

29 June 2011

## Amur Minerals Corporation

(AIM: AMC)

### RESULTS FOR THE YEAR ENDED 31 DECEMBER 2010

Amur Minerals Corporation ("Amur" or the "Company"), an exploration and development company focused on Far East Russia, announces its Final Results for the year ended 31 December 2010.

#### Highlights:

- Application for mining licence covering drilled resources at Kun-Manie, an area 15km by 3km, submitted. The nickel copper sulphide project contains three JORC compliant drilled deposits.
- Total Russian approved reserve of 31.7 million tonnes of ore with averages 0.64% nickel and 0.18% copper. The Russian reserve inventory also contains 3,960 tonnes of cobalt, 189,400 ounces of platinum and 213,800 ounces of palladium.
- Exploration rights over 950 sq. km. licence area extended to December 2012.
- Wildcat drilling identified a potential open pit 4km from Maly Krumkon deposit. Trenching confirms that mineralisation could continue along strike towards Maly Krumkon.
- Geophysical anomaly to the south of Ikenskoe defines an area nearly as large as that of the drilled deposit.
- US\$3 million cash in bank at year end.

#### Robert W. Schafer, Chairman commented:

*"We made significant progress in 2010 and this has continued into the current year. We have commenced a two year exploration programme to further extend and define the existing resource at Kun-Manie as we work towards bankable feasibility status.*

*We have also significantly improved the Company's financial position.*

*The excellent on site results were generated by our dedicated technical team, employed by our wholly owned subsidiary. Not only were they able to reduce costs, they were also able to undertake exploration activity at Kun-Manie and to monitor and navigate the Russian licensing system."*

#### Enquiries:

<i>Company</i>	<i>Nomad and Joint Broker</i>	<i>Joint Broker</i>	<i>Public Relations</i>
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## Chairman's Statement:

Dear Shareholder:

It is with pleasure that I take this opportunity to update the shareholders of Amur Minerals Corporation on the Company's successful 2010 performance. The Company continues exploration on its flagship project, Kun-Manie, in far east Russia, with results indicating that there is substantial potential to increase resources with additional drilling near the known deposits and growth from step-out exploration.

Rigorous cost control procedures within the Group implemented in 2009 were maintained and fine-tuned where appropriate. Concurrently, the Company focused on fund raising. The combination of these efforts allowed Amur to better position itself financially, whilst simultaneously and successfully advancing its work on our large bulk mineable nickel-copper sulphide project located in the Russian Far East.

These efforts, led by our executives with guidance from the Company's non executive directors, resulted in a substantial repositioning of the Company over the course of the year. The key points are summarised below:

- The share price (AMC.L) more than doubled from 7.25 pence to 16.75 pence. The market capitalisation of the Company more than trebled from £12.4 million to £41.9 million;
- Cash and Cash Equivalents also trebled from US\$0.977 million to US\$3.066 million. Concurrently, the year end total asset value increased from US\$2.313 million to US\$7.215 million;
- Combined Liabilities and Debt decreased by two-thirds from US\$290,000 to US\$109,000;
- The combination of Total Liabilities and Equity increased year on year from US\$16.8 million to US\$21.7 million, representing an increase of nearly 30%; and
- During 2010, global nickel demand also grew by 18%, further underpinning the Company's performance in the market place.

The above improvements in the Company's financial position are attributable to activities undertaken on both the Corporate and Subsidiary levels. Furthermore, alternative financing approaches were considered and implemented providing greater flexibility in fundraising. The efforts had a highly positive impact on the Group over the course of 2010. In greater detail, Corporate activities that provided additional beneficial results included the following:

- Cost cutting and cost control procedures were maintained and examined on a quarterly basis within the Group delivering additional efficiencies in the use of the Company's funds. This included:
  - Non-Executive board members' emoluments were held at the same levels as at Admission to AIM in March of 2006.
  - Amur executives remained on 40% salary reductions.
  - Detailed line-by-line cost estimation and budget variance reporting was further enhanced to monitor cost control measures and to identify areas where additional cost reductions could be made.
  - Two non-executive board members resigned. To reflect the size and nature of the Company, the non-executives were replaced by a single AIM experienced, non-executive board member.
  - The CFO duties were assigned to an experienced external consultant, thereby reducing costs. The external consultant formerly held the CFO position in other companies listed on AIM.
- Hybridan LLP, a joint broker, was brought on board to assist with marketing, fund raising and financing;

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- Investor relations and research groups were also contracted to keep the public better informed of Amur's activities. They included Proactive Investors, Edison Research and Minesite and
  - The Group incurred an operating loss of US\$1.9 million for the year. Finance income of US\$2.6 million was earned for the year on the fair value adjustment of the equity swap arrangement entered into with Lanstead Capital in 2010. This resulted in a Group profit of US\$365,000 being registered for the year.

The more exciting results of 2010 were generated by our dedicated technical team employed by our subsidiary ZAO Kun-Manie. Not only was the subsidiary able to reduce costs, our team was also able to undertake exploration activity on our Kun-Manie project and to continually navigate the Russian licensing system. The Subsidiary Activities and contributions are summarised below:

- Russian employees agreed to forego salary increases for the second year in a row thereby maintaining a reduced cost to the Company. We appreciate their sacrifice;
- The 950 square kilometre exploration rights comprising our Kun-Manie licence area were extended through to 31 December 2012. Associated work programmes were defined and are a part of the terms of our licence. These programmes are set for implementation over the course of the next two years;
- An application for a mining licence covering the area of drilled resources at Kun-Manie was submitted to Rosnedra in early 2010. This agency is ultimately responsible for granting a 20 to 25 year mining licence. The licence has advanced through various agency reviews. Presently, it is under review by the Ministry of Economics. This is the last agency review needed wherein the ministry's remit is to provide nickel and copper concentrate pricing to Rosnedra. Once available, Rosnedra will define the terms of the mining licence;
- Exploration continued within the area of the proposed mining licence at the Kun-Manie project site. Results confirm the potential to substantially expand resources with successful drill results.
  - The proposed mining licence is approximately 15 kilometres long and up to 3 kilometres in width. Reconnaissance mapping and sampling conducted along its length indicates that this area exhibits features that could expand nickel and copper mineralisation beyond the limits of three deposits that have already been drilled. JORC resources are defined within the three deposits.
  - The Maly Krumkon deposit is the westernmost of the 3 defined deposits. Wildcat drilling approximately four kilometres to the east of Maly Krumkon in an area called Gorny has intersected nickel and copper grades and thicknesses that could be mined by open pit methods should successful step out drilling continue. Trenching adjacent to and nearby to the Gorny drill holes confirms that mineralisation may continue along strike toward Maly Krumkon. Follow-up soil geochemical sampling has identified zones characterized by anomalous nickel and copper values for the area between Maly Krumkon and Gorny. This is a substantial drill target.
  - Induced polarisation, ground based geophysics was also completed immediately to the south of the JORC resource area of Ikenskoe. The results of the geophysics and follow up surface sampling suggest that the Ikenskoe deposit could be substantially enlarged with further drilling. The geophysical anomaly to the south of Ikenskoe defines an area nearly as large as that of the drilled Ikenskoe deposit.
- In September 2010, the Anadjakan licence was returned to the Russian authorities to allow the Company to focus its attention and funds on the primary asset of Kun-Manie and its potential for increase in resources. The exploration costs associated with the Anadjakan licence were fully impaired in 2009; and
- With the additional potential now defined at Kun-Manie, management is considering the return of the Kustak licence, further allowing the Company to fully dedicate its focus on Kun-Manie. Management has therefore impaired the exploration costs associated with the Kustak licence during the year.

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The first phase of a two-year exploration programme will be continued through this summer's field season. The focus of 2011 will be drill target definition and the preparation of drill roads and drill sites for a substantial drill programme planned in 2012.

Additional engineering work will be conducted to improve the predicted operating parameters and currently defined cash flow models. Key metallurgical test work will be initiated to determine the preferred extraction method of the sulphide nickel and copper with an eye toward optimising metallurgical recoveries and reducing any deleterious elements. Alternative technologies will also be examined once results are available. This includes the possible consideration of the construction of a smelter or arc furnace capable of generating a refined product, allowing for the potential improvement of potential cash flows to the Company.

Looking to the remainder of an exciting 2011, the Company will continue to be very busy. The priority task is the award of the mining licence and the completion of the first phase of its exploration programme as defined by the terms of the extension of our exploration licence. Exploration potential remains highly perspective and the availability of funds (subjected to points outlined in note 2b to the Group's financial statements) will allow us to advance in the areas of engineering and optimization of the design of the project. Studies will focus on moving toward bankability. Again, this has only been possible through the dedicated professionals within the Amur and Kun-Manie team. With these quality individuals, we have continued to advance the project and potential of Kun-Manie to ultimately become a mine with continued exploration success.

Mr. Robert Schafer  
Non Executive Chairman  
29 June 2011

**AMUR MINERALS CORPORATION AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS OF 31 DECEMBER 2010**  
*(Amounts in '000s US Dollars)*

	Year Ended 31 December 2010	Year Ended 31 December 2009
<b>NON-CURRENT ASSETS</b>		
Capitalised exploration costs	13,685	13,525
Property, plant and equipment	466	629
VAT Receivable	299	341
<b>Total non-current assets</b>	<b>14,450</b>	<b>14,495</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	3,066	997
Available for sale investments	-	691
Inventories	167	247
Derivative financial asset	3,806	-
VAT receivable	24	253
Other receivables	152	125
<b>Total current assets</b>	<b>7,215</b>	<b>2,313</b>
<b>Total assets</b>	<b>21,665</b>	<b>16,808</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	109	290
<b>Total current liabilities</b>	<b>109</b>	<b>290</b>
<b>CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE PARENT</b>		
Share capital	28,183	22,990
Share premium	7,233	7,620
Share options reserve	1,390	1,390
Retained deficit	(12,804)	(13,169)
Foreign exchange translation reserve	(2,446)	(2,313)
<b>Total equity</b>	<b>21,556</b>	<b>16,518</b>
<b>Total liabilities and equity</b>	<b>21,665</b>	<b>16,808</b>

**AMUR MINERALS CORPORATION AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

*(Amounts in '000s US Dollars)*

	Year ended 31 December 2010	Year ended 31 December 2009
Other administrative expenses	(1,607)	(1,342)
Impairment of capitalised exploration costs	(321)	(240)
<b>Total administrative expenses</b>	<b>(1,928)</b>	<b>(1,582)</b>
<b>Loss from operations</b>	<b>(1,928)</b>	<b>(1,582)</b>
Finance income	2,626	-
Finance expense	(5)	(179)
Loss on disposal of investment held	(328)	-
<b>Profit/(Loss) before tax</b>	<b>365</b>	<b>(1,761)</b>
Taxation	-	-
<b>Profit/(loss) for the year attributable to owners of the parent</b>	<b>365</b>	<b>(1,761)</b>
<b>Other Comprehensive income:</b>		
Exchange differences on translation of foreign operations	(133)	(407)
Other comprehensive income for the year, net of tax	(133)	(407)
<b>Total comprehensive income for the year attributable to owners of the parent</b>	<b>232</b>	<b>(2,168)</b>
Profit/(Loss) per share: basic & diluted	US\$0.002	US\$(0.01)

**AMUR MINERALS CORPORATION AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**  
*(Amounts in '000s US Dollars)*

	Year ended 31 December 2010	Year ended 31 December 2009
<b>Cash flow from operating activities:</b>		
Payments to suppliers and employees	(1,201)	(1,366)
Net cash used in operating activities	(1,201)	(1,366)
<b>Cash flow from investing activities:</b>		
Payments to acquire financial assets	-	(10)
Proceeds from sale of asset held	363	-
Payments for capitalised expenditure	(492)	(532)
Sale of property, plant and equipment	-	214
Net cash used in investing activities	(129)	(328)
<b>Cash flow from financing activities:</b>		
Proceeds from issue of equity shares	3,527	2,260
Net cash from financing activities	3,527	2,260
<b>Net change in cash and cash equivalents</b>	<b>2,197</b>	<b>566</b>
Cash and cash equivalents at the beginning of the year	997	422
Foreign exchange effects	(128)	9
<b>Cash and cash equivalents at the end of the year</b>	<b>3,066</b>	<b>997</b>

**AMUR MINERALS CORPORATION AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

*(Amounts in '000s US Dollars)*

	Notes	Share capital	Share premium account	Retained deficit	Share Options Reserve	Foreign Currency Translation Reserve	Total
<b>Balance at 31 December 2008</b>		<b>19,719</b>	<b>7,707</b>	<b>(11,408)</b>	<b>1,390</b>	<b>(1,906)</b>	<b>15,502</b>
Loss for the year		-	-	(1,761)	-	-	(1,761)
Other comprehensive income for the year		-	-	-	-	(407)	(407)
Shares issued		3,271	-	-	-	-	3,271
Costs associated with issue of share capital		-	(87)	-	-	-	(87)
<b>Balance at 31 December 2009</b>		<b>22,990</b>	<b>7,620</b>	<b>(13,169)</b>	<b>1,390</b>	<b>(2,313)</b>	<b>16,518</b>
Profit for the year		-	-	365	-	-	365
Other comprehensive income for the year		-	-	-	-	(133)	(133)
Shares issued		5,193	-	-	-	-	5,193
Costs associated with issue of share capital		-	(387)	-	-	-	(387)
<b>Balance at 31 December 2010</b>		<b>28,183</b>	<b>7,233</b>	<b>(12,804)</b>	<b>1,390</b>	<b>(2,446)</b>	<b>21,556</b>



## **1. BASIS OF PRESENTATION**

### **a) Statement of compliance**

The financial information for the year ended 31 December 2010 is audited and was approved by the Board of Directors on 28 June 2010. The audited group financial information incorporates the audited financial information of the Company and all its subsidiaries for the financial year ended 31 December 2010. The financial information does not constitute the statutory accounts of the Group.

The financial information has been presented in thousands of United States Dollars and prepared using policies based on International Financial Reporting Standards (IFRS and IFRIC interpretations) issued by the International Accounting Standards Board ("IASB") as adopted for use in the EU. The financial information has been prepared using the accounting policies which have been applied in the Group's financial statements for the year ended 31 December 2010

### **b) Going concern**

These consolidated annual financial information has been 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 mining 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 comprise cash and derivative financial asset, 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. Failure to meet these exploration and evaluation commitments could put the related licence interests at risk of forfeiture.

The Group currently has sufficient funding to finance its activity through to May 2012. 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 information on that basis.

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

### **c). Profit/(Loss) Per Share**

Basic and 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 the total of 10.3 million (2009: 17.3 million) of potential ordinary shares have therefore been excluded from the following calculations:

	Year ended <u>31 December 2010</u>	Year ended <u>31 December 2009</u>
Net profit/(loss) for the year	365	(1,761)
Weighted average number of shares used in the calculation of basic loss per share	193,790,726	145,825,418
<b>Basic and diluted profit/(loss) per share</b>	<b>US\$0.002</b>	<b>US\$(0.01)</b>

**d). Events After The Reporting Date**

**Share Placement**

On 22 March 2011, the Company raised £2.5 million through the issue of 25 million new shares at a placing price of 10p, with a further 2.5 million new shares being issued to satisfy commissions from the fundraising.

**Award of Options**

On 18 April 2011 the Company awarded a total of 10.6 million share options to Directors and Executives at a strike price of 12.675p.

**Completion of Lanstead Equity Swap Arrangement**

On 9 May 2011 the equity swap agreement with Lanstead was settled at a total for the whole arrangement of £2,086,454 (US\$3,374,066), being the fair value of the swap arrangement at the date, completing and closing the arrangement entered into by the Company.

**Annual Accounts**

Copies of the Group's Annual Accounts will be available for download from the Company's website at [www.amurminerals.com](http://www.amurminerals.com).