

Ammex Gold Mining Corp.  
Form 10QSB  
February 11, 2008

**FORM 10-QSB**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

(Mark One)

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended December 31, 2007

OR

- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No. 333-113296

**AmMex Gold Mining Corp.**

(Exact name of registrant as specified in its charter)

Nevada

98-0409895

(State or other jurisdiction of

(I.R.S. Employer

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incorporation or organization)

Identification No.)

346 Waverley Street

K2P 0W5

Ottawa, Ontario, Canada

33----ddd33

(Address of principal executive office)

(Zip Code)

Registrant's telephone number, including  
area code:

(613)226-7883

N/A

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(Former name, former address and former fiscal year, if changed since last report.)

Indicate by a check mark whether the registrant (1) has 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

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

Yes  No

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 the number of shares outstanding of each of the issuer's classes of Common Stock as of the latest practicable date:

50,292,731 shares of Common Stock, \$0.001 par value as of December 31, 2007

Transitional Small Business Issuer Format \_\_\_\_\_ Yes  No

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**PART I. FINANCIAL INFORMATION**

Item 1. Financial Statements

Consolidated Balance Sheet as of December 31, 2007 (unaudited) and June 30, 2007 (audited)

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Consolidated Statement of Operations for the Three and Six Months Ended December 31, 2007 and December 31, 2006, and Cumulative Since Inception (March 25, 2007) to December 31, 2007 (unaudited)

Consolidated Statements of Cash Flows for the Three and Six Months Ended December 31, 2007 and December 31, 2006, and Cumulative Since Inception to December 31, 2007 (unaudited)

Consolidated Statements of Stockholders Equity from Inception to December 31, 2007

Notes to Interim Financial Statements as of December 31, 2007 (unaudited)



**AmMex Gold Mining Corp.**

(An Exploration Stage Mining Company)

**Unaudited**

**Consolidated Financial Statements**

**Period ended December 31, 2007 and 2006**

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## **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

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**AmMex Gold Mining Corp.**

(An Exploration Stage Mining Company)

**Consolidated Balance Sheets (Unaudited)**

**As at December 31, 2007 and June 30, 2007**

(Expressed in United States dollars, unless otherwise stated)

**December 31,**

June 30,

**2007**

2007

(Unaudited)

(Audited)

**Assets**

**Current Assets**

Cash	\$	283,931	\$	25,183
Prepaid Expenses		740,055		81,793
Accounts Receivable		479		108
		1,024,465		107,084

**Fixed Assets (Note 6)** 6,556 7,292

**Mineral Properties (Note 9)** - 2,406,650

\$ 1,031,021 \$ 2,521,026

**Liabilities and Stockholders Equity**

**Liabilities**

**Current Liabilities**

Accounts payable	\$	48,211	\$	51,409
Demand Note (Note 7)		-		180,000
		48,211		231,409

**Stockholders Equity**

Common stock, \$0.001 par value (Note 8)		50,834		42,902
Additional Paid-in capital (Note 8)		6,784,221		4,557,678
Deficit accumulated during the Development Stage		(5,847,845)		(2,306,563)
Accumulated other comprehensive loss		(4,400)		(4,400)
		982,810		2,289,617
	\$	1,031,021	\$	2,521,026

Going concern (Note 1) Commitments (Note 10) and Subsequent Events (Note 11)

Signed on behalf of the Board of Directors

W. Campbell Birge

Charles William Reed

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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 (Unaudited)****For the Period Ended December 31, 2007 and December 31, 2006**

(Expressed in United States dollars, unless otherwise stated)

	<b>Three Month Period Ended December 31, 2007</b>	<b>Six Month Period Ended December 31, 2007</b>	<b>Three Month Period Ended December 31, 2006</b>	<b>Six Month Period Ended December 31, 2006</b>	<b>Cumulative Since November 20, 2002 to December 31, 2007</b>
<b>Revenue</b>					
Interest Income	\$ 5,211	\$ 7,728	\$ 34,221	\$ 34,221	\$ 42,221
<b>Expenses</b>					
Exploration Expenses	210,000	301,637	499,311	568,468	1,418,173
Geologists	2,304	14,054	143,065	210,083	248,930
Advertising and Promotion	1,221	13,125	34,969	51,915	67,924
Consulting Fees	60,078	61,328	27,093	87,315	321,039
Corporate Communications	315,619	353,476	28,704	59,612	474,454
Employment Compensation	130,060	182,235	18,904	37,654	377,235
Insurance	11,316	24,672	13,308	14,610	66,313
Amortization	368	736	739	739	1,546
Office and Miscellaneous	80	4,727	45,947	67,728	72,520
Professional Fees	101,788	163,076	55,315	130,020	492,414
Rent	1,958	3,953	11,489	18,746	14,740
Travel and Lodging	3,690	3,692	-	-	12,316
Interest and Service charges	466	648	-	-	3,772
Total Operating Expenses	838,948	1,127,359	878,844	1,246,890	3,571,376
Loss for the period before other item:	833,737	1,119,631	844,623	1,212,669	3,529,155
Other items:					
Write-down of mineral properties	2,396,650	2,421,650	-	-	2,421,650
Gain on forgiveness of debt	-	-	-	-	(102,960)
Net Loss for the period from	3,230,387	3,541,281	884,623	1,212,669	5,852,245

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continuing operations					
Discontinued operations-Schedule 1	-	-	-	-	-
Net loss for the period	3,230,387	3,541,281	884,623	1,212,669	5,847,845
Other comprehensive loss:					
Foreign currency translation	-	-	-	-	4,400
Comprehensive loss for the period	\$ 3,230,387	\$3,541,281	\$ 884,623	\$1,212,669	\$ 5,852,245
Basic and diluted loss per share	\$ (0.07)	\$ (0.08)	\$ (0.02)	\$ (0.02)	
Weighted average number of shares outstanding	47,836,626	46,267,213	42,417,340	72,231,840	

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

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**AmMex Gold Mining Corp.**

(An Exploration Stage Mining Company)

**Interim Consolidated Statement of Cash Flows (Unaudited)****For the Period December 31, 2007 and December 31, 2006**

(Expressed in United States dollars, unless otherwise stated)

	<b>Three Months ended December 31, 2007</b>	<b>Six Months ended December 31, 2007</b>	<b>Three Months Ended December 31, 2006</b>	<b>Six Months Ended December 31, 2006</b>	<b>November 20, 2002 (Date of Inception) to December 31, 2007</b>
<b>Cash Flows from Operating Activities</b>					
Net Loss for the period	\$(3,230,387)	\$(3,541,281)	\$(884,623)	\$(1,212,669)	\$ (5,847,845)
Add (deduct) non-cash items:					
Amortization	368	736	739	739	1,546
Write-down of Mineral Properties	2,396,650	2,421,650	-	-	2,421,650
Shares issued for services	707,190	887,285	21,492	112,486	1,527,325
Write-off of accounts receivable	-	-	-	-	333
Loss on disposal of assets	-	-	-	-	(675)
Gain on forgiveness of debt	-	-	-	-	(137,412)
Changes in non-cash working capital items:					
Subscription receivable	-	-	-	(242,303)	-
Accounts receivable	(260)	(371)	231,359	231,359	479
Prepaid expenses	75,405	(46,112)	(53,935)	(185,576)	(68,771)
Accounts payable and accrued liabilities	(54,083)	(3,198)	140,067	278,688	48,211



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	(105,117)	(281,251)	(701,893)	(1,272,161)	(2,055,159)
<b>Cash Flows from Investing Activities</b>					
Purchase of equipment	-	-	(26,094)	(26,094)	(8,102)
Acquisition of mineral properties	-	(15,000)	-	-	(50,000)
		(15,000)	(26,094)	(26,094)	(58,102)
<b>Cash Flows from Financing Activities</b>					
Capital stock issued	-	555,000	-	1,500,000	2,079,780
Demand note	-	-	-	-	180,000
Advances from related parties	-	-	-	-	137,412
		555,000	-	1,473,906	2,397,192
Increase (decrease) in cash from continuing operations	(105,117)	258,749	(727,987)	201,745	283,931
Cash, beginning of the period	389,048	25,182	929,732	-	-
<b>Cash, end of the period</b>	<b>\$ 283,931</b>	<b>\$ 283,931</b>	<b>\$ 201,745</b>	<b>\$ 201,745</b>	<b>\$ 283,931</b>
Supplemental disclosure of non-cash transactions (Note 5)					

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 December 31, 2007**

(Stated in US Dollars) (Unaudited)

	Common Shares		Additional Paid-in Capital	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	48,600,000	48,600	(28,350)	-	-	20,250
\$0.0004 per share						
Foreign currency - translation adjustment	-	-	-	-	(374)	(374)
Net loss for the period ended June 30, 2003	=	=	=	<u>(47,677)</u>	=	<u>(47,677)</u>
Balance, June 30, 2003	106,200,000	106,200	(73,950)	(47,677)	(374)	(15,801)
Issued for cash	181,200	181	4,349	-	-	4,530
\$0.025 per share						
Contributed services	-	-	40,000	-	-	40,000
Foreign currency - translation adjustment	-	-	-	-	(229)	(229)
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)

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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>

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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 December 31, 2007**

(Stated in US Dollars)

(Unaudited)

	<b>Common Shares</b>		<b>Additional Paid-in Capital</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
	668,000	668	461,482	-	-	462,150

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Capital issued for services						
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>

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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 December 31, 2007**

(Stated in US Dollars)

(Unaudited)

	<b>Common Shares</b>		<b>Additional Paid-in Capital</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	1,336,363	1,337	733,663	-	-	735,000
Capital issued for services	1,540,761	1,541	603,834	-	-	605,375
Net Loss	-	-	-	(310,894)	-	(310,894)
Balance September 30, 2007	45,779,964	45,780	5,895,175	(2,617,458)	(4,400)	3,319,097
Capital issued for services	5,053,528	5,054	889,046	-	-	894,100
Net Loss	-	-	-	(3,230,387)	-	(3,230,387)
Balance December 31, 2007	50,833,492	50,834	6,784,221	(5,847,845)	(4,400)	982,810

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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

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**AmMex Gold Mining Corp.**

(An Exploration Stage Mining Company)

**Consolidated Statements of Discontinued Operations of Oasis Wireless Inc.**

**For the Period December 31, 2007 and 2006 and**

**For the period from November 20, 2002 (Date of Inception) to December 31, 2007**

(Stated in US Dollars)

(Unaudited)

	Period ended December 31, 2007 and 2006	November 20, 2002 (Date of Inception) to December 31, 2007
Revenue		
Contract Income	\$ -	\$ 1,027
Expenses		
Amortization	-	\$ 1,250
Consulting fees	-	23,577
Office and miscellaneous	-	9,642
	-	(34,469)
Loss before the following	-	(33,442)
Loss on disposal of equipment	-	(676)
Gain on forgiveness of debt	-	34,452
Write-off of receivables	-	(334)
Net loss for the period	-	-
Other comprehensive loss - foreign exchange	-	-



Comprehensive loss for the period	\$	-	\$	-
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SEE ACCOMPANYING NOTES

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**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 and development 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 December 31, 2007 and the consolidated results of operations and consolidated statements of cash flows for the period ended December 31, 2007.

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 with 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.

	December 31, 2007	June 30, 2007
Deficit accumulated during the exploration stage	\$ 5,847,846	\$ 2,306,563
Working capital (deficiency)	\$ 1,178,474	\$ (124,325)

**Note 2**

Significant Accounting Policies

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

Potential benefits of income tax losses are not recognized in the accounts until realization is more likely than not. The company has adopted SFAS No. 109 as of its inception. 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.

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#### Foreign Currency Translation

The Company's functional currency is the U.S. dollar. Translation gains and losses that arise from exchange rates fluctuations on transactions denominated in a currency other than the functional currency are included in the results of operations as incurred. Transactions in foreign currency are translated into U.S dollars as follows:

- Monetary items at the rate prevailing at the balance sheet date;
  
- Non-monetary items at the historical exchange rate;
  
- Revenue and expenses that are monetary items are valued at the average rate in effect during the applicable accounting period.

### 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 December 31, 2007, 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 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.

## **Note 2**

### Principal Accounting Policies (Continued)

#### 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.

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#### 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.

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**Note 4**

Related Party Transactions

During the period ended December 31, 2007, directors received payments on account of professional fees and reimbursement of expenses in the amount of \$15,500 (2006: \$49,993).

During the period ended December 31, 2007, 1,823,528 common shares were issued to directors for services. The shares issued for services rendered, valued at fair market value on the dates of issuance for total value of \$310,000.

By a lease agreement dated July 6, 2006, with a company having a director in common with a director of the Company, the Company agreed to lease office premises for three years commencing August 1, 2006.

**Note 5**

Non-cash Transactions

There were no interest or income taxes paid during 2007 or 2006.

During the period ended December 31, 2007, the company entered into certain non-cash operating activities as follows:

a)

The Company issued 6,594,289 shares valued at \$1,499,475 for services. \$822,734 has been charged to expenses and \$676,741 has been included in prepaid expenses.

b)

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

**Note 6**Fixed Assets

<b>Cost</b>	<b>Additions</b>	<b>Accumulated</b>	<b>Net Book Value at</b>	<b>Net Book Value at</b>
<b>Opening Balance</b>	<b>During the period</b>	<b>Depreciation</b>	<b>December 31, 2007</b>	<b>June 30, 2007</b>
\$ <u>8,102</u>	\$ <u>-</u>	\$ <u>1,546</u>	\$ <u>6,556</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 period ended December 31, 2007 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 period ended December 31, 2007:

a)

The Company issued 6,594,289 shares valued at \$1,499,475 for services. \$822,734 has been charged to expenses and \$676,741 has been 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**

Mineral Properties

During the period, 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. 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.

**Note 10**

Commitments

By a lease agreement dated July 6, 2006, with a company having a director in common with a director of the Company, 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 11**

Subsequent Events

Subsequent to December 31, 2007, the company entered into a memorandum of understanding to acquire mining rights to the Cold Creek Gold Property located in Cassia County, Idaho. A deposit of \$10,000 dollars was paid to the vendor on October 30, 2007. This deposit is included in prepaid expenses.

The company is also in the process of jointly acquiring, through its 100% owned Mexican subsidiary Minera Jeronimo S.A. de C.V., a mineral concession in Zacatecas, Mexico with Exmin Resources Inc. Terms were agreed to in November, 2007 but is awaiting Board of Director approval pending final registry in Mexico's federal department of mining.

**Note 12**

Discontinued Operations

By a special resolution of the shareholders of the Company dated December 19, 2006, the Company has dissolved its wholly owned subsidiary Oasis. The only asset of Oasis as at June 30, 2006, was amount receivable totaling \$334 this asset was written-off in the period ended September 30, 2006.

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**Item 1A.**

**RISK FACTORS**

Except for the following risk factor, we do not believe that there have been any material changes in our risk factors from those disclosed in our Annual Report on Form 10-KSB for the period ended June 30, 2007.

**No rights in any mining concessions.**

We currently do not have any concessions under contract. Although management remains confident that it will be able to identify potential mining concessions, there can be no assurance that our management will be able to locate available concessions or once identified, that the Company will have sufficient resources to either enter into an agreement or commercially develop these mining concessions.

**Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operation**

THE FOLLOWING DISCUSSION OF THE RESULTS OF OUR OPERATIONS AND FINANCIAL CONDITION SHOULD BE READ IN CONJUNCTION WITH OUR FINANCIAL STATEMENTS AND THE NOTES THERETO INCLUDED ELSEWHERE IN THIS REPORT.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this quarterly report on Form 10-QSB contain or may contain forward-looking statements that are subject to known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements were based on various factors and were derived utilizing numerous assumptions and other factors that could cause our actual results to differ materially from those in the forward-looking statements. These factors include, but are not limited to, economic, political and market conditions and fluctuations, government and industry regulation, interest rate risk, U.S. and global competition, and other factors. Most of these factors are difficult to predict accurately and are generally beyond our control. You should consider the areas of risk described in connection with any forward-looking statements that may be made herein. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this report. Readers should carefully review this quarterly report in its entirety, including but not limited to our financial statements and the notes thereto. Except for our ongoing obligations to disclose material information under the Federal securities laws, we undertake no obligation to release publicly any revisions to any forward-looking statements, to report events or to report the occurrence of unanticipated events. For any forward-looking statements contained in any document, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

## **Background**

Ammex Gold Mining Corp. ("Ammex the company the corporation "we" or "us") is an exploration stage mining company with no mining concessions, ore reserves or mining operations. Our activities to date have been limited to searching for deposits from which we may be able to extract precious minerals and designing a process for profitable extraction. We have conducted exploratory drilling operations on several properties. As discussed in more detail below, we were not satisfied with drilling results and have abandoned these operations. There can be no assurance that we will be able to acquire any mining concessions in the future or that commercially viable mineral deposits will exist on any property we may acquire.



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## **Properties**

We have terminated the arrangement with Biotronix Research Instruments and its option agreement with Consolidated Global Minerals Ltd. involving the Bailey Hills project in Elko County, Nevada. We have also terminated further development of the El Tiliche property in Sonora, Mexico. As a result, we wrote off \$2,421,650 of capitalized mineral property costs related to these properties. This write-off is reflected in our financial statements contained in this report.

### **Bailey Hills:**

Bailey Hills is located along the Carlin Trend in northern Nevada southeast of the Rain Mine area. It was previously explored approximately twenty (20) years ago. Consolidated Global Minerals acquired the property from a local prospector and we became a joint venture partner with Global in the summer of 2006.

The gold mineralization encountered at Bailey Hills is hosted by silicified breccias at the contact between the Devil's Gate limestone and the overlying Webb formation siltstones and is often associated with steeply dipping faults. In the fall of 2007, Consolidated Global completed a 15-line CSAMT geophysical survey over the previously drilled area and extending a few miles to the north. Consolidated Global began a reverse circulation drilling program in the southern target area in December 2006, completing six holes for a total of 5,890 of drilling. The silicified Devils Gate/Webb contact was intersected in four of these holes with anomalous gold values reported over lengths between 25 and 210 feet. The target was tested, but the gold values were lower than expected.

In October 2006, we directed a short drilling program to test the northern extension of the horst blocks. Six drilling sites were planned, but only two holes were drilled for a total of 1,720 feet. These holes demonstrated that the geophysical interpretation greatly underestimated the depth to the targets in the northern portion of the Bailey Hills project. Based on the results of these drill programs, we decided that due to the excessive depths to mineralization and low gold grades, the risk was too great to continue exploration at Bailey Hills.

**El Tiliche:**

In September 2006, we initiated a 6,000 meter reverse circulation drill program at the El Tiliche Project located in Northwest Sonoma, Mexico. Six separate target areas were defined by geological mapping and surface geochemical sampling, each with highly anomalous gold values and associated pathfinder elements in outcrop. A total of 584 rock samples were collected during the initial assessment, 109 of these samples contained gold values greater than 1 gram per ton, with 32 of these greater than 5 grams per ton. In total 46 holes were drilled. Some of the better results ran between 1.0 and 2.34 g/t gold but were obtained over short intersects of 1 to 3 meters.

Management concluded that while El Tiliche contained gold grades suitable for potentially bulk mineable bodies, the gold mineralization at El Tiliche was present largely as narrow zones with gold grades insufficient to support underground mining scenarios. Follow-up geologic work encountered an unexplained placar gold occurrence at the San Filipe area and a copper-molybdenum anomaly on the Rey Midas concession. Based on these reports, management determined that the discovery potential is not sufficiently great to continue exploration.

**Letters of Intent:**

We have also terminated letters of intent for both the Ox Creek property north of Austin, Nevada and the Castle Copper Molybdenum project in Yavapai County, Arizona

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**Ox Creek:**

The Ox creek property is approximately 20 miles northeast of Austin Nevada. It was optioned from Don Jennings who was also the owner of the Bailey Hills property.

During the winter of 2006 and spring of 2007, geological reports were studied, additional data acquired, geology identified and potential drilling targets identified. After evaluating the foregoing, our current chief executive officer identified two conceptual targets for possible drilling, but there was no good direct evidence for them. Based on the available data, we concluded that the likelihood of finding gold mineralization was not very great.

We considered drilling a few holes, but decided that the nebulous nature of the targets made this a poor place to expend our limited resources and as a result of the foregoing, we have no further interest in the Ox Creek property.

**Castle Mountain:**

Castle Mountain is a body of Copper mineralization partially defined by drilling several years ago about 50 miles NW of Phoenix, Arizona. It is covered by 1,220 to 1,500 feet of volcanic rocks which are not well consolidated which would make mining difficult. If further drilling proved it to be as it seemed from the available data, it would have to be mined in an underground scenario. We contracted a mining engineer to review the general feasibility and his report was cautiously optimistic. A field visit revealed that there are several recently built houses over the deposit and a country ranchettes sort of subdivision in progress.

Based on the foregoing management concluded that, while the economics of mining the copper mineralization may possibly be feasible, dealing with the surface landowners would be extremely expensive and perhaps impossible. As a result, we decided not to pursue the property further.

**Subsequent Events:**

In January 2008, we entered into a memorandum of understanding ( MOU )with Mitchell L. Bernardi to acquire 16 unpatented lode claims to the Cold Creek Gold Property located in Cassia County, Idaho. A non-refundable deposit of \$10,000 has been paid to secure the mining claims. The MOU is subject to execution of a definitive agreement and further due diligence on the part of AmMex including but not limited to clearance and adjudication of any water issues.

Assuming that we are satisfied with our ongoing due diligence, it is contemplated that the definitive agreement will require us to complete an aggregate of \$175,000 in exploration work on the property over a three (3) year period. The Work may include, but is not limited to, ground or airborne geophysics, aerial photography, drilling, transportation costs, assay costs, staking costs, manpower costs, fuel costs, supplies and related expenses that are directly applicable to the project.

## **Market Description**

### **Gold and Silver**

The market for both gold and silver remains strong. While we have not identified any properties to conduct any exploratory drilling nor are we under contract for any mining concessions, the increasing value of gold, silver and other metals continues to increase. With prices rising and increased demand, we believe that we will be able to identify properties or obtain mining concessions which otherwise would not have been commercially viable in the past. Since 2001, gold has increased from \$268 per ounce to its current price of approximately \$925 per ounce and silver has increased from \$4.58 per ounce to its current price of \$16.70 per ounce (as of January 29, 2008).

Management believes that both the gold and silver markets will remain strong for the foreseeable future and that they will be able to identify properties which could result in commercially viable mining concessions.

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As of December 31, 2007 we have no employees except for our executive officers.

## **Comparison of Operating Results for the Three and Six Months ended December 31, 2007 to the Three and Six Months Ended December 31, 2006**

### **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 three and six months ended December 31, 2007 was \$5,211 and \$7,728 respectively as compared to \$34,221 for the three and six months ended December 31, 2006. We did not generate any interest income during the comparable period in 2006. Monies are deposited in interest bearing accounts until such time as needed for drilling and general working capital purposes.

### **Operating Expenses**

For the three and six months ended December 31, 2007 our operating expenses totaled \$838,948 and \$1,127,359 as compared to \$878,844 and \$1,246,890 for the three and six months ended December 31, 2006

As a result of our decision to abandon our mining concessions, exploration expenses declined from \$499,311 and \$568,468 for the three and six months ended December 31, 2006 as compared to \$210,000 and \$301,637 for the three and six months ended December 31, 2007. Similarly, our geologist expenses declined from \$143,065 and \$210,083 to \$2,304 and \$14,054 respectively.

Employment compensation for the three and six month period ended December 31, 2007 was \$130,060 and \$182,235 as compared to \$18,904 and \$37,654 for the three and six months ended December 31, 2006.

Corporate communications for the three and six months ended December 31, 2007 was \$315,619 and \$353,476 as compared to \$28,704 and \$59,612 for the comparable periods in 2006. Most of this expense represents stock based compensation.

Professional fees for the three and six months ended December 31, 2007 were \$101,788 and \$163,076 as compared to \$55,315 and \$130,020 for the comparable periods in 2006.

Since we made the decision to terminate our agreement in connection with the Bailey Hills property in Elko, Nevada, we wrote off \$25,000 of the capitalized costs related to this property.

### **Net Income (loss)**

Our Net Loss from operations for the three and six months ended December 31, 2007 was \$(833,948) and \$(1,127,359) as compared to a net loss of \$(844,623) and \$(1,212,669) during the comparable periods in 2006. Our net loss for the three and six months ended December 31, 2007 was \$(3,230,387) and \$(3,541,281) as compared to a Net Loss of \$(884,623) and \$(1,212,669) for the comparable periods in 2006. The reason for the significant increase in our quarterly loss was a write down of our mineral properties totaling \$2,396,650.

For the three and six months ended December 31, 2007 we had a net loss per share of \$(0.07) and \$(0.08) as compared to a net loss per share of \$(0.02) for both the three and six months ended December 31, 2007.

Until such time as we are able to enter into an agreement to acquire a mining concession and we determine that the mineral deposits can be extracted in a commercially reasonable manner, of which there can be no assurance, we will continue to incur ongoing losses.

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## **Liquidity and Capital Resources**

### **Assets and Liabilities**

As of December 31, 2007, we had cash totaling \$283,931 and prepaid expenses totaling \$740,055 as compared to \$25,183 in cash and \$81,793 in prepaid expenses as of June 30, 2007. Total current assets were \$1,031,021 as compared to \$107,084. Our fixed assets as of December 31, 2007 were \$6,556. We have written off all of our mineral properties as of December 31, 2007. As of June 30, 2007, we had fixed assets of \$7,292 and mineral

properties valued at \$2,406,650. We have total assets of \$1,031,021 as compared to \$2,521,026.

Our current liabilities as of December 31, 2007 totaled \$48,211 as compared to \$231,409 at June 30, 2007. The reduction in our current liabilities is primarily attributable to satisfaction of a demand note in the amount of \$180,000. The note was converted into 327,272 shares of our common stock at the rate of \$0.55 per share.

We have a working capital surplus (current assets less current liabilities) of \$978,885 as compared to a working capital deficit of \$124,325. We anticipate that we will be able to meet our currently existing obligations. If we enter into any agreements for mining concessions which require us to expend capital for exploratory activities, we will likely have to secure additional funding of which there can be no assurance.

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

We are not currently a party to, or otherwise involved with, any off-balance sheet arrangements that have or are reasonably likely to have a current or future material effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

### **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.

#### **Pre-exploration Stage Company**

The Company complies with Financial Accounting Standard Board Statement No. 7 and The Securities and Exchange Commission Exchange Act Guide 7 for its characterization of the Company as pre-exploration stage.

#### **Capitalization of Mineral Claim Costs**

Cost of acquisition, exploration, carrying and retaining unproven properties are expensed as incurred until such time as reserves are proven. Costs incurred in proving and developing a property ready for production are capitalized and amortized over the life of the mineral deposit or over a shorter period if the property is shown to have an impairment in value. Expenditures for mining equipment are capitalized and depreciated over their useful life.

#### Foreign Currency Translation

The Company's former subsidiary, Oasis, translated amounts from its functional currency, Canadian dollars, to the reporting currency, United States dollars, in accordance with the Statement of Financial Accounting Standards (SFAS) No. 52, Foreign Currency Translation. At cash balance sheet date, recorded balances that are denominated in a currency other than US dollars are adjusted to reflect the current exchange rate which may give rise to a foreign currency translation adjustment accounted for as a separate component of stockholders' deficiency and included in comprehensive loss.

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Monetary assets and liabilities are translated into the reporting currency at the exchange rate in effect at the end of the year. Non-monetary assets and liabilities are translated at the exchange rate prevailing when the assets were acquired or the liabilities assumed. Revenues and expenses are translated at the rate approximating the rate of exchange on the transaction date. All exchange gains and losses are included in the determination of net income (loss) for the year.

#### Income Taxes

The Company uses the asset and liability method of accounting for income taxes pursuant to SFAS No. 109 Accounting for Income Taxes. Under the assets and liability method of SFAS 109, deferred tax assets and liabilities



are recognized for the future tax consequences attributable to temporary differences between the financial statements carrying amounts of existing assets and liabilities and loss carry forwards and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

#### Basic Loss Per Share

The Company reports basic loss per share in accordance with SFAS No. 128, *Earnings Per Share* . Basic loss per share is computed using the weighted average number of shares outstanding during the year.

#### Fair Value of Financial Instruments

The carrying values of the Company's financial instruments, consisting of amounts receivable, accounts payable and accrued liabilities approximate their fair values due to the short-term maturity of such instruments. Due to related parties also approximates its fair value. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

#### Comprehensive Loss

The Company has adopted SFAS No. 130 *Reporting Comprehensive Income* . Comprehensive loss is comprised of net loss and foreign currency translation adjustments.

#### New Accounting Standards

In December 2004, the Financial Accounting Standards Board ( FASB ) issued Statement of Financial Accounting Standards ( SFAS ) No. 123R, *Share Based Payment* , that addresses the accounting transactions in which a company exchanges its equity instruments for goods or services. SFAS No. 123R requires that such transactions be accounted for using a fair value based method. Adoption of SFAS No. 123R is effective for fiscal periods beginning after December 15, 2005.

### **Item 3. Controls and Procedures.**

As of the end of the period covered by this Report, the Company's chief executive officer and its principal financial officer (the Certifying Officers ), evaluated the effectiveness of the Company's "disclosure controls and procedures," as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934. Based on that evaluation, the Certifying Officers concluded that, as of the date of their evaluation, the Company's disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the Company's periodic filings under the Securities Exchange Act of 1934 is accumulated and communicated to management, including these officers, to allow timely decisions regarding required disclosure.

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The Certifying Officer has also indicated that there were no significant changes in our internal controls or other factors that could significantly affect such controls subsequent to the date of their evaluation and there were no corrective actions with regard to significant deficiencies and material weaknesses.

Our management, including the Certifying Officer, does not expect that our disclosure controls or our internal controls will prevent all errors and fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. In addition, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the control. The design of any systems of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Because of

these inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

## **PART II. OTHER INFORMATION**

### **Item 1.**

#### **Legal Proceedings.**

None.

### **Item 2. Unregistered Sales of Equity Securities,**

On November 29, 2008 we issued a total of 1,323,528 shares of our common stock to our current officers for services rendered. We issued these shares in lieu of cash compensation due these officers. We also issued on that same date, 441,176 shares of our common stock to our former chief executive officer for accrued salaries and services rendered while serving as our chief executive officer. All shares of common stock were valued as of the grant date.

We relied on the exemption from registration afforded by Section 4(2) of the Securities Act when issuing the above identified shares.

### **Item 3. Defaults upon senior securities.**

None.

**Item 4. Submission of matters to a vote of security holders.**

There were no matters submitted during the quarter ended December 31, 2007 to a vote of the Company's securities holders.

**Item 5. Other Information**

Not applicable

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**Item 6. Exhibits and Report on Form 8-K**

During the quarter ended December 31, 2007, we filed on December 21, 2007 a report on Form 8-K in connection with the resignation of our Christopher Crupi as an officer and director and the appointment of Mr. Birge as our chief executive officer and director.

Exhibit No. Description

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31.1 Section 302 Certification of the Principal Executive Officer \*

31.2 Section 302 Certification of the Principal Financial Officer \*

32.1 Section 906 Certification of Principal Executive Officer \*

32.2 Section 906 Certification of Principal Financial and Accounting Officer \*

\* Filed herewith

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: February 11, 2008

By: /s/ W. Campbell Birge

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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: February 11, 2008

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W. Campbell Birge

CEO/ Director

