

Ammex Gold Mining Corp.  
Form 10-K  
October 14, 2008

**United States**  
**Securities and Exchange Commission**  
**Washington, D.C. 20549**

---

**Form 10-K**

Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the Fiscal Year Ended June 30, 2008

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the Transition Period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 333-113296

---

Ammex Gold Mining Corp.

---

(Exact Name of Registrant as Specified in its Charter)

Nevada

98-0409895

-----

-----

(State or other jurisdiction of Incorporation)

(Employer Identification Number)

346 Waverley Street, Ottawa, Ontario Canada

K2P 0W5

-----

(Address of principal executive offices)

(Zip code)

(Zip code)

Registrant's Telephone Number, Including Area Code:

(613) 226-7883

Securities Registered Pursuant to Section 12(b) of the Act: NONE

Securities Registered Pursuant to Section 12(g) of the Act: NONE

Edgar Filing: Ammex Gold Mining Corp. - Form 10-K

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act  
Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act  
Yes  No

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>

Edgar Filing: Ammex Gold Mining Corp. - Form 10-K

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes( ) No (X)

Of the 50,833,492 shares of voting stock of the registrant issued and outstanding as of August 31, 2008, 47,807,471 shares were held by non-affiliates. The aggregate market value of the voting stock held by non-affiliates of the registrant computed by reference to the closing bid price of our Common Stock as reported on the OTC Bulletin Board on September 22, 2008 was approximately \$1,912,300 (based on a closing price of \$0.04 per share).

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY

PROCEEDINGS DURING THE PRECEDING FIVE YEARS

Indicate by check mark whether the Registrant has filed all documents and reports required to be filed by Section 12, 13, or 15 (d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes \_\_\_\_\_ No \_\_\_\_\_

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate by check mark the number of shares outstanding of each of the issuer's classes of Common Stock as of the latest practicable date: 50,833,492 shares of Common Stock, \$.001 par value as of August 31, 2008.

DOCUMENTS INCORPORATED BY REFERENCE: None

**PART I.**

This Form 10-K contains "forward-looking statements" relating to AmMex Gold Mining Corp. ("AmMex", "we", "our", or the "Company") which represent our current expectations or beliefs including, but not limited to, statements concerning our operations, performance, financial condition and growth. For this purpose, any statements contained in this Form 10-K that are not statements of historical fact are forward-looking statements. Without limiting the generality of the foregoing, words such as "may", "anticipate", "intend", "could", "estimate", or "continue" or the negative or other comparable terminology are intended to identify forward-looking statements. These statements by their nature involve substantial risks and uncertainties, such as credit losses, dependence on management and key personnel, variability of quarterly results, and our ability to continue our growth strategy and competition, certain of which are beyond our control. Should one or more of these risks or uncertainties materialize or should the underlying assumptions prove incorrect, actual outcomes and results could differ materially from those indicated in the forward-looking statements.

Any forward-looking statement speaks only as of the date on which such statement is made, and we undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time and it is not possible for us to predict all of such factors, nor can we assess the impact of each such factor on the business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

## **Item 1. Description of Business.**

### Background

We were incorporated on November 20, 2002 under the laws of the state of Nevada. Our initial focus was to develop high speed wireless internet access to the public via public hot spots. A hot spot is a location that is typically positioned in an area of high public traffic such as a downtown core; train, bus, ferry, or subway locations; hotel lobbies; coffee shops and similar venues. We were not successful in launching this business and we terminated this business in early 2006. In June 2006, Christopher Crupi was hired as our new president and chief executive officer. With the appointment of Mr. Crupi, management made the decision to refocus the Company's business operations on precious metal exploration, primarily gold and silver in North America. On August 18, 2006, we amended our certificate of incorporation with the state of Nevada to change our name to Ammex Gold Mining Corp. to more accurately reflect our new business focus. On December 19, 2007, Mr. Crupi tendered his resignation as an officer and director of the Company. Mr. Crupi resigned for personal reasons indicating that he no longer had sufficient time to devote his attention to the operations of the Company. Mr. Crupi also indicated that his resignation was not the result of any disagreement with the Company on any matters relating to the registrant's operations, policies or practices.

Concurrent with the resignation of Christopher Crupi, our Board of Directors appointed W. Campbell Birge as our new chief executive officer. Mr. Birge was also appointed to our Board of Directors to fill the seat vacated by Mr. Crupi.

Ammex Gold Mining Corp. ("Ammex" "we" or "us") is an exploration stage mining company with no ore reserves or mining operations. Our activities to date have been, and our current activities are, limited to searching for material from which we may be able to extract precious minerals and designing a process for profitable extraction. There is no assurance that commercially viable mineral deposits exist on any property we own or may acquire. Any further exploration will be required before a final evaluation as to the economic and legal feasibility of our plans can be made.

### **Exploration Stage Company**

We are an exploratory stage company engaged in the search for gold and other precious metal deposits primarily in Nevada and Mexico. As of the date of this report, we have not established that mineral reserves exist on any of our properties of a type and in a quantity and concentration that would warrant commercial mining. There can be no assurance that commercially viable mineral deposits will be found to exist on our properties, or that we will be able to design a commercially viable process to extract the precious metals.

We expense all costs related to the maintenance and exploration of mineral claims in which we have secured exploration rights prior to establishment of proven and probable reserves. To date, we have not established the commercial feasibility of our exploration prospects; therefore, all exploration costs are being expensed. When it has been determined that a mineral property can be economically developed as a result of establishing proven and probable reserves, the costs then incurred to develop such property are capitalized.

As an exploration stage company, we are not in a position to fund our cash requirements through our current operations. We currently do not have sufficient funds to implement our business plan and continuing our exploratory mining ventures. If we are unable to secure adequate capital to continue our exploration efforts, shareholders may lose some or all of the value of their common stock. Until now, we have relied primarily on equity financing to fund our operations. There can be no assurance that we will be able to secure additional equity or debt financing in the future.

### **MARKET DESCRIPTION**

#### **Gold and Silver:**

We are a precious metals exploration and development company. The gold and silver markets have been strong since 2001, where gold has increased from \$268 per ounce to a high of over \$1,000 per ounce to its current price of approximately \$850 per ounce. Silver has increased from \$4.58 per ounce to a high of \$21.00 per ounce to its current price of approximately \$13.85 per ounce (as of September 5, 2008). Management believes that both the gold and silver markets will remain strong for the foreseeable future.

## **Properties**

Due to cash constraints and poor drilling results we have abandoned the following projects:

### **Minera Jeronimo:**

On July 25, 2006 we acquired 100% of Minera Jeronimo S.A. de C.V. We acquired Minera Jeronimo by issuing 1,455,000 restricted shares of our common shares, valued at \$1.63 per share for a total consideration of \$2,371,650. Drilling results were not promising and we have abandoned this property.

### **Bailey Hills Property (Elko Nevada):**

On July 31, 2006 we entered into an option agreement to earn an 80% interest from Consolidated Global Minerals Ltd. in the Bailey Hills property located along the Carlin Trend within the Great Basin of Nevada. The Bailey Hills project covers approximately 4.5 square miles (approx. 3,000 acres) and consists of 150 mining claims within the southernmost part of the Carlin Trend, along a prospective northwest structural zone which hosts numerous world-class gold deposits. Results from surface exploration, geophysics and initial drilling were favorable and a drill program was implemented.

However, preliminary results from the drill program were not successful and we abandoned this project.

### **Callaghan Property (Austin, Nevada):**

On July 17, 2006 we signed a Letter of Intent to acquire a 100% interest in 29 claims, located 13 miles northeast of Austin, Nevada (Callaghan Property). Available data from prior exploration in the area confirmed the presence of highly anomalous concentrations of gold, arsenic, antimony, mercury, zinc and silver in soils, rock chips and drill cuttings, with associated decalcification of silty limestones and locally intense silicification. After exploring drilling opportunities and after our geologists compiled available data, we decided to abandon this project.

**The Concha Project:**

Our current operations are focused on the Concha project in Mexico. Mexico is currently one of the world's largest mineral producers. It is an ideal country for mining companies to operate given its stable government and inclusion in NAFTA.

In March 2008 we entered into a joint venture agreement to acquire 7,767 hectare Concha mineral concession located in the Melchor Ocampo mining district of Zacatecas, Mexico in conjunction with EXMIN Resources Inc. ( Exmin ) We provided confidential exploration data in order for EXMIN to stake an area with known potential for polymetallic mineralization in an area with intense exploration and mining activity. The name of the joint venture is:

**The AMMEX/EXMIN EXPLORATION JOINT VENTURE.**



Concha covers a 7 km by 2 km magnetic anomaly in a valley near outcropping mineralization with several small mines and prospects that were exploited in the past. Mineralization in the region is characterized by gold, zinc and silver replacement deposits related to intermediate intrusions and by diatremes, as at Penasquito. Stream sediment and soil samples in the area of the magnetic anomaly show anomalous metal values. Seven samples of loose rock fragments, or "float", collected in the valley fill material in the region of the anomaly averaged 0.435 grams per metric ton (g/t) gold, and 5 g/t silver, with one sample yielding 1.0 g/t gold and 229 g/t silver; one sample also reported 1.46% lead.

EXMIN held some adjacent ground and their ability to move quickly to claim the concession was key with the acquisition. The property has never been drilled. A work program with the objective to establish drill targets on the property has commenced.

Under the terms of a Joint Venture Agreement between the two companies, AmMex will provide detailed data and fund the first round of exploration drilling up to US \$150,000 to earn a 70% project interest while EXMIN will earn a 30% project interest for staking the concession and being the project operator for the initial phase of exploration. Costs incurred after the initial US \$150,000 will be split 70/30 with AmMex required to pay 70% of additional costs..

Edgar Filing: Ammex Gold Mining Corp. - Form 10-K

EXMIN is currently the project operator. However, AmMex reserves the right to identify drilling sites and advise EXMIN as to the appropriate expenditure of the funding supplied by AmMex. The majority owner of the joint venture retains the right to name the project manager.

Upon execution of the Joint Venture we agreed to the following allocation of the \$150,000 in drilling expenses:

**First Pass Drilling Budget:**

**Category**

**Rate**

**Cost**

Road Construction

50 hrs @ \$100/hr

US\$ 5,000

RC Drilling

2000 meters @ \$50/meter

100,000

Sample assays

1000 samples @ \$30/sample

30,000

Salaries

2 geologists and helpers

10,000

Travel and Camp expenses

25 days @ 100/day

5,000

\$150,000

The above costs and related expenses were incurred and paid by Exmin and we reimbursed Exmin a total of \$150,000 for these expenditures thus earning our 70% interest in the joint venture.

However, EXMIN, the project's operator, exceeded the budgeted drilling program. We have not paid for those expenses submitted in excess of the budgeted amounts. We are now in discussion with EXMIN on how to address those expenses incurred by Exmin in excess of the budgeted amounts. If we do not make the required contribution, we may be deemed in default after notice and failure to cure from Exmin. Exmin will then have the right to reacquire our percentage interest in the joint venture upon reimbursing us for all sums paid to date.

## **Regulation and Licensing**

Our exploration activities will be subject to various laws and regulations governing prospecting, taxes, labor standards, occupational safety and health, waste disposal, protection and reclamation of the environment, protection of endangered and protected species, toxic substances and other matters. We may in the future be subject to clean up liability under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 and other federal and state rules that establish cleanup liability for the release of hazardous substances. Further amendments to current laws and regulations governing operations and activities of companies involved in mineral exploration are actively considered from time to time and could have a material adverse impact on us.

We may also be subject to environmental and employment regulations at the state level. We do not expect to incur a material expense in complying with state requirements, unless or until we advance to the development or production stage.

We will be required to obtain necessary permits or exemptions for exploration work to commence. Once we commence exploratory activities, we may experience material adverse economic effects as a result of complying with applicable laws relating to the protection of the environment. If and when we are able to commence exploration or production, such issues will become more complex and costly to deal with.

Environmental and other laws and regulations change periodically. We cannot determine the impact of future changes in such laws and regulations on our operations or future financial position. We believe the Company is currently in substantial compliance with all applicable environmental laws and regulations. If we are not in compliance with any such law or regulation, we may be subject to fines, clean-up orders, restrictions on operations, or other penalties.

## **Competition**

The business of mineral exploration is highly competitive and tends to be dominated by a limited number of major mining companies. Although we do not compete directly against any particular firms for sales or market share, many of the human and physical resources we may require - such as engineering professionals, geologists, skilled equipment operators, and managers, as well as extractive and metallurgical processes and equipment -- are also sought by companies with substantially greater financial means than we possess, which places us at a competitive disadvantage

in obtaining such resources. Accordingly, we cannot be certain that we will be able to obtain the human and physical resources we may need from time to time or to obtain them at an affordable cost.

## **Item 1a. Risk Factors**

### **COMPANY RISKS**

Before you invest in our securities, you should be aware that there are various risks. You should consider carefully these risk factors, together with all of the other information included in this annual report before you decide to purchase our securities. If any of the following risks and uncertainties develop into actual events, our business, financial condition or results of operations could be materially adversely affected and you could lose all of your investment in our company.

**We have no current operations and a history of losses. Losses will likely continue in the future.**

We have no current operations and extremely limited resources. We have incurred losses in the past and will likely continue to incur losses unless we are able to develop our joint venture on the La Concha property. . Even if the Exmin joint venture identifies gold or other mineral reserves, there can be no assurance that we will be able to commercially exploit these resources or generate sufficient revenues to operate profitably.

**We will need to raise additional capital.**

The commercial exploitation of the mining property and the potential acquisition of additional properties will require additional capital. There is no commitment in place to secure this additional financing. Any equity financing may be dilutive to shareholders, and debt financing, if available, would increase expenses and may involve restrictive covenants. The Company will be required to raise additional capital, at times and in amounts, which are uncertain, especially under the current capital market conditions. Under these circumstances, if the Company is unable to acquire additional capital or is required to raise it on terms that are less satisfactory than desired, it may have a material adverse effect on its financial condition.

**We need to obtain financing in order to continue our operations.**

On a prospective basis, we will require both short-term financing for operations and long-term capital to fund our mining activities. We have no existing bank lines of credit and have not established any definitive sources for additional financing. We will require additional funding if we want to commercially exploit the any mining property. Additional financing may not be available to us, or if available, then it may not be available upon terms and conditions acceptable to us. If adequate funds are not available, then we may be required to delay, reduce or abandon our mining properties.

**We have no history as a mining company.**

We have no history of earnings or cash flow from mining operations and our current management has limited experience in the mining industry. If we are able to proceed to production, commercial viability will be affected by factors that are beyond our control. Including the particular attributes of the deposit, the fluctuation in metal prices, the cost of construction and operating a mine, prices and refining facilities, the availability of economic sources for energy, government regulations including regulations relating to prices, royalties, restrictions on production, quotas on exploration of minerals, as well as the costs of protection of the environment.

**No ongoing mining operations**

We are not a mining company and have no ongoing mining operations of any kind. Our sole operations at this time are the EXMIN Joint Venture. If this joint venture is not successful, it is unlikely that we will be able to continue operations and you will lose your investment.

**There may be insufficient mineral reserves to develop the property and our estimates may be inaccurate .**

There is no certainty that any expenditures made in the exploration of any properties will result in discoveries of commercially recoverable quantities of ore. Most exploration projects do not result in the discovery of commercially mineable deposits of ore and no assurance can be given that any particular level of recovery of gold from discovered mineralization will in fact be realized or that any identified mineral deposit will ever qualify as a commercially mineable ore body which can be legally and economically exploited. Estimates of reserves, mineral deposits and production costs can also be affected by such factors as environmental regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade of ore ultimately mined may differ from that indicated by drilling results. Short term factors relating to reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on mining operations and on the results of operations. There can be no assurance that gold recovered in small scale laboratory tests will be duplicated in large scale tests under on-site production conditions. Material changes in estimated reserves, grades, stripping ratios or recovery rates may affect the economic viability of any project.

**We face fluctuating gold and mineral prices and currency volatility.**

The price of gold as well as other precious base metals has experienced volatile and significant price movements over short periods of time and is affected by numerous factors beyond our control, including international economic and political trends, expectations of inflation, currency exchange fluctuations (including, the US dollar relative to other currencies) interest rates, global or regional consumption patterns, speculative activities and increases in production due to improved mining and production methods. The supply of and demand for gold, other precious and base metals are affected by various factors, including political events, economic conditions and production costs in major mineral producing regions.

**Mining operations are hazardous, raise environmental concerns and raise insurance risks.**

Mining operations are by their nature subject to a variety of risks, such as cave-ins and other accidents, flooding, environmental hazards, the discharge of toxic chemicals and other hazards. Such occurrences may delay development or production, increase production costs or result in a liability. We may not be able to insure fully or at all against such risks, due to political or other reasons, or we may decide not to take out insurance against such risks as a result of high premiums or other reasons. We intend to conduct our business in a way that safeguards public health and the environment and in compliance with applicable laws and regulations. Environmental hazards may exist on properties in which we hold an interest which are unknown to us and may have been caused by prior owners. Changes to mining laws and regulations could require additional capital expenditures and increase operating and/or reclamation costs. Although we are unable to predict what additional legislation, if any, might be proposed or enacted, additional regulatory requirements could render certain mining operations uneconomic.

**Requirement for Permits and Licenses**

Our future operations, including exploration and development activities, required permits from various governmental authorities. Such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labor standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. There can be no assurance that we will be able to acquire all required licenses or permits or to maintain continued operations at economically justifiable costs.

### **Currency Fluctuations**

Any mining operations we undertake outside of the United States will be subject to currency fluctuations. Fluctuations in the exchange rate between the U.S. dollar and any foreign currency may adversely impact our operations. We do not anticipate that we will enter into any type of hedging transactions to offset this risk.

### **Political Stability**

We intend to conduct operations in democratic and stable countries. However, with Mexico, like other developing countries, there is a greater likelihood of political unrest and changing rules and regulations regarding foreign investment. Political unrest would likely destabilize the country. This would in all likelihood adversely impact our proposed operations in any foreign jurisdiction.

### **Title Matters**

While we intend to conduct our own due diligence prior to committing significant funds to any project, mining properties may be subject to prior unregistered agreements, transfers or claims and title may be affected by undetected defects. Should this occur, we face significant delays, costs and the possible loss of any investments or commitment of capital.

**Because of the speculative nature of exploration for gold and other precious metals, there is substantial risk that our business will fail.**

The search for gold and other precious metals as a business is extremely risky. We cannot provide any assurances that the gold mining interests that we acquired will contain commercially exploitable reserves of gold or other precious metals. Exploration for minerals is a speculative venture necessarily involving substantial risk. Any expenditure that we make may not result in the discovery of commercially exploitable reserves of gold.

**The gold market is a volatile market, will have a direct impact on the Company's revenues and profits and will probably affect whether the Company will be able to succeed.**

The current price of an ounce of gold on September 22, 2008 was approximately \$900 per ounce. The price of gold has generally increased over the past few years. However, during the last six months there has been a slow decline marked by unexpected increases. This has contributed to the renewed interest in gold mining and companies engaged in that business, including the exploration for gold. However, in the event that the price of gold falls, the interest in the gold mining industry may decline and the value of the Company's business could be adversely affected. Further, although it is anticipated that gold mining costs outside of the United States and Canada will be appreciably lower, no assurances can be given that the situation will remain, or that gold will remain at a price that will make mining operations profitable. Finally, in recent decades, there have been periods of both overproduction and underproduction of gold resources. Such conditions have resulted in period of excess supply of and reduced demand for gold on a worldwide basis and on a domestic basis. These periods have been followed by periods of short supply of and increased demand for gold. The excess or short supply of gold has placed pressure on prices and has resulted in dramatic price fluctuations even during relatively short periods of seasonal market demand. We cannot predict what the market for gold will be in the future.

**Government regulation, or changes in such regulation may adversely affect the Company's business.**

The Company has and will, in the future, engage experts to assist it with respect to its operations. The Company is beginning to deal with the various regulatory and governmental agencies, and the rules and regulations of such agencies. No assurances can be given that it will be successful in its efforts. Further, in order for the Company to operate and grow its business, it needs to continually conform to the laws, rules and regulations of such jurisdiction. It is possible that the legal and regulatory environment pertaining to the exploration and development of gold mining properties will change. Uncertainty and new regulations and rules could increase the Company's cost of doing business or prevent it from conducting its business.

**Our success will be largely dependent upon our ability to hire key personnel.**

The Company will have to hire key employees and consultants knowledgeable in operating exploratory and drilling activities. There can be no assurance that we will be able to locate qualified employees or consultants and if located, there can be no assurance that we will have sufficient funds to pay for their services. In addition, both Mr. Reed and Mr. Birge do not devote a majority of their time to the operations of the Company. There can be no assurance that either Mr. Birge or Mr. Reed will be able to commit sufficient time to our operations.

**Our executive officers serve as executive officers of another mining company.**



Both Mr. Reed and Ms. Letellier also serve as executive officers of Paramount Gold and Silver Corp, an exploratory stage mining company. Our executive officers may be presented with business opportunities suitable for either entity. No formal plan or arrangement has been agreed upon to determine the resolution of any conflicts of interest.

Many of our potential competitors have:

.  
greater financial and technical resources;

.  
longer operating histories and greater experience in mining;

.  
greater awareness of the political, economic and governmental risks in operating in Ghana.

It is unlikely that we will be able to sustain profitability in the future.

We incurred losses during four last fiscal years and there can be no assurance that we will be able to reverse this trend. Even if we are able to successfully identify commercially exploitable mining reserves, there can be no assurance that we will have sufficient financing to exploit these reserves or find a willing buyer for the properties.

**We have no reserves, no mining operations, and no income**

We currently have no revenues from operations, no mining operations, and no reserves. Reserves, by definition, contain mineral deposits in a quantity and in a form from which the target minerals may be economically and legally extracted or produced. We have not established that precious minerals exist in any quantity in the property which is the focus of our exploration efforts, and unless or until we do so we will not have any income from operations.

**Exploration for economic deposits of minerals is speculative.**

The business of mineral exploration is very speculative, since there is generally no way to recover any of the funds expended on exploration unless the existence of mineable reserves can be established and the Company can exploit those reserves by either commencing mining operations, selling or leasing its interest in the property, or entering into a joint venture with a larger resource company that can further develop the property to the production stage. Unless we can establish and exploit reserves before our funds are exhausted, we will have to discontinue operations, which could make our stock valueless.

**It is unlikely that we will be able to sustain profitability in the future.**

We incurred significant losses since our inception and there can be no assurance that we will be able to reverse this trend. Even if we are able to successfully identify commercially exploitable mining reserves, there can be no assurance that we will have sufficient financing to exploit these reserves or find a willing buyer for the properties.

**We have no reserves, no mining operations, and no income**

We currently have no revenues from operations, no mining operations, and no reserves. Reserves, by definition, contain mineral deposits in a quantity and in a form from which the target minerals may be economically and legally extracted or produced. We have not established that precious minerals exist in any quantity on any property which is the focus of our exploration efforts, and unless or until we do so we will not have any income from operations.

**We self-insure against typical business risks.**

The Company does not maintain property and liability insurance against risks which are typical in the operation of its business. In view of its very limited operations, the difficulty of obtaining such insurance, the high deductibles and broad exclusions common to such policies, as well as the direct cost involved, the Company has determined not to obtain such coverage until it is warranted by its operations. The lack of such insurance could result in significant economic hardship for the Company should it suffer losses prior to obtaining coverage, perhaps resulting in the failure of our business.

**We are experiencing recurring liquidity problems.**

We have incurred net losses since our inception, and do not expect to generate revenues from mining operations in the foreseeable future. We have had to rely on periodic infusions of capital to cover our operating expenses. If we are unable to secure timely infusions of cash we will not be able to continue with the exploration of our properties and the designing of our recovery systems, will not be able to generate revenues, and may be forced to discontinue operations.

**Our stock price may be volatile**

The market price of our common stock has historically been volatile. We believe investors should expect continued volatility in our stock price as a result of various factors, including:

1. low daily trading volume,
2. generally large spreads between quoted bid and offer prices,
3. uncertainty of the company's future,
4. sales of substantial amounts of our common stock by existing stockholders, including short sales,
5. Company disclosures regarding the results of various stages of our exploration operations.

Such volatility may make it difficult or impossible for you to obtain a favorable selling price for our shares.

**We may issue additional common shares in the future which would dilute the outstanding shares .**

The prices at which we sell these securities and other terms and provisions will depend on prevailing market conditions and other factors in effect at that time, all of which are beyond our control.

**Growth of our businesses is substantially dependent upon our ability to attract, develop and retain qualified and skilled mining professionals .**

A key component of our ability to grow our lines of business includes our ability to attract, develop and retain qualified mining professionals. The available pool of qualified candidates is limited. We cannot assure that we will be able to recruit, develop and retain qualified candidates in sufficient numbers to meet our staffing needs. Failure to attract and retain mining professionals could adversely affect our business, financial condition and results of

operations.

**The mining industry is highly competitive and the success and future growth of our business depend upon our ability to remain competitive in identifying and developing mining properties with sufficient reserves for economic exploitation.**

The mining industry is highly competitive and fragmented with limited barriers to entry, especially at the exploratory stages. We compete in national, regional and local markets with large multi-national corporations and against start-up operators hoping to identify a mining reserve. Some of our competitors have significantly greater financial resources than we do. This puts us at a competitive disadvantage if we choose to further exploit mining opportunities. As we expand into new geographic markets, our success will depend in part on our ability to locate and exploit mineral reserves.

**The loss of key members of our senior management team could adversely affect the execution of our business strategy and our financial results.**

We believe that the successful execution of our business strategy and our ability to move beyond the exploratory stages depends on the continued employment of key members of our senior management team. If any members of our senior management team become unable or unwilling to continue in their present positions, our financial results and our business could be materially adversely affected.

**We operate in a regulated industry and changes in regulations or violations of regulations may result in increased costs or sanctions that could reduce our revenues and profitability .**

Our organization is subject to extensive and complex foreign, federal and state laws and regulations. If we fail to comply with the laws and regulations that are directly applicable to our business, we could suffer civil and/or criminal penalties or be subject to injunctions or cease and desist orders. While we believe that we are currently compliant with applicable rules and regulations, if there are changes in the future, there can be no assurance that we will be able to comply in the future, or that future compliance will not significantly adversely impact our operations.

**We have not voluntarily implemented various corporate governance measures, in the absence of which, shareholders may have more limited protections against interested director transactions, conflicts of interest and similar matters .**

Recent federal legislation, including the Sarbanes-Oxley Act of 2002, has resulted in the adoption of various corporate governance measures designed to promote the integrity of the corporate management and the securities markets. Some of these measures have been adopted in response to legal requirements. Others have been adopted by companies in response to the requirements of national securities exchanges, such as the NYSE or The Nasdaq Stock Market, on which their securities are listed. Among the corporate governance measures that are required under the rules of national securities exchanges and Nasdaq are those that address board of directors' independence, audit committee oversight, and the adoption of a code of ethics. While our board of directors has adopted a Code of Ethics and Business Conduct, we have not yet adopted any of these corporate governance measures and, since our securities are not listed on a national securities exchange or Nasdaq, we are currently not required to do so. It is possible that if we were to adopt some or all of these corporate governance measures, shareholders would benefit from somewhat greater assurances that internal corporate decisions were being made by disinterested directors and that policies had been implemented to define responsible conduct. For example, in the absence of audit, nominating and compensation committees comprised of at least a majority of independent directors, decisions concerning matters such as compensation packages to our senior officers and recommendations for director nominees may be made by a majority of directors who have an interest in the outcome of the matters being decided. Prospective investors should bear in mind our current lack of corporate governance measures in formulating their investment decisions.

**We may be exposed to potential risks relating to our internal controls over financial reporting and our ability to have those controls attested to by our independent auditors.**

As directed by Section 404 of the Sarbanes-Oxley Act of 2002 ("SOX 404"), the Securities and Exchange Commission adopted rules requiring public companies to include a report of management on the company's internal controls over financial reporting in their annual reports, including Form 10-K. In addition, the independent registered public accounting firm auditing a company's financial statements must also attest to and report on management's assessment of the effectiveness of the company's internal controls over financial reporting as well as the operating effectiveness of the company's internal controls. We are evaluating our internal control systems in order to allow our management to report on, and our independent auditors attest to, our internal controls, as a required part of our Annual Report on Form 10-K beginning with our report for the fiscal year ended June 30, 2009.

We expect to expend significant resources in developing the necessary documentation and testing procedures required by SOX 404, there is a risk that we will not comply with all of the requirements imposed thereby. At present, there is no precedent available with which to measure compliance adequacy. Accordingly, there can be no positive assurance that we will receive a positive attestation from our independent auditors. In the event we identify significant deficiencies or material weaknesses in our internal controls that we cannot remediate in a timely manner or we are unable to receive a positive attestation from our independent auditors with respect to our internal controls, investors and others may lose confidence in the reliability of our financial statements and our ability to obtain equity or debt financing could suffer.

**"Penny stock" rules may make buying or selling the common stock difficult and severely limit their market and liquidity.**

Trading in the Company's common stock is subject to certain regulations adopted by the SEC commonly known as the "Penny Stock Rules". The Company's common stock qualifies as penny stock and is covered by Section 15(g) of the Securities and Exchange Act of 1934, as amended (the "1934 Act"), which imposes additional sales practice requirements on broker/dealers who sell the Company's common stock in the market. The "Penny Stock" rules govern how broker/dealers can deal with their clients and "penny stock". For sales of the Company's common stock, the broker/dealer must make a special suitability determination and receive from clients a written agreement prior to making a sale. The additional burdens imposed upon broker/dealers by the "penny stock" rules may discourage broker/dealers from effecting transactions in the Company's common stock, which could severely limit its market price and liquidity. This could prevent investors from reselling our common stock and may cause the price of the common

stock to decline.

**Although publicly traded, our common stock has substantially less liquidity than the average trading market for a stock quoted on other national exchanges, and our price may fluctuate dramatically in the future.**

Although the Company's common stock is listed for trading on the Over-the-Counter Electronic Bulletin Board, the trading market in the common stock has substantially less liquidity than the average trading market for companies quoted on other national stock exchanges and our price may fluctuate dramatically. A public trading market having the desired characteristics of depth, liquidity and orderliness depends on the presence in the marketplace of willing buyers and sellers of our common stock at any given time. This presence depends on the individual decisions of investors and general economic and market conditions over which we have no control. Due to limited trading volume, the market price of the Company's common stock may fluctuate significantly in the future, and these fluctuations may be unrelated to the Company's performance. General market price declines or overall market volatility in the future could adversely affect the price of the Company's common stock, and the current market price may not be indicative of

future market prices.

## **SPECIAL NOTE ON FORWARD-LOOKING STATEMENTS**

This Form 10-K contains "forward-looking statements" relating to Ammex Gold Mining Corp. (Ammex we, our, or the Company) which represent our current expectations or beliefs including, but not limited to, statements concerning our operations, performance, financial condition and growth. For this purpose, any statements contained in this Form 10-K that are not statements of historical fact are forward-looking statements. Without limiting the generality of the foregoing, words such as "may", "anticipate", "intend", "could", "estimate", or "continue" or the negative or other comparable terminology are intended to identify forward-looking statements. These statements by their nature involve substantial risks and uncertainties, such as credit losses, dependence on management and key personnel, variability of quarterly results, and our ability to continue our growth strategy and competition, certain of which are beyond our control. Should one or more of these risks or uncertainties materialize or should the underlying assumptions prove incorrect, actual outcomes and results could differ materially from those indicated in the forward-looking statements.

Any forward-looking statement speaks only as of the date on which such statement is made, and we undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time and it is not possible for us to predict all of such factors, nor can we assess the impact of each such factor on the business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

**Item 2. Description of Properties.**

Our corporate headquarters are located at 346 Waverley Street, Ottawa, Ontario, Canada K2P 0W5. We lease approximately 750 square feet . Our monthly rent is \$700 Our current lease runs through to July 31, 2010. The office facilities meet our current needs and our current monthly rent is equivalent to the monthly rent we would be required to pay for similar office space.

**Item 3. Legal Proceedings**

None.

**Item 4. Submission of Matters to a Vote of the Security Holders.**

No matters were submitted to a vote of our security holders during the most recent quarter.

**PART II**

**Item 5. Market for Common Equity and Related Stockholder Matters.**

**A. Market Information**

Our common stock trades on the NASDAQ Over-the-Counter-Bulletin Board under the symbol ("AMXG"). There is a very limited market for our common stock, with very limited trading activities. Until July 6, 2006, there was no posted bid or ask price for our common stock. The reported bid quotations reflect inter-dealer prices without retail markup, markdown or commissions, and may not necessarily represent actual transactions.

The high and low bid price for those periods in which quotes are available is set forth below:

2008

HIGH

LOW

First Quarter

\$0.17

\$0.07

Second Quarter

\$0.15

\$0.06

Third Quarter (through September 22)

\$0.07

\$0.03



2007

First Quarter

\$0.63

\$0.31

Second Quarter

\$0.52

\$0.35

Third Quarter

\$0.52

\$0.24

Fourth Quarter

\$0.25

\$0.14

2006

First Quarter

\$nil

\$nil

Second Quarter

\$nil

\$nil

Third Quarter

\$1.92

\$0.04

Fourth Quarter

\$0.72

\$0.32

## **B. Holders**

As of August 31, 2008 there were 133 shareholders of record of our Common Stock.

Our transfer agent is Corporate Stock Transfer. Their mailing address is 3200 Cherry Creek Drive South, Suite 430, Denver, Colorado 80209 and their telephone number is 303-282-4800.

## **C. Dividends**

Holders of our common stock are entitled to receive such dividends as our board of directors may declare from time to time from any surplus that we may have. We have not paid dividends on our common stock since the date of our incorporation and we do not anticipate paying any common stock dividends in the foreseeable future. We anticipate that any earnings will be retained for development and expansion of our businesses and we do not anticipate paying any cash dividends in the foreseeable future. Future dividend policy will depend upon our earnings, financial condition, contractual restrictions and other factors considered relevant by our Board of Directors and will be subject to limitations imposed under Nevada law.

## **D. Equity Compensation Plans**

### 2007/08 Stock INCENTIVE AND COMPENSATION PLAN

We have approved the 2007/08 Stock Incentive and Compensation Plan n (the Plan ). The purpose of the Plan is to enhance the profitability and value of the Company for the benefit of its stockholders by enabling the Company to

attract, retain and reward directors, employees and consultants (collectively, *Participants*) and strengthen the mutuality of interests between such persons and the Company's stockholders.

#### *Awards*

Pursuant to the Plan, the Company may issue non-qualified stock options (*Non-Qualified Stock Options*), incentive stock options (*Incentive Stock Options*), together with Non-Qualified Stock Options referred to herein as *Stock Options*, stock appreciation rights (*Stock Appreciation Rights*), restricted stock (*Restricted Stock*) and registered stock (*Registered Stock*), (collectively, the *Awards*) to eligible *Participants*.

All employees of and consultants to the Company and its affiliates are eligible to be granted Non-Qualified Stock Options, Stock Appreciation Rights, Restricted Stock and Registered Stock. All employees and directors of the Company and its affiliates are eligible to be granted Incentive Stock Options.

The aggregate number of shares of Common Stock which may be issued under the Plan with respect to which Awards may be granted shall not exceed 6,000,000 shares of Common Stock. Pursuant to the Plan, we have issued 500,000 shares of common stock and 500,000 options at a price of .20 per share to Campbell Birge. As of the date hereof, no Stock Appreciation Rights, Restricted Stock or Registered Stock have been issued under the Plan.

If any Stock Option or Stock Appreciation Right granted under the Plan expires, terminates or is cancelled for any reason without having been exercised in full or, with respect to Stock Options, the Company repurchases any Stock Option, the number of shares of Common Stock underlying the repurchased Stock Option, and/or the number of shares of Common Stock underlying any unexercised Stock Appreciation Right or Stock Option shall again be available for the purposes of Awards under the Plan.

#### *Administration*

The Plan is administered and interpreted by a Committee (*Committee*) appointed by the Board of Directors, or if no Committee, by the Board of Directors. The Company expects the Plan will be administered by the newly formed Compensation Committee. The Committee has full authority, among other things, to: (a) select the eligible employees and consultants to whom Stock Options, Stock Appreciation Rights, Restricted Stock or Registered Stock may from time to time be granted; (b) determine, in accordance with the terms of the Plan, the number of shares of Common Stock to be covered by each Award to an eligible employee or consultant granted; and (c) determine the terms and conditions of any Award granted hereunder, including, but not limited to, the exercise or purchase price (if any), any restriction or limitation, any vesting schedule or acceleration thereof, or any forfeiture restrictions or waiver thereof, regarding any Stock Option or other Award, and the Common Stock relating thereto, based on such factors, if any, as the Committee shall determine, in its sole discretion.

#### *Stock Options*

The option price per Common Stock purchasable under an Incentive Stock Option shall not be less than 100% of the fair market value of the Common Stock at the time of grant. For the purposes of the Plan, the *fair market value* means: (i) if the Common Stock is listed on a national securities exchange or quoted on the Nasdaq National Market or Nasdaq SmallCap Market, the last sale price of the Common Stock in the principal trading market for the Common Stock on such date; (ii) if the Common Stock is not listed on a national securities exchange or quoted on the Nasdaq National Market or Nasdaq SmallCap Market, but is traded in the over-the-counter market, the closing bid price for the Common Stock on such date, as reported by the OTC Bulletin Board or the National Quotation Bureau, Incorporated or similar publisher of such quotations; and (iii) if the fair market value of the Common Stock cannot be otherwise determined, such price as the Committee shall determine, in good faith, based on reasonable methods set forth under Section 422 of the Code.

The purchase price of shares of Common Stock subject to a Non-Qualified Stock Option shall be determined by the Committee.

The term of each Stock Option shall be fixed by the Committee, but no Stock Option shall be exercisable more than ten (10) years after the date the Stock Option is granted.

#### *Stock Awards*

Shares of Restricted Stock or Registered Stock may be issued to eligible employees or consultants either alone or in addition to other Awards granted under the Plan. The Committee shall determine the eligible persons to whom, and the time or times at which, grants of Restricted Stock or Registered Stock will be made, the number of shares to be awarded, the price (if any) to be paid by the recipient, the time or times within which such Awards may be subject to forfeiture, the vesting schedule and rights to acceleration thereof, and all other terms and conditions of the Awards.

The purchase price of Restricted Stock shall be fixed by the Committee. The purchase price for shares of Restricted Stock may be zero to the extent permitted by applicable law. The Participant shall not be permitted to transfer shares of Restricted Stock awarded under the Plan during a period set by the Committee.

#### *Tandem Stock Appreciation Rights*

Stock Appreciation Rights may be granted in conjunction with all or part of any Stock Option (a Reference Stock Option ) granted under the Plan ( Tandem Stock Appreciation Rights ). In the case of a Non-Qualified Stock Option, such rights may be granted either at or after the time of the grant of such Reference Stock Option. In the case of an Incentive Stock Option, such rights may be granted only at the time of the grant of such Reference Stock Option.

A Tandem Stock Appreciation Right or applicable portion thereof granted with respect to a Reference Stock Option shall terminate and no longer be exercisable upon the termination or exercise of the Reference Stock Option, except that, unless otherwise determined by the Committee, in its sole discretion, at the time of grant, a Tandem Stock Appreciation Right granted with respect to less than the full number of shares covered by the Reference Stock Option shall not be reduced until and then only to the extent the exercise or termination of the Reference Stock Option causes the number of shares covered by the Tandem Stock Appreciation Right to exceed the number of shares remaining available and unexercised under the Reference Stock Option.

Upon the exercise of a Tandem Stock Appreciation Right, a Participant shall be entitled to receive up to, but no more than, an amount in cash and/or Common Stock equal in value to the excess of the fair market value of one share of Common Stock over the option price per share specified in the Reference Stock Option multiplied by the number of shares in respect of which the Tandem Stock Appreciation Right shall have been exercised, with the Committee having the right to determine the form of payment.

#### *Non-Tandem Stock Appreciation Rights*

Stock Appreciation Rights may also be granted without reference to any Stock Options granted under the Plan ( Non-Tandem Stock Appreciation Rights ). The term of each Non-Tandem Stock Appreciation Right shall be fixed by the Committee, but shall not be greater than ten (10) years after the date the right is granted.

Non-Tandem Stock Appreciation Rights shall be exercisable at such time or times and subject to such terms and conditions as shall be determined by the Committee at grant. Subject to such terms and conditions, Non-Tandem Stock Appreciation Rights may be exercised in whole or in part at any time during the option term, by giving written notice of exercise to the Company specifying the number of Non-Tandem Stock Appreciation Rights to be exercised.

Upon the exercise of a Non-Tandem Stock Appreciation Right, a Participant shall be entitled to receive, for each right exercised, up to, but no more than, an amount in cash and/or Common Stock equal in value to the excess of the fair

market value of one share of Common Stock on the date the right is exercised over the fair market value of one (1) share of Common Stock on the date the right was awarded to the Participant.

*Transfer of Awards*

No Stock Option or Stock Appreciation Right granted shall be transferable by the Participant otherwise than by will or by the laws of descent and distribution. All Stock Options and all Stock Appreciation Rights granted to Participants shall be exercisable, during the Participant's lifetime, only by the Participant. Tandem Stock Appreciation Rights shall be transferable, to the extent permitted, only with the underlying Stock Option. Shares of Restricted Stock may not be transferred prior to the date on which shares are issued, or, if later, the date on which any applicable restriction period lapses.

*Termination of Employment*

Generally, unless otherwise determined by the Committee at grant, if a Participant is terminated for cause, any Stock Option held by such Participant shall thereupon terminate and expire as of the date of termination. Unless otherwise determined by the Committee at grant, any Stock Option held by a Participant:

(i)

on death or termination of employment or consultancy by reason of disability or retirement may be exercised, to the extent exercisable at the Participant's death or termination, by the legal representative of the estate or Participant as the case may be, at any time within a period of one (1) year from the date of such death or termination;

(ii)

on termination of employment or consultancy by involuntary termination without cause or for good reason may be exercised, by the Participant at any time within a period of ninety (90) days from the date of such termination; or

(iii)

on termination of employment or consultancy by voluntary termination but without good reason and occurs prior to, or more than ninety (90) days after, the occurrence of an event which would be grounds for termination by the Company for cause, any Stock Option held by such Participant may be exercised, to the extent exercisable at termination, by the Participant at any time within a period of thirty (30) days from the date of such termination,

but in no event beyond the expiration of the stated term of such Stock Option.

*Amendments to the Plan*

The Board may at any time amend, in whole or in part, any or all of the provisions of the Plan, or suspend or terminate the Plan entirely. Provided, however, that, unless otherwise required by law or specifically provided in the Plan, the rights of a Participant with respect to Awards granted prior to such amendment, suspension or termination, may not be impaired without the consent of such Participant and, provided further, without the approval of the stockholders of the Company, if and to the extent required by the applicable provisions of Rule 16b-3 of the 1934 Act or, if and to the extent required, under the applicable provisions of the Code, no amendment may be made which would, among other things: increase the aggregate number of shares of Common Stock that may be issued under the Plan; change the classification of Participants eligible to receive Awards under the Plan; decrease the minimum option price of any Stock Option; extend the maximum option period; change any rights under the Plan with regard to non-employee

directors; or require stockholder approval in order for the Plan to continue to comply with the applicable provisions.

#### **E. Sale of Unregistered Securities**

We have issued shares of our common stock for services rendered and pursuant to a private placement of the Company's securities. to acquire mineral rights. We relied on the exemptive provisions of Section 4(2) of the Securities Act. We have also offered shares pursuant to the exemptive provisions of Regulation S.

With respect to the sale of all unregistered securities:

- the sale was made to a sophisticated or accredited investor, as defined in Rule 502;
  
- we gave the purchaser the opportunity to ask questions and receive answers concerning the terms and conditions of the offering and to obtain any additional information which we possessed or could acquire without unreasonable effort or expense that is necessary to verify the accuracy of information furnished;
  
- at a reasonable time prior to the sale of securities, we advised the purchaser of the limitations on resale in the manner contained in Rule 502(d)2; and
  
- neither we nor any person acting on our behalf sold the securities by any form of general solicitation or general advertising; and

The \$555,000 received from the sale of unregistered securities was used for general working capital purposes.

#### **Item 6.**

#### **SUMMARY OF FINANCIAL DATA**

The following consolidated financial data has been derived from and should be read in conjunction with our audited interim financial statements for the years ended June 30, 2008 and 2007.

	<b>Year</b>	
	<b>Ended June 30, 2008</b>	<b>Year Ended June 30, 2007</b>
	<i>(Audited)</i>	<i>(Audited)</i>
Revenue	\$ 9,831	\$ 2,631
Expenses	\$ 4,411,702	\$ 2,037,562
Cash	\$ 82,054	\$ 25,183
Total Assets	\$ 258,864	\$ 2,521,026
Current Liabilities	\$ 114,015	231,409
Total Liabilities	\$ 114,015	\$ 231,409
Working Capital (Deficit)	\$ 139,015	\$ (124,325)
Accumulated Deficit	\$ 6,708,431	\$ (2,310,963)

**Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.**

**FORWARD LOOKING STATEMENTS**

The statements contained in this report that are not historical facts are forward-looking statements within the meaning of the Private Securities Litigation Reform Act. Forward-looking statements are made based upon management's current expectations and beliefs concerning future developments and their potential effects upon the Company. There can be no assurance that future developments affecting the Company will be those anticipated by management. Actual results may differ materially from those included in the forward-looking statements.

Readers are also directed to other risks and uncertainties discussed in other documents filed by the Company with the Securities and Exchange Commission. The Company undertakes no obligation to update or revise any forward-looking information, whether as a result of new information, future developments or otherwise.

The following discussion and analysis should be read in conjunction with our audited financial statements for the fiscal year ended June 30, 2008.

## Introduction

We are an exploratory stage mining company, that is, we have option agreements on mining claims on certain properties but no proven reserves. We are an exploratory stage mining company, that is, we have option agreement on claims to numerous mining concessions in Mexico and Nevada. We have not proven that they contain precious metals having commercial value. Both internally and using independent laboratories, we have conducted numerous tests on the surface assays and core samples from drilling.

Results Of Operations For Fiscal Year Ended June 30, 2008 as compared to June 30, 2007

### *Revenues*

We are an exploratory mining company with no revenues from operations to date. All of our revenues to date represent interest income which we have earned as a result of our cash holdings. Our cash holdings were generated from the sale of our securities. Interest income for the year ended June 30, 2008 totaled \$9,833 as compared to \$2,631 for the year ended June 30, 2007. All funds generated from the sale of our securities are deposited in an interest bearing account subject to transfer to our operating account to meet ongoing expenses.

### *Operating Expenses*

We incurred expenses totaling \$4,411,702 as compared to \$2,037,562 during the prior year. While expenses related to our drilling efforts decline significantly this past year, the write down of our mineral properties, totaling \$2,431,650, severely impacted our total operating expenses and the losses we incurred for the year. Specifically, exploration expenses declined from \$1,116,537 to \$500,010. Expenses for geologists declined from \$234,876 to \$29,593. While expenses directly related to our drilling efforts declined, expenses related to our overall operations increased. Corporate communications increased from \$120,978 to \$409,928, employment compensation increased from \$75,000 to \$500,838 and professional fees increased from \$250,112 to \$280,965. Most of our other expenses remained relatively unchanged. Our total operating expenses were \$4,411,702 for the year ended June 30, 2008 as compared to \$2,037,562 for the prior year.

We incurred a net loss for the year of \$4,401,869 as compared to \$2,034,931 in our prior year. Our loss per share was \$0.10 in 2008 as compared to \$0.05 in 2007.

During the year ended June 30, 2008, the Company issued 6,594,289 shares of common stock valued at \$1,499,475 for services rendered of which \$1,332,568 has been expensed and \$167,007 is included in prepaid expenses. We also issued 1,009,091 shares of our common stock in consideration for cash proceeds totaling \$555,000. These shares were issued for services rendered. During 2007, we also issued 327,272 shares of our common stock valued at \$0.55 per share in settlement of a \$180,000 demand note. The value of the Common Stock was determined based upon the



closing bid price of our Common Stock on the date of issuance.

### *Liquidity and Capital Resources*

#### **Assets and Liabilities**

At June 30, 2008, we had cash of \$82,054 and prepaid expenses totaling \$170,494. This compares to cash totaling \$25,183 and prepaid expenses of \$81,793 as of June 30, 2007. Total current assets were \$253,030 as compared to \$107,084. Due to poor drilling results, we have written off the value of all of our mineral properties as of June 30, 2008 as compared to a valuation of \$2,406,650 at June 30, 2007. These properties were acquired for both cash and shares of our common stock. Although we have earned a 70% interest in the Exmin joint venture, we have not capitalized any of these expenses. Total assets as of June 30, 2008 were \$258,864 as compared to \$2,521,026 as of June 30, 2007.

We have current liabilities totaling \$114,015, working capital of \$139,015 and an accumulated deficit of \$6,708,431.

To date, the operations of the Company have been primarily funded by the sale of common stock. Our continued operations will be dependent upon our ability to secure either additional equity or debt financing, of which there can be no assurance. We do not expect to generate revenues from mining activities in the foreseeable future.

#### **Plan of Operation For Fiscal Year 2009**

Currently, we intend to devote our efforts to the further exploration and development of the AmMex/Exmin Exploration Joint Venture. As the owner of 70% of the joint venture, we will incur 70% of all future exploration costs. With limited cash reserves, and mounting payables, unless we receive a significant cash infusion, it is unlikely that we will be able to develop this property.

#### **Critical Accounting Policies**

Financial Reporting Release No. 60, which was released by the Securities and Exchange Commission (the SEC), encourages all companies to include a discussion of critical accounting policies or methods used in the preparation of financial statements. The Company's consolidated financial statements include a summary of the significant accounting policies and methods used in the preparation of the consolidated financial statements. Management believes the following critical accounting policies affect the significant judgments and estimates used in the preparation of the financial statements.

Use of Estimates - Management's discussion and analysis or plan of operation is based upon the Company's consolidated financial statements, which have been prepared in accordance with generally accepted accounting principles. The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues, and expenses, and related disclosure of contingent assets and liabilities. On an ongoing basis, management evaluates these estimates, including those related to allowances for doubtful accounts receivable and long-lived assets. Management bases these estimates on historical experience and on

various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

We review the carrying value of property and equipment for impairment at least annually or whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of long-lived assets is measured by comparison of its carrying amount to the undiscounted cash flows that the asset or asset group is expected to generate. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the property, if any, exceeds its fair market value.

The Company's consolidated financial statements are prepared using the accrual method of accounting and according to the provision of Statement of Financial Accounting No. 7 ( SFAS 7 ), Accounting and Reporting for Development Stage Enterprises , as it were devoting substantially all of its efforts to acquiring and exploring mineral properties. It is industry practice that mining companies in the development stage are classified under Generally Accepted Accounting Principles as exploration stage companies. Until such properties are acquired and developed, the Company will continue to prepare its consolidated financial statements and related disclosures in accordance with entities in the exploration or development stage.

Effective January 1, 2006, we adopted the provisions of SFAS No. 123(R), Share-Based Payment, under the modified prospective method. SFAS No. 123(R) eliminates accounting for share-based compensation transactions using the intrinsic value method prescribed under APB Opinion No. 25, Accounting for Stock Issued to Employees, and requires instead that such transactions be accounted for using a fair-value-based method. Under the modified prospective method, we are required to recognize compensation cost for share-based payments to employees based on their grant-date fair value from the beginning of the fiscal period in which the recognition provisions are first applied. For periods prior to adoption, the financial statements are unchanged, and the pro forma disclosures previously required by SFAS No. 123, as amended by SFAS No. 148, will continue to be required under SFAS No. 123(R) to the extent those amounts differ from those in the Statement of Operations.

### **Off-Balance Sheet Arrangements**

We have not entered into any off-balance sheet arrangements. We do not anticipate entering into any off-balance sheet arrangements during the next 12 months.

### **Item 7a. Quantitative and Qualitative Disclosure.**

Our major commodity price risk exposure relates to the then current market value of any silver or gold reserves which we choose to exploit. A dramatic drop in the price of gold or silver would make commercial exploitation of any of our properties less likely than if prices remained at their current level.

We are also subject to currency fluctuations between the United States, Mexico and Canada. We do not plan on entering into any hedging transactions. Rather, management will continue to evaluate the market risks and address these issues should they become material to the Company's ongoing operations.

**Item 8. Financial Statements and Supplementary Data.**

Our financial statements have been examined to the extent indicated in their reports by HLB Cinnamon Jang Willoughby & Company and have been prepared in accordance with generally accepted accounting principles and pursuant to Regulation S-K as promulgated by the Securities and Exchange Commission and are included herein, on Page F-1 hereof in response to Part F/S of this Form 10-K.

**AmMex Gold Mining Corp.**

(An Exploration Stage Mining Company)

**Audited**

**Consolidated Financial Statements**

**Year ended June 30, 2008 and 2007**

## **MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS**

**To the shareholders of AmMex Gold Mining Corp.** (An Exploration Stage Mining Company)

The consolidated financial statements and the notes thereto are the responsibility of the management of AmMex Gold Mining Corp. (An Exploration Stage Mining Company). These consolidated financial statements have been prepared in accordance with United States generally accepted accounting principles.

Management has developed and maintained a system of internal controls to provide reasonable assurance that all assets are safeguarded and to facilitate the preparation of relevant, reliable and timely financial information.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control.

W. Campbell Birge

W. Campbell Birge

President

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors and Stockholders of **AmMex Gold Mining Corp. (An Exploration Stage Corporation)**:

We have audited the accompanying consolidated balance sheets of AmMex Gold Mining Corp. as at June 30, 2008 and 2007, and the related consolidated statements of operations, stockholders' deficiency and cash flows for each of the two years in the period ended June 30, 2008. These consolidated financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting.

Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, these consolidated financial statements referred to above present fairly, in all material respects, the financial position of the company as at June 30, 2008 and 2007, and the results of its operations and its cash flows for each of the two years in the period ended June 30, 2008 in conformity with U.S. generally accepted accounting principles.

*Cinnamon Jang Willoughby*

Chartered Accountants

Burnaby, BC

September 5, 2008















**AmMex Gold Mining Corp.**

(An Exploration Stage Mining Company)

**Consolidated Balance Sheets (Audited)**

**As at June 30, 2008 and June 30, 2007**

(Expressed in United States dollars, unless otherwise stated)

**June 30,**

June 30,

**2008**

2007

**(Audited)**

(Audited)

**Assets**

**Current Assets**

Cash	\$	82,054	\$	25,183
Prepaid Expenses		170,492		81,793
Accounts Receivable		484		108
		253,030		107,084

Fixed Assets (Note 6)		5,834		7,292
Mineral Properties (Note 10)		-		2,406,650
		5,834		2,413,942
	\$	258,864	\$	2,521,026

**Liabilities and Stockholders Equity**

**Liabilities**

**Current Liabilities**

Accounts payable	\$	324,015	\$	51,409
Demand Note (Note 7)		-		180,000
		324,015		231,409

**Stockholders Equity**

Common stock, \$0.001 par value		50,834		42,902
Additional Paid-in capital		6,784,221		4,557,678
Contributed surplus		22,625		-
Deficit accumulated during the Development Stage		(6,918,431)		(2,306,563)
Accumulated other comprehensive loss		(4,400)		(4,400)
		(65,151)		2,289,617
	\$	258,864	\$	2,521,026

Going concern (Note 1) Commitment (Note 14)

Signed on behalf of the Board of Directors

W. Campbell Birge

Charles William Reed

---

Director

Director

The accompanying notes are an integral part of the consolidated financial statements.



**AmMex Gold Mining Corp.**

(An Exploration Stage Mining Company)

**Consolidated Statement of Operations (Audited)****For the Year Ended June 30, 2008 and June 30, 2007**

(Expressed in United States dollars, unless otherwise stated)

	<b>For the Year Ended June 30, 2008</b>	For the Year Ended June 30, 2007	<b>Cumulative Since Inception November 20, 2002 to June 30, 2008</b>
	<b>(Audited)</b>	(Audited)	
<b>Revenue</b>			
Interest Income	\$ 9,833	\$ 2,631	\$ 12,464
<b>Expenses</b>			
Exploration Expenses	500,010	1,116,537	1,616,547
Geologists	29,593	234,876	264,469
Advertising and Promotion	18,535	54,799	73,334
Consulting Fees	175,594	90,398	435,305
Corporate Communications	409,928	120,978	530,906
Employment Compensation	863,797	236,686	1,220,483
Insurance	47,466	41,641	89,107
Amortization	1,458	810	2,268
Office and Miscellaneous	25,674	29,908	66,003
Professional Fees	78,006	88,426	245,658
Rent	8,543	10,786	19,329
Stock-based Compensation	22,625	-	22,625
Travel and Lodging	7,655	8,623	16,278
Interest and Service charges	1,168	3,094	4,293
Write-down of Mineral Properties	2,431,650	-	2,431,650
Total Operating Expenses	4,621,702	2,037,562	7,038,255
Loss for the year before other item:	4,611,869	2,034,931	7,025,791
Other item:			
Gain on forgiveness of debt	-	-	102,960
Net loss for the year	4,611,869	2,034,931	6,922,831
Comprehensive loss			
Foreign currency translation adjustment	-	-	4,400

Edgar Filing: Ammex Gold Mining Corp. - Form 10-K

Total comprehensive loss for the year	\$	4,611,869	\$	2,034,931	\$	6,918,431
Loss per share	\$	0.09	\$	0.05	\$	
Weighted average number of shares outstanding		48,663,827		42,902,840		

The accompanying notes are an integral part of the consolidated financial statement

**AmMex Gold Mining Corp.**

(An Exploration Stage Mining Company)

**Interim Consolidated Statement of Cash Flows (Audited)****For the Year June 30, 2008 and June 30, 2007**

(Expressed in United States dollars, unless otherwise stated)

	<b>Year ended June 30, 2008</b>	Year Ended June 30, 2007	<b>November 20, 2002 (Date of Inception) to June 30, 2008</b>
<b>Cash Flows from Operating Activities</b>			
Net Loss for the year	\$ (4,611,869)	\$ (2,034,931)	\$ (6,937,832)
Add (deduct) non-cash items:			
Amortization	1,458	810	2,268
Stock based compensation	22,625		22,625
Write-down of Mineral Properties	2,431,650	-	2,431,650
Shares issued for services	1,409,074	397,558	2,049,074
Write-off of accounts receivable	-	333	333
Loss on disposal of assets	-	-	(675)
Gain on forgiveness of debt	-	-	(137,412)
Changes in non-cash working capital items:			
Subscription receivable	-	-	-
Accounts receivable	(376)	(108)	(484)
Prepaid expenses	1,706	(17,201)	(15,495)
Accounts payable and accrued liabilities	272,606	41,824	293,915
	\$ (473,126)	\$ (1,611,715)	\$ (2,247,033)
<b>Cash Flows from Investing Activities</b>			
Purchase of equipment	-	(8,102)	(8,102)
Acquisition of mineral properties	(25,000)	(35,000)	(60,000)
	\$ (25,000)	\$ (43,102)	\$ (68,102)
<b>Cash Flows from Financing Activities</b>			
Capital stock issued	555,000	1,500,000	2,079,780

Edgar Filing: Ammex Gold Mining Corp. - Form 10-K

Demand note	-	180,000		180,000
Advances from related parties	-	-		137,412
	\$ 555,000	1,680,000		2,397,192
Increase (decrease) in cash from continuing operations	56,874	25,183		82,057
Cash, beginning of the period	25,183	-		-
<b>Cash, end of the period</b>	\$ 82,057	\$ 25,183	\$	82,057

Supplemental disclosure of non-cash transactions (Note 5)

The accompanying notes are an integral part of the consolidated financial statement

**AmMex Gold Mining Corp.**

(An Exploration Stage Mining Company)

**Consolidated Statements of Stockholders Equity****For the period November 20, 2002 (Date of Inception) to June 30, 2008**

(Stated in US Dollars) (Audited)

	Common Shares		Additional Paid-in Capital	Contributed Surplus	Deficit Accumulated During the Exploration Stage	Accumulated _Other Comprehensive Loss	Total Stockholders Equity
	Number	Amount					
Issued for services on November 23, 2002	57,600,000	\$	\$	\$ -	\$	\$	\$
at \$0.0002 per share	57,600		(45,600)	-	-	-	12,000
Issued for cash at \$0.0004 per share	48,600,000	48,600	(28,350)	-	-	-	20,250
Foreign-currency translation adjustment	-	-	-	-	-	(374)	(374)
Net loss for the period ended June 30, 2003	=	=	=	=	(47,677)	=	(47,677)
Balance, June 30, 2003	106,200,000	106,200	(73,950)	-	(47,677)	(374)	(15,801)
Issued for cash at \$0.025 per share	181,200	181	4,349	-	-	-	4,530
Contributed-services	-	-	40,000	-	-	-	40,000
	-	-	-	-	-	(229)	(229)

Edgar Filing: Ammex Gold Mining Corp. - Form 10-K

Foreign currency translation adjustment							
Net loss for the year ended June 30, 2004	=	=	=	=	<u>(80,605)</u>	=	<u>(80,605)</u>
Balance, June 30, 2004	106,381,200	106,381	(29,601)		- (128,282)	(603)	(52,105)
Contributed services	-	-	30,000		- -	-	30,000
Foreign currency translation adjustment	-	-	-		- -	(1,705)	(1,705)
Net loss for the year ended June 30, 2005	=	=	=	=	<u>(83,763)</u>	=	<u>(83,763)</u>
Balance, June 30, 2005	<u>106,381,200</u>	<u>106,381</u>	<u>399</u>	=	<u>(212,045)</u>	<u>(2,308)</u>	<u>(107,573)</u>

SEE ACCOMPANYING NOTES

**AmMex Gold Mining Corp.**

(An Exploration Stage Mining Company)

**Consolidated Statements of Stockholders Equity****For the period November 20, 2002 (Date of Inception) to June 30, 2008**

(Stated in US Dollars)

(Audited)

	<b>Common Shares</b>		<b>Additional Paid-in Capital</b>	<b>Contributed Surplus</b>	<b>Deficit Accumulated During the Exploration Stage</b>	<b>Accumulated _Other Comprehensive Loss</b>	<b>Total Stockholders Equity</b>
	<b>Number</b>	<b>Amount</b>					
Issued for services	3,000,000	3,000	117,000	--	-	-	120,000
Shares returned to treasury	(7,297,360)	(7,298)	7,298	--	-	-	-
Contributed services	--	--	40,000	--	-	-	40,000
Foreign currency translation adjustment	--	--	-	--	(2,092)	-	(2,092)
Net loss for the year ended June 30, 2006	--	--	=	=	<u>(59,587)</u>	=	<u>(59,587)</u>
Balance June 30, 2006	102,083,840	102,083	164,697	-	(271,632)	(4,400)	(9,252)
Capital issued for financing	750,000	750	1,499,250	-	-	-	1,500,000
Capital issued for services	668,000	668	461,482	-	-	-	462,150

Edgar Filing: Ammex Gold Mining Corp. - Form 10-K

Capital issued on acquisition of Minera Jeronimo SA de CV	1,455,000	1,455	2,370,195	-	-	2,371,650
Cancellation of shares	(62,054,000)	(62,054)	62,054	-	-	-
Net Loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,034,931)</u>	<u>-</u>	<u>(2,034,931)</u>
Balance June 30, 2007	<u>42,902,840</u>	<u>42,902</u>	<u>4,557,678</u>	<u>(2,306,563)</u>	<u>(4,400)</u>	<u>2,289,617</u>
			-			

SEE ACCOMPANYING NOTES



**AmMex Gold Mining Corp.**

(An Exploration Stage Mining Company)

**Consolidated Statements of Stockholders Equity****For the period November 20, 2002 (Date of Inception) to June 30, 2008**

(Stated in US Dollars)

(Audited)

	<b>Common Shares</b>		<b>Additional Paid-in Capital</b>	<b>Contributed Surplus</b>	<b>Deficit Accumulated During the Exploration Stage</b>	<b>Accumulated _Other Comprehensive Loss</b>	<b>Total Stockholders Equity</b>
	<b>Number</b>	<b>Amount</b>					
Capital issued for financing	1,009,091	1,010	553,990	-	-	-	555,000
Capital issued for services	6,594,289	6,595	1,492,881	-	-	-	1,499,476
Capital issued for debt	327,272	327	179,673	-	-	-	180,000
Stock based Compensation	-	-	-	22,625	-	-	22,625
Net Loss	-	-	-	-	(4,611,869)	-	(4,611,869)
Balance June 30, 2008	50,833,492	50,834	6,784,222	22,625	(6,918,432)	(4,400)	(65,151)

The number of shares issued and outstanding has been restated to give retroactive effect for four forward stock splits, on a six for one basis, a two for one basis, a two for one basis and a two for one basis effective April 29, 2003, March 1, 2006, May 3, 2006 and May 31, 2006, respectively. The par value and additional paid in capital were adjusted in conformity with the number of shares then issued.

SEE ACCOMPANYING NOTES

**Note 1**

a)

Basis of Presentation

The Company, incorporated under the laws of the State of Nevada, is a natural resource company engaged in the acquisition, exploration of silver, gold and precious metal properties. The Consolidated financial statements of AmMex Gold Mining Corp. include the accounts of its wholly owned subsidiary Minera Jeronimo S.A. de C.V. In the opinion of management, these consolidated financial statements reflect all adjustments necessary to present fairly the Company's consolidated financial position at June 30, 2008 and the consolidated results of operations and consolidated statements of cash flows for the period ended June 30, 2008.

b)

Going Concern

These financial statements have been prepared with the on-going assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. However, certain conditions noted below currently exist which raise substantial doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

The operations of the Company have primarily been funded by the sale of common stock. Continued operations of the Company are dependent on the Company's ability to complete additional equity financings or generate profitable operations in the future. Management's plan in this regard is to secure additional funds through future equity financings.

	<b>June 30, 2008</b>	<b>June 30, 2007</b>
Deficit accumulated during the exploration stage	\$ 6,918,431	\$ 2,306,563
Working capital (deficiency)	\$ (70,985)	\$ (124,325)

**Note 2**

Significant Accounting Policies

## Edgar Filing: Ammex Gold Mining Corp. - Form 10-K

The consolidated financial statements are prepared by management in accordance with generally accepted accounting principles of the United States of America. The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates. The principal accounting policies followed by the Company are as follows:

**Note 2**

Principal Accounting Policies (Continued)

Cash and cash equivalents

Cash and cash equivalents include cash and highly liquid investments with an original maturity of three months or less.

Fair Value of Financial Instruments

The fair market value of the Company's financial instruments comprising cash, accounts receivable, and accounts payable and accrued liabilities were estimated to approximate their carrying values due to immediate or short-term maturity of these financial instruments. The Company maintains cash balances at financial institutions which at times, exceed federally insured amounts. The Company has not experienced any material losses in such accounts

Fixed Assets

-

Fixed Assets are capitalized at cost. Amortization is recorded on a declining balance basis at a rate between 20% and 30% per annum.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Actual results could differ from these estimates.

Mineral Properties

The Company has been in the exploration stage since its inception on November 20, 2002, and has not yet realized any revenues from its planned operations. It is primarily engaged in the acquisition and exploration of mining properties. The Company expenses all costs related to the maintenance and exploration of mineral claims in which it has secured exploration rights prior to establishment of proven and probable reserves. To date, the Company has not established the commercial feasibility of its exploration prospects; therefore, all exploration costs are being expensed.

Mineral property acquisition costs are initially capitalized when incurred using the guidance in EITF 04-02, *Whether Mineral Rights Are Tangible or Intangible Assets*. The Company assesses the carrying cost for impairment under SFAS No. 144, *Accounting for Impairment or Disposal of Long Lived Assets* at each fiscal quarter end. When it has been determined that a mineral property can be economically developed as a result of establishing proven and probable reserves, the costs then incurred to develop such property are capitalized. Such costs will be amortized using the units-of-production method over the estimated life of the probable reserve. If mineral properties are subsequently abandoned or impaired, any capitalized costs will be charged to operations.

## Note 2

### Principal Accounting Policies (Continued)

#### Income Taxes

The Company records income taxes in accordance with SFAS No. 109, using the asset and liability method. Pursuant to SFAS No. 109 the company is required to compute tax asset benefits for net operating losses carried forward.

Potential benefits of net operating losses have not been recognized in these financial statements because the Company cannot be assured it is more likely than not it will utilize the net operating losses carried forward in future year; and accordingly is offset by a valuation allowance. FIN No.48 prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of tax positions taken into in tax returns.

To the extent interest and penalties may be assessed by taxing authorities on any underpayment of income tax, such amounts would have been accrued and are classified as a component of income tax expense in our Consolidated Statements of Operations. The Company elected this accounting policy, which is a continuation of our historical policy, in connection with our adoption of FIN 48.

#### Foreign Currency Translation

The Company's functional currency is the United States dollar. The consolidated financial statements of the Company are translated to United States dollars in accordance with SFAS No. 52 *Foreign Currency Translation* ( SFAS No. 52). Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate prevailing at the consolidated balance sheet date. Gains and losses arising on translation or settlement of foreign currency denominated transactions or balances are included in the determination of income. Foreign currency transactions are primarily undertaken in Mexican pesos and Peruvian sols. The Company has not, to the date of these financial statements, entered into derivative instruments to offset the impact of foreign currency fluctuations.

The functional currency of the Company's wholly-owned subsidiary is the Mexican peso. The financial statements of the subsidiary are translated to United States dollars in accordance with SFAS No. 52 using period-end rates of exchange for assets and liabilities, and average rates of exchange for the year for revenues and expenses. Translation gains (losses) are recorded in accumulated other comprehensive income (loss) as a component of stockholders' equity. Foreign currency transaction gains and losses are included in current operations.

### Comprehensive Income

SFAS No. 130, *Reporting Comprehensive Income* establishes standards for the reporting and display of comprehensive income and its components in the financial statements. As at June 30, 2008, the Company's only component of comprehensive income was foreign currency translation adjustments.

### Asset Retirement Obligation

The Company has adopted Statement of Financial Accounting Standards No. 143 ( SFAS 143 ), *Accounting for Asset Retirement Obligations*, which requires that an asset retirement obligation ( ARO ) associated with the retirement of a tangible long-lived asset be recognized as a liability in the period in which it is incurred and becomes determinable, with an offsetting increase in the carrying

## **Note 2**

### Principal Accounting Policies (Continued)

amount of the associated asset. The cost of the tangible asset, including the initially recognized ARO, is depleted, such that the cost of the ARO is recognized over the useful life of the asset. The ARO is recorded at fair value, and accretion expense is recognizable over time as the discounted liability is accreted to its expected settlement value. The fair value of the ARO is measured using expected future cash flow, discounted at the Company's credit-adjusted-risk-free interest rate. To date, no material asset retirement obligation exists due to the early stage of the Company's mineral exploration. Accordingly, no liability has been recorded.

### Environmental Protection and Reclamation Costs

The operations of the Company have been, and may in the future be affected from time to time in varying degrees by changes in environmental regulations, including those for future removal and site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company may vary from region to region and are not predictable.

Environmental expenditures that relate to ongoing environmental and reclamation programs are charged against statements of operations as incurred or capitalized and amortized depending upon their future economic benefits. The Company does not anticipate any material capital expenditures for environmental control facilities.

#### Basic and Diluted Net Loss Per Share

The Company computes net income (loss) per share in accordance with SFAS No. 128, *Earnings per Share*. SFAS No. 128 requires presentation of both basic and diluted earnings per share (EPS) on the face of the income statement. Basic EPS is computed by dividing net income (loss) available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS give effect to all dilutive potential common shares outstanding during the period using the treasury stock method. In computing Diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all dilutive potential shares if their effect is anti dilutive.

#### Stock Issued in Exchange for Services

The valuation of the Company's common stock issued in exchange for services is valued at an estimated fair market value as determined by officers and directors of the Company based upon trading prices of the Company's common stock on the dates of the stock transactions. The corresponding expense of the services rendered are recognized over the period that the services are performed.

#### Stock Based Compensation

The Company has adopted the provisions of SFAS No. 123(R), *Share-Based Payment* ( SFAS 123(R) ), which establishes accounting for equity instruments exchanged for employee services. Under the provisions of SFAS 123(R), stock-based compensation cost is measured at the grant date, based on the calculated fair value of the award, and is recognized as an expense over the employees' requisite service period (generally the vesting period of the equity grant).

### **Note 3**

#### Business Combination

By a conditional sale purchase contract dated July 25, 2006, the Company acquired 100% of Minera Jeronimo S.A. de C.V. ( Jeronimo ), a Mexican corporation, by the issuance of 1,455,000 restricted common shares at \$1.63 per share for



a total consideration of \$2,371,650. Jeronimo has the option to acquire a 65% interest in six mining concessions located in NW Sonora, Mexico, subject to \$400,000 in exploration work commitments. The acquisition was accounted for by the purchase method, however, there were no identifiable assets acquired other than the rights to six mining concessions in Mexico.

#### **Note 4**

##### Related Party Transactions

During the year ended June 30, 2008, directors received payments on account of professional fees and reimbursement of expenses in the amount of \$50,308 (2007: \$30,374).

During the year ended June 30, 2008, the company issued 3,164,289 shares for services with a total fair market value of \$839,375 to directors and officers of the Company.

At June 30, 2008 an amount of \$165,000 due to directors and officers was included in accounts payable (2007: \$Nil).

By a lease agreement dated July 6, 2006, with a company having a director in common with a former director of the Company, the Company agreed to lease office premises for three years commencing August 1, 2006. During the year ended June 30, 2008, the Company incurred rent expense of \$8,543 (2007: \$10,786).

#### **Note 5**

##### Non-cash Transactions

There were no interest or income taxes paid during 2008 or 2007. During the year ended June 30, 2008, the company entered into certain non-cash operating activities as follows:

a)

The Company expensed \$1,344,480 (2007: \$397,559) for common shares issued for services.

b)

Edgar Filing: Ammex Gold Mining Corp. - Form 10-K

The Company issued 327,272 common shares of the company at a value of \$0.55 per share in settlement of a \$180,000 demand note (Note 7).

**Note 6**

Fixed Assets

Cost	Additions	Accumulated	Net Book Value at June	Net Book Value at
Opening Balance	During the Year	Depreciation	30, 2008	June 30, 2007
\$ <u>8,102</u>	<u>                    -</u>	\$ <u>2,269</u>	\$ <u>5,834</u>	\$ <u>7,292</u>

**Note 7**

Demand Note

During the year ended June 30, 2007 the Company issued a note payable which was due on demand, unsecured and non-interest bearing. During the year ended June 30, 2008 the Company settled the note through issuance of 327,272 common shares of the company at a value of \$0.55 per share.

**Note 8**

Share Capital

Total authorized share capital of the Company is as follows:

200,000,000 Common shares with a par value of \$0.001

During the year ended June 30, 2008:

a)

The Company issued 6,594,289 shares valued at \$1,499,475 for services. As at June 30, 2008, \$1,344,480 has been charged to expenses and \$154,996 is included in prepaid expenses.

b)

The Company issued 1,009,091 common shares for cash proceeds of \$555,000.

c)

The Company converted a demand note into 327,272 common shares.

**Note 9**

Employee Stock Option Plan

On July 12, 2007, the board and shareholders approved the 2007/08 Stock Incentive & Compensation Plan thereby reserving 6,000,000 common shares for issuance to employees, directors and consultants. The significant details of the plan are as follows:

.

All employees and consultants of the company are eligible to be granted stock options;

.

May issue up to 6,000,000 common shares;

.

Options shall not be priced at less than 100% of the FMV of common stock at the date of grant;

.

Maximum life of option is 10 years;

.

Options are non-transferable, may only be exercised;

.

Options expire on termination of employment.

On November 29, 2007, the board granted 500,000 stock options to a director of the company vesting on January 1, 2008. The stock will be exercisable until December 31, 2009 with an exercise price of \$0.20.

## Note 9

### Employee Stock Option Plan (Continued)

Changes in the Company's stock options for the year ended June 30, 2008 are summarized below:

	<b>Number</b>	<b>Weighted Avg. Exercise Price</b>
Balance, beginning of year	-	\$Nil
Granted November 29, 2007	500,000	\$0.20
Balance, end of period	500,000	\$0.20

At June 30, 2008, there were 500,000 exercisable options outstanding.

The company uses the Black-Scholes option valuation model to value stock options granted. The Black-Scholes model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. The model requires management to make estimates, which are subjective and may not be representative of actual results. Changes in assumptions can materially affect estimates of fair values. For purposes of

the calculation, the following assumptions were used:

	<b><u>2008</u></b>
Risk free interest rate	3.50%
Expected dividend yield	0%
Expected stock price volatility	79.56%
Expected life of options	1 year

The grant-date fair value of options granted during the year ended June 30, 2008 was \$0.04.

Total stock-based compensation related to the issuance of options for the year ended June 30, 2008 was \$22,625.

**Note 10**

Mineral Properties

The Company has capitalized acquisition costs on mineral properties as follows:

	<u>2008</u>		<u>2007</u>
Austin, Nevada	\$ -	\$	10,000
Elko, Nevada	-		25,000
Jeronimo, Mexico	-		<u>2,371,650</u>
	<u>-</u>		<u>2,406,650</u>
	<u>-</u>		

Cold Creek

On January 15, 2008, the company entered into a memorandum of understanding ( MOU ) to acquire mining rights to the Cold Creek Gold Property located in Cassia County, Idaho. A non refundable deposit of \$10,000 dollars was paid to the vendor on October 30, 2007. As part of the memorandum of understanding, the company is required to meet the following work commitments:

.

Upon signing of MOU, the company will reimburse geologist consultants of \$10,000 for staking and filing costs; and

.

In year 2, make advanced minimum royalty payments of \$25,000 to the vendor, and incur \$50,000 in exploration expenditures; and

.

In year 3, make advanced minimum royalty payments of \$40,000 to the vendor, and incur \$75,000 in exploration expenditures; and

.

In year 4 and beyond, make advanced minimum royalty payments of \$60,000 on each subsequent anniversary of signing the formal agreement.

## Edgar Filing: Ammex Gold Mining Corp. - Form 10-K

In addition to the above, the company is subject to a 2% net smelter return royalty payable to the vendor. The company has the right to purchase the retained net smelter return royalty for a cash payment of \$2,000,000 dollars prior to production, and the vendor will no longer retain an interest.

Upon signing of the formal agreement, the company will issue 250,000 shares of AmMex treasury stock and incur \$50,000 in exploration expenditures during the year.

The memorandum of understanding ( MOU ) was terminated on June 26, 2008. (Note 11).

### Melchor Ocampo, Zacatecas

On March 31, 2008, the company entered into a Joint Venture agreement for exploring a mining concession in the Melchor Ocampo municipality in Zacatecas, Mexico. The company may acquire a 70% ownership interest after it has spent \$150,000 dollars in exploration drilling costs.

**Note 10**

Mineral Properties (Continued)

White Rock Concession

On March 31, 2008, the company entered into a conditional Joint Venture letter of agreement for exploring the White Rock mining property located in northeastern Elko County, Nevada. The company agreed to fund \$150,000 dollars for an initial exploration drill program once the parties agreed to a budget. The parties did not come to agreement and the letter of agreement was terminated.

**Note 11**

Abandoned Mineral Properties

During the year ended June 30, 2008, the Company abandoned letters of intent in both the Ox Creek property north of Austin, Nevada and the Castle Copper Molybdenum project in Yavapai County, Arizona. It also terminated the arrangement with Biotronix Research Instruments, its option agreement with Consolidated Global Minerals Ltd. involving the Bailey Hills project in Elko County, Nevada and terminated further development of the El Tiliche property in Sonora, Mexico ( Jeronimo ). The company wrote off \$2,421,650 of capitalized mineral property costs related to these properties. This write-off is reflected in these financial statements.

On June 26, 2008, the Company advised the owners of the Cold Creek property that it has decided to terminate its memorandum of understanding ( MOU ). The Company wrote off \$10,000 of capitalized mineral property costs related to this property. This write-off is reflected in these financial statements.

**Note 12**

Income Taxes

No provision for income taxes has been provided for in these financial statements due to the net loss. At June 30, 2008, the Company has net operating losses to carry forward, which expire commencing in 2026 totaling approximately \$4,466,423 (2007 - \$2,307,373). The tax effect of the significant components within the Company's future tax asset (liability) at June 30, 2008 was as follows:



	<b>2008</b>	2007
United States		
Loss carry forwards	1,217,511	535,675
Property, plant and equipment	827,533	276
Mexico		
Loss carry forwards	247,943	204,920
Valuation allowance	(2,292,987)	(740,871)
Net deferred tax asset	\$Nil	\$Nil

**Note 12**Income taxes (continued)

The income tax expense differs from the amounts computed by applying the statutory tax to pre-tax losses as a result of the following:

	<u>2008</u>		<u>2007</u>	
	<u>United</u>		<u>United States</u>	
	<u>States</u>	<u>Mexico</u>		<u>Mexico</u>
Net Operating Loss	4,458,215	153,652	1,303,074	731,857
Statutory Tax Rate	34%	28%	34%	28%
Effective Tax Rate	-	-	-	-
Expected recovery at statutory rates	1,515,793			
		43,023	443,045	204,919
Adjustments to benefits resulting from:				
Stock based compensation	(7,693)	-	-	-
Change in valuation allowance	(1,508,100)	(43,023)	(443,045)	(204,919)
Income tax recovery	\$Nil	\$Nil	\$Nil	\$Nil

Potential benefit of net operating losses have not been recognized in these financial statement because the Company cannot be assured it is more likely than not it will utilize the net operating losses carried forward in future years.

**Note 13**Segmented Information

Segmented information has been compiled based on the geographic regions that the company has acquired mineral properties and performs its exploration activities.

Loss for the year by geographical segment for the year ended June 30, 2008:

	United States		Mexico	Total
Interest income	\$ 9,833	\$	-	\$ 9,833
Expenses:				
Exploration Expenses	349,358		150,652	500,010
Geologists	26,593		3,000	29,593
Advertising and Promotion	18,535		-	18,535
Consulting Fees	175,594		-	175,594
Corporate Communications	409,927		-	409,927
Employment Compensation	863,797		-	863,797
Insurance	47,466		-	47,466
Amortization	1,458		-	1,458
Office and Miscellaneous	25,674		-	25,674
Professional Fees	78,006		-	78,006
Rent	8,543		-	8,543
Stock based Compensation	22,625		-	22,625
Travel and Lodging	7,655		-	7,655
Interest and Service charges	1,168		-	1,168
Write-down of Mineral Properties	2,431,650		-	2,431,650
Total Expenses	4,468,048		153,652	4,621,702
Net loss from continuing operations	4,458,215		153,652	4,611,869

**Note 13**Segmented Information (Continued)

Loss for the year by geographical segment for the year ended June 30, 2007:

	United States		Mexico	Total
Interest income	\$ 2,631	\$	-	\$ 2,631
Expenses:				
Exploration Expenses	597,992		518,545	1,116,537
Geologists	21,564		213,312	234,876
Advertising and Promotion	54,799		-	54,799
Consulting Fees	90,398		-	90,398
Corporate Communications	120,978		-	120,978
Employment Compensation	75,000		-	75,000
Insurance	41,641		-	41,641
Amortization	810		-	810
Office and Miscellaneous	29,908		-	29,908
Professional Fees	220,112		-	220,112
Rent	10,786		-	10,786
Travel and Lodging	8,623		-	8,623
Interest and Service charges	3,094		-	3,094
Total Expenses	1,275,705		731,857	2,007,562
Net loss from continuing operations	1,273,074		731,857	2,004,931

Assets by geographical segment:

	United States		Mexico	Total
	\$	\$	\$	
<b>June 30, 2008</b>				
Mineral properties	-		-	-
Equipment	5,834		-	5,834

**June 30, 2007**

Edgar Filing: Ammex Gold Mining Corp. - Form 10-K

Mineral properties	35,000	2,371,650	2,406,650
Equipment	7,292	-	7,292

**Note 14**

Commitments

By a lease agreement dated July 6, 2006, the Company agreed to lease office premises for three years commencing August 1, 2006 for the following consideration:

2008	\$	7,832
2009	\$	7,832
2010	\$	7,832

**Note 15**

Recent Accounting Pronouncements

Fair value measurement

In September 2006, the Financial Accounting Standards Board ( FASB ) issued SFAS No. 157, "Fair Value Measurement" ("SFAS 157"). The Statement provides guidance for using fair value to measure assets and liabilities. The Statement also expands disclosures about the extent to which companies measure assets and liabilities at fair value, the information used to measure fair value, and the effect of fair value measurement on earnings.

This Statement applies under other accounting pronouncements that require or permit fair value measurements. This Statement does not expand the use of fair value measurements in any new circumstances. Under this Statement, fair value refers to the price that would sell an asset or paid to transfer a liability in an orderly transaction between market participants in the market in which the entity transacts. SFAS 157 is effective for the Company for fair value measurements and disclosures made by the Company in its fiscal year beginning on January 1, 2008. The Company is currently reviewing the impact of this statement.

Employers accounting for defined benefit pension and other postretirement plans

In September 2006, the FASB issued SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans - an amendment of FASB Statements No. 87, 88, 106 and 132(R)" (SFAS 158"). SFAS 158 requires an employer that sponsors one or more single-employer defined benefit plans to (a) recognize the overfunded or underfunded status of a benefit plan in its statement of financial position, (b) recognize as a component of other

comprehensive income, net of tax, the gains or losses and prior service costs or credits that arise during the period but are not recognized as components of net periodic benefit cost pursuant to SFAS 87, "Employers' Accounting for Pensions", or SFAS 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions", (c) measure defined benefit plan assets and obligations as of the date of the employer's fiscal year-end, and (d) disclose in the notes to financial statements additional information about certain effects on net periodic benefit cost for the next fiscal year that arise from delayed recognition of the gains or losses, prior service costs or credits, and transition asset or obligation. SFAS 158 is effective for the Company's fiscal year ending December 31, 2007. The adoption of SFAS No. 158 is not expected to have a material impact on the Company's financial position, results of operations or cash flows.

## Note 15

### Recent Accounting Pronouncements (Continued)

#### The Fair Value Option for Financial Assets and Financial Liabilities

In February 2007, the FASB issued SFAS 159, *The Fair Value Option for Financial Assets and Financial Liabilities-Including an Amendment of FASB Statement No. 115* (SFAS 159). SFAS 159 is effective for the Company at the beginning of fiscal 2009. This statement permits us to choose to measure many financial instruments and certain other items at fair value. Adoption of SFAS 159 on July 1, 2008 is not expected to have a material impact on the Company's financial position, results of operations or cash flows.

#### Accounting for Deferred Compensation and Post Retirement Benefit Aspects of Collateral Assignment Split Dollar Life Insurance

The Emerging Issues Task Force (EITF) reached consensus on EITF Issue No. 06-10, *Accounting for Deferred Compensation and Postretirement Benefit Aspects of Collateral Assignment Split-Dollar Life Insurance Arrangements* (EITF 06-10), which requires that a company recognize a liability for the postretirement benefits associated with collateral assignment split-dollar life insurance arrangements. The provisions of EITF 06-10 are effective for Meredith as of July 1, 2008, and will impact the Company in instances where the Company has contractually agreed to maintain a life insurance policy (i.e., the Company pays the premiums) for an employee in periods in which the employee is no longer providing services. Adoption of this standard is not expected to have a material impact on the Company's financial position, results of operations or cash flows.

#### Business Combinations

In December 2007, the FASB issued SFAS 141 (revised 2007), Business Combinations (SFAS 141R). SFAS 141R significantly changes the accounting for business combinations in a number of areas including the treatment of contingent consideration, preacquisition contingencies, transaction costs, in-process research and development, and restructuring costs. In addition, under SFAS 141R, changes in an acquired entity's deferred tax assets and uncertain tax positions after the measurement period will impact income tax expense. SFAS 141R is effective for fiscal years beginning after December 15, 2008. We will adopt SFAS 141R on July 1, 2009. This standard will change our accounting treatment for business combinations on a prospective basis.

#### Noncontrolling Interests in Consolidated Financial Statements

In December 2007, the FASB issued SFAS No. 160, Noncontrolling Interests in Consolidated Financial Statements an amendment of Accounting Research Bulletin No. 51 ( SFAS 160 ), which establishes accounting and reporting standards for ownership interests in subsidiaries held by parties other than the parent, the amount of consolidated net income attributable to the parent and to the noncontrolling interest, changes in a parent's ownership interest and the valuation of retained non-controlling equity investments when a subsidiary is deconsolidated. The Statement also establishes reporting requirements that provide sufficient disclosures that clearly identify and distinguish between the interests of the parent and the interests of the non-controlling owners. SFAS 160 is effective for fiscal years beginning after December 15, 2008. Adoption of this standard is not expected to have a material impact on the Company's financial position, results of operations or cash flows.



**Note 15**

Recent Accounting Pronouncements (Continued)

Disclosures about Derivative Instruments and Hedging Activities

In March 2008, the FASB issued SFAS No. 161, *Disclosures about Derivative Instruments and Hedging Activities* (SFAS 161). SFAS 161 amends and expands the disclosure requirements of SFAS 133, *Accounting for Derivative Instruments and Hedging Activities*. It requires qualitative disclosures about objectives and strategies for using derivatives, quantitative disclosures about fair value amounts of gains and losses on derivative instruments, and disclosures about credit-risk-related contingent features in derivative agreements. This statement is effective for financial statements issued for fiscal years beginning after November 15, 2008. Accordingly, the Company will adopt SFAS 161 in fiscal 2010.

**Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.**

None.

**Item 9A . Controls and Procedures.**

**Evaluation of Disclosure Controls and Procedures**

Our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act )) are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission. Our disclosure controls and procedures are also designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officer, to allow timely decisions regarding required disclosure. Our chief executive officer and chief financial officer, with assistance from other members of our management, have reviewed the effectiveness of our disclosure controls and procedures as of June 30, 2008 and, based on their evaluation, have concluded that the disclosure controls and procedures were effective.

### **Changes in Internal Control over Financial Reporting**

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) during the year ended June 30, 2008 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

### **Management's Report on Internal Control over Financial Reporting**

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as that term is defined in Rule 13a-15(f) under the Exchange Act. Under the supervision and with the participation of our management, including our principal executive and principal financial officers, we assessed, as of June 30, 2008, the effectiveness of our internal control over financial reporting. This assessment was based on criteria established in the framework in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our assessment using those criteria, management concluded that our internal control over financial reporting as of June 30, 2008, was effective.

Internal control over financial reporting is defined as a process designed by, or under the supervision of, our principal executive and principal financial officers and effected by our board of directors, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, and includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;

provide reasonable assurance that transactions are recorded as necessary to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles and that our receipts and expenditures are being made only in accordance with authorization of our management and directors; and

- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the internal control system are met. Because of the inherent limitations of any internal control system, no evaluation of controls can provide absolute assurance that all control issues, if any, within a company have been detected.

This Annual Report on Form 10-K does not include an attestation report of the Company's independent registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's independent registered public accounting firm pursuant to rules of the Securities and Exchange Commission that permit the Company to provide only management's report in this Annual Report on Form 10-K.

#### **Item 9B. Other Information**

None.

### **PART III**

#### **Item 10. Directors and Executive Officers.**

The following information sets forth the names of our officers and directors, their present positions, and some brief information about their background.

Name

Age

Position(s)

W. Campbell Birge

54

President/Director

Charles William Reed

65

Vice President/Secretary/Director

Lucie Letellier

47

Chief Financial Officer/Treasurer/Director

**W. Campbell Birge**

Mr. Campbell was appointed our president and joined our board of directors in December 2007. Mr. Birge has been a consultant to several public and private companies located in the United States, Canada and Mexico including Industrial Minerals Inc. and Sigma Capital Group. He is on the Advisory Board of the Trust for Sustainable Development and was instrumental in working on the Loreto Bay project, a large real estate development project. Mr. Birge has lived in Mexico and was an Associate Professor at United States International University (Mexico City campus) for five years. He was also elected to serve on the Academic counsel as the Head of the Graduate Business studies while at the university. Mr. Birge earned a Master's Degree in Management and Organizational Development from United States International University, a Bachelor of Arts degree in Sociology from Simon Fraser University and a Bachelor of Education degree from the University of Calgary.

**Charles William Reed**

Mr. Reed serves as our Vice President, Secretary and Director. Mr. Reed is our manager of exploration in Mexico. Mr. Reed does not devote his full time to our Company as he serves as a vice president and director with Paramount Gold and Silver Corp. where he currently devotes a majority of his time. Mr. Reed has significant mining experience in Mexico, as he was formerly Chief Geologist - Mexico for Minera Hecla S. A. de C. V. ( Hecla ), a subsidiary of Hecla Mining (NYSE:HL) from 1998 to 2004, and Regional Geologist, Mexico and Central America for Echo Bay Exploration from 1993 to 1998. While at Hecla, Mr. Reed supervised detailed exploration at the Noche Buena project, Sonora, and the San Sebastian silver and gold mine, Durango. He also discovered and drilled the Don Sergio vein that was later put into production. Mr. Reed received his Bachelor of Science Degree, Mineralogy, from the University of Utah in 1969 and is a Registered Professional Geologist in the State of Utah. He also completed an Intensive Spanish Program at Institute De Lengua Espanola, San Jose, Costa Rica in 1969.

### **Lucie Letellier**

Lucie Letellier was appointed this past year as our Chief Financial Officer, Treasurer and as a director. Prior to her appointment, since July 2006, Ms. Letellier served as our controller, in charge of day to day accounting operations with respect to the Company's mining exploration operations. She has been responsible for the proper maintenance of our joint venture accounting and consolidation accounting with respect to our wholly-owned subsidiaries. Ms. Letellier prepares and delivers quarterly and annual financial statements in accordance with US GAAP for review or audit. Ms. Letellier also currently serves as the Chief Financial Officer for Paramount Gold and Silver Corp. and is responsible for its accounting and financial functions. From 1990 to 2005, Ms. Letellier was Senior Accountant in the Office of Marc S. Chabot, Chartered Accountant.

### **Committees of the Board of Directors**

We presently do not have an audit committee, compensation committee, nominating committee, an executive committee of our board of directors, stock plan committee or any other committees.

### **Compensation of Directors**

Our directors do not receive cash compensation for their services as directors or members of committees of the board, but are reimbursed for their reasonable expenses incurred in attending board or committee meetings.

### **Terms of Office**

There are no family relationships among our directors and/or officers. Our directors are appointed for one-year terms to hold office until the next annual general meeting of the holders of our Common Stock or until removed from office in accordance with our by-laws. Our officers are appointed by our board of directors and hold office until removed by our board of directors.

### **Involvement in Certain Legal Proceedings**

Except as indicated in this Annual Report, no event listed in Sub-paragraphs (1) through(4) of Subparagraph (d) of Item 401 of Regulation S-B, has occurred with respect to any of our present executive officers or directors or any nominee for director during the past five years which is material to an evaluation of the ability or integrity of such director or officer.

### **Code of Ethics**

The Company has recently adopted a Code of Ethics that meets the requirements of Section 406 of the Sarbanes-Oxley Act of 2002. We will provide to any person without charge, upon request, a copy of such Code of Ethics. Persons wishing to make such a request should contact W. Campbell Birge, our chief executive officer at our corporate headquarters located at 346 Waverley Street, Ottawa, Ontario K2P1B8.

### **Section 16(a) Beneficial Ownership Reporting Compliance**

Compliance with Section 16(a) of the Securities Exchange Act of 1934

For companies registered pursuant to section 12(g) of the Exchange Act, Section 16(a) of the Exchange Act requires our executive officers and directors, and persons who beneficially own more than ten percent of our equity securities, to file reports of ownership and changes in ownership with the Securities and Exchange Commission. Officers, directors and greater than ten percent shareholders are required by SEC regulation to furnish us with copies of all Section 16(a) forms they file. To our knowledge, based solely on a review of the copies of reports furnished to us and written representations that no other reports were required, Section 16(a) filing requirements applicable to our officers, directors and greater than ten percent beneficial owners were complied with on a timely basis for the period which this report relates.

**Item 11. Executive Compensation.**

The following table discloses compensation paid during the fiscal year ended June 30, 2005, 2006 and 2007 to (i) the Company's Chief Executive Officer, and (ii) individual(s) who were the only executive officers, other than the Chief Executive Officer, serving as executive officers at the end of fiscal year whose total salary and bonus exceeded \$100,000 (the "Named Executive Officers"). No restricted stock awards, long-term incentive plan payouts or other types of compensation, other than the compensation identified in the chart below, were paid to these executive officers during these fiscal years.

(a) Name and Principal Position	(b) Year	Annual Compensation			Long Term Compensation				
		(c) <u>Salary</u> (\$)	(d) <u>Bonus</u> (\$)	(e) <u>Other Annual Compensation</u> (\$)	Awards		Payouts		(i)
					(f) Restricted Stock Awards(s) <u>(#)</u>	(g) Securities Underlying Options/ SARs (#) <u>(#)</u>	(h) LTIP Payouts <u>(\$)</u>		(i) All Other Compensation <u>(\$)</u>
W. Campbell Birge									
CEO/Director									
2006									
		-0-							
		-0-	-0-						
			2007						
				-0-					
		-0-							
		-0-							
2008 (1)									
		87,000(1)		500,000					

Lucie Letellier

CFO

2006

-0-

-0-

-0-

2007

-0-

-0-

-0-

2008 (2)

68,835(2)

441,176

Bill Reed

Vice president/director

2006

-0-

-0-

-0-

2007

\$13,800

(4)

2008 (3)

30,000(3)

441,176



Christopher Crupi

Former President/Director

2006

- 0-

-0-

-0-

2007

75,000

500,000

500,000

2008

21,875 (4)

441,176

(1)

Mr. Birge was also appointed to our Board of Directors to fill the seat vacated by Mr. Crupi. Mr. Birge was granted 500,000 stock options, which vested on January 1, 2008. The stock options are exercisable until December 31, 2009 at an exercise price of \$.20 per share. Mr. Birge was also be issued 500,000 shares of our restricted common stock. The common stock will vest 1/12<sup>th</sup> per month commencing January 1, 2008. Mr. Birge is to receive \$87,000 in annual compensation. He has received \$12,000 in cash compensation and \$ 75,000 has been accrued..

(2)

Ms. Letellier is to receive \$68,835 in annual compensation. She has been paid \$8,835 in cash compensation and the balance has been accrued.. .

(3)

Mr. Reed is to receive an annual salary of \$30,000. No portion of this salary has been paid to Mr. Reed and as a result, we have accrued \$30,000 in compensation. Mr. Reed also received 441,176 shares as compensation.

(4)

Mr. Crupi received a cash compensation of \$ 21,875 and 441,176 shares.

### **Directors Compensation**

Our directors are reimbursed for reasonable expenses incurred in connection with attendance at meetings of the Board and of Committees of the Board. They receive share based compensation as noted above. Accordingly, it may be necessary for us to compensate newly appointed directors in order to attract a quality governance team. At this time the Company has not identified any specific individuals or candidates nor has it entered into any negotiations or activities in this regard.

### **Stock Options Granted/Exercised in Last Year**

No stock options have been exercised.

In connection with our 2007/2008 stock incentive and compensation plan, we have issued a total of 500,000 stock options to Mr. Birge at an exercise price of \$ 0.20 per share.

### **Employment Agreements**

There are no written employment agreement with any of our officers. Mr. Birge will be paid an annual salary of \$87,000, Ms. Letellier receives an annual salary of \$68,835 and Mr. Reed receives an annual salary of \$30,000. Due to working capital constraints, our officers have agreed to accrue most of their salaries. Our Board of Directors may issue such bonuses, either in stock or cash compensation for ongoing services.

In addition to the cash compensation, our officers have been granted options as more fully set forth in the executive compensation schedule set forth above.

### **Item 12. Security Ownership of Certain Beneficial Owners and Management.**

The following table sets forth certain information as of August 31, 2008 with respect to the beneficial ownership of the Company's Common Stock by: (i) all persons known by the Company to be beneficial owners of more than 5% of the Company's Common Stock, (ii) each director and Named Executive Officer, and (iii) by all executive officers and directors as a group.

**Name**

**No. of Shares of Common Stock (1)**

**Percent of Class**

Christopher Crupi

4,228,455(1)

8.0%

Charles Reed

2,209,545(2)

4.2%

Lucie Letellier

816,476

1.5%

W. Campbell Birge

1,000,000(3)

1.9%

(1) Includes 3,683,000 shares of common stock and 500,000 stock options which are exercisable at a price of \$.40 per share.

(2) Includes 1,709,545 shares of common stock and 500,000 stock options which are exercisable at a price of \$.40 per share

**(3) Includes 500,000 shares of common stock and 500,000 stock options which are exercisable at a price of \$0.20 per share**

(4) Under Rule 13d-3, a beneficial owner of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or shares: (i) voting power, which includes the power to vote, or to direct the voting of shares; and (ii) investment power, which includes the power to dispose or direct the disposition of shares. Certain shares may be deemed to be beneficially owned by more than one person (if, for example, persons share the power to vote or the power to dispose of the shares). In addition, shares are deemed to be beneficially owned by a person if the person has the right to acquire the shares (for example, upon exercise of an option) within 60 days of the date as of which the information is provided. In computing the percentage ownership of any person, the amount of shares outstanding is deemed to include the amount of shares beneficially owned by such person (and only such person) by reason of these acquisition rights. As a result, the percentage of outstanding shares of any person as shown in this table does not necessarily reflect the person's actual ownership or voting power with respect to the number of shares of common stock actually outstanding on August 31, 2008. As of August 31, 2008 there were 50,833,492 shares of our common stock issued and outstanding. The table above assumes the exercise of outstanding options which would result in 52,583,492 issued and outstanding shares of our common stock.

Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
(a)	(b)	(c)

Securities Available for

Issuance under a plan

(2007/08).

1,500,000

\$.33

4,200,000

**Item 13. Certain Relationships and Related Transactions.**

Except as described below, none of the following persons has any direct or indirect material interest in any transaction to which we are a party during the past two years, or in any proposed transaction to which the Company is proposed to be a party:

(A) any director or officer;

(B) any proposed nominee for election as a director;

(C) any person who beneficially owns, directly or indirectly, shares carrying more than 5% of the voting rights attached to our common stock; or

(D) any relative or spouse of any of the foregoing persons, or any relative of such spouse, who has the same house as such person or who is a director or officer of any parent or subsidiary.

We issued shares of our common stock to our directors for services rendered.

We also lease office space with a company having a director in common with a former director of the Company and paid a total of \$8,543 for expenses.

**Item 14. Principal Accounting Fees and Services.**

AUDIT FEES. The aggregate fees billed for professional services rendered was \$ 21,000\_\_\_\_ and \$30,000 for the audit of our annual financial statements for the fiscal years ended June 30, 2008 and 2007, respectively, and \$ 10,718\_\_\_\_ and \$ 6,880 for the reviews of the financial statements included in our Forms 10-QSB for the fiscal years ended 2008 and 2007 respectively.

**AUDIT-RELATED FEES.** The aggregate fees billed in each of the last two fiscal years for assurance and related services by the principal accountant that are reasonably related to the performance of the audit or review of our financial statements and not reported under the caption "Audit Fee."

**TAX FEES.** No fees were billed in each of the last two fiscal years for professional services rendered by the principal accountant for tax compliance, tax advice and tax planning services.

**ALL OTHER FEES.** Other than the services described above, there were no other services provided by our principal accountants for the fiscal years ended June 30, 2008 and 2007.

We do not have an audit committee. Therefore, our entire Board of Directors (the "Board") serves in the capacity of the audit committee. In discharging its oversight responsibility as to the audit process, our Board obtained from the independent auditors a formal written statement describing all relationships between the auditors and us that might bear on the auditors' independence as required by Independence Standards Board Standard No. 1, "Independence Discussions with Audit Committees."

Our Board discussed with the auditors any relationships that may impact their objectivity and independence, including fees for non-audit services, and satisfied itself as to the auditors' independence. The Board also discussed with management and the independent auditors the quality and adequacy of its internal controls. The Board reviewed with the independent auditors their management letter on internal controls.

Our Board discussed and reviewed with the independent auditors all matters required to be discussed by auditing standards generally accepted in the United States of America, including those described in Statement on Auditing Standards No. 61, as amended, "Communication with Audit Committees". Our entire Board, acting in the capacity of the audit committee reviewed the audited consolidated financial statements of the Company as of and for the year ended June 30, 2008 with the independent auditors. Management has the responsibility for the preparation of the Company's financial statements and the independent auditors have the responsibility for the examination of those statements. Based on the above-mentioned review and discussions with the independent auditors our Board of Directors approved the Company's audited consolidated financial statements and recommended that they be included in its Annual Report on Form 10-K for the year ended June 30, 2008, for filing with the Securities and Exchange Commission.

## **PART IV**

**Item 15. Exhibits, Financial Statement Schedules.**

**a.**

The following report and financial statements are filed together with this Annual Report.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

CONSOLIDATED BALANCE SHEETS AS OF JUNE 30, 2008 AND 2007

CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE YEARS ENDED JUNE 30, 2008 AND 2007  
AND CUMULATIVE SINCE INCEPTION (November 20, 2002).

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2008 AND JUNE 30,  
2007 AND CUMULATIVE SINCE INCEPTION

CONSOLIDATED STATEMENTS OF STOCKHOLDERS DEFICIENCY

NOTES TO FINANCIAL STATEMENTS

(b)

Index to Exhibits

31.1

Certificate of the Chief Executive Officer pursuant Section 302 of the Sarbanes-Oxley Act of 2002

31.2

Certificate of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

32 .1

Certificate of the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002



32 .2

Certificate of the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

**SIGNATURES**

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**AMMEX GOLD MINING CORP.**

Date: October 13, 2008

By: /s/ W. Campbell Birge

-----

W. Campbell Birge

CEO and Director

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ W. Campbell Birge

Date: October 13, 2008

-----

W. Campbell Birge

CEO/ Director

By: /s/ Lucie Letellier

Date: October 13, 2008

-----

Lucie Letellier

Chief Financial Officer/Director

By: /s/ Charles Reed

Date: October 13, 2008

Charles Reed

Vice President/Director