Amur Minerals

AMUR MINERALS CORPORATION AND ITS SUBSIDIARIES

Interim Financial Report for the 6 months ended 30 June 2017

Chairman's Statement

Dear Shareholder:

It is with pleasure that I take this opportunity to update shareholders of Amur Minerals Corporation (the "Company") on the Company's successful performance during the first six months of 2017.

We began the year with the appointment of Mr. Lou Naumovski to the Board as a Non-Executive Director. His three decades of experience working in Russia strengthens the Board as we continue to develop into and through our pre-production phase of the Kun-Manie nickel copper sulphide project located in the Far East of Russia.

Timeline of Key Highlights:

- In January, Mr Lou Naumovski joined the Board as a Non-Executive director, and the Gipronickel Institute ("GI") completed metallurgical test work on a half-tonne bulk sample for our largest of four deposits, Maly Kurumkon / Flangovy.

- In February, RPMGlobal Asia ("RPM") completed a comprehensive resource update resulting in a resource of 101 million ore tonnes with a nickel equivalent grade of 1.03% containing over one million nickel equivalent tonnes.

- In March and April the ice road resupply was undertaken comprising 9 convoys delivering over 500 tonnes of fuel, supplies and equipment.

- Also in March, the 2017 field season plan comprising of a 15,000 drill metre program at the Ikenskoe / Sobolevsky and Kubuk deposits was finalised, with an optional additional 5,000 metres planned should time and weather permit.

- The Company engaged Medea Capital Partners Ltd ("Medea") to undertake a survey of global debt markets.

- In May the drill season commenced nearly four weeks ahead of schedule, and the Company initiated a review of operating cost estimates by RPM.

- During June, the first of the Company's 2017 drill results were provided and a large high grade extension having an average grade of 0.98% nickel had been identified at our Ikenskoe / Sobolevsky deposit.

- Post 30 June 2017, Medea presented their report of the global debt markets and RPM their review of operating costs in July.

Mineral Resource Estimate Update

RPM issued a project wide JORC Mineral Resource Estimate ("MRE") update in February. The newly derived MRE reported resource for each of the four deposits fully located within our Detailed Exploration and Production Licence. The new MRE also utilised a higher nickel cutoff grade of 0.4%. In total, 101.3 million tonnes of mineralisation is present and it averages 0.76% nickel and 0.20% copper, by-product cobalt, platinum and palladium were also estimated. The nickel equivalent grade at Kun-Manie is projected to be 1.03% nickel. The RPM update included all drill results completed through 2016 and expanded the total contained tonnes of nickel by 38%. More than 80% of the mineral resource is classified as Measured and Indicated which is suitable for use in the determination of Mining Ore Reserves.

JORC Mineral Resource Estimates
Februay 2017
0.4% Nickel Cutoff Grade

Classification	**Mt**	**Ni %**	**Cu %**	**Co %**	**Pt g/t**	**Pd g/t**	**Contained Metal Ni t**	**Cu t**	**Co t**	**Pt kg**	**Pd kg**
Maly Kurumkon / Flangovy (MKF)											
Measured											
Indicated	57.5	0.77	0.22	0.02	0.15	0.16	445,000	124,000	8,900	8,800	9,300
M+I	**57.5**	**0.77**	**0.22**	**0.02**	**0.15**	**0.16**	**445,000**	**124,000**	**8,900**	**8,800**	**9,300**
Inferred	3.4	0.80	0.22	0.02	0.16	0.15	27,000	7,000	600	500	500
MKF TOTAL	***60.9***	***0.78***	***0.22***	***0.02***	***0.15***	***0.16***	***473,000***	***131,000***	***9,400***	***9,300***	***9,800***
Ikenskoe / Sobolevsky (IKEN)											
Measured	10.1	0.66	0.18	0.011	0.21	0.25	67,000	18,000	1,100	2,100	2,500
Indicated	6.3	0.61	0.14	0.011	0.20	0.25	39,000	9,000	700	1,200	1,600
M+I	**16.4**	**0.65**	**0.17**	**0.01**	**0.20**	**0.25**	**106,000**	**27,000**	**1,800**	**3,300**	**4,100**
Inferred	4.7	0.84	0.20	0.02	0.19	0.23	40,000	9,000	800	900	1,100
IKEN TOTAL	***21.1***	***0.69***	***0.17***	***0.01***	***0.20***	***0.25***	***145,000***	***36,000***	***2,500***	***4,200***	***5,200***
Kubuk (KUB)											
Measured											
Indicated	3.6	0.87	0.21	0.02	0.18	0.19	31,000	8,000	600	600	700
M+I	**3.6**	**0.87**	**0.23**	**0.02**	**0.17**	**0.20**	**31,000**	**8,000**	**600**	**600**	**700**
Inferred	10.9	0.74	0.20	0.02	0.16	0.14	81,000	22,000	1,700	1,700	1,500
KUB TOTAL	***14.5***	***0.77***	***0.20***	***0.02***	***0.16***	***0.15***	***111,000***	***29,000***	***2,300***	***2,300***	***2,200***
Vodorazdelny (VOD)											
Measured	0.6	0.74	0.22	0.01	0.29	0.32	5,000	1,000	100	200	200
Indicated	3.2	0.85	0.21	0.02	0.16	0.16	27,000	7,000	500	500	500
M+I	**3.8**	**0.85**	**0.21**	**0.02**	**0.19**	**0.19**	**32,000**	**8,000**	**600**	**700**	**700**
Inferred	1.0	0.81	0.22	0.02	0.17	0.16	8,000	2,000	200	200	200
VOD TOTAL	***4.8***	***0.83***	***0.21***	***0.02***	***0.18***	***0.18***	***40,000***	***10,000***	***800***	***900***	***900***
Global Resource											
Measured	10.7	0.67	0.18	0.01	0.21	0.25	72,000	19,000	1,200	2,300	2,700
Indicated	70.5	0.77	0.21	0.02	0.16	0.17	542,000	148,000	10,700	11,100	12,100
M+I	**81.2**	**0.76**	**0.21**	**0.01**	**0.17**	**0.18**	**614,000**	**167,000**	**11,900**	**13,400**	**14,800**
Inferred	20.1	0.77	0.20	0.02	0.17	0.16	156,000	40,000	3,300	3,300	3,300
TOTAL	***101.31***	***0.76***	***0.20***	***0.01***	***0.17***	***0.18***	***769,000***	***206,000***	***15,000***	***16,700***	***18,100***

In Situ Value ($US) and Nickel Equivalent Tonnage
1 February 2017 Metal Pricing

Pricing	Nickel	Copper	Cobalt	Platinum	Palladium	Total US$ Value	Ni Eq Tonnes
Imperial	**$4.54 / lb**	**$2.69 / lb**	**$16.90 /lb**	**$996.00 / oz**	**$760.00 /oz**		
Metric	**$10,006 /t**	**$5,929 / t**	**$37,248 / t**	**$32,026 / kg**	**$24,437 / kg**		
Measured	720.44M	112.65M	44.70M	73.66M	65.98M	1,017.43M	101,680
Indicated	5,423.34M	877.46M	398.55M	355.49M	295.69M	7,350.52M	734,600
M+I	6,143.78M	990.10M	443.25M	429.14M	361.67M	8,367.95M	836,280
Inferred	1,560.96M	237.15M	122.92M	105.68M	80.64M	2,107.36M	210,606
TOTAL	7,694.74M	1,221.32M	558.71M	534.83M	442.32M	10,451.92M	1,044,549
% Value Content	73.6%	11.7%	5.3%	5.1%	4.2%	100.0%	

Gipronickel Metallurgical Test Work

The GI test results derived from a 443 kilogram bulk sample consisting of half core from three holes located in the Maly Kurumkon / Flangovy ("MKF") deposit. GI confirmed that higher metallurgical recoveries can be obtained by the implementation of a two stage grinding process, which had not been previously considered in detail. GI was able to determine that recoveries are 80.63% for nickel, 83.78% for copper, 61.4% for cobalt, 59.6% for platinum, 82.3% for palladium, 63.7% for gold and 70.5% for silver.

Additionally GI identified and improved mass pull which could lead to potential savings in capital expenditure for the construction of the concentrate treatment facility and a reduction in the concentrate transport fleet.

Medea Global Survey

The Company engaged Medea in March 2017 to undertake a survey of the global debt markets and potential strategic partners to determine the potential availability of project financing for construction of the Kun-Maine project. Medea's subsequent findings reported to the Board in early July concluded that there is available market capacity for investment by a strategic partner and that Export Credit Agency ("ECA") covered debt financing could be available for the development of the project. Medea also concluded that the Company would be better positioned in the near term by updating the Pre-feasibility Study ("PFS"), and therefore the economics of the project, as part of its development of a road map to full project funding.

Review of Operating Costs

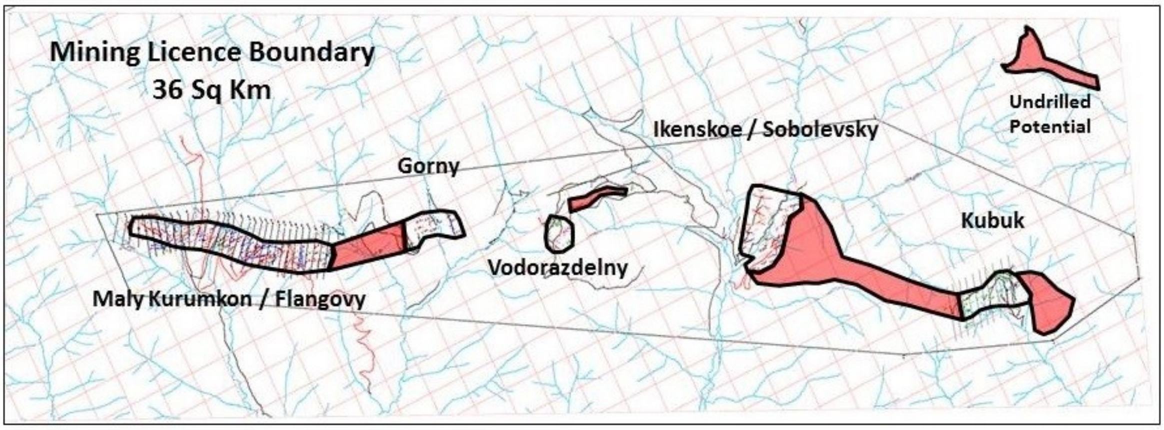
An independent review of operating cost was completed by RPM in July. The review encompassed open pit mining, underground mining, on site processing, all other site related costs and transport of concentrate to the Ulak rail. From these costs the Company was able to derive an average projected operating cost of $1.78 per pound of contained nickel in concentrate delivered to the Ulak rail station located on the Baikal Amur ("BAM") rail line. This figure does not include consideration of smelter terms or royalties.

Additionally, using these costs and $4.00 per pound nickel price, our projected open pit and underground mining cutoff grades range from 0.29% and 0.39% nickel, meaning nearly all of our resource as reported in Feburary 2017 using a cutoff grade of 0.40% is available in the determination of mining tonnages and grades. The mining cutoff grade being less than the minimum grade to model the resource provides a highly robust model for project evaluation.

2017 Field Season

After a very successful 2016 field season at Maly Kurumkon / Flangovy ("MKF") deposit, the Company focused on the undrilled potential at and between the Ikenskoe ("IKEN") and Kubuk ("KUB") deposits in 2017 as indicated in the map below.

Kun-Manie Deposit and Exploration Potential Map
7 March 2017



A 15,000 metre drill programme of resource conversion and resource expansion at IKEN and KUB was planned but with sufficient supplies to drill an additional 5,000 metres should time and weather permit. Drilling was allocated to resource conversion (Inferred to Indicated), resource expansion via step out drill from the known limits of mineralisation at IKEN and KUB and the acquisition of metallurgical sample.

Mild weather meant the Company was able to start the drilling programme on 5 May 2017, well ahead of the planned 1 June 2017 start date. Of the two Company owned drill rigs, the LF70 was assigned to the IKEN deposit and the LF90 to the KUB deposit. As with the 2016 field season a high drill rate averaging 135 metres per day meant the drill programme progressed ahead of schedule.

As of the time of writing, over 23,000 metres of drilling has been completed, with approximately 18,500 metres completed along 2,400 metres of the 3 kilometre geochemical and geophysical anomaly linking the IKEN and KUB deposits. All but 500 to 600 metres of this target has been drilled as part of the IKEN / KUB step out drilling programmes, and the drill results confirm that there is indeed potential for the IKEN and KUB deposits to both be part of a single 4.5 kilometre long deposit.

Globally, this year's drilling has nearly doubled the size of both the IKEN and KUB deposits as reported in the MRE of February 2017 which contained approximately a quarter million tonnes of nickel. Not only is the expansion of IKEN and KUB likely, an 800 metre long segment has been drilled and additional resource within this area will further expand our MRE during the next update. Infill drilling has also likely converted 10.9 million tonnes of Inferred resource to that of Indicated making it available for use in the determination of Mining Ore Reserves.

Financial Overview

The Company remained debt free throughout the period with cash reserves of US$5.4 million as at 30 June 2017, down from US$8.2 million at the start of 2017. The Company continues to work closely with its financial advisors developing the near and long-term financing opportunities, and the Directors are confident that they will be able to raise funds in the near future to progress the planned exploration programme. Should there be any delay in raising such funds the Directors consider that they would be able to manage on-going expenditures through cutting exploration expenditure, other discretionary costs and reducing key management salaries that would allow the present cash resources to cover its financial liabilities and commitments for the period up to 31 December 2018.

In January 2017 Jett Capital Advisors LLC exercised 1m warrants at an exercise price of 4.68p providing a cash inflow for the Company of US$57,000.

During the period Crede CG III Ltd converted 14.5 million warrants of tranche 3 leaving 48 million warrants still outstanding as at 30 June 2017. The fair valuation of these remaining warrants as at 30 June 2017 is US$763,000 (31 December 2016: US$3 million) which is shown as a financial liability at fair value through the profit and loss on the statement of financial position. A significant gain on fair value therefore of US$2.3 million has been recognised in the profit and loss for the period ended 30 June 2017. The remaining 48 million warrants where converted on 18 September 2017, resulting in Crede having no outstanding warrants as at that date completing the Crede agreement.

In total the Company has spent US$258,000 on capital equipment during the period (US$1.4 million for the same period in 2016) and US$1.7 million on exploration costs (US$1.3 million in the same period in 2016).

Although the administration expenses for the period have significantly reduced compared to the same period last year, the difference is mostly non-cash items in 2016. The Statement of Cash Flows shows that the Company actually incurred comparable administrative expenses to last year.

Outlook

The Company will continue to be very busy throughout the remainder of 2017, aiming to complete and extend the drilling programme which will have a material impact on the economic potential of Kun-Manie, and to complete an updated PFS. The hard work and dedication of our staff has been instrumental in the success of the project.

We will also continue to work closely with Medea as we develop the near and long-term financing opportunities for the Company. We are also working in conjunction with Medea and our PR representative, Yellow Jersey on improving our knowledge of the battery metals market and the nickel/copper end user market in general.

Lastly, the Company extends its appreciation and thanks to long-term shareholders that have supported the Company to this point and into the future. There was a good turn-out at the General Meeting in July with a very productive Q&A session which we look forward to repeating in the near future.

Mr. Robert W. Schafer
Non Executive Chairman
28 September 2017

Independent Review Report
To the shareholders of Amur Minerals Corporation

Introduction

We have been engaged by the company to review the consolidated interim financial information in the interim financial report for the six months ended 30 June 2017 which comprises Consolidated Statement of Financial Position, Consolidated Statement of Comprehensive Income, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity, and related notes.

We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the set of financial statements.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the rules of the London Stock Exchange for companies trading securities on AIM which require that the half-yearly report be presented and prepared in a form consistent with that which will be adopted in the company's annual accounts having regard to the accounting standards applicable to such annual accounts.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the interim financial report based on our review.

Our report has been prepared in accordance with the terms of our engagement to assist the company in meeting the requirements of the rules of the London Stock Exchange for companies trading securities on AIM 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 and for the purpose of our terms of engagement 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

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, ''Review of Interim Financial Information Performed by the Independent Auditor of the Entity'', issued by the Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial information in the interim report for the six months ended 30 June 2017 is not prepared, in all material respects, in accordance with the rules of the London Stock Exchange for companies trading securities on AIM.

BDO LLP
Chartered Accountants and Registered Auditors
London,
United Kingdom
28 September 2018
BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

AMUR MINERALS CORPORATION AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

(Amounts in thousands of US Dollars)

	Note	*Unaudited 30 June 2017*	*Unaudited 30 June 2016*	*Audited 31 December 2016*
Non-current assets				
Exploration and evaluation assets	**5**	19,896	14,049	17,167
Property, plant and equipment		3,204	3,108	2,736
		23,100	**17,157**	**19,903**
Current assets				
Inventories		830830	874874	756 756
Other receivables		231	483	768
Cash and cash equivalents		5,438	11,495	8,199
		6,499	**12,852**	**9,723**
Total assets		**29,599**	**30,009**	**29,626**
Current liabilities				
Trade and other payables		645	243	416
Derivative financial liability	**7**	763	1,200	3,295
		1,408	**1,443**	**3,711**
Net current assets		**5,091**	**11,409**	**6,012**
Non-Current Liabilities				
Rehabilitation provision		172	159	166
Total non-current liabilities		**172**	**159**	**166**
Net assets		**28,019**	**28,407**	**25,749**
Equity				
Share capital	**8**	60,548	60,278	60,293
Share premium		4,904	4,904	4,904
Foreign currency translation reserve		(11,802)	(13,226)	(12,427)
Share options reserve	**9**	3,480	3,538	3,575
Accumulated deficit		(29,111)	(27,087)	(30,596)
Total equity		**28,019**	**28,407**	**25,749**

Approved on behalf of the Board on 28 September 2017

Robin Young

Brian C Savage

The accompanying notes on pages 11 to 15 form an integral part of the financial information

AMUR MINERALS CORPORATION AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2017
(Amounts in thousands of US Dollars)

	Note	*Unaudited 6 Months ended 30 June 2017*	*Unaudited 6 Months ended 30 June 2016*	*Audited Year ended 31 December 2016*
Administrative expenses		(946)	(2,336)	(3,768)
Operating loss		**(946)**	**(2,336)**	**(3,768)**
Finance income		2	-	4
Fair value movements on derivative financial instruments	**7**	2,334	88	(2,007)
Profit / (loss) before tax		**1,390**	**(2,248)**	**(5,771)**
Income tax expense	**6**	-	-	-
Profit / (loss) for the period / year attributable to owners of the parent		**1,390**	**(2,248)**	**(5,771)**
Other Comprehensive income:				
Items that could be reclassified to profit or loss				
Exchange differences on translation of foreign operations		**625**	**2,084**	**2,883**
Total comprehensive income / (loss) for the period / year attributable to owners of the parent		**2,015**	**(164)**	**(2,888)**
Earnings / (loss) per share: basic & diluted	**4**	US$ 0.002	US$ (0.004)	US$ (0.011)

The accompanying notes on pages 11 to 15 form an integral part of the financial information.

AMUR MINERALS CORPORATION AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2017
(Amounts in thousands of US Dollars)

	Unaudited 6 Months ended 30 June 2017	*Unaudited 6 Months ended 30 June 2016*	*Audited Year ended 31 December 2016*
Cash flows used in operating activities:			
Payments to suppliers and employees	(835)	(1,083)	(2,210)
Net cash outflow from operating activities	(835)	(1,083)	(2,210)
Cash flow used in investing activities:			
Payments for exploration expenditure	(1,773)	(1,320)	(2,863)
Payment for property, plant and equipment	(258)	(1,427)	(1,670)
Interest received		-	4
Net cash used in investing activities	(2,031)	(2,747)	(4,529)
Cash flow from financing activities:			
Proceeds from issue of shares (net of issue costs)	57	6,574	6,589
Net cash generated from financing activities	57	6,574	6,589
Net (decrease)/increase in cash and cash equivalents	**(2,809)**	**2,744**	**(150)**
Cash and cash equivalents at beginning of period / year	8,199	9,613	9,613
Effect of foreign exchange rates	48	(862)	(1,264)
Cash and cash equivalents at end of period / year	**5,438**	**11,495**	**8,199**

The accompanying notes on pages 11 to 15 form an integral part of the financial information.

AMUR MINERALS CORPORATION AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2017
(Amounts in thousands of US Dollars)

	Share capital	*Share premium*	*Foreign currency translation reserve*	*Share options reserve*	*Accumulated deficit*	*Total*
At 1 January 2017	**60,293**	**4,904**	**(12,427)**	**3,575**	**(30,596)**	**25,749**
Profit of the period	**-**	**-**	**-**	**-**	1,390	**1,390**
Other comprehensive income for the period	**-**	**-**	625	**-**	**-**	**625**
Total comprehensive income for the period	-	-	625	-	1,390	**2,015**
Issue of share capital	-	-	-	-	-	**-**
Exercise of warrants	255	-	-	(57)	57	**255**
Options expired	-	-	-	(38)	38	**-**
At 30 June 2017 (unaudited)	**60,548**	**4,904**	**(11,802)**	**3,480**	**(29,111)**	**28,019**
At 1 January 2016	**54,093**	**5,648**	**(15,310)**	**3,907**	**(25,869)**	**22,469**
Profit of the period	**-**	**-**	**-**	**-**	(2,248)	**(2,248)**
Other comprehensive income for the period	**-**	**-**	2,084	**-**	**-**	**2,084**
Total comprehensive income for the period	-	**-**	2,084	-	(2,248)	**(164)**
Issue of share capital	6,185	**-**	**-**	-	-	**6,185**
Equity settled share based payments	-	**-**	**-**	661	-	**661**
Options expired	-	**-**	**-**	(1,030)	1,030	**-**
Costs associated with issue of share capital	-	(744)	**-**	-	-	**(744)**
At 30 June 2016 (unaudited)	**60,278**	**4,904**	**(13,226)**	**3,538**	**(27,087)**	**28,407**
At 1 January 2016	**54,093**	**5,648**	**(15,310)**	**3,907**	**(25,869)**	**22,469**
Loss for the year	**-**	**-**	**-**	**-**	(5,771)	**(5,771)**
Other comprehensive income for the year	**-**	**-**	2,883	**-**	**-**	**2,883**
Total comprehensive income for the period	-	-	2,883	-	(5,771)	**(2,888)**
Issue of share capital	6,185	-	-	-	-	**6,185**
Equity settled share based payments	**-**	**-**	**-**	712	**-**	**712**
Exercise of options	15	-	**-**	(14)	14	**15**
Options expired	-	-	**-**	(1,030)	1,030	**-**
Costs associated with issue of share capital	-	(744)	**-**	-	**-**	**(744)**
At 31 December 2016 (audited)	**60,293**	**4,904**	**(12,427)**	**3,575**	**(30,596)**	**25,749**

The accompanying notes on pages 11 to 15 form an integral part of the financial information.

1. REPORTING ENTITY

Amur Minerals Corporation (the "Company") is a company domiciled in the British Virgin Islands. The consolidated interim financial information as at and for the six months ended 30 June 2017 comprise the Company and its subsidiaries (together referred to as the "Group").

The consolidated financial statements of the Group as at and for the year ended 31 December 2016 are available upon request from the Company's registered office at Kingston Chambers, P.O. Box 173, Road Town, Tortola, British Virgin Islands, from offices of RBC Europe Limited, Riverbank House, 2 Swan Lane London EC4R 3BF or at www.amurminerals.com.

2. BASIS OF PREPARATION

The financial information set out in this report is based on the consolidated financial information of Amur Minerals Corporation and its subsidiary companies. The financial information of the Group for the 6 months ended 30 June 2017 was approved and authorised for issue by the Board on 28 September 2017. The interim results have not been audited, but were the subject to an independent review carried out by the Company’s auditors, BDO LLP. This financial information has been prepared in accordance with the accounting policies that are expected to be applied in the Report and Accounts of Amur Minerals Corporation for the year ended 31 December 2017 and are consistent with the recognition and measurement requirements of IFRS as adopted by the European Union. The auditors’ report on the group accounts to 31 December 2016 was unqualified. The comparative information for the full year ended 31 December 2016 is not the Group’s full annual accounts for that period but has been derived from the annual financial statements for that period.

The consolidated financial information incorporates the results of Amur Minerals Corporation and its subsidiaries undertakings as at 30 June 2017. The corresponding amounts are for the year ended 31 December 2016 and for the 6 month period ended 30 June 2016.

The Group financial information is presented in US Dollars (‘US$’) and values are rounded to the nearest thousand Dollars.

3. GOING CONCERN

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 stage. In May 2015 the 20 year ‘Detailed Exploration and Production Licence’ was issued to the Company’s wholly owned subsidiary, ZAO Kun-Manie. The production licence expires on 1 July 2035.

The Directors continue to work closely with Medea and other financial advisors to develop the near and long-term financing opportunities for the Company to progress with the ongoing development of its projects. The Directors are confident that they will be able to raise funds in the near future to be able to progress with their planned exploration programme. However should such funds not be raised the Directors consider that they would be able to reduce expenditure through cutting exploration expenditure, other discretionary costs and reducing key management salaries that would allow the present cash resources to cover its financial liabilities and commitments for the period up to 31 December 2018. As such, the financial information has been prepared on a going concern basis.

(Amounts in thousands of US Dollars)

4. EARNINGS / (LOSS) PER SHARE

Basic and diluted profit or loss per share are calculated and set out below.

	Unaudited 6 Months ended 30 June 2017	**Unaudited 6 Months ended 30 June 2016**	**Audited Year ended 31 December 2016**
Net profit/(loss) for the period / year	1,390	(2,248)	(5,771)
Average number of shares for the period	601,452,853	501,389,574	547,940,724
Basic profit/(loss) per share	**US$ 0.002**	**US$ (0.004)**	**US$ (0.011)**
Diluted profit/(loss) per share	**US$ 0.002**	**US$ (0.004)**	**US$ (0.011)**

Basic weighted average number of ordinary shares	601,452,853	501,389,574	547,940,724
Dilutive effect of weighted average share options	32,964,403	-	-
Diluted weighted average number of ordinary shares	**634,417,256**	**501,389,574**	**547,940,724**

As of 30 June there where 31,428,387 share options and 48,076,924 warrants in issue which could have a potential dilutive effect on the base profit per share in the future.

5. CAPITALISED EXPENDITURES

	Unaudited 6 Months ended 30 June 2017	*Unaudited 6 Months ended 30 June 2016*	*Audited Year ended 31 December 2016*
At start of the period / year	**17,167**	**11,513**	**11,513**
Additions	2,264	1,320	3,487
Foreign exchange differences	465	1,216	2,167
At end of the period / year	**19,896**	**14,049**	**17,167**

The Group did not recognise any impairment of capitalised expenditure during the period (1H 2016: nil).

6. TAXATION

No tax charge has arisen in the period and no deferred tax asset has been recognised for past taxable losses as the recoverability of any such assets is uncertain in the foreseeable future.

7. DERIVATIVE FINANCIAL LIABILITY

During the period the Company granted no new warrants (1H 2016: 72,586,729) to Crede CG III Limited as part of an equity subscription agreement entered into on 14 December 2015.

Under the terms of the subscription agreement 3 warrants were issued for every 4 subscription shares with a 5 year exercise period. Each warrant gives the warrant holder the right to subscribe to either:

- One ordinary share, for each warrant, at a price per ordinary share equal to subscription price; or

(Amounts in thousands of US Dollars)

- If the share price is below the subscription price, a number of ordinary shares calculated by dividing the aggregate Black-Scholes value of the warrants by the closing share price, at a price of 1 pence.

The company has the right to call the warrants at any time the share price is trading at a 25% premium to the subscription price of the warrants.

The movement in warrants during the year has been as follows:

	Derivative Financial Liability		
	Unaudited 30 June 2017 Number	**Unaudited 30 June 2016 Number**	**Audited 31 December 2016 Number**
At start of period / year	62,586,729	17,045,455	17,045,455
New issue	-	72,586,729	72,586,729
Exercise of warrants	(14,509,805)	(27,045,455)	(27,045,455)
At end of period / year	48,076,924	62,586,729	62,586,729

The movement in their fair values is shown in the table below:

	Derivative Financial Liability		
	Unaudited 30 June 2017 US$'000	**Unaudited 30 June 2016 US$'000**	**Audited 31 December 2016 US$'000**
At start of period / year	3,295	370	370
New warrants	-	1,630	1,630
Exercise of warrants	(198)	(712)	(712)
Fair value movement	(2,334)	(88)	2,007
At end of period / year	763	1,200	3,295

As the warrants are exchangeable into variable number of shares, their fair values on the grant date and the reporting date were determined using a Monte-Carlo simulation. For each iteration of the simulation, the simulated share price was analysed to determine the warrants value. The fair value was based on the following assumptions:

	Tranche 3
Share Price	6.29
Expected volatility	111.2%
Option life	2 years
Expected dividends	0
Risk free rate	0.31

(Amounts in thousands of US Dollars)

8. SHARE CAPITAL

	Unaudited 30 June 2017	Unaudited 30 June 2016	Audited 31 December 2016
Number of Shares (no par value):			
Authorised	1,000,000,000	1,000,000,000	1,000,000,000
Total issued	**611,552,748**	594,433,617	594,683,617

On 12 January 2017, the Company issued 500,000 new Ordinary Shares to Jett Capital Advisors LLC, following the exercise of warrants at an exercise price of 4.68 pence per share.

On 30 January 2017, the Company issued 500,000 new Ordinary Shares to Jett Capital Advisors LLC, following the exercise of warrants at an exercise price of 4.68 pence per share.

On 28 April 2017, the Company, pursuant to the subscription agreement entered into with Crede CG III Ltd on 14 December 2015, converted all 14,509,805 warrants held by Crede using the Black-Scholes valuation method applicable to the agreement, for 15,869,131 new Ordinary Shares.

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

9. OPTIONS

During the period ended 30 June 2017 233,000 options expired (1H 2016: 9,570,000) with a write back to the Options Reserve of US$38,000 (1H 2016: US$1,030,000). During this period no new options were granted to key management and personnel (1H 2016: nil).

At 30 June 2017 the following options were outstanding at the beginning and end of the period:

Outstanding at 1 January 2017	**32,661,387**
Granted	-
Exercised	(1,000,000)
Expired	(233,000)
Outstanding at 30 June 2017	**31,428,387**

The fair value of the options is estimated at the grant date using a Black-Scholes model, taking into account the terms and conditions on which the options were granted. This uses inputs for share price, exercise price, expected volatility, option life, expected dividends and risk free rate.

The share price is the price at which the shares can be sold in an arm's length transaction between knowledgeable, willing parties and is based on the mid-market price on the grant date. The expected volatility is based on the historic performance of Amur Minerals shares on the Alternative Investment Market of the London Stock Exchange. The option life represents the period over which the options granted are expected to be outstanding and is equal to the contractual life of the options. The risk-free interest rate used is equal to the yield available on the principal portion of UK government issued Gilt Strips with a life similar to the expected term of the options at the date of measurement.

There are no market conditions associated with the share option grants. There was no charge arising from outstanding options for the period (H1 2016: US$444,000; December 2016 US$712,000), out of which (H1 2016: US$123,000; December 2016:US$137,000) has been capitalized within the E&E assets.

10. RELATED PARTIES

Key management personnel and directors were paid a total compensation of US$551,000 for the six months ended 30 June 2017 (1H 2016: US$477,000). No new options were granted to directors in the six months ended 30 June 2017 (1H 2016: nil).

11. EVENTS AFTER THE BALANCE SHEET DATE

On 18 September 2017 the Company issued 22,877,041 new ordinary shares to Crede CG III Ltd following the exercise of their remaining 48,076,924 warrants.

12. INTERIM REPORT

Copies of this interim report for the six months ended 30 June 2017 will be available from the Company's website www.amurminerals.com.