Amur Minerals

AMUR MINERALS CORPORATION AND ITS SUBSIDIARIES

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

AS OF 31 DECEMBER 2009

Chairman's Statement
Mr. Robert Schafer

Dear Shareholder,

Amur Minerals Corporation accomplished a great deal during 2009. It was a very important year for the Company as significant strategic advances on the Kun-Manie project were made while simultaneously and successfully managing the challenges related to the global financial crisis. We completed four rounds of financing to finish the year with a stronger balance sheet than at the beginning of the year. The volumes of Amur Minerals stock traded on both AIM and PlusMarkets were the highest we have had since becoming a public company, providing additional liquidity for our shareholders.

During the year, we passed several critical milestones in the development of the Kun-Manie project. In January we received official confirmation from the Russian State Committee on Reserves (known as the GKZ) that our submission in late 2008 had been accepted. We subsequently built upon the reserves submission that was presented to the GKZ This was accomplished by including data from Maly Krumkon that was not available when our initial reserves submission was made. Maly Krumkon contains 12.9 million tonnes of ore at an average nickel grade of 0.63% and an average copper grade of 0.18%. The total Russian approved reserve (C1 + C2 under the Russian classification system) now stands at 31.7 million tonnes of ore and averages 0.64% nickel and 0.18% copper. This is highly comparable to SRK Consulting's 2007 reserve estimate of 31.5 million tonnes averaging 0.54% nickel and 0.15% copper.

Associated by-product metals were also calculated in accordance with Russian standards for all three deposits. The reserve inventory contains 3,960 tonnes of cobalt, 189,400 ounces of platinum and 213,800 ounces of palladium.

Following the approval of our reserves, Amur applied for a "Certificate of Discovery", which was awarded in April. This certificate is critical to the future of the project from the Company's perspective because it provides us with the exclusive right to apply for a 20-year mining licence without having to compete in an auction. During the latter half of 2009, we compiled our application for the mining licence and undertook a review of the documentation with the Amurnedra Ministry of Natural Resources. Subsequently in January 2010, the final documents and application were delivered to Rosnedra for consideration, review and approval. The approval process is anticipated to take up to 12 months from submission.

The success in advancing the Kun-Manie project and improving global equity markets in 2009 enabled the Company to complete four separate share placings during the year. In total, we raised $2.2 million in cash and received shares in Grafton Resources Investments Limited with a value of $627,000 via a share swap. We also issued shares in exchange for services and commissions owed on financing totalling $206,000. In total, the Company issued 49 million new shares at an effective average price of 4p per share.

Our share trading volumes rose dramatically during the year, providing additional liquidity for all shareholders. While we started from a very low share price base at the beginning of the year, we maintained much of our value during volatile times to end the year with our share price up over 4000% from the beginning of the year.

The additional capital raised and cost cutting efforts resulted in a much improved financial position at the end of 2009 than the previous year. We reduced administrative expenses by $0.9 million and reduced cash used in operating activities by $1.6 million. The majority of the cost reductions were the direct result of our not conducting significant work programmes in 2009; instead we focused our efforts on progressing our Kun-Manie licence through the Russian regulatory system leading to the receipt of the approvals described above and securing the investment made in Kun Manie. This led to a sharp drop in direct exploration investment, a move management felt was prudent during financially turbulent times. However, we did make some significant investments for the future. In addition to the reserve and licence submissions to the GKZ, we acquired the base camp property we have been using at Gorny. The price for the acquisition was not significant, and the facility gives us a low-cost staging area for future field seasons, and eventually the construction of a mine.

We ended the year with just under $1 million in the bank, more than double the cash position we had at the start of the year. In addition, we hold an investment in shares of Grafton which we intend to convert to cash in a timely fashion. We have significantly reduced outstanding payables to $290,000 of which some $200,000 of this amount is deferred salary to our executives who demonstrated their commitment to the Company and shareholders by reducing voluntarily their cash compensation to help keep Amur moving forward during difficult times.

The excellence of our technical team has been clearly demonstrated. In March 2010, the Russian Ministry of Natural Resources recognised three Kun-Manie geologists, Max Kremenetsky, Vladimir Laponov and Alexander Baranov with awards for excellence in exploration work. The Ministry also recognised Kun-Manie's secretary / translator Ekaterina Lavrenyuk for her contribution to the field. I am personally delighted to congratulate these people for the recognition they truly deserve.

After the year-end, David Wood announced his intention to leave the Company to pursue other interests. He has been a part of the Company since inception, and played a key role as the Company's CFO. We appreciate his efforts on behalf of Amur and wish him well.

Looking to 2010, we are currently in discussions with a number of parties in respect of raising further funds to accelerate the exploration work programme. Whilst progress is being made on a number of potential transactions which would provide additional finance for the Company, there are currently no binding agreements in place which will provide additional finance. Management is confident that additional finance will be secured so that we can continue to move the project forward.

The outlook for 2010 is positive. We intend to carry out a limited work programme at Kun-Manie whilst the mining licence application works its way through the Russian regulators to approval. We are also encouraged by steps the Russian government is taking to improve the foreign investment climate, and we expect to benefit from this liberalisation.

Mr. Robert Schafer
Non Executive Chairman
29 June 2010

Directors' Report for the year ended 31 December 2009

The Directors present their annual report and the audited financial statements for the year ended 31 December 2009.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The Group's principal activity during the year was that of mineral exploration and development. A full review of the activity of the business and of future prospects is contained in the Chairman's Statement which accompanies these financial statements.

RESULTS AND DIVIDENDS

The results for the year are disclosed in the Statement of Comprehensive Income on page 10. The Directors do not recommend a dividend.

DIRECTORS AND THEIR INTERESTS

The Directors who held office during the year and their interests in the Company's issued share capital are given below:

	Ordinary Shares		**Share Options**	
	At 31 December 2009	At 31 December 2008	At 31 December 2009	At 31 December 2008
Robert W. Schafer (appointed 31 January 2006)	33,333	33,333	354,000	354,000
Robin J. Young (Appointed 5 January 2006)	158,590[1]	1,074,590	3,186,000	3,186,000
David F. Wood (appointed 5 January 2006, retired 22 April 2010)	418,144	418,144	2,124,000	2,124,000
Eric D. McAuslan (appointed 14 September 2009)	300,000	N/A	-	N/A
William P. McLucas (appointed 14 September 2009)	300,000	N/A	-	N/A
George W. Eccles (appointed 5 January 2006, retired 1 January 2009)	N/A	30,303	354,000	354,000
David Straker-Smith (appointed 5 January 2006, retired 1 January 2009)	N/A	620,568	354,000	354,000
John Haskell (appointed 5 March 2008, retired 1 January 2009)	N/A	-	N/A	-

1. As disclosed in the Company's Admission Document, 916,000 of the Ordinary Shares shown against Robin Young's name were the subject of an option in his favour over Ordinary Shares held by Foxley Associates Limited. This option agreement lapsed in 2009 and Mr Young was not able to negotiate acceptable terms for its prolongation.

LISTING

The Company's ordinary shares have been traded on London's Alternative Investment Market (AIM) since 15 March 2006. RBC Capital Markets is the Company's Nominated Adviser and Broker. The share price at 31 December 2009 was 7.25p.

GOING CONCERN

In the absence of production revenues, the Group is currently dependent upon its existing financial resources which comprises cash and available-for-sale investments (see Note 10), and its ability to raise additional finance through share placings to satisfy its obligations and fully finance its exploration and evaluation programme for Kun-Manie and Kustak. Failure to meet these exploration and evaluation commitments could put the related licence interests at risk of forfeiture.

The Directors are currently in negotiations with a number of parties in respect of raising further funds to continue with the exploration work programme. Whilst progress is being made on a number of potential transactions which would provide additional finance for the Group, progress needs to be made to ensure the expenditure commitments on the asset interests the Group retains can be met with its available funding in order to secure the Group's future. There are currently no binding agreements in place which will provide additional finance.

These conditions indicate the existence of a material uncertainty which may cast significant doubt over the group's ability to continue as a going concern. Based on the current progress of the negotiations with potential providers of finance and discussions with potential investors the Directors believe that the necessary funds to provide adequate financing for continued exploration work will be raised as required and accordingly they are confident that the Group will continue as a going concern and have prepared the financial statements on that basis.

The financial statements do not include the adjustments that would result if the Group was not able to continue as a going concern.

The Kun-Manie and Kustak projects are also subject to a number of risks and these risks are discussed in more detail below.

Principal risks and uncertainties

The management of the Group's business and the execution of its strategy are subject to a number of risks. Risks are formally reviewed by the Board and appropriate processes put in place to monitor and mitigate them. If more than one event occurs, the overall impact of such events may compound the possible adverse effects on the Group.

The key financial risks affecting the Group are set out in Note 20 to the financial statements. In addition to the Going concern risks noted above, the key operating risks affecting the Group are set out below.

The Group's licences

The Group's activities are dependent upon the grant and renewal of appropriate licences, permits and regulatory consents. The Group's primary exploration licence is currently valid through 31 December 2010 and Management intend to seek an extension through 2012. The licences held by the Group contain a range of obligations, including those described in Note 5 to the financial statements, which have all currently been met. Failure to comply with the terms of the license, or negotiating appropriate amendments to licence agreements could result in penalties being levied or the suspension or revocation of the licence.

Project development risks

Resource estimates are based upon the interpretation of geological data. Project feasibility studies derive estimates of operating costs based upon anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, expected recovery rates and other factors. As a result, actual operating costs and economic returns may differ from those currently estimated.

Reserve and resource estimates

Reserve and resource estimates may require revision based on actual production experience. The volume and grade of reserves mined and processed and recovery rates achieved may vary from those anticipated and a decline in the market price of metals may render reserves containing relatively lower grades of nickel and copper mineralisation uneconomic.

Environmental issues

The Group's operations are subject to environmental regulation, including environmental impact assessments and permitting. Russian environmental legislation comprises numerous federal and regional regulations which are not fully harmonised and may not be consistently interpreted.

Nickel price volatility

The net present value of the Group's capitalised exploration assets is directly related to the long-term price of nickel. The market price of nickel is volatile and is affected by numerous factors which are beyond the Company's control. These factors include world production levels, international economic trends, currency exchange fluctuations and industrial demand.

Political and economic risks
The Group's assets are located in Russia which is still undergoing a substantial transformation from a centrally controlled command economy to a market-driven economy. In addition, in view of the legal and regulatory regime in Russia, legal inconsistencies may arise.

The regulatory environment
The Group's activities are subject to extensive federal and regional laws and regulations governing various matters, including licensing, production, taxes, mine safety, labour standards, occupational health and safety and environmental protections. Amendments to current laws and regulations governing operations and activities of mining companies or more stringent implementation or interpretation of these laws and regulations could have a material adverse impact on the Group, cause a reduction in levels of production and delay or prevent the development or expansion of the Group's properties in Russia.

Taxation
Russian tax legislation has been subject to frequent change and some of the laws relating to taxes to which the Group is subject are relatively new. The government's implementation of such legislation, and the courts' interpretation thereof, has been often unclear or nonexistent, with few precedents established. Differing opinions regarding legal interpretation may exist both among and within government ministries and organisations and various local inspectorates. The introduction of new tax provisions may affect the Group's overall tax efficiency and may result in significant additional tax liability.

Russia's physical infrastructure
Some of Russia's physical infrastructure is in poor condition. This may disrupt the transportation of supplies, add to costs and interrupt operations, with a potentially material adverse effect on the Group's business.

POLICY FOR PAYMENT OF CREDITORS
It is Group policy to agree and clearly communicate the terms of payment as part of the commercial arrangement negotiated with suppliers and then to pay according to those terms. The Company is a holding company and therefore has few suppliers.

Credit facilities are rarely available for pre-production companies in Russia on terms the Directors would consider acceptable. ZAO Kun-Manie is frequently obliged to pre-pay or make advance and stage payments for services supplied. Therefore, it is not appropriate to ascertain the average days of credit.

AUDITORS
All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

DONATIONS
The Company has not made any charitable or political donations this year.

Approved by the Board of Directors and signed on behalf of the Board on 29 June 2010.

Robert W. Schafer
Chairman
29 June 2010

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' report and the financial statements for the Group. The Directors have prepared the financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that year.

The Directors have chosen to use the International Financial Reporting Standards "IFRSs" as adopted by the European Union in preparing the Group's financial statements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group, for safeguarding the assets, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of financial statements.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable International Financial Reporting Standards. A fair presentation also requires the Directors to:

- consistently select and apply appropriate accounting policies;

- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;

- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and

- state that the group has complied with IFRSs, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for ensuring the annual report and the financial statements are made available on a website, in addition to being mailed to shareholders, financial statements are published on the company's website in accordance with legislation in the British Virgin Islands governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Robin Young
Director
29 June 2010

Eric McAuslan
Director
29 June 2010

Report of the Independent Auditors
To the shareholders of Amur Minerals Corporation

We have audited the consolidated financial statements (the “financial statements”) of Amur Minerals Corporation for the year ended 31 December 2009 which comprise the Consolidated Statement of Financial Position, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors
The directors' responsibilities for preparing the annual report and the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union are as set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view.

We read other information contained in the annual report and consider whether it is consistent with the audited financial statements. The other information comprises only the chairman's statement and the directors' report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Our report is made solely to the Company's members, as a body, in accordance with our engagement letter dated 10 December 2009 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of our engagement letter or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group’s circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the consolidated financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the group’s affairs as at 31 December 2009 and of its loss for the year then ended;

Emphasis of matter – going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in note 2 to the financial statements concerning the group’s ability to continue as a going concern which is dependent on raising further funds through new debt, equity or sale of assets of the Group. While the directors are continuing funding negotiations with certain third parties there are currently no binding agreements in place. The directors believe that the group will secure the necessary funds. These conditions together with the other matters referred to in note 2 indicate the existence of a material uncertainty which may cast significant doubt over the group's ability to continue as a going concern. The financial statements do not include any adjustments that would result if the group was unable to continue as a going concern.

BDO LLP
Chartered Accountants
London
29 June 2010

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

(Amounts in '000s US Dollars)

	Notes	31 December 2009	31 December 2008
NON-CURRENT ASSETS			
Capitalised exploration costs	**5**	13,525	13,597
Property, plant and equipment	**5**	629	1,044
VAT Receivable	**8**	341	-
Total non-current assets		**14,495**	**14,641**
CURRENT ASSETS			
Cash and cash equivalents		997	442
Available for sale investments	**10**	691	-
Inventories	**7**	247	270
VAT receivable	**8**	253	530
Other receivables	**9**	125	39
Total current assets		**2,313**	**1,281**
Total assets		**16,808**	**15,922**
CURRENT LIABILITIES			
Trade and other payables	**6**	290	420
Total current liabilities		**290**	**420**
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE PARENT			
Share capital	**12**	22,990	19,719
Share premium	**12**	7,620	7,707
Share options reserve	**12**	1,390	1,390
Retained deficit	**12**	(13,169)	(11,408)
Foreign exchange translation reserve	**12**	(2,313)	(1,906)
Total equity		**16,518**	**15,502**
Total liabilities and equity		**16,808**	**15,922**

The financial statements were authorised for issue by the Board of Directors on 29 June 2010 and were signed on its behalf by:

Robin Young   Eric McAuslan

The accompanying notes on pages 13 to 33 form an integral part of these financial statements.

AMUR MINERALS CORPORATION AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2009
(Amounts in '000s US Dollars)

	Note	**Year ended 31 December 2009**	**Year ended 31 December 2008**
Other administrative expenses	**14**	(1,397)	(2,352)
Impairment of capitalised exploration costs	**5**	(240)	-
Total administrative expenses		(1,637)	(2,352)
Loss from operations		**(1,637)**	**(2,352)**
Finance income		-	50
Finance expense	**13**	(179)	-
Gain on sale of property plant and equipment		55	-
Loss before tax		**(1,761)**	**(2,302)**
Taxation	**11**	-	-
Loss for the year attributable to owners of the parent		**(1,761)**	**(2,302)**
Other Comprehensive income:			
Exchange differences on translation of foreign operations		**(407)**	**(2,975)**
Other comprehensive income for the year, net of tax		**(407)**	**(2,975)**
Total comprehensive income for the year attributable to owners of the parent		**(2,168)**	**(5,277)**
Loss per share: basic & diluted	**15**	US$(0.01)	US$(0.02)

The accompanying notes on pages 13 to 33 form an integral part of these financial statements.

(Amounts in '000s US Dollars)

	Note	Year ended 31 December 2009	Year ended 31 December 2008
Cash flow from operating activities:			
Payments to suppliers and employees		(1,366)	(3,020)
Net cash used in operating activities		(1,366)	(3,020)
Cash flow from investing activities:			
Payments to acquire financial assets		(10)	-
Payments for capitalised expenditure		(532)	(3,516)
Purchase of property, plant and equipment		-	(1,356)
Sale of property, plant and equipment		214	-
Interest received		-	50
Net cash used in investing activities		(328)	(4,822)
Cash flow from financing activities:			
Proceeds from issue of equity shares	**12**	2,260	6,513
Net cash from financing activities		2,260	6,513
Net change in cash and cash equivalents		**566**	**(1,329)**
Cash and cash equivalents at the beginning of the year		442	1,729
Foreign Exchange Effects		(11)	42
Cash and cash equivalents at the end of the year		**997**	**442**

The accompanying notes on pages 13 to 33 form an integral part of these financial statements.

AMUR MINERALS CORPORATION AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2009

(Amounts in '000s US Dollars)

	Notes	Share capital	Share premium account	Retained deficit	Share Options Reserve	Foreign Currency Translation Reserve	Total
Balance at 31 December 2007		**12,719**	**8,310**	**(9,106)**	**1,084**	**1,069**	**14,076**
Total comprehensive income for the year		-	-	(2,302)	-	(2,975)	(5,277)
Shares issued		7,000	-	-	165	-	7,165
Costs associated with issue of share capital		**-**	(487)	-	-	-	(487)
Issue of share options		-	(116)	-	141	-	25
Balance at 31 December 2008		**19,719**	**7,707**	**(11,408)**	**1,390**	**(1,906)**	**15,502**
Total comprehensive income for the year		-	-	(1,761)	-	(407)	(2,168)
Shares issued		3,271	-	-	-	-	3,271
Costs associated with issue of share capital		**-**	(87)	-	-	-	(87)
Balance at 31 December 2009		**22,990**	**7,620**	**(13,169)**	**1,390**	**(2,313)**	**16,518**

The accompanying notes on pages 13 to 33 form an integral part of these financial statements.

1. GENERAL

Amur Minerals Corporation ("Company") is incorporated under the British Virgin Islands Business Companies Act 2004. The Company and its subsidiaries ("Group") locates, evaluates, acquires, explores and develops mineral properties and projects in the Russian Far East.

The Company's registered office is located at Kingston Chambers, P.O. Box 173, Road Town, Tortola, British Virgin Islands. The average number of employees for the Group for the period to 31 December 2009 was 14 (2008: 49 employees).

The Company is the 100% owner of a Cypriot company called Irosta Trading Limited ("Irosta"). Irosta holds 100% of the shares in ZAO Kun-Manie ("Kun-Manie"), which holds the Group's mineral licences. The Group includes the following companies as at 31 December 2009 and 31 December 2008:

	Country of Incorporation	Percentage Holding	Principal Activities
Amur Minerals Corporation	British Virgin Islands	Parent Company	Investment Holding Company
Irosta Trading Limited	Cyprus	100%	Investment Holding Company
ZAO Kun – Manie	Russia	100%	Exploration & mining Company

The Group's principal place of business is in the Russian Federation.

The Group's principal asset is the Kun-Manie licence, which was originally issued in 2004 to explore for nickel, copper and associated elements initially until 31 December 2008. Amurnedra, the local licensing authority, extended the exploration licence term for two years until 31 December 2010. The State Committee on Reserves has approved Russian classification C1 + C2 reserves of 203,900 tons of nickel at Kun-Manie in December 2008. Subsequently, the Group received a certificate of discovery conveying the right to obtain a 20 year mining licence at Kun-Manie. ZAO Kun-Manie has applied for the licence and a decision from the authorities is pending.

In December 2007 SRK Consulting completed an independent pre-feasibility assessment of the Vodorazdelny, Ikenskoe and Maly Krumkon areas of the Kun-Manie licence, based on the analytical results from the exploration data set for all holes and trenches that had been completed over the exploration life of the project, inclusive of the work undertaken and results obtained during the 2006 exploration field season for Vodorazdelny and Ikenskoe and 2007 for Maly Krumkon. SRK Consulting is a global entity specialising in the assessment of mining resources. SRK reports a net present value for the project using a discount rate of 10% of US$84 million.

The Group has another mineral licence, namely Kustak, which is adjacent to the Kun-Manie licence. The Kustak licence was acquired at auction in February 2007 and is valid for 25 years. It is a combined exploration and production licence.

2. BASIS OF PRESENTATION

a) Statement of compliance

The financial statements have been presented in thousands of United States Dollars and prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"), that are effective for accounting periods beginning on or after 1 January 2009. The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

b) Going concern

These consolidated annual financial statements are prepared on a going concern basis.

The Group operates as a natural resources exploration and development company. To date, the Group has not earned significant revenues and is considered to be in the exploration and development stage. The Directors anticipate that a production licence will eventually be granted for the Kun-Manie deposit, but cannot estimate a date for commercial production to commence. The Group is currently dependent upon its existing financial resources which comprises cash and available-for-sale investments (see Note 10), and its ability to raise additional finance through share placings to satisfy its obligations and fully finance its exploration and evaluation programme for Kun-Manie and Kustak. Failure to meet these exploration and evaluation commitments could put the related licence interests at risk of forfeiture.

The Directors are currently in negotiations with a number of parties in respect of raising further funds to continue with the exploration work programme. Whilst progress is being made on a number of potential transactions which would provide additional finance for the Group, progress needs to be made to ensure the expenditure commitments on the asset interests the Group retains can be met with its available funding in order to secure the Group's future. There are currently no binding agreements in place which will provide additional finance.

These conditions indicate the existence of a material uncertainty which may cast significant doubt over the group's ability to continue as a going concern. Based on the current progress of the negotiations with potential providers of finance and discussions with potential investors the Directors believe that the necessary funds to provide adequate financing for continued exploration work will be raised as required and accordingly they are confident that the Group will continue as a going concern and have prepared the financial statements on that basis.

The financial statements do not include the adjustments that would result if the Group was not able to continue as a going concern.

c) Basis of consolidation

The consolidated financial statements of the Group include the accounts of Amur Minerals Corporation and its subsidiaries. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated.

Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. The accounting policies and financial year ends of its subsidiaries are consistent with those applied by the Company. These consolidated financial statements include accounts of the Company and its subsidiaries as set out in Note 1.

The Company's Russian subsidiary maintains its books and records in accordance with accounting principles and practices mandated by Russian Accounting Regulations. These records have been adjusted to comply with IFRS for the purposes of preparing consolidated financial statements.

3. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared on the basis of a going concern and in line with IFRS. The adoption of all of the new and revised Standards and Interpretations issued by the IASB and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to the operations and effective for annual reporting periods beginning on 1 January 2009 are reflected in these financial statements.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the consolidated financial statements, are disclosed in this note.

(Amounts in '000s US Dollars)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period or in the period of revision and future periods if the revision affects both current and future periods. The estimates and underlying assumptions are reviewed on an ongoing basis.

Standards, amendments and interpretations effective in 2009:

IFRS 8	Operating segments
IAS 23 (Amendment),	Borrowing costs
Amendment to IAS 1	Presentation of financial information
Amendment to IFRS 2	Share-based payment vesting conditions and cancellations
Amendments to IAS 32 and IAS 1	Puttable financial instruments and obligations arising on liquidation
Amendments to IFRS 7	Improving disclosures about financial instruments
Improvements to IFRSs	Issued on 22 May 2008, comprising a collection of amendments to IFRSs

The adoption of these standards, interpretations and amendments did not materially affect the Group results of operations or financial positions. The presentation of these financial statements incorporates changes arising from adoption of these standards, interpretations and amendments.

Standards, amendments and interpretations effective in 2009 but not relevant for the Group:

IFRIC 13 Customer loyalty programmes
IFRIC 15 Agreements for the construction of real estate

Standards, amendments and interpretations that are not yet effective and have not been early adopted:

Amendments to IFRIC 9 and IAS 39 - *Embedded Derivatives*. The Group will apply the revised standard from 1 January 2010 subject to endorsement by the EU.

IAS 27 (Revised) - *Consolidated and separate financial information*. The revision requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control. The standard also specifies the accounting when control is lost. The Group will apply the revised standard from 1 January 2010.

IFRS 3 (Revised) - *Business combinations,* continues to apply the acquisition method to business combinations, with some significant changes. The Group will apply the revised standard from 1 January 2010.

Amendments to IAS 39 - *Financial Instruments: Recognition and Measurement: Eligible Hedged Items* clarifies how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation should be applied in the designation of a one-sided risk in a hedged item. The Group will apply the revised standard from 1 January 2010.

IFRIC 16 - *Hedges of a Net Investment in a Foreign Operation.* The Group will apply the Interpretation from 1 January 2010.

IFRIC 17 - *Distributions of Non-cash Assets to Owners*. The Group will apply the Interpretation from 1 January 2010 subject to endorsement by the EU.

Improvements to IFRSs (2009) - A collection of amendments to IFRSs eliminating inconsistencies within and between Standards. The Group will apply the amendments from 1 January 2010.

Improvements to IFRSs (2010) - Eliminating inconsistencies within and between Standards. The Group will apply the amendments from 1 January 2010 subject to endorsement by the EU.

Amendments to IFRS 2 - *Group Cash-settled Share-based Payment Transactions.* This Amendment clarifies that, where a parent (or another group entity) has an obligation to make a cash-settled share-based payment to another group entity's employees or suppliers, the entity receiving the goods or services should account for the transaction as equity-settled. The Group will apply the Interpretation from 1 January 2010 subject to endorsement by the EU.

Amendment to IAS 32 - *Classification of Rights Issues.* This Amendment addresses the accounting for rights issues (rights, options or warrants) that are denominated in a currency other than the functional currency of the issuer. The Group will apply the Interpretation from 1 January 2011.

IFRIC 19 - *Extinguishing Financial Liabilities with Equity Instruments* addresses transactions in which an entity issues equity instruments to a creditor in return for the extinguishment of all or part of a financial liability. The Group will apply the Interpretation from 1 January 2011 subject to endorsement by the EU.

Revised IAS 24 - *Related Party Disclosures*. The revision to IAS 24 is in response to concerns that the previous disclosure requirements and the definition of a related party were too complex and difficult to apply in practice, especially in environments where government control is pervasive. The Group will apply the revised standard from 1 January 2011 subject to endorsement by the EU.

Amendments to IFRIC 14 IAS 19 - *Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction.* Management do not expect this amendment, subject to endorsement by the EU, to be relevant to the Group.

IFRS 9 - Financial Instruments. IFRS 9 will eventually replace IAS 39 in its entirety. However, the process has been divided into three main components: Classification and measurement; impairment; and, hedge accounting. The Group will apply the standard from 1 January 2013 subject to endorsement by the EU.

The Group is evaluating the impact of the above pronouncements but they are not expected to have a material impact on the Group's earnings or the shareholders' funds.

Interpretations that are not yet effective and not relevant for the Group:
IFRIC 18, *Transfer of Assets from Customer,* effective for annual periods beginning on or after 1 July 2009, but not yet endorsed by the EU. Management do not expect the interpretation to be relevant for the Group.

a) Functional and presentation currency

Items included in the financial information of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial information is presented in US dollars ($), which is the functional and presentation currency of the Company. The exchange rate on 31 December 2009 was £1:$1.61 (2008: £1:$1.44) and $1:RUB 30.24 (2008: $1:RUB 29.38). The average rates applied to transactions during the year were £1:$1.56 (2008: £1:$1.85) and $1:RUB 31.83 (2008: $1:RUB 24.93).

Foreign currency transactions are translated into the functional currency at the average exchange rate ruling during the month in which the transactions occur. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Foreign exchange gains and losses resulting from the translation of cash, cash equivalents and borrowings denominated in foreign currencies are shown as financing activities; all other foreign exchange gains and losses are shown as operating activities.

On consolidation, the results of overseas operations are translated into US$ at rates approximating to those when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised directly in equity (the "foreign exchange reserve"). Exchange differences recognised in profit or loss of group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the overseas operation concerned are reclassified to the foreign exchange reserve if the item is denominated in the functional currency of the Company or the overseas operation concerned. On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are transferred to the consolidated statement of comprehensive income as part of the profit or loss on disposal.

b) Segmental Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The chief operating decision makers have been identified as the Chief Executive Officer, Chief Financial Officer and the other executive and non-executive Board Members.

The operating results of each of these segments are regularly reviewed by the Group's chief operating decision makers in order to make decisions about the allocation of resources and to assess their performance.

The accounting policies of these segments are in line with those set out in these notes.

c) Business Combinations

The consolidated financial statements incorporate the results of the business combinations using the acquisition method of accounting.

In the consolidated statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained.

d) Exploration and evaluation assets

When the Group incurs expenditure on mining properties that have not reached the stage of commercial production, the costs of acquiring the rights to such mineral properties and related exploration and evaluation costs, including directly attributable employment costs, are deferred where the expected recovery of costs is considered probable by the successful exploitation or sale of the asset. General overheads are expensed immediately. Depreciation on fixed assets used on exploration and evaluation projects is charged to deferred costs whilst the projects are in progress.

Where a feasibility study indicates that the future recovery of costs is not probable, full provision is made in respect of any deferred costs. Where mining properties are abandoned, deferred expenditure is written off in full.

Deferred exploration and evaluation costs are assessed at each reporting date to determine whether there are indicators that the asset may be impaired. If any such indicator exists, a review for impairment is conducted, by estimating the recoverable amount by reference to the net present value of expected future cash flows of the relevant income generating unit or disposal value if higher. If the recoverable amount is less than the carrying value of an asset, an impairment loss is recognised.

Individual mining properties are considered to be separate cash generating units for this purpose, except where they would be operated together as a single mining business.

The amounts shown as deferred exploration and evaluation expenditure represent costs incurred and do not necessarily reflect present or future values.

e) Cash and cash equivalents

Cash consists of cash and bank balances only.

f) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation. Depreciation is provided on all property, plant and equipment at rates calculated to write off the cost or valuation of each asset on a straight-line basis over its expected useful life as follows:

	Useful life (years)
Motor vehicles	2
Office and computer equipment	3-8
Heavy machinery	5-7

The costs of maintenance, repairs and replacement of minor items of property, plant and equipment are charged to current expenditure.

g) Inventories

Inventories are stated at the lower of cost and net realisable value and comprise mainly fuel, materials and spare parts. Costs comprise all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

h) Leased Assets

Where substantially all of the risks and rewards incidental to ownership of a leased asset are retained by the lessor (an "operating lease"), the total rentals payable under the lease are charged to profit or loss on a straight-line basis over the lease term.

i) Income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax. Taxable profit differs from net profit as reported due to income tax effects of permanent and timing differences. Non-profit based taxes are included within administrative expenses.

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences relating to initial recognition of assets or liabilities that affect neither accounting nor taxable profit are not provided for. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

j) Costs associated with the issue of share capital

Costs associated with the issue of shares, net of any taxes, have been set off against the shares issued in the period.

k) Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instrument at the grant date. Fair value is measured by use of the Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. Further details on how the fair value of equity-settled share-based transactions has been determined can be found in Note 12.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

Equity-settled share-based payment transactions with other parties are measured at the fair value of the goods and services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each reporting date. In a scheme where the company has a choice between equity and cash settlement the scheme is accounted for as equity settled if the company has no history of settling in cash.

l) Accounting estimates and assumptions

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and operating costs during the reporting period. Actual results could differ from these estimates.

The accompanying financial statements reflect management's assessment of the impact of the Russian business environment on the operations and the financial position of the Group. The future business environment may differ from management's assessment. The impact of such differences on the operations and the financial position of the Group may be significant.

The most significant assumption in the preparation of these financial statements relates to the recoverability of capitalised exploration costs included in non-current assets. Management have prepared a cash flow, estimating costs of development of the mine and net profits once the mine has been put into operation. The main amounts and estimates required in calculating the future cash flows are:

1. Development costs to date of operations
2. Future sale price of metals extracted
3. Amount of reserves available for extraction
4. Operating expenses per tonne of metal extracted

Based on the cash flow prepared, there is no impairment of the capitalised expenditure to date. However, the exploration is still at an early stage and a change in any of the above areas could result in a significant impact on the estimated future cash flows.

m) Financial Assets

Loans and Receivables

Other receivables: - these assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially measured at fair value and subsequently carried at amortised cost, using the effective interest rate method, less any provision for impairment. If the need for impairment of a receivable arises, the value of provision, representing the expected loss from not being able to recover such a receivable, is recognised in administrative expenses.

Cash and cash equivalents: - these are Group assets that comprise cash, short term deposits and investments in money market funds. Short term deposits comprise deposits made for varying periods of between one day and three months.

Available-for-sale Financial Assets

Non-derivative financial assets not included are classified as available-for-sale and comprise the Group's investment in shares of Grafton Resources Investments Limited. The shares were admitted to the Official List and to trading on the Main Market of the Irish Stock Exchange on 6 July 2009. The shares are carried at fair value with changes in fair value generally recognised in other comprehensive income and accumulated in equity. Where there is a significant or prolonged decline in the fair value of an available for sale financial asset (which constitutes objective evidence of impairment), the full amount of the impairment, including any amount previously recognised in other comprehensive income, is recognised in profit or loss. Purchases and sales of available for sale financial assets are recognised on settlement date with any change in fair value between trade date and settlement date being recognised in the available-for-sale reserve.

n) Financial Liabilities

Other financial liabilities include trade payables and other short-term monetary liabilities, which are initially measured at fair value and subsequently recognised at amortised cost using effective interest rate method.

Critical judgements in applying the entity's accounting policies

Exploration and evaluation costs

The recoverability of the amounts shown in the Group statement of financial position in relation to deferred exploration and evaluation expenditure are dependent upon the discovery of economically recoverable reserves, continuation of the Group's interests in the underlying mining claims, the political, economic and legislative stability of the regions in which the Group operates, compliance with the terms of the relevant mineral rights licences, the Group's ability to obtain the necessary financing to fulfil its obligations as they arise and upon future profitable production or proceeds from the disposal of properties.

Recoverable Value Added Tax (VAT)

Generally, Russian VAT on construction costs has not been recoverable until construction is complete and production commences although some amounts were recovered during the year. The directors anticipate that the Non-current VAT of US$1,332 thousand (2008: US$1,386 thousand) in respect of capitalised Exploration and evaluation costs and the total VAT receivable of US$594 thousand (2008: US$530 thousand) will be recovered (See Note 8), however if the Group's projects do not proceed to production some VAT may be irrecoverable.

Share-based payments

The Company makes equity-settled share-based payments to certain Group employees and advisers. Equity-settled share-based payments are measured at fair value using a Black-Scholes valuation model at the date of grant based on certain assumptions. Those assumptions are described in the Notes to the accounts and include, among others, the dividend growth rate, expected volatility, expected life of the options and number of options expected to vest. More details including carrying values are disclosed in the Notes to the accounts.

Valuation of available-for-sale assets

The Company holds shares in an investment company that has shares listed on the Irish Stock Exchange. As none of these shares have ever traded on the exchange, there is no current market price available. The fair value of these shares are estimated by Directors based on comparison of the market value discount to net asset value of other similar listed investment companies. More details including carrying values are disclosed in the Note 20.

4. SEGMENT REPORTING

The Group has adopted IFRS 8 Operating Segments with effect from 1 January 2009. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision makers in order to allocate resources to the segments and to assess their performance. In contrast, the predecessor Standard (IAS 14 Segment Reporting) required an entity to identify two sets of segments (business and geographical), using a risks and returns approach, with the entity's 'system of internal financial reporting to key management personnel' serving only as the starting point for the identification of such segments. As a result, following the adoption of IFRS 8, the identification of the Group's reportable segments has changed.

The Group has one reportable segment being Kun-Manie which is involved in the exploration for minerals within the Kun-Manie and Kustak licence areas in Russia.
The operating results of this segment is regularly reviewed by the Group's chief operating decision makers in order to make decisions about the allocation of resources and assess the performance.

As the Group has no revenue, the following is an analysis of the Group's results from continuing operations by reportable segment.

(Amounts in '000s US Dollars)

Reportable information as at 31 December 2009

	Corporate (Unallocated)	**Kun-Manie**	**Total**
Administrative expenses	(1,117)	(280)	**(1,397)**
Impairment of exploration expenditure	(9)	(231)	**(240)**
Gain on sale of property, plant and equipment	-	55	**55**
Finance expense	(179)	-	**(179)**
Taxation	-	-	**-**
Loss for the year	**(1,305)**	**(456)**	**(1,761)**
Non-current assets	870	13,625	**14,495**
Inventories	-	247	**247**
Trade and other receivables	113	12	**125**
Current portion of VAT receivable	-	253	**253**
Available-for-sale investments	691	-	**691**
Cash and cash equivalents	720	277	**997**
Segment assets	**2,394**	**14,414**	**16,808**
Trade and other payables	(283)	(7)	**(290)**
Segment liabilities	**(283)**	**(7)**	**(290)**
Segment net assets	**2,111**	**14,407**	**16,518**

Reportable information as at 31 December 2008

	Corporate (Unallocated)	**Kun-Manie**	**Total**
Administrative expenses	(1,591)	(711)	**(2,302)**
Taxation	-	-	**-**
Loss for the year	**(1,591)**	**(711)**	**(2,302)**
Non-current assets	879	13,762	**14,641**
Inventories	-	270	**270**
Trade and other receivables	30	9	**39**
Current portion of VAT receivable	-	530	**530**
Cash and cash equivalents	421	21	**442**
Segment assets	**1,330**	**14,592**	**15,922**
Trade and other payables	(336)	(84)	**(420)**
Segment liabilities	**(336)**	**(84)**	**(420)**
Segment net assets	**994**	**14,508**	**15,502**

The accounting policies of the reportable segment are the same as the Group's accounting policies described in note 3. Segment loss represents the loss incurred by the segment without allocation of central administration costs and directors' salaries and finance income or costs. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and assessment of segment performance.

(Amounts in '000s US Dollars)

5. CAPITALISED EXPLORATION COSTS AND PROPERTY, PLANT AND EQUIPMENT

	Vehicles and office & computer equipment	Exploration and evaluation assets	Total
Cost:			
At 31 December 2007	**108**	**12,534**	**12,642**
Additions	1,151	2,754	3,905
Foreign exchange differences	(5)	(1,691)	(1,696)
At 31 December 2008	**1,254**	**13,597**	**14,851**
Additions	-	503	503
Impairments	-	(240)	(240)
Disposals	(227)	-	(227)
Foreign exchange differences	(47)	(335)	(382)
At 31 December 2009	**980**	**13,525**	**14,505**
Accumulated depreciation:			
At 31 December 2007	**14**	**-**	**14**
Charge for the year	188	-	188
Foreign exchange differences	8	-	8
At 31 December 2008	**210**	**-**	**210**
Charge for the year	223	-	223
Disposals	(83)	-	(83)
Foreign exchange differences	1	-	1
		-	
At 31 December 2009	**351**	**-**	**351**
Net book value:			
At 31 December 2009	**629**	**13,525**	**14,154**
At 31 December 2008	1,044	13,597	14,641

Exploration and evaluation costs
Exploration and evaluation costs are in respect of the Group's mineral exploration licences, Kun-Manie, and Kustak.

In December 2008 the Kun-Manie exploration licence was extended for two years until 31 December 2010 without any further work commitment. Management anticipate requesting an additional extension during the second half of 2010 and expect the exploration licence to be extended through 2012. In addition, in April 2009 RosNedra, the Russian licensing agency granted Kun-Manie a certificate of discovery, which gives the Company the right to convert part of the area into a 20 year mining licence. An application has been made for this mining licence.

The Kustak licence was acquired at auction in February 2007 and is valid for 25 years. It is a combined exploration and production licence. The licence contains a minimum programme of works to be completed before the end of 2010. The Company will not fulfil all of the requirements before the end of the year and will seek an amendment to the licence agreement to delay certain elements of the work programme.

The exploration and evaluation assets relate to the Group's licences detailed above. The carrying value of these assets is considered with reference to the reserves and resources estimates and their valuation which were independently assessed on 13 December 2007.

(Amounts in '000s US Dollars)

During the year the Group recognised an impairment charge of US$240 thousand (2008: Nil) relating to the Board's decision to abandon progress with the Anadjakan project. The impairment charge represents costs capitalised to date in respect of that project.

VAT Receivable

The capitalised Exploration and evaluation costs include VAT of US$1,332 thousand (2008: US$1,386 thousand). When the licensed areas are mined, the VAT will be recoverable based on the percentage of reserves mined in each year; however, if the Group's exploration projects do not proceed to production, some VAT may be irrecoverable.

6. TRADE AND OTHER PAYABLES

	31 December 2009	31 December 2008
Exploration and evaluation payables	-	73
Accruals and other payables	290	347
	290	**420**

Included in Accruals and other payables is US$217 thousand (2008: US$101 thousand) relating to unpaid directors fees.

7. INVENTORIES

	31 December 2009	31 December 2008
Fuel	142	165
Other materials and supplies	105	105
	247	**270**

8. VAT RECEIVABLE

	31 December 2009	31 December 2008
Current portion of VAT Receivable	253	530
Non-current portion of VAT receivable	341	-
	594	**530**

The Group's Russian subsidiary had total VAT receivable of RUR 18 million (US$594 thousand) as of the reporting date (2008: US$530 thousand). Of this portion, US$253 thousand represented amounts for which a refund had already been applied by 31 December 2009 and has been classified as current. In the prior year, all VAT receivable was treated as current because, under current Russian tax legislation, it is recoverable and recovery was expected within 12 months of the reporting date. However, the process of receiving VAT refunds in Russia can take longer than 12 months and therefore, based on recent recovery experience, Management's view is that the other VAT receivable is more appropriately classified as Non-current. Subsequent to the reporting date, the Group's Russian subsidiary received a VAT refund of RUR 7 million (US$240 thousand at the prevailing exchange rate on the date of the receipt).

9. OTHER RECEIVABLES

	31 December 2009	31 December 2008
Other receivables	125	39

The Group had other receivables of US$125 thousand as of the reporting date (2008: US$39 thousand). During the year, the Group prepaid an insurance premium in the amount of US$54 thousand, for a policy that would not become effective except under certain circumstances. Other amounts receivable represent prepayments and annual fees paid in advance under the normal course of business.

(Amounts in '000s US Dollars)

10. AVAILABLE-FOR-SALE INVESTMENT

On 1 June 2009, the Company entered into a share exchange transaction with Grafton Resource Investments Ltd ("Grafton"). The shares and acquisition costs of US$63,000 have been capitalised as Available-for-sale investments (see Note 13).

	31 December 2009	31 December 2008
Acquired during the year	691	-
At the end of the year	691	-

There were no impairment provisions on available-for-sale financial investments in 2009.

11. TAXATION

	Year ended 31 December 2009	Year ended 31 December 2008
Current tax – BVI Corporation tax	-	-
Current tax - Russian Corporation tax	-	-
Current tax charge	-	-
Factors affecting tax charge for the year:		
Group loss on ordinary activities before tax	(1,761)	(2,302)
	(1,761)	(2,302)
Tax charge at the BVI corporation tax rate of 0% (2008: 0%)	0	0
Effects of:		
Difference in Russian tax rate of 20% (2008: 24%) to BVI standard rate	(91)	(173)
Other timing differences	(31)	66
Tax losses carried forward for offset against profits of future periods	122	107
Total tax charge for the year	-	-

During the exploration and development stages, the Group will accumulate tax losses which may be carried forward. As at 31 December 2009, the subsidiary in Russia had tax losses carried forward of US$1,091 thousand (2008: US$449 thousand) with an estimated tax value at the standard rate of corporation tax in Russia of 20% effective from 1 January 2010 of US$216 thousand (2008: US$89 thousand). Tax losses carried forward in the subsidiaries are available for use over a 10-year period. Of the total available Russian subsidiaries' tax credits, US$642 thousand will be available until 31 December 2019 and US$449 thousand will be available until 31 December 2018.

The tax losses arising in the current and prior periods will reduce the Group's tax liability in the future and give rise to deferred tax assets. The directors believe that it would not be prudent to recognise such tax assets before such time as the Group generates taxable income. Hence no tax asset has been recognised.

The Group has significant exposure to the Russian business and fiscal environment through its business and operations being largely based in Russia.

Russia currently has a number of laws related to various taxes imposed by both federal and regional governmental authorities. Laws related to these taxes have not been in force for significant periods, in contrast to more developed market economies; therefore, implementing regulations are often unclear; and few precedents with regard to tax related issues have been established. Furthermore, the Russian Tax Service is in the process of developing and refining its methods of regulation. These facts create tax risks in Russia substantially more significant than those typically found in countries with more developed tax systems. Tax declarations, together with other legal compliance areas (such as customs and currency control matters) are subject to review and investigation by a number of authorities, who are enabled by law to impose extremely severe fines, penalties and interest charges. As a result of these factors, the Group is unable to determine whether or not the inspecting authorities would challenge the taxation treatment of certain transactions recorded by the Group and therefore affect the value of the losses carried forward.

(Amounts in '000s US Dollars)

12. SHARE CAPITAL

	31 December 2009	31 December 2008
Number of Shares (no par value):		
Authorised	500,000,000	500,000,000
Issued and fully paid	171,019,582	121,703,938

General Meeting

At a general meeting held on 14 September 2009, shareholders considered two resolutions related to share capital. The first was an ordinary resolution to authorise the directors to allot up to 50 million ordinary shares pursuant to the Company's articles of association. The other was a special resolution to disapply the pre-emption rights contained in the Company's articles of association in respect of an allotment of up to 50 million ordinary shares. The ordinary resolution passed, but the special resolution did not.

Another general meeting was held on 31 March 2010, at which shareholders passed a special resolution to disapply the pre-emption rights contained in the Company's articles of association in respect of an allotment of up to 50 million ordinary shares.

Placings of shares

On 30 April 2009, the Company raised £180,000 ($266,000) through the sale of 6 million new shares.

On 1 June 2009, the Company raised and additional £120,900 ($193,000) via a placing of 3.1 million new shares at a placing price of £0.03 per share. Simultaneously, the Company issued a further 6 million new shares for a gross consideration of £1 in accordance with the terms of an earlier placing. Amur will have no further obligation to issue shares in connection with this previous placing.

Also on June 1, the Company entered into a share exchange transaction with Grafton Resource Investments Ltd. Amur has subscribed for shares in Grafton with a value of approximately £589,000 (US$783,000) based on a net asset value of US$38.42 per Grafton share in consideration for the issue of 15,100,000 new Amur ordinary shares at a value per ordinary share of 3.9p (a 44% premium to the closing mid market price of 2.7p on 29 May 2009).

On 21 August 2009, the Company raised £500,000 (US$825,000) through a placing of 7,142,857 million ordinary shares at a placing price of £0.07. The Company also issued 1,057,000 new ordinary shares to satisfy commissions from an earlier fundraising.

On 28 August 2009, the Company raised an additional £592,550 (US$960,000) through a placing of 8,465,000 ordinary shares at a placing price of £0.07.

On 10 September 2009, granted 2,450,787 ordinary shares for a combination of accrued commission fees and services totalling $192 thousand, at an effective price 4.7p per share. Of the total number issued, 1,840,493 ordinary shares have been issued for professional services. The remaining 610,294 have been issued to cover fees relating to previous placing agreements.

All of these shares have been admitted to the AIM market of London Stock Exchange plc.

(Amounts in '000s US Dollars)

Following these placings, the Company had 171,019,582 shares in issue.

The costs associated with the issues of US$87 thousand have been taken to the share premium reserve.

Placings of shares - comparative information

On 5 March 2008 the Company raised £2,590,000, (US$5,153,000) before expenses, by the issue of 7,000,000 Placing Units to institutional and other investors at 37p per Placing Unit. Each Placing Unit comprises 2 Ordinary Shares and 1 Warrant. Each Warrant entitles the registered holder thereof to subscribe for one new Ordinary Share at 27p per Ordinary Share at any time up to the second anniversary of Admission.

The fair value of the warrants issued in the placing is estimated at the grant date using a Black-Scholes model, taking into account the terms and conditions on which the warrants were granted. The contractual life of the warrants is two years. The fair value of the warrants was estimated on the grant date using the following assumptions:

Share price:	17.25p
Exercise price:	27p
Expected volatility:	35%
Option life (expressed as weighted average life used in the modeling under Black-Scholes model)	2
Expected dividends	0
Risk free rate (US treasury 2yr)	1.66%

The resulting value of 1.2p per warrant, or a total of US$ 165 thousand was allocated to the share options reserve. The costs associated with the issue of US$ 329 thousand were allocated to the share premium reserve.

On 2 July 2008, the Company raised US$ 2 million through a placing of 6 million ordinary shares at a placing price of GBP0.17. The shares commenced trading on AIM on 7 July 2008. Under the terms of this placing the Company agreed, in the event that a future fund raising was to be completed with gross proceeds in excess of GBP 1million at a price lower than GBP0.17 per share, to issue to the investor such number of additional fully paid up ordinary shares for the gross consideration of GBP 1 so that following such issue the weighted average price paid per share as part of this placing shall be adjusted to be equal to that future placing price.

As previously noted, the Company issued a further 6,000,000 ordinary shares for gross consideration of GBP 1 on 1 June 2009 to extinguish all further obligations to issue shares in connection with the placing on 2 July 2008.

All of these shares have been admitted to trading on the AIM market of London Stock Exchange plc.

(Amounts in '000s US Dollars)

During 2008, the company granted 1,000,000 (2007: 775,000) options to Fox-Davies Capital under the terms of placing agreements to raise capital. The fair value of these options is estimated at the grant date using a Black-Scholes using the assumptions in the table below. The resulting charge of US$ 116 thousand was taken to the share premium reserve.

	Options Granted 5 March 2008	Options Granted 2 July 2008
Share price:	17p	17p
Exercise price:	18.5p	17p
Expected volatility:	35.3%	35.3%
Option life (expressed as weighted average life used in the modeling under Black-Scholes model)	5	5
Expected dividends	0	0
Risk free rate (US treasury 5yr)	2.59%	3.31%

The costs associated with the issues of US$ 487 thousand were taken to the share premium reserve.

Share capital
Amounts subscribed for share capital at nominal value.

Share premium account
The share premium account represents the amounts received by the Company on the issue of its shares which was in excess of the nominal value of the terms of the shares prior to the shares being changed to having no par value.

Share options reserve
The balance held in the share options reserve relates to the fair value of the share options that have been charged to the profit or loss since adoption of IFRS 2.

Foreign currency translation reserve
The foreign currency translation reserve includes movements that relate to the retranslation of the subsidiaries whose functional currencies are not the US$.

Retained deficit
Cumulative net gains and losses recognised in the Statement of Comprehensive Income less any amounts reflected directly in other reserves.

13. SHARE BASED PAYMENTS

a) Options Granted

	Year ended 31 December 2009	**Year ended 31 December 2008**
Vesting of share options declared in 2006	-	25
Share options issued in 2007	-	-
Grant of options included in Consolidated Statement of Comprehensive Income	-	25

There were no new grants of options to directors or employees during 2009 (2008: nil). .

As of 31 December 2009, there was a total of 17,291,456 options and warrants outstanding (2008: 17,291,456). All of these instruments were fully vested. They have maturities that vary between 6 March 2010 and 2 July 2013 with a weighted average strike price of 24p (2008: 24p).

(Amounts in '000s US Dollars)

Options and Warrants Outstanding

Grant Date	Number of Shares	Expiry	Strike Price
15 March 2006	7,044,456	15 March 2011	33p
10 May 2007	2,247,000	10 May 2012	18p
5 March 2008	700,000	5 March 2013	18.5p
5 March 2008	7,000,000	6 March 2010	27p
2 July 2008	300,000	2 July 2013	17p

b) Shares for services

As stated in Note 12, during the year the Company granted ordinary shares for a combination of accrued commission fees and shares for service fees. The shares were valued at the face value of amounts payable under contracts for services, or the net amount of commission owed for share placings. There were no shares issued in lieu of fees paid in 2008.

	Value	Shares
Fees paid	101	1,840,493
Commissions	106	1,432,000
TOTAL	207	3,272,493

c) Acquisition of available-for-sale asset

On 1 June 2009, the Company entered into a share exchange transaction with Grafton Resource Investments Ltd ("Grafton"). The Company subscribed for shares in Grafton with a value of approximately £589,000 (US$783,000) based on a net asset value of US$38.42 per Grafton share in consideration for the issue of 15,100,000 new Amur ordinary shares at an agreed value per ordinary share of £0.039. However, IFRS requires that this transaction be valued using the Company's share price on the date of the transaction, which was £0.0253. As a result, the Company has recognised an addition to share capital of US$628,000. The Grafton shares are recognised in the statement of financial position as Available-For- Sale Investments (See Note 10).

d) Settlement

Under the terms of a July 2008 placing the Company agreed, in the event that a future fund raising was to be completed with gross proceeds in excess of £1million at a price lower than £0.17 per share, to issue to the investor such number of additional fully paid up ordinary shares for the gross consideration of £1 so that following such issue the weighted average price paid per share as part of this placing shall be adjusted to be equal to that future placing price. The Company issued a further 6,000,000 ordinary shares for gross consideration of £1 on 1 June 2009 to extinguish all further obligations to issue shares in connection with this obligation. The Group estimated the value of the ratchet as US$179,000, being the value of 6 million shares at £0.025 which was the prevailing share price on 1 June 2009 when Black River Funds LLP subscribed for additional shares in a simultaneous transaction. The Group has recognised a US$179,000 addition to share capital and corresponding finance expense.

14. ADMINISTRATIVE EXPENSES

	Year ended 31 December 2009	Year ended 31 December 2008
Salaries, wages and directors' fees	630	882
Travel and subsistence expenses	177	234
Professional fees	237	325
Investor relations	59	150
Foreign exchange differences	7	256
Share based payments	-	25
Other administrative expenses	287	480
	1,397	**2,352**

(Amounts in '000s US Dollars)

15. LOSS PER SHARE

Basic and fully diluted loss per share are calculated and set out below. The effects of warrants and share options outstanding at the year ends are anti-dilutive and have therefore been excluded from the following calculations.

	Year ended 31 December 2009	**Year ended 31 December 2008**
Net loss for the year	(1,761)	(2,302)
Weighted average number of shares used in the calculation of basic loss per share	145,825,418	116,201,206
Basic and diluted loss per share	**US$(0.01)**	**US$(0.02)**

The Group had no dilutive potential ordinary shares in either year that would serve to increase the loss per ordinary share. There is therefore no difference between the basic and diluted loss per share for either year. A total of 17.3 million (2008:15.7 million) potential ordinary shares have therefore been excluded from the above calculations.

16. COMMITMENTS

Operating lease commitments
The Group leased various offices and other buildings under cancellable operating lease agreements. The leases had varying terms, and renewal rights.

Capital commitments – there were no contracted commitments for capital purchases as at 31 December 2009 (2008: Nil).

17. RELATED PARTIES

For the purposes of these financial statements, entities are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions as defined by IAS 24 "Related Party Disclosures". In addition, other parties are considered to be related if they are under common control. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Details of transactions between the Group and related parties are disclosed below.

Compensation of Management Personnel

The remuneration of directors and other members of key management during the year was as follows:

	Year ended 31 December 2009	**Year ended 31 December 2008**
Salaries and fees	457	775
Share-based payments	-	25
	457	**800**

During 2009, the number of directors was initially decreased from six to three. Two new non-executive directors were appointed in September.

18. UNIFIED SOCIAL TAX

The Russian subsidiary contributes to the Russian Federation state pension scheme, medical, social insurance and unemployment funds in respect of its staff. The Group's contribution amounts to 26% (2008 – 26%) of employees' salaries, and is expensed as incurred.

19. CONTINGENCIES

Political environment
As a result of the Group's Russian subsidiary, the operations and earnings of the Group are affected by political, legislative, fiscal and regulatory developments, including those related to environmental protection, in Russia. In particular, licences can be cancelled if the Group is found to be in non-compliance of the licence terms. Management are not aware of any areas of non-compliance that would result in licences held by the Group to be withdrawn.

Legal proceedings
In the opinion of management, there are no current legal proceedings or other claims outstanding, which will ultimately have a material adverse effect on the financial position of the Group.

Insurance of fixed assets
The insurance cover that was in place as at 31 December 2009 fully covered the property, machinery and equipment assets as at that date.

Taxation
Russian tax legislation is subject to varying interpretations and changes occur frequently. Further, the interpretation of tax legislation by tax authorities as applied to the transactions and activity of the Group may not coincide with that of management. As a result, transactions may be challenged by tax authorities and the Group may be assessed additional taxes, penalties and interest, which can be significant. Periods remain open to review by the tax and customs authorities with respect to tax liabilities for three years.

Environmental matters
The enforcement of environmental regulation in the Russian Federation is evolving and the enforcement posture of government authorities is continually being reconsidered. The Group periodically evaluates its obligations under environmental regulations. The Group has commissioned various baseline environmental studies as required by the Kun-Manie licence. Potential liabilities might arise as a result of changes in legislation and regulation or civil litigation. The impact of these potential changes cannot be estimated but could be material. In the current enforcement climate under existing legislation, management believes that there are no significant liabilities for environmental damage.

20. FINANCIAL INSTRUMENTS

Financial instruments
The Group uses financial instruments comprising cash, liquid resources and various items such as receivables, payables and other items that arise directly from its operations. The main purpose of these financial instruments is to utilise finance in the Group's operations.

The main risks arising from the Group's financial instruments are interest risk, liquidity risk and currency risk. The Directors review and agree policies for managing these risks and these are summarised below.

Liquidity risk
The Group manages its operations through equity and seeks to manage financial risk to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Management monitors rolling forecasts of the Group's and Company's liquidity reserve. The review consists of considering the liquidity of local markets, projecting cash flows and the level of liquid assets to meet these. Management raises additional capital financing when the review indicates this to be necessary.

(Amounts in '000s US Dollars)

The contractual maturities of the Group's financial liabilities are shown in the table below:

Group	**Carrying amount**	**Contractual cash flows**	**6 months or less**
2009			
Current financial liabilities held at amortised cost			
Trade and other payables	290	290	290
	290	290	290

Group	**Carrying amount**	**Contractual cash flows**	**6 months or less**
2008			
Current financial liabilities held at amortised cost			
Trade and other payables	420	420	420
	420	420	420

Credit risk

The credit risk on liquid funds is limited because the counterparties are banks with credit ratings assigned by international credit rating agencies.

The Group's maximum exposure to credit risk by class of individual financial instrument is shown in the table below:

Group	**2009**		**2008**	
	Carrying value	**Maximum exposure**	**Carrying value**	**Maximum exposure**
Current financial assets classified as loans and receivables				
Cash and cash equivalents	997	997	442	442
Trade and other receivables	125	125	569	569
	1,122	1,122	1,011	1,011

Fair values

The fair values of the Group's cash in banks, prepayments and accounts payable are considered equal to the book value as they are all short term.

Available-for-sale financial assets are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group's only available-for-sale asset, which was acquired during the period, is the Group's investment in shares of Grafton Resources Investment Limited. These shares do not have quoted prices in an active market. Fair value is estimated using by comparison to quoted prices for other exchange traded funds (Level 2). In determining fair value, an average discount to net asset value of 30% has been applied. If these inputs to the valuation model were 10% higher/lower, the carrying amount of the shares would decrease/increase by US$30 thousand.

(Amounts in '000s US Dollars)

Interest rate risk

The Group finances its operations through equity financing to alleviate the interest rate risk. The interest rate exposure of the financial assets of the Group as at 31 December 2009 related wholly to floating interest rates in respect of cash at bank. Cash at bank in interest bearing accounts was held in demand accounts with one-month maturities throughout the year. This policy was unchanged from 2008.

The Group is exposed to cash flow interest rate risk from its deposits of cash and cash equivalents with banks. The cash balances maintained by the Group are managed in order to ensure that the maximum level of interest is received for the available funds but without affecting working capital flexibility.

The Group is not currently exposed to cash flow interest rate risk on borrowings as it has no debt or fixed rate finance leases. No subsidiary of the Group is permitted to enter into any borrowing facility or lease agreement without the Company's prior consent.

The sensitivity analysis below has been determined based on the exposure to floating interest rates during the year. A 25 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates as this is the step change in rates typically expected from major central banks in a single rate change.

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Group's profit for the years ended 31 December 2009 and 31 December 2008 would not change materially.

Currency risk

The Group undertakes certain transactions denominated in foreign currencies hence exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters by holding bank deposits in Russian Roubles, US Dollars and Pound Sterling (GBP).

Management reviews its currency risk exposure periodically and hedges part of its exposure to the US dollar by buying and holding on deposit GBP. The Group also hold Roubles in order to cover a proportion of anticipated Rouble expenditures. As at 31 December 2009 the Group had on deposit approximately US$683 thousand in GBP (2008: US$74 thousand) and US$96 thousand in Rouble (2008: US$52 thousand) bank accounts.

An analysis of the Group's holdings of financial instruments in various currencies at the year end is as follows:

	31 December 2009		
	Denominated in		
	USD	RUR	GBP
Cash and cash equivalents	218	96	683
Payables and accruals	(219)	(7)	(64)
Net Exposure	(1)	89	619

(Amounts in '000s US Dollars)

	31 December 2008		
		Denominated in	
	USD	RUR	GBP
Cash and cash equivalents	316	52	74
Prepayments	30	10	0
Payables and accruals	(234)	(84)	(96)
Net Exposure	112	(22)	(22)

The main financial risk faced by the Group relates to currency risk exposure due to its Rouble based costs for exploration works. The Company's functional currency and financing is the USD, and therefore if the Rouble strengthens its positions against the USD, this has a negative impact on the Group. Given the unpredictability in currency exchange rates movement, this exposure can give rise to a material change (either favorable or unfavorable) in the future.

The following table details the Group's sensitivity to a 10% increase and decrease in the USD against the Russian rouble and sterling. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit and other equity where the USD strengthens 10% against the relevant currency. For a 10% weakening of the USD against the relevant currency, there would be an equal and opposite impact on the profit and other equity, and the balances below would be negative.

	Rouble Impact		**Sterling Impact**	
	2009	2008	2009	2008
Profit or loss	10	5	63	7

In the Directors' opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year. Rouble denominated expenditures is seasonal with higher volumes in the second and third quarters of the financial year.

21. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital (i.e. share capital, share premium and retained deficit) are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other shareholders.

The principal strategy of the Group to maintain the capital structure is to issue new shares.

The Group currently does not have any borrowings and none is planned in the next twelve months.

22. EVENTS AFTER THE REPORTING DATE

General Meeting
A General meeting was held on February 22, and adjourned to 31 March 2010. The meeting considered a special resolution to authorize the Directors to place for cash as if pre-emption rights did not apply to 50,000,000 ordinary shares. The resolution passed.

Retirement of Director
On 22 April 2010, David Wood resigned as CFO and a Director of the Company. He will continue to serve as a consultant to the company through 30 September 2010.