

21st November 2012



Revised Terms Negotiated for Peru Projects

Highlights

- Extension of time to complete first expenditure commitment on both projects
- Reduction in first period expenditure commitments on both projects in \$ terms
- AXG to pursue a spin out listed on the Toronto Venture Exchange to finance project expenditure

AXG Mining Limited (“AXG”) is pleased to announce that it has substantially modified the terms of the option agreements to farm in to the Condorama Project and the Coporaque Project in southern Peru. These modifications allow time to complete the listing of a spin out on the Toronto Venture Exchange and still allow time to complete the first year earn in obligations.

The revised terms have been outlined in the table attached to this announcement. The revised terms allow for more time to complete the first expenditure commitment, after which AXG can elect to withdraw from the farm in or continue spending to earn and also substantially reduce the amounts required to be spent in the first period.

For the Condorama Project, the first expenditure commitment has been reduced from US\$1,000,000 to US\$700,000 and the time to complete the expenditure has been increased from 12 months from signing of the agreement to 18 months.

For the Coporaque Project, the first expenditure commitment has been reduced from US\$500,000 to US\$300,000 and the time to complete the expenditure has been increased from 12 months from signing of the agreement to 24 months.

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These revisions allow AXG to pursue a spin out of these two projects into a separate vehicle that will be listed on the Toronto Venture Exchange (TSXV) and financed through investors sourced in North America. AXG shareholders will still have exposure to the projects via AXG's shareholding in the TSXV company. AXG is well advanced in this process and will make a market announcement when the terms of the transaction have been finalised.

The Condoroma Project is on the prolific *Andahuaylas-Yauri* mineral belt in South-Eastern Peru, South America. Oro y Paloma lies on the Sultana Fault, a significant regional structure that connects the property to the Tintaya cluster. The Tintaya cluster hosts the Tintaya Copper – Gold Mine, Antapacay and Coroccohuayo Deposits (Xstrata), as well as the Quechua Discovery (Pan Pacific Copper) and Hudbay Mining's Constancia project.

AXG's Condoroma Project is approximately 15 kilometres south of Tintaya and along the same mineral trend. The region currently hosts in excess of four billion tonnes of copper-gold discoveries.

For and on behalf of the board

Gordon Sklenka

Executive Director

Attachment 1
Comparison Table of Revised Terms and Payments

Condorama	Months		Exploration Expenditure		Payments - Lara	
	Original	Revised	Original (\$)	Revised (\$)	Original (\$)	Revised (\$)
First commitment period	12	18	1,000,000	700,000	100,000	100,000
Second period	12	12	1,000,000	1,200,000	200,000	200,000
Third period	12	12	1,500,000	1,600,000	500,000	500,000
	36	42	3,500,000	3,500,000	800,000	800,000
Coporaque	Months		Exploration Expenditure		Payments - Lara	
	Original	Revised	Original (\$)	Revised (\$)	Original (\$)	Revised (\$)
First commitment period	12	24	500,000	300,000	100,000	50,000
Second period	12	12	1,000,000	800,000	200,000	200,000
Third period	12	12	1,500,000	1,900,000	350,000	350,000
	36	48	3,000,000	3,000,000	650,000	600,000