploring avenues to reduce costs in the immediate future.

Convertible Notes

During the period the Company issued convertible notes with an aggregate value of \$20,000 for working capital purposes.

Negotiations with several parties on financing proposals to advance the Fraser Range Exploration Project are progressing well despite the challenging climate for junior resources companies.

Activity

Option Exercised

During the period 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.

EM Interpretation

The Company’s contractor has completed the preparation associated with the airborne EM data during the quarter and is completing the interpretation. Following successful analysis, the Company will prepare a follow up ground EM survey. The 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**).

Upon completion of the EM survey, the Company expects to refine targets ahead of a maiden drilling campaign at Fraser Range, in what is considered one of the most promising exploration areas in Australia.

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

CHANGE OF PRINCIPAL PLACE OF BUSINESS

AXG Mining Ltd (ASX code: AXC) advises that the principal place of business has changed to:
Level 1, 143 Hay St
Subiaco WA 6008

The Company's telephone and facsimile numbers have not changed and remain as:
Phone 08 9429 2900;
Facsimile 08 9486 1011

The Company's postal address has not changed and remains at
PO Box 1922 West Perth WA 6872

Roland Berzins
Company Secretary

30 April 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")

31 Mar 2014

Consolidated statement of cash flows

	Current quarter \$A '000	Year to date (9 months) \$A '000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for:		
(a) exploration & evaluation	(28)	(75)
(b) development	-	-
(c) production	-	-
(d) administration	315	(77)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	9	24
1.5 Interest and other costs of finance paid	-	(5)
1.6 Income taxes paid	-	-
1.7 Other	-	-
Net Operating Cash Flows	296	(133)
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)	296	(133)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	296	(133)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	(500)	70
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	12	68
1.17	Repayment of borrowings	75	-
1.18	Dividends paid	-	-
1.19	Other (share issue costs)	117	(3)
	Net financing cash flows	(296)	135
	Net increase (decrease) in cash held	0	2
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	3	3

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	6
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

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

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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

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+ 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	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	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	EL63/1547	Exploration License	Bare trust arrangement	100%

+ 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 <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	213,050,185	213,050,185		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	35,714,285	35,714,285		
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>	1,785,714 12,559,747	1,785,714 12,559,747	<i>Exercise price</i> \$0.07 \$.015	<i>Expiry date</i> 30 June 2016 31 December 2016
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				

+ See chapter 19 for defined terms.

