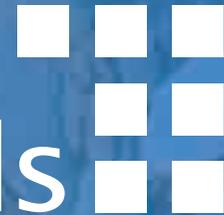


Amur Minerals



Annual Report & Accounts 2006

Welcome

Amur Minerals Corporation (AMC) is a mineral resource exploration and development company focused on base metal projects located in the far east of Russia. At year end 2006, the Company had the right to explore two properties in the region with its principal asset being the Kun-Manie sulphide nickel, copper project located in Amur Oblast.

AMC works to create additional value through:

- The ongoing exploration programmes on its licences;
- The identification and acquisition of additional exploration projects below the 'radar screen' of larger less flexible companies;
- Acquisition of properties which are at or near production and are under-capitalised.

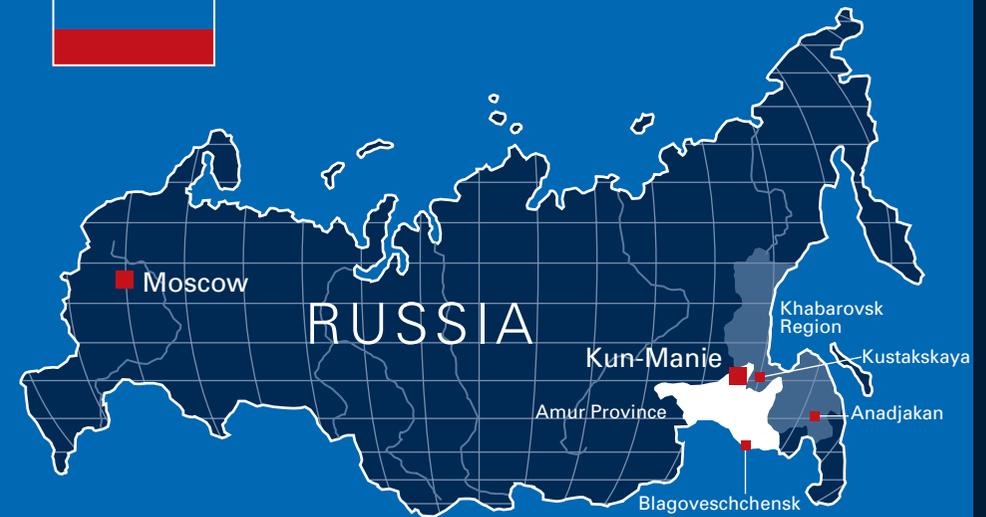
History

AMC was founded in 2004 with the objective of identifying, acquiring, and exploring projects in Russia's far east.

In March 2004, the Kun-Manie nickel copper exploration licence was acquired. In three exploration field seasons, AMC has advanced the project from the grass roots stage to a mid-stage exploration project. Drilling has defined the presence of measured, indicated and inferred resources contained within three deposits totalling 254,500 tonnes of nickel and 73,000 tonnes of copper. Additional drill targets have been identified and substantial ground remains unexplored.

The second exploration licence, Anadjakan, was acquired in August 2006. Amur Minerals will commence exploration work on this copper gold project during the 2007 field season.

A third licence was acquired in February 2007. This is the Kustakskaya exploration and production licence located immediately east of the Kun-Manie property.



Why The Far East Of Russia?

- Region rich in mineral resources
- Access to expert information through local contacts
- Proximity to the burgeoning Asian markets
- Extensive business, political and social networks established

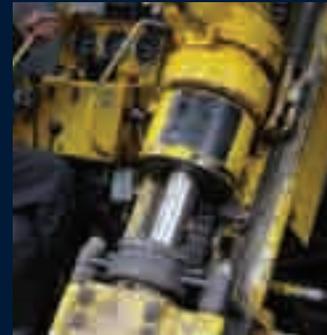
www.amurminerals.com

2006 Highlights

- 15 March admission to AIM raising USD 7 million.
- Completion of third exploration season at Kun-Manie.
- Kun-Manie resource estimate increased to 254,500 tonnes Ni and 73,000 tonnes of Cu.
- Successful scout drilling of Maly Krumkon deposit.
- Additional drill targets identified at Kun-Manie.
- Award of the Anadjakan copper-gold exploration licence.



Vodorazdelny Drill Site



Dymek 252 Core Rig



Drill Core Ready for logging

Amur
Minerals



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Chairman's Statement

Last year, I said that 2006 would be a very exciting year. I am pleased to report that 2006 exceeded our expectations both in and out of the field. We markedly expanded the potential of our Kun-Manie nickel and copper project, while adding new projects.

2006 IN REVIEW

Last year was Amur's third field season on our flagship property Kun-Manie where we expanded both the size of the resource and its associated value. Using a local drilling contractor, we completed 54 diamond core drill holes containing a total of over 3,200 metres. The primary focus of the drill programme was within the Vodorazdelny and Ikenskoe areas, with scout holes completed in the newly discovered area of Maly Krumkon. This work increased the overall geological resource from 46.1 million tonnes to 54 million tonnes of mineralisation. With the increased drilling density, we now have resources in the JORC compliant Measured category and significantly increased the Indicated resource base as well. This obviously has increased our confidence in the ability to ultimately convert these resources into minable reserves as we advance the project towards a production decision.

In addition, we identified additional drill targets in and around Maly Krumkon and Ikenskoe, located along our primary exploration target, the Krumkon Trend. We also discovered an exciting new target area, Yan Hegd, located to the north of the main trend.



Robert W. Schafer Chairman

During the course of the year, we conducted preliminary assessment of the geological resources to determine the potential to open pit mine Vodorazdelny, Ikenskoe and Maly Krumkon. This work was conducted by SRK Consulting, who have, as a result, embarked on a prefeasibility study of the potential of the Kun-Manie project. In summary, 2006 was a year of significant accomplishments at Kun-Manie, which provides a further foundation for successful development.

As we set out in our AIM admission document dated 10 March 2006, it is the Directors' intention to implement a corporate growth strategy beyond the confines of Kun-Manie by securing mineral exploration properties which have solid exploration potential leading to potential production. Throughout the year we reviewed opportunities either to acquire already licensed properties or to apply for new licences, and, in keeping with this strategy, we have been awarded two new licences.

In August 2006, we were awarded the Anadjakan copper-gold licence, located in the Khabarovsk Krai. The Anadjakan licence covers an area of 250 square kilometres and is readily accessible by maintained roads with abundant infrastructure located nearby. We will conduct our first field season at Anadjakan in 2007.

In February 2007, we acquired the Kustakskaya licence at auction. The licence is a 20 year combined exploration and production licence covering an area that is an eastward extension of the Krumkon Trend into the Khabarovsk Krai. Over the next twelve months, we will continue our focused acquisition strategy to build a portfolio of projects for the group.

“We markedly expanded the potential for our Kun-Manie nickel and copper project, while adding new projects.”

OUTLOOK FOR 2007

In March we signed a contract for drilling and related exploration works at Kun-Manie in 2007. We are confident in our ability to increase the resource by at least another 50,000 tonnes of contained nickel this year. Our prefeasibility study of Kun-Manie will be completed by early summer, in time to serve as useful input to guiding the drilling programme. In addition, we are mobilising for reconnaissance work at Anadjakan that is designed to delineate drill targets for the future. We will be reviewing the data we have received on Kustakskaya to craft our exploration programme for the 2008 field season. In short, we have demonstrated our ability to successfully work in Russia and to meet or exceed the objectives stated in our Admission document of March 2006, and we are confident in continuing our success in 2007.



Robert W. Schafer

Non-Executive Chairman

27 April 2007



Drill control panel



Aerial view of the base camp



Operations Review

For Amur Minerals, 2006 was a pivotal year. Corporately, Amur was admitted to the Alternative Investment Market (AIM) in London on 15 March. Our corporate strategy is to add value through the continued advancement of our flagship nickel-copper project, Kun Manie, seek to acquire additional highly prospective exploration licences and to acquire quality projects which have near term production capabilities.

During 2006, the Company successfully completed its third year of exploration and acquired an additional exploration licence. These activities accomplished two of the three objectives stated in our Admission document. The Company continues to examine properties and projects that are considered to be near term production targets, but has not identified a suitable project that meets our corporate objectives and criteria. We will continue to assess potential projects as they are identified.

Kun-Manie now has an in the ground valuation of USD 100 million representing an increase of 43% over last year. Resources also increased by 22% to a total of 254,500 tonnes of nickel and by 25% to 73,000 tonnes copper. These results are highly encouraging as 60% of the prospective Krumkon Trend has not been explored in detail and a new style of mineralisation has been identified north of the trend. Three well-defined drill targets remain to be tested and several additional potential mineralised zones have been identified nearby and between the currently drilled deposits. After three years, we continue to look forward to expanding our nickel sulphide resource inventory as well as evaluating new targets along the unexplored portion of the Krumkon Trend.

In August 2006 Amur expanded its asset base when the Company was awarded the Anadjakan gold-copper exploration licence in the Khabarovsk Region. The area is accessible by maintained roads with abundant infrastructure located nearby. The area was previously explored by various groups during Soviet times, most recently in 1991.

In February 2007, the Company announced that it had successfully won the auction to explore and extract nickel, copper, platinum and associated metals on the Kustakskaya Project, located immediately to the east of Kun-Manie.



Robin Young Chief Executive Officer

KUN-MANIE

Kun-Manie is a 950 square kilometre exploration licence and is the flagship property of Amur. The Company acquired Kun-Manie in early 2004 and did so based on historic strongly anomalous stream sediment sampling results and airborne geophysics conducted by Soviet exploration expeditions following World War II, continuing until the mid-1990s. In addition, ten scout holes had been drilled and some initial trenching had been completed in the early 2000s confirming the presence of nickel and copper in potentially economic amounts.

Our primary target area within the licence is the Krumkon Trend which is forty kilometres long and approaches a width of two kilometres spanning across the southern part of the licence area. It represents a deep-seated structural zone created by the collision of two tectonic plates and is a zone of weakness which has allowed nickel and copper bearing magma to migrate upwards toward the surface and subsequently move laterally along shear zones and zones of weakness. As the magma cooled, it formed a stacked series of flat lying sills and steeper dykes composed of websterite, many of which are enriched in nickel and copper sulphide minerals. It is in these zones where the Company has focused exploration activities since the acquisition of the licence. Only fifteen kilometres of this trend have been explored in significant detail to date, leaving an additional twenty-five kilometres requiring further investigative work.

Exploration at Kun-Manie

Since acquisition, the Company has completed three highly successful exploration field seasons including our most recently completed programme in 2006. Over these three seasons, we have had many accomplishments along the Krumkon Trend.

The 2004 programme was designed to confirm the geological model and to verify historical results that guided us to the acquisition of this property. The Company completed a total of 15 holes and two deposits were confirmed as being present. The deposits were identified as Vodorazdelny and Ikenskoe and are located four kilometres apart. Extensive airborne geophysics and ground-based geophysical surveys had also been conducted and identified additional potential drill targets.

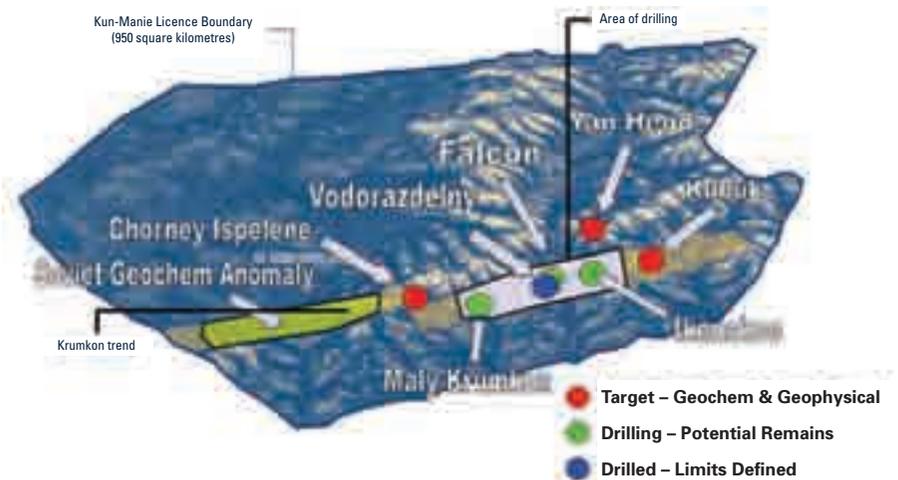
In 2005, an aggressive exploration drill programme was initiated to establish the limits of the two deposits. Again drilling was successful within both deposits and the presence of a third potential smaller deposit was confirmed (Falcon) by scout drilling of websterite outcrops. Falcon lies between Vodorazdelny and Ikenskoe.

At year end 2005, the Company had broadly established the limits of Vodorazdelny while the limits of Ikenskoe and Falcon had not been defined. Exploration mapping and geochemical sampling had also been undertaken in areas located along the trend but distal from the two deposits. Reconnaissance identified the presence of two additional targets located approximately seven kilometres to the west of Vodorazdelny. These were identified as Maly Krumkon and Chorney Ispelene. A third was identified to the east, approximately two kilometres from Ikenskoe (identified as Kubuk – Ata). All are located within the Krumkon Trend, bringing the total explored length to 15 kilometres. Twenty-five kilometres remained to be examined.

The 2006 drill season was kicked off by the completion of four scout holes at Maly Krumkon. All intersected near surface nickel and copper sulphide mineralisation. Trenching, geological mapping and geochemical rock chip sampling also confirmed that the mineralisation continues along strike suggesting that Maly Krumkon could be larger than indicated by drilling to date. This is a significant discovery with high potential and a target area wherein to expand the resource inventory of the Company.

“These results are highly encouraging as 60% of the prospective Krumkon Trend has not been explored in detail.”

DEPOSITS AND EXPLORATION TARGET LOCATIONS



KUN-MANIE LICENCE AREA

A view of the licence area showing the Krumkon Trend and locations of the identified deposits. All drill reported resources are contained within the Vodorazdelny, Ikenskoe and Maly Krumkon deposits. Additional drill targets include Chorney Ispelene, Kubuk and Yan Hegd. Unexplored potential exists to both the east and west of these areas.

Orebody	Tonnage (Mt)	Ni (%)	Ni (t)	Cu (%)	Cu (t)
Total Measured	3.7	0.61	22,700	0.16	5,800
Total Indicated	32.7	0.47	153,100	0.14	44,500
Total Inferred	16.9	0.47	78,700	0.13	22,700
Grand Total	53.3	0.48	254,500	0.14	73,000



Operations Review

continued

The infill programmes at Vodorazdelny and Ikenskoe were also successful and confirmed the continuity of the structure and grade. The limits of Vodorazdelny are now well established; however, the potential for the expansion of the Ikenskoe ore body remains to the south of existing drill holes.

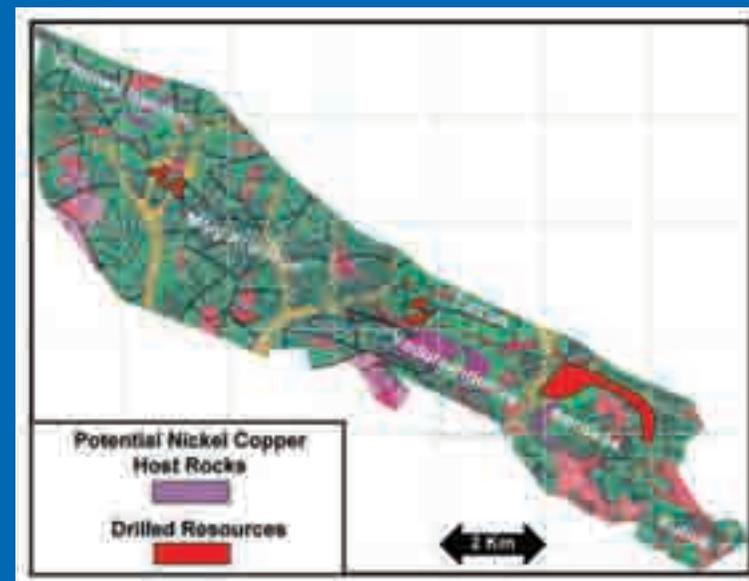
Reconnaissance sampling and extensive geological mapping were also conducted between the identified deposits and confirmed the presence of additional drill targets. Between Maly Krumkon and Vodorazdelny, an area of more than five kilometres, there are numerous websterite sills which contain anomalous nickel and copper values. These warrant follow-up exploration. Additional targets were also identified between and adjacent to the Vodorazdelny and Ikenskoe deposits. These hidden targets had not been identified previously as they are covered by soil and vegetation. The identification of these targets was possible through the Company's use of shallow-detection, ground-based electrical geophysical methods.

Lastly and of high significance, the largest single continuous geochemical anomaly defined within the licence area was delineated. This area, identified as Yan Hegd, does not fall within our primary exploration target of the Krumkon Trend. Geological mapping indicates the target to be a vertical structure and is atypical of the mineralisation drilled to date. The Company did not announce this discovery until early 2007 as the comprehensive analytical results were not available for interpretation until January.

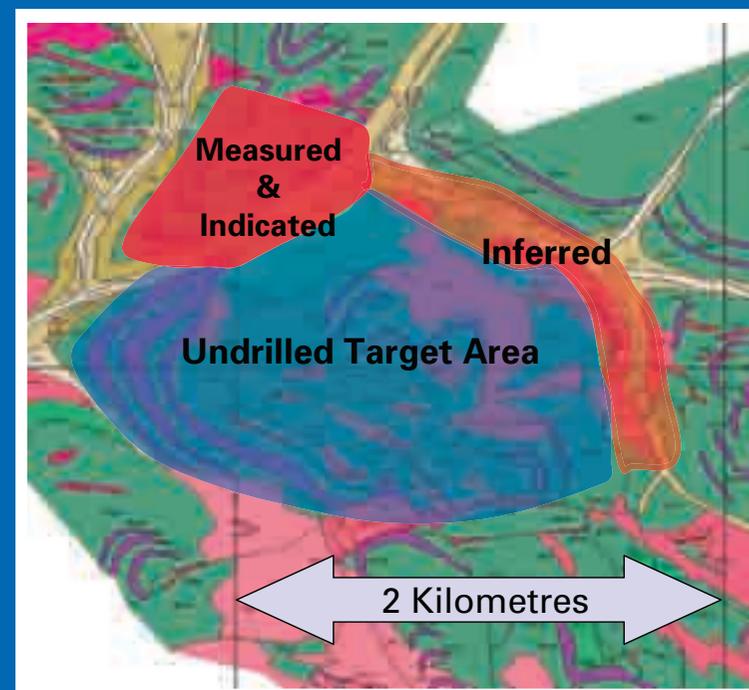
EXPLORATION STRATEGY

It is one thing to explore for and add resources to the mineral inventory, it is another to convert them to reserves which is the paramount goal of the Company. All of the Company's exploration efforts are based on project economics and the delineation programme targets resources that ultimately will be converted to reserves. This is accomplished by aggressively assessing the configuration and grade of the deposits at every stage of exploration. The suitability for mining, metallurgical response and economic potential are always considered in the selection of our drill hole locations and the extent to which each ore body is drilled. This also includes an ongoing assessment of project specific engineering requirements, permitting needs and environmental studies, many of which are completed or are under way.

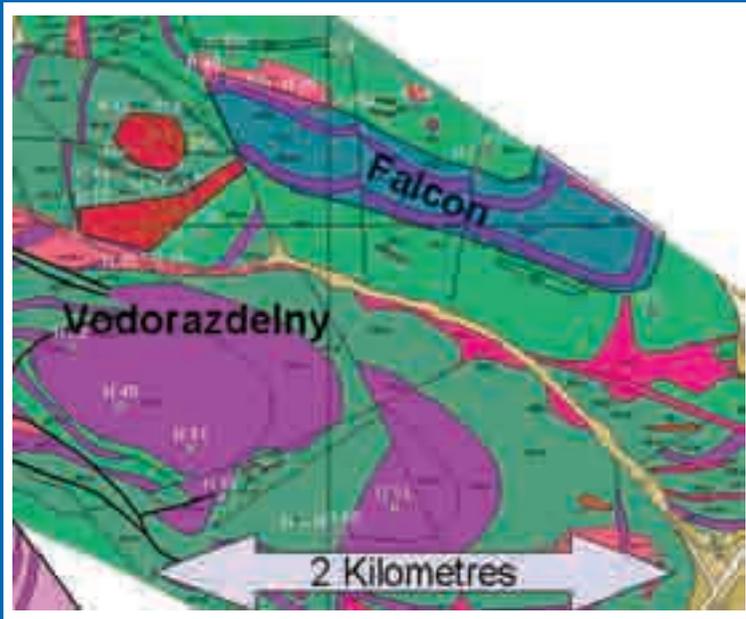
SRK Consulting annually updates the resource estimate using JORC (Joint Ore Reserve Committee) procedures and standards. In addition, they establish an in the ground valuation for Kun-Manie. These assist in defining drill pattern densities.



LOCATION OF DRILLED RESOURCES
Drill areas containing quoted resources shown in red. Additional potential exists within the websterite rock units shown in purple.

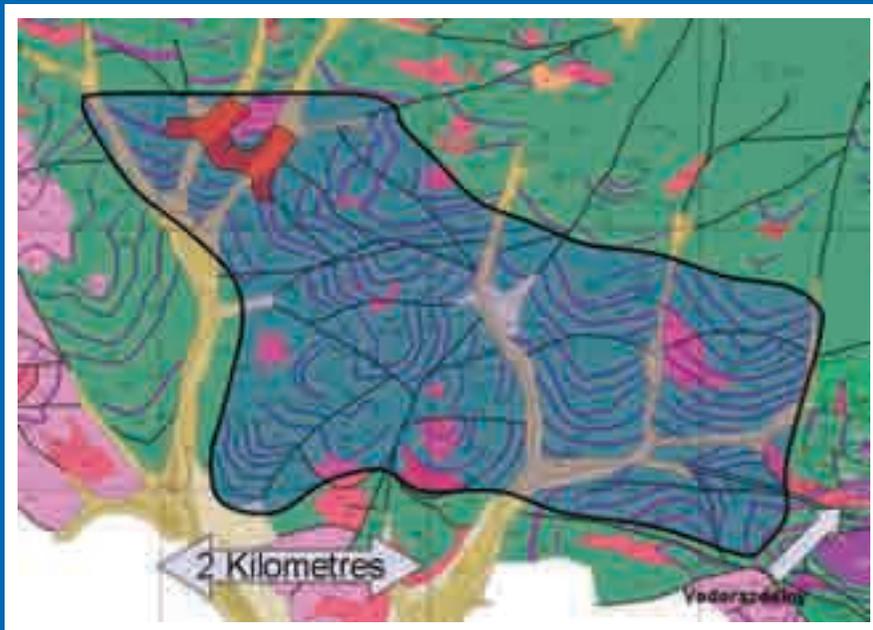


IKENSKOE
Drilled area for which resources have been calculated is depicted in red. Identified exploration potential shown in blue.



VODORAZDELNY & FALCON

Drilled area for which resources have been calculated is depicted in red. Identified exploration potential shown in blue.



MALY KRUMKON

Drilled area for which resources have been calculated is depicted in red. Identified exploration potential shown in blue.

In June and October, SRK Consulting generated preliminary ultimate pit designs on Vodorazdelny, Ikenskoe and Maly Krumkon. These preliminary results indicate that more than 75% of the drilled resource could be mined by lower cost open pit methods. This work has confirmed that the Ikenskoe, Falcon and Maly Krumkon deposits require additional step out drilling as additional resources could be added.

All analytical results are verified by OMAC Laboratory located in Ireland. Preliminary metallurgical test work by Sibsvetmetniroyect of Krasnoyarsk has been completed. The nickel and copper sulphide mineralisation can be recovered using conventional flotation. Recovery of both nickel and copper is indicated to be in the order of 85%. At year end, Sibsvetmetniroyect was completing a second round of detailed metallurgical test work which will be utilised in the design of a detailed flowsheet and plant.

Based on the positive drilling results in 2006 and the indications that the project was amenable to open pit mining methods, and that the nickel and copper could be recovered by simple flotation, internal preliminary cash flow models were compiled. Positive results suggested that the Company had reached the point where it was time to compile a prefeasibility study. SRK Consulting was awarded the contract to assess the current potential of the project and to assist in defining the Company's path to the future. The study is scheduled for completion in June 2007.

THE ROAD AHEAD

The future will continue to offer challenges to our Company. Two parallel work programmes that are inextricably linked need to be completed. These have been organised into Russian and Western components.

On the Russian side, the Company continues its progress toward its conversion of the exploration licence to a production licence. To accomplish this, an independent resource estimate, technical and economic assessment was begun. The work is being compiled by Sibsvetmetniroyect. This Russian certified company is compiling the study anticipated for completion in September 2007. Upon completion, it will be submitted to the State Committee on Reserves (GKZ) for review and approval. This is a key step towards the issuance of a Discovery Certificate to be filed with the Ministry of Natural Resources and Ecology for conversion of parts of the Exploration Licence to a Mining Licence.



Operations Review

continued

During the conversion process, the Company will continue to advance the project in other areas, including road and power designs, obtaining the necessary permits for infrastructure development and final environmental studies.

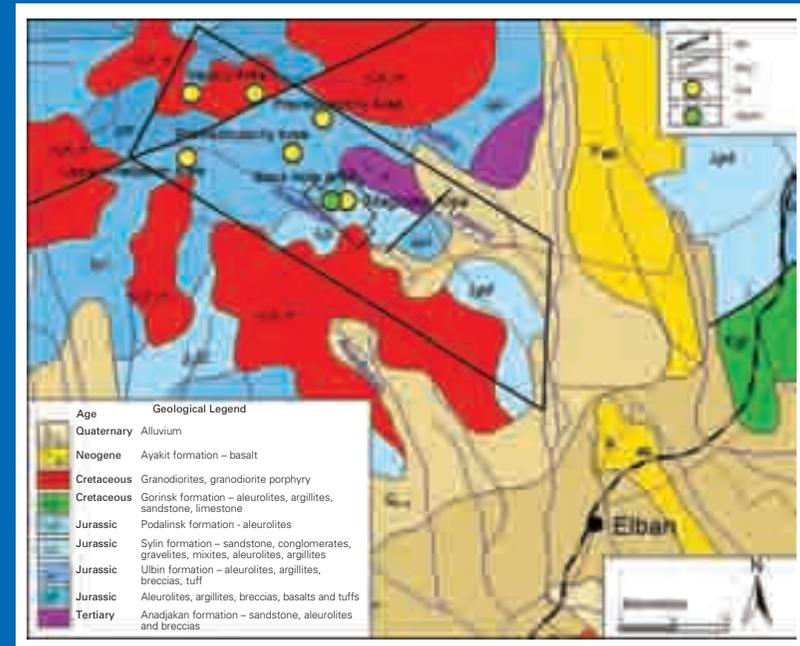
The Western component is pointed toward our ultimate financing of the project. In anticipation of a positive SRK prefeasibility study, the Company has defined a multifaceted programme to continue with the advancement of Kun-Manie. The results of the study will guide our ongoing 2007 exploration programme in the areas of infill drilling and resource expansion.

With a positive study in hand, the Company will evolve into a near term production company. This will require rapid deployment of teams into the field to define our final access route to the project site, source of power, applications for right away usage, detailed engineering, additional metallurgical test work, environmental work and completion of a bankable study. This is an aggressive undertaking and the Company set the bar for completion to coincide with the conversion of the exploration licence into a production licence.

The way forward will continue to provide the Company with challenges in both the Russian and Western pathways to production. In light of this, the Company has already employed a project manager experienced in both Russian and Western mine start-ups. We shall continue to utilise qualified Russian and Western technical organisations and consultants that specialise in lead-up to production and detailed engineering.

ACQUISITIONS

During 2006, the Company successfully acquired the Anadjakan gold and copper exploration licence and submitted its application to participate in an auction for the Kustakskaya exploration/production licence in February 2007. Amur Minerals subsequently won the auction for the Kustakskaya exploration production licence. These successes provide significant growth potential to the Company and proves its ability to participate within the Russian licensing system. The Company has also identified additional licences and intends to participate in auctions for projects throughout 2007.



ANADJAKAN GOLD COPPER LICENCE
Location of the gold and copper targets within the licence.

ANADJAKAN, A GOLD - COPPER EXPLORATION LICENCE

Amur Minerals expanded its asset base with the award of the Anadjakan gold- copper project exploration licence in August 2006. The licence covers an area of 250 square kilometres and is valid for a term of five years, convertible to a 20 year mining licence following a commercial discovery. It is located in the Khabarovsk region and is readily accessible by maintained roads with abundant infrastructure located nearby. The area was explored by various groups during Soviet times, most recently in 1991.

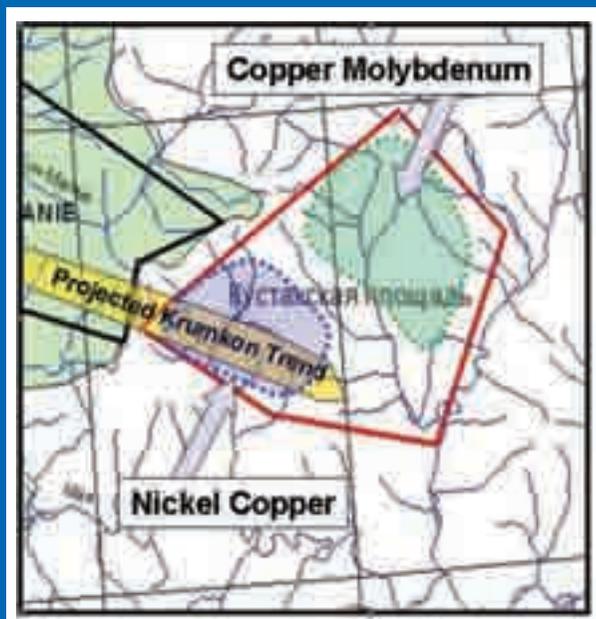
Geologically, the project is known to contain gold and copper-bearing veins located within highly developed faults and shear zones hosted within a granitic intrusive complex that is overlain by sedimentary rocks. The near-vertical quartz and quartz sulphide veins are contained within a linear structure that is up to 250 metres in width and extends over 5 kilometres in length. The presence of gold has been confirmed by geochemical sampling, limited trenching and some drilling. Historical geophysics indicates there is additional potential to identify more vein structures, but these remain as yet undefined.

The geochemistry of the veins also suggests the potential presence of an underlying porphyry copper system and is evidenced by anomalous copper, molybdenum and gold values detected by geochemical sampling.

Amur Minerals will undertake a three-phased approach in accordance with the terms of the licence agreement. This approach will consist of confirming the existing historical results, conducting trenching and drilling, and ultimately conclude with the calculation of a Russian-style mineral resource estimate. This work is to be accomplished over the next five years and the first field season is the upcoming year, 2007. Expenditures of USD 600,000 have been planned for this year.

KUSTAKSKAYA, A NICKEL – COPPER EXPLORATION/PRODUCTION LICENCE

Amur Minerals won the auction for the right to explore and extract nickel, copper, platinum and associated metals on the Kustakskaya License, which is located immediately to the east of Amur's flagship Kun-Manie nickel-copper project. The addition of this project area expands Amur's combined holdings at both Kustakskaya and Kun-Manie by 1,034 square kilometres to a total of 1,984 kilometres. This new licence doubles the size of the Company's land package in the immediate area and Amur Minerals now controls an area that approaches 1.5% the size of England. The Company now considers the combined areas of Kustakskaya and Kun-Manie to be a district rather than just a deposit.



KUSTAKSKAYA LICENCE

Areas of anomalous nickel and copper results defined by historical Russian exploration programmes. The southern area is interpreted to be the continuation of the Krumkon Trend which hosts all drilled resources at Kun-Manie.

The geology of the southern half of the Kustakskaya area is similar to that of the Kun-Manie licence. This area is interpreted to be a continuation the Krumkon Trend. Historical Russian sampling has indicated elevated nickel grades ranging as high as 0.72% to 1.12% and cobalt grades approaching 0.11% to 0.18%. The mineralisation is controlled by flat-lying structures within mafic to ultramafic host rocks very similar to those identified within the Kun-Manie licence. The existing anomalous geochemical information covers an area of approximately 100 square kilometres.

The northern half of the licence area is dominated by granites anomalous in copper, cobalt, and molybdenum, covering an area approaching 190 square kilometres. Quartz veins of 1.5 metres in thickness have been identified and include both malachite and chalcopyrite in disseminated and veinlet form. Copper grades of up to 0.6% and gold grades as high as 0.3 g/t have been recognised in these veins and veinlets.

Robin J. Young

Chief Executive Officer

27 April 2007



Directors



Robert Schafer

Chairman (Non-Executive)

Mr Schafer has 29 years of experience in the mineral industry, working in the international sector with both major and junior mining companies. He is currently Vice-President, Business Development with Hunter Dickinson Inc., a globally active private natural resources corporation. Throughout his career Mr Schafer has worked internationally, with notable experience in the far east of Russia, Southern Africa, South America and Australia. His work has included the structuring and implementation of successful exploration strategies, project reviews and valuations leading to acquisitions, and the management of local and expatriate exploration teams operating in a wide variety of geologic environments.



Robin Young

Chief Executive Officer

Mr Young is a geologist and mining engineer who has worked extensively in the CIS since 1991. He has 30 years of experience in the mineral resources industry overall, which has included large projects in remote areas as well as significant work with junior mining companies. He has held positions of increasing responsibility within the exploration, development and production sectors. Since 1980, he has been involved in the international sector and has been the Chief Executive Officer of two geological and mining consultancy companies. He has been CEO of the Company since October 2004. Mr. Young is a licensed Professional Geologist and holds a Bachelor of Science degree in Geological Engineering.



David Wood

Chief Financial Officer

Mr Wood has been Chief Financial Officer of the Company since October 2004, and has been a consultant to the Company since February 2004. Mr Wood has sixteen years of corporate finance advisory experience, two-thirds of which has been in the former Soviet Union. From 1996 to 2002, he was a management consultant with Deloitte & Touche in the CIS and led their management consulting and corporate finance practices in Moscow and Almaty. Mr Wood has a Bachelor of Arts (*cum laude*) degree in Economics and Master of Business Administration. He speaks fluent Russian and resides in Moscow.

Advisers

Company Secretary

David Fain Wood

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Management



George Eccles

Non-Executive Director

Mr Eccles graduated with a law degree from the London School of Economics and then trained as a chartered accountant. He became a partner in the London office of Deloitte Haskins & Sells before moving to Moscow where he was a partner in Coopers & Lybrand and later in Deloitte & Touche. Subsequently he worked in Kazakhstan as Chief Operating Officer of the Central Asian-American Enterprise Fund, a US government sponsored development fund. He is currently non-executive Chairman of Hambledon Mining PLC.



David Straker-Smith

Non-Executive Director

Mr Straker-Smith joined CrossBorder Capital in early 1999 having been in the financial markets since 1980. His previous positions include director at Gerrard and National plc, manager of proprietary equity book at Gerrard and National and Head of East Europe and Middle Eastern Equity sales at Baring Securities. He is currently a senior non-executive director of LTG Technologies Plc and director of a number of limited companies.



Vladimir Prikhodko

General Director of ZAO Kun-Manie

He has been the general director of the Group's Russian subsidiary since it was founded. Prior to this he served as regional manager of Russian activities for two Canadian exploration companies. His professional interests and expertise include magmatic ore deposits (epithermal and mesothermal gold-silver deposits, magmatic sulphide deposits, Cu-Au porphyry deposits) as well as diamond deposits of varying affinity and origin. He has two doctorate degrees from the Novosibirsk State University and from the Khabarovsk Institute of Tectonics and Geophysics.

Competent Person

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Financial PR Consultants

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United Kingdom

Directors' Report

for the year ended 31 December 2006

The Directors present their annual report and the audited financial statements for the year ended 31 December 2006.

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 Operations Review which accompanies these financial statements.

RESULTS AND DIVIDENDS

The results for the year are disclosed in the Income Statement on page 20. The Directors do not recommend a dividend.

DIRECTORS AND THEIR INTERESTS

The present membership of the Board is set out on pages 10 to 11. 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 2006	At 31 December 2005*	At 31 December 2006	At 31 December 2005*
Robert W. Schafer (appointed 31 January 2006)	33,333	—	300,000	—
Robin J. Young (Appointed 5 January 2006)	1,074,590	916,000	2,700,000	202,400
David F. Wood (appointed 5 January 2006)	418,144	356,400	1,800,000	78,800
George W. Eccles (appointed 5 January 2006)	30,303	—	300,000	—
David Straker-Smith (appointed 5 January 2006)	620,568	495,200	300,000	160,000
Visor Limited (Corporate Director) (resigned 11 January 2006)	—	—	—	—
Samuel E. Hurley (resigned 31 January 2006)	—	—	—	—
Jonathan Morley-Kirk (resigned 31 January 2006)	—	4000	—	—

* Adjusted for share split.

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, and Fox-Davies Capital Limited is the Company's Co-Broker. The share price at 31 December 2006 was 17.75p.

GOING CONCERN

The Board confirms that the business is a going concern and has reviewed its working capital requirements in conjunction with its future funding capabilities for the next 12 months and has found them to be adequate. For this reason the Directors continue to adopt the going concern basis in preparing the financial statements.

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.

Since operations have not yet commenced, the Group did not have any trade creditors during the year. 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.

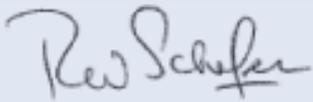
AUDITORS

Moore Stephens Moscow Limited have expressed their willingness to continue in office as financial auditors. A resolution to reappoint them will be proposed at the forthcoming 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 27 April 2007.

A handwritten signature in dark ink, appearing to read "Robert W. Schafer". The signature is written in a cursive, flowing style.

Robert W. Schafer

Chairman

27 April 2007

Corporate Governance Statement

The Directors are aware of the Combined Code applicable to listed companies. As a company which is quoted on AIM, Amur Minerals Corporation is not required to comply with the Combined Code, but the Directors intend to comply with its main provisions as far as is practicable having regard to the size of the Group.

BOARD STRUCTURE, THE CHAIRMAN AND ITS COMMITTEES

The Board comprises the Chairman (Non-Executive), two Executive Directors, being the Chief Executive and Chief Financial officers, and two Non-Executive directors. The Board meets regularly throughout the year and as issues arise which require Board attention.

The Chairman conducts Board and shareholder meetings and ensures that all Directors are properly briefed. The Directors are responsible for formulating, reviewing and approving the Company's strategy, budgets, major items of capital expenditure and senior personnel appointments. The Directors have access to independent professional advice at the Company's expense and to the Company Secretary.

At each annual general meeting one-third of the Directors must retire by rotation, whereupon they can offer themselves for re-election if eligible.

The Company has established an Audit Committee and a Remuneration Committee. In view of the Company's size, the Directors do not consider the Combined Code recommendation for a Nominations Committee to be appropriate.

Audit Committee

The Audit Committee currently comprises George Eccles (its Chairman) and David Straker-Smith. It meets at least twice a year and is responsible for considering the appointment and fees of external auditors, their cost-effectiveness, independence and objectivity and for ensuring that the financial performance of the Company is properly reported and monitored.

It liaises with the auditors and reviews the reports from the auditors relating to the financial statements and internal controls.

Remuneration Committee

Amur Minerals Corporation aims to ensure that the level and compensation of remuneration of its Directors and executives are sufficient and reasonable for the sector in which the Company operates. The Remuneration Committee comprises Robert Schafer (its Chairman) and David Straker-Smith. The Committee, which meets at least once per year, is responsible for determining the contract terms, remuneration and other benefits of the Executive Directors. The remuneration of Non-Executive Directors is determined by the Board within the limits set out in the Articles of Association. None of the Committee members has any personal financial interest in the matters to be decided (other than as shareholders), potential conflicts of interest arising from cross-directorships, or any day-to-day involvement in running the business. The Committee consults the Chief Executive about its proposals and has access to professional advice from inside and outside the Company at the Company's expense.

Report on Directors' Remuneration

EXECUTIVE DIRECTORS

The remuneration of Amur Minerals Corporation's Executive Directors currently comprises fixed salary and long term incentive share options. In relation to the payment of bonuses, share options and other incentive amounts, discretion is exercised by the Board having regard to the overall performance of the Company and of the relevant individual during the period.

NON-EXECUTIVE DIRECTORS

Amur Minerals Corporation's Non-Executive Directors are remunerated with a cash fee. There is currently no scheme to provide performance based bonuses or retirement benefits to Non-Executive Directors. Non-Executive Directors typically do not participate in equity or option schemes of the Company; however, given Amur's size, focused nature of business and shareholding structure, issues of share options to Non-Executive Directors have previously been, and may in the future be, approved by shareholders to enhance overall shareholder wealth creation.

DIRECTORS' EMOLUMENTS

Amounts paid by the Company in respect of Directors' services.*

	Year ended 31 December 2006	Year ended 31 December 2005
Executive Directors		
Robin Young	\$229,129	\$195,368
David Wood	\$83,750	\$60,000
Non-Executive Directors		
Robert Schafer	\$48,050	—
George Eccles	\$46,300	—
David Straker-Smith	\$28,800	—

* Does not include reimbursement of Company-related expenses.

DIRECTORS' CONTRACTS

Executive Directors currently have employment contracts which may be terminated by the Company with twelve months' notice. No other payments are made in compensation for loss of office. The remuneration of the Non-Executive Directors is determined by the Board within the limits set out in the Articles of Association. Non-Executive Directors currently have employment contracts which may be terminated by the Director or the Company with three months' notice. No other payments are made in compensation for loss of office.

Financial Review

In 2006, Amur Minerals Corporation substantially changed its business through its successful Admission to Trading on AIM. As a result of this fundraising, the Company's balance sheet improved with the addition of capital. By mid-year, the Company had settled substantially all accounts payable as at 31 December 2005.

In addition to a significant reduction in liabilities, the Company increased its capitalised investment in the Kun-Manie licence by over 60% to \$6.3 million. At year end, we had just under \$3 million in the bank.

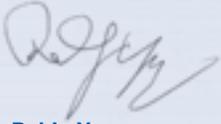
Administrative expenses increased from \$863,000 in 2005 to \$1.4 million in 2006. Some of this increase, such as Non-Executive Director fees and investor relations costs, is due to the higher costs associated with operating a public company. However, certain cost items were of a one-off nature. For example, we did not segregate travel expenses related to the IPO versus those related to managing the Company. As a result, a significant portion of the \$100,000 increase in travel expense was related to the admission to AIM, a one-time event.

Subsequent to year end, the Company completed a secondary placing of 15.5 million new ordinary shares at a price of 18p per share, raising gross proceeds of £2.8 million (approximately USD 5.6 million). AMC's market capitalisation immediately following announcing the placing was £23.6 million.

Statement of Management Responsibilities

Management has prepared and is responsible for the financial statements and related notes of Amur Minerals Corporation and its subsidiaries ("the Group"). They have been prepared in accordance with International Financial Reporting Standards ("IFRS") and necessarily include amounts based on judgements and estimates by management.

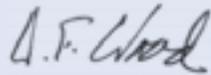
The Group maintains internal accounting control systems and related policies and procedures designed to provide reasonable assurance that assets are safeguarded, that transactions are executed in accordance with management's authorization and properly recorded, and that accounting records may be relied upon for the preparation of consolidated financial statements and other financial information. The system contains self-monitoring mechanisms that allow management to be reasonably confident that controls, as well as the Group's administrative procedures and internal reporting requirements operate effectively. There are inherent limitations in the effectiveness of any system of internal control, including the possibility of human error or the circumvention or overriding of controls. Accordingly, even an effective internal control system can provide only reasonable assurance with respect to financial statement preparation.



Robin Young

Director

27 April 2007



David Wood

Director

27 April 2007

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

We have audited the accompanying consolidated balance sheet of Amur Minerals Corporation and its subsidiaries (the "Group") as at 31 December 2006 and the related statements of income, cash flows and changes in equity for the year then ended.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considered internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements give a true and fair view of the financial position of the Group as at 31 December 2006 and of the Group's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Moore Stephens Moscow Ltd.

Moore Stephens Moscow Limited

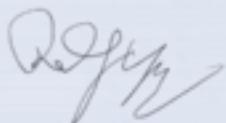
4th Floor
D38 Stremyanny Pereulok
Moscow 113093
Russian Federation
27 April 2007

Consolidated Balance Sheet

as at 31 December 2006

	Note	31 December 2006 USD '000	31 December 2005 USD '000
NON-CURRENT ASSETS			
Capitalised exploration costs	4	6,275	3,915
Property, plant and equipment	4	12	11
Total non-current assets		6,287	3,926
CURRENT ASSETS			
Cash and cash equivalents		2,999	2,042
Other receivables		61	252
Total current assets		3,060	2,294
Total assets		9,347	6,220
CURRENT LIABILITIES			
Trade and other payables	5	15	1,710
Total current liabilities		15	1,710
SHAREHOLDERS' EQUITY			
Share capital	7	7,143	15
Share premium	7	8,838	10,108
Share options	8	472	—
Accumulated losses		(7,121)	(5,613)
Total shareholders' equity		9,332	4,510
Total liabilities and shareholders' equity		9,347	6,220

Authorised by the Board on 27 April 2007



Robin Young
Chief Executive Officer



David Wood
Chief Financial Officer

The accompanying notes on pages 23 to 40 form an integral part of these financial statements.

Consolidated Income Statement

for the year ended 31 December 2006

	Note	Year ended 31 December 2006 USD '000	Year ended 31 December 2005 USD '000
Administrative expenses	9	(1,388)	(863)
Partnership agreement termination	5	—	(667)
Operating loss		(1,388)	(1,530)
Investment provision	10	(110)	—
Share based payments	8	(224)	—
Foreign currency exchange gain/(loss)		143	(36)
Bank interest received		71	9
Loss before tax		(1,508)	(1,557)
Taxation	6	—	—
Loss for the year	11	(1,508)	(1,557)
Loss per share: basic and diluted	12	USD (0.02)	USD (200.72)
Adjusted loss per share: basic and diluted	12	USD (0.02)	USD (0.05)

The accompanying notes on pages 23 to 40 form an integral part of these financial statements.

Consolidated Cash Flow Statement

for the year ended 31 December 2006

	Note	Year ended 31 December 2006 USD '000	Year ended 31 December 2005 USD '000
Cash flow from operating activities:			
Net loss before taxation		(1,508)	(1,557)
Adjustments to reconcile loss before tax to net cash used in operating activities:			
Depreciation	4	9	8
Share based payment		—	67
Grant of carried equity shares		224	—
Investment income		(71)	(9)
Investment provision		110	—
(Increase) in accounts receivable		(60)	—
(Decrease)/increase in accounts payable		(660)	322
Net cash used in operating activities		(1,956)	(1,169)
Cash flow from investing activities:			
Exploration expenditure		(2,581)	(2,343)
Purchase of property, plant and equipment		(10)	(8)
Interest received		71	9
Investment		(110)	—
Net cash used in investing activities		(2,630)	(2,342)
Cash flow from financing activities:			
Proceeds from issue of share capital	7	6,433	5,086
(Repayment of)/proceeds from prepaid share capital		(125)	459
Financing costs associated with share issues*	7	(765)	(117)
Net cash from financing activities		5,543	5,428
Net change in cash and cash equivalents		957	1,917
Cash and cash equivalents brought forward		2,042	125
Cash and cash equivalents carried forward		2,999	2,042
Material non-cash transactions			
Financing costs satisfied by the issue of shares		—	125
Proceeds from issue of shares retained by broker		686	—
Expenses paid by broker		(686)	—

* Includes commissions paid on financing raised and costs associated with listing.
The accompanying notes on pages 23 to 40 form an integral part of these financial statements.

Statement of Changes in Equity

for the year ended 31 December 2006

	Note	Share capital USD '000	Share premium account USD '000	Accumulated losses USD '000	Share options USD '000	Total USD '000
Balance at 31 December 2004		4	2,089	(4,056)	—	(1,963)
Net loss for the year		—	—	(1,557)	—	(1,557)
Shares issued		11	—	—	—	11
Premium on shares issued		—	5,275	—	—	5,275
Premium on share options		—	3,045	—	—	3,045
Costs associated with issue of share capital		—	(301)	—	—	(301)
Balance at 31 December 2005		15	10,108	(5,613)	—	4,510
Net loss for the year		—	—	(1,508)	—	(1,508)
Shares issued	7	7,128	—	—	—	7,128
Premium on shares issued	7	—	316	—	—	316
Premium on share options	8	—	—	—	472	472
Costs associated with issue of share capital		—	(1,586)	—	—	(1,586)
Balance at 31 December 2006		7,143	8,838	(7,121)	472	9,332

The future of the Group's retained earnings for distribution will be determined by the individual companies' constitutions and legislation in their respective countries, being the British Virgin Islands, Cyprus and the Russian Federation and will not necessarily correspond to the amounts shown above. Note 11 details the losses incurred by each Group company.

The accompanying notes on pages 23 to 40 form an integral part of these financial statements.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2006

1. GENERAL

Amur Minerals Corporation ("Company") was incorporated as a holding company in the British Virgin Islands on 28 January 2004 as Croesus Resources Group Limited. It changed its name to Amur Minerals Corporation on 31 January 2006. On 2 February 2006 the Company was re-registered as a business company 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 primarily 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 2006 was 14 (2005: 11 employees).

The Company is the 100% owner of a Cypriot company called Irosta Trading Limited ("Irosta"). The whole issued share capital was transferred to the Company on 14 July 2004. Irosta was incorporated in the Republic of Cyprus on 9 October 2003. Irosta holds 100% of the shares in ZAO Kun-Manie (Kun-Manie), which holds a 5 year exclusive exploration licence valid until 31 December 2008. The licence is for an area located in the north of the Amur Province of Russia, where Kun-Manie is involved in the exploration of metals. Kun-Manie was incorporated in Russia on 14 April 2003 and was acquired by Irosta on 25 March 2004.

The Group includes the following companies as at 31 December 2006 and 31 December 2005:

	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.

In February 2007 SRK Consulting completed an independent mineral resource estimate 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. SRK Consulting is a global entity specializing in the assessment of mining resources. SRK reports a Measured and Indicated Mineral Resource for Kun-Manie of 36.4 Mt with a mean grade of 0.48% Ni, 0.14% Cu, 0.2 g/t Pt and 0.2 g/t Pd and an Inferred Mineral Resource of some 16.9 Mt with a mean grade of 0.47% Ni, 0.13% Cu, 0.2 g/t Pt and 0.2 g/t Pd. SRK reports the resource estimate as defined by the JORC Code. SRK considers that the resource estimate represents only a portion of that likely to be demonstrated to be present.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2006

2. BASIS OF PRESENTATION

a) Statement of compliance

The financial statements have been prepared in thousands of United States Dollars in accordance with International Financial Reporting Standards ("IFRS").

b) Basis of consolidation

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.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

c) Measurement and presentation currency

The measurement currency of the Group is considered to be the United States Dollar ("US Dollar" or "USD"), as the majority of exploration financing is in US Dollars. Furthermore, any future sales will be in US Dollars.

The financial statements have been presented in US Dollars in accordance with the Group's accounting policy.

d) 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 estimates required in calculating the future cash flows are:

- Development costs to date of operations
- Future sale price of metals extracted
- Amount of reserves available for extraction
- 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.

2. BASIS OF PRESENTATION (continued)

e) Amendments to standards, new standards and new interpretations

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (the IASB) and the International Financial Reporting Interpretations Committee (the IFRIC) of the IASB that are relevant to its operations and effective for annual reporting periods beginning on 1 January 2006. The adoption of these new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies that have affected the amounts reported for the current or prior years.

In addition, the Group has elected to adopt IFRS 7 Financial Instruments: Disclosures in advance of its effective date of 1 January 2007. The impact of the new Standard has been to expand the disclosures provided in these financial statements regarding the Group's financial instruments. The Group has also elected to present information regarding its objectives, policies and processes for managing capital (see note 18) as required by amendments to IAS 1 Presentation of Financial Statements in advance of the effective date for those amendments of 1 January 2007.

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but not yet effective:

● IFRS 8 <i>Operating Segments</i>	Effective for annual periods beginning on or after 1 January 2009
● IFRIC 7 <i>Applying the Restatement Approach under IAS 29, Financial Reporting in Hyperinflationary Economies</i>	Effective for annual periods beginning on or after 1 March 2006
● IFRIC 8 <i>Scope of IFRS 2</i>	Effective for annual periods beginning on or after 1 May 2006
● IFRIC 9 <i>Reassessment of Embedded Derivatives</i>	Effective for annual periods beginning on or after 1 June 2006
● IFRIC 10 <i>Interim Financial Reporting and Impairment</i>	Effective for annual periods beginning on or after 1 November 2006
● IFRIC 11 <i>IFRS 2 — Group Treasury Share Transactions</i>	Effective for annual periods beginning on or after 1 March 2007
● IFRIC 12 <i>Service Concession Arrangements</i>	Effective for annual periods beginning on or after 1 January 2008

The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material financial impact on the financial statements of the Group.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2006

3. SIGNIFICANT ACCOUNTING POLICIES

a) Foreign currency transactions

For the purpose of these financial statements other currencies have been translated into US Dollars on the following basis:

- (i) Share capital, capitalized exploration costs and fixed assets at the rate ruling on the date of the relevant transaction.
- (ii) Liabilities and current assets at the rate ruling at the end of the accounting period.
- (iii) Income Statement items at the average rate for the period.

The rates of exchange used to translate from other currencies into US Dollars were as follows (currency per US Dollar):

	Closing rate at 31 December 2006	Closing rate at 31 December 2005
Russian Rouble (RUR)	26.33	28.74
	Average rate for the year ended 31 December 2006	Average rate for the year ended 31 December 2005
Russian Rouble (RUR)	27.17	28.29

Exchange differences arising on the application of the above policy to individual transactions and accounts have been dealt with through the Income Statement. The RUR is not fully convertible outside the Russian Federation and, accordingly, presentation of RUR amounts in US Dollars should not be construed as a representation that RUR amounts have been, could be, or will be in the future, convertible into US Dollars at the exchange rate shown, or at any other exchange rate.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Cash and cash equivalents

Cash consists of cash and bank balances only.

c) Other receivables

Other receivables are stated at estimated realisable values after providing against debts where recoverability is bad and/or doubtful.

d) Fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided on all tangible fixed assets 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

The costs of maintenance, repairs and replacement of minor items of tangible fixed assets are charged to current expenditure. Renewals and betterments are capitalised.

e) Exploration and evaluation assets

It is the Group's policy to capitalise costs with respect to agreements entered into with third parties to perform geological works, as well as other expenses directly related to the evaluation of mineral resources on licenses which it has acquired. Costs are recognised on a percentage of completion basis, and no amortisation has yet been applied. If economically recoverable ore reserves are developed, capitalised costs of the related property are reclassified as mining assets and amortised using the unit-of-production method. When a property is abandoned, all related costs are written off to operations. If, after management review, it is determined that the carrying amount of a mineral property is impaired, that property is written down to its estimated net realisable value. A mineral property is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

The carrying amounts for mineral properties do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its mineral properties, and attain future profitable production, or proceeds from the disposition of its mineral properties.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2006

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) 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 using the balance sheet liability method, providing 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 substantially enacted at the balance sheet 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.

g) 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.

h) 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 8.

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 balance sheet date.

4. FIXED ASSETS

	Vehicles and office and computer equipment USD '000	Exploration and evaluation assets USD '000	Total USD '000
Cost:			
At 31 December 2004	14	1,558	1,572
Additions	8	2,357	2,365
At 31 December 2005	22	3,915	3,937
Additions	10	2,360	2,370
Disposals	(15)	—	(15)
At 31 December 2006	17	6,275	6,292
Accumulated depreciation:			
At 31 December 2004	3	—	3
Charge for the year	8	—	8
At 31 December 2005	11	—	11
Charge for the year	9	—	9
Disposals	(15)	—	(15)
At 31 December 2006	5	—	5
Net book value:			
At 31 December 2005	11	3,915	3,926
At 31 December 2006	12	6,275	6,287

Notes to the Consolidated Financial Statements

for the year ended 31 December 2006

5. TRADE AND OTHER PAYABLES

	31 December 2006 USD '000	31 December 2005 USD '000
Exploration and evaluation creditors	—	221
Accrued listing costs	—	146
Partnership Termination Compensation	—	552
Subscription funds received	—	334
Warrant Premium to be returned	—	125
Accruals and other creditors	15	332
	15	1,710

Subscription Funds Received

Subscription funds received consist of moneys received under subscription agreements for new shares which were issued to the subscribers on 10 January 2006.

Warrant Premium to Be Returned

On 10 December 2005, the Company notified warrant holders of its intention to list its shares on AIM. According to the terms of the Warrant Agreements, Warrant Holders had the right to exercise the Warrant by giving notice to the Company at any time during the period of 14 days starting on (and excluding) the date when it receives notice of a listing, or at any other time during the Warrant Period. One warrant holder submitted a notice of exercise and paid the premium prior to a meeting of warrant holders on 10 January, at which the Company agreed to allow the warrants to be redeemed in a cashless exercise. This Warrant Holder chose the cashless exercise and the premium was subsequently returned.

6. TAXATION

Reconciliation of tax charge:

	31 December 2006 USD '000	31 December 2005 USD '000
Loss per accounts	(1,508)	(1,557)
Tax at domestic income tax rate — 0%	—	—
Tax at domestic income tax rate — 10%	(8)	(4)
Tax at domestic income tax rate — 24%	(46)	(39)
Tax effect of expenses not allowable for tax	46	39
Loss available for carry forward for future relief	4	4
Tax charge	—	—

There is no material difference between the accounting and tax base.

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.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2006

7. SHARE CAPITAL

	31 December 2006	31 December 2005
Number of Shares (no par value):		
Authorised	150,000,000	50,000
Issued and fully paid	86,203,938	14,688
Issued but not fully paid	—	2
Total issued	86,203,938	14,690

On 10 January 2006 the Company issued 223 shares which had been subscribed for and paid for in December 2005. These shares had a par value of USD 1 and were issued at a premium of USD 1,499 each, raising USD 334,500.

General shareholders' meeting

At a meeting of the members on 10 February 2006, the members approved in connection with the proposed Admission to the Alternative Investment Market of the London Stock Exchange plc ("AIM"):

- (a) an increase in the Company's authorised number of shares from 50,000 ordinary shares of USD 1 par value each to 150,000,000 ordinary shares of no par value;
- (b) the adoption by the Company of new amended and restated memorandum and articles of association of the Company ("New Articles");
- (c) following adoption of the New Articles, to grant the Directors the necessary power to allot relevant securities as contemplated in Regulation 14 of the New Articles; and
- (d) in order to increase marketability of all existing issued shares in the Company to divide each Member's issued shares pursuant to a 4,000:1 split so that for each issued and outstanding share the record holder thereof would receive an additional 3,999 shares in the Company.

Warrant holders

In January 2006 the warrant agreement was amended to allow the warrants to be converted into shares on a cashless basis. Holders of 4,506.1 warrants (post-share split 18,024,400 warrants) outstanding elected to exercise their warrants as follows:

- Holders of approximately 4,431.1 warrants (post-share split 17,724,400 warrants) elected to exercise their warrants through a cashless exchange, receiving 13,887,952 ordinary shares contingent on Admission. These shares have now been issued.
- Holders of approximately 75 warrants (post-share split 300,000 warrants) elected to exercise their warrants for cash at the exercise price of USD 500 per ordinary share (post-share split USD 0.125 per ordinary share).

Shares outstanding and AIM listing

Following the share split and warrant exercise, the Group had 73,839,552 shares issued and outstanding. On 15 March 2006, the Company issued 12,364,386 ordinary shares of no par value at GBP 0.33 each, and listed its entire issued share capital on AIM. The resultant number of shares in issue is 86,203,938.

8. SHARE BASED PAYMENTS

In 2006 the Group established a share option programme that entitles Directors and key management personnel to purchase shares in the entity.

Grants made during the year, which vest 1/3 on listing, 1/3 on the first anniversary of listing, and 1/3 on the second anniversary of listing, and are exercisable within five years of listing, are as follows:

Grantee	Grant Date	Number of Instruments
Robin Young	10 March 2006	2,700,000
David Wood	10 March 2006	1,800,000
Robert Schafer	10 March 2006	300,000
George Eccles	10 March 2006	300,000
David Straker-Smith	10 March 2006	300,000

The Group also made two other grants of options in relation to its placement of new shares and admission to trading on AIM. Those made during 2006, all of which are fully vested and exercisable within five years of listing, are as follows:

Grantee	Grant Date	Number of Instruments
Fox-Davies Capital	10 March 2006	766,667
NWCF LLP	10 March 2006	877,789

The fair value of all the above share options is USD 621,000, based on the following assumptions:

Share price:	33p
Exercise price:	33p
Expected volatility:	30%
Option life (expressed as weighted average life used in the modeling under Black-Scholes model)	3
Expected dividends	0
Risk free rate (US treasury 5yr)	4.67%

The fair value of share options to key management of USD 373,000 will be expensed to the income statement over the vesting period.

The fair value of share options to Fox Davies Capital and NWCF LLP of USD 248,000 is considered approximate to the value of services provided. This amount has been included in costs associated with issue of share capital.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2006

9. ADMINISTRATIVE EXPENSES

	Year ended 31 December 2006 USD '000	Year ended 31 December 2005 USD '000
Salaries and wages	443	309
Non-Executive Directors' fees	80	—
Management fees	—	105
Travel and subsistence	259	159
Professional fees	212	135
Investor relations	153	—
Rent	58	28
Depreciation	9	8
Other expenses	174	119
	1,388	863

10. INVESTMENT PROVISIONS

In April 2006, the Company entered into a loan agreement to fund exploration of a mineral deposit in the Amur province. Subsequent to granting the loan, additional laboratory analyses revealed that the potential of the deposit was more limited than originally anticipated. The USD 110,000 loan bears interest at 12% and matures five years from the date of funding and is unsecured. As the deposit has been deemed to be of limited value, the borrower may face considerable difficulty in repaying the loan. Management has taken the view that it is prudent to provide 100% for this loan.

11. GROUP LOSSES

The Group companies' losses are made up as follows:

	Year ended 31 December 2006 USD '000	Year ended 31 December 2005 USD '000
Amur Minerals Corporation	1,236	1,354
Irosta Trading Limited	78	39
ZAO Kun-Manie	194	164
	1,508	1,557

12. 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 2006	Year ended 31 December 2005
Net loss for the year (USD '000)	(1,508)	(1,557)
Average number of shares for the year	80,796,286	7,757
Basic and diluted loss per share (USD)	(0.02)	(200.72)
Adjusted average number of shares for the year	80,796,286	31,026,419
Adjusted basic and diluted loss per share (USD)	(0.02)	(0.05)

The adjusted figures presented for 2005 above take account of the share split that was effected in 2006 (note 7).

13. COMMITMENTS

Geological works

There were no material commitments at the year end. However, a contract for geological works was entered into with Dalgeophysica on 15 March 2007 for geological works. This agreement commenced in March 2007 and finishes in March 2008. The total value of the contract is approximately USD 3.5 million.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2006

14. 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 2006 USD '000	Year ended 31 December 2005 USD '000
Salaries and fees	436	60
Share-based payments	224	49

During 2006, the Company formed a remuneration committee, which determines the remuneration of Directors and key executives, having regard to the performance of individuals and market trends.

15. 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% (2005: 26%) of employees' salaries, and is expensed as incurred.

16. 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 being 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 2006 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. In June 2005, the Group commissioned a baseline environmental study of soil and water by Amurgeology, a Federal State Unitary Enterprise authorized to undertake such works in the area.

Amurgeology completed this study in February 2006 and has since been commissioned to compile a study of flora and fauna. 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.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2006

17. FINANCIAL INSTRUMENTS

Financial instruments

The Company uses financial instruments, other than derivatives, comprising cash liquid resources and various items such as debtors, creditors 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.

Short-term debtors and creditors have been excluded from all the following disclosures.

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 2006 related wholly to floating interest rates in respect of cash at bank.

Liquidity risk

The Group seeks to manage financial risk to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Currency risk

The Group manages its currency risk by holding bank deposits in Russian Roubles, US Dollars and sterling and financing the investment in overseas securities on an arising basis.

The main financial risk faced by the Group relates to currency risk exposure due to its Rouble-based contract with Dalgeophysica. The Group's functional currency and financing is the USD, and therefore if the Rouble strengthens its position 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 favourable or unfavourable) in the future. A change of 10% (positive or negative) in the Rouble/US Dollar exchange rate would result in additional cost/saving to the Group of approximately USD 350,000 in respect of this contract.

Management reviews its currency risk exposure periodically and since the year end hedges part of its exposure by buying and holding on deposit Roubles in order to cover a proportion of anticipated Rouble expenditures. As at 31 December 2006 the Group had on deposit approximately USD 2 million in Rouble bank accounts.

17. FINANCIAL INSTRUMENTS (continued)

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

	31 December 2006		
	USD	RUR	GBP
Cash and cash equivalents	1,050	1,949	—
Prepayments to exploration and evaluation subcontractors	—	60	—
Other receivables	—	1	—
Other payables	(13)	(2)	—
Net Exposure	1,037	2,008	—

	31 December 2005		
	USD	RUR	GBP
Cash and cash equivalents	2,027	15	—
Other receivables	6	—	246
Warrant premium to be returned	(125)	—	—
Subscription funds received	(334)	—	—
Exploration and evaluation creditors	—	(221)	—
Other payables	(827)	(1)	(202)
Net Exposure	747	(207)	44

Fair values

The fair values of the Group's instruments are considered equal to the book value.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2006

18. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital 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 and to maintain an optimal capital structure to reduce the cost of capital.

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.

19. EVENTS AFTER THE BALANCE SHEET DATE

Placing of shares

The Company has raised GBP 2.79 million (approximately USD 5.6 million) through a placing of 15.5 million ordinary shares. The shares commenced trading on AIM on 27 April 2007. The funds will be used to fund the ongoing exploration and development work of Kun-Manie.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that a meeting of the Members of the Company will be held at the offices of Concorde Oil & Gas, 20 Voznesensky pereulok, Building 3, 125009 Moscow, Russia on 29 May 2007 at 9.30 a.m. for the purpose of considering and, if thought fit, passing the following resolutions:

Ordinary Business

1. To receive, consider and adopt the Directors' Report, the Financial Statements and the Report of the Auditors thereon for the year ended 31 December 2006.
2. To reappoint Robert Schafer, who retires on rotation at the meeting, as a Director of the Company.
3. To reappoint George Eccles, who retires on rotation at the meeting, as a Director of the Company.
4. To reappoint Moore Stephens Moscow Limited as auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next general meeting at which accounts are laid before the Company and to authorise the Directors to fix the remuneration of the auditors of the Company.
5. To empower the Directors, until the conclusion of the Company's annual general meeting to be held in 2008, pursuant to the Articles, to allot new Ordinary Shares for cash pursuant to the authority granted in Article 14 of the Company's Articles of Association provided that this power shall be limited to the allotment of up to an aggregate number of new Ordinary Shares equal to 33 per cent of the Company's issued Ordinary Shares as of the date of this meeting (101,703,938).

Special Business

None

Dated 27 April 2007

BY ORDER OF THE BOARD



David Wood

DIRECTOR / SECRETARY

Registered Office:
Kingston Chambers
P.O. Box 173
Road Town
Tortola
British Virgin Islands

Notice of Annual General Meeting

continued

Notes:

A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his place. A proxy need not be a member. The instrument appointing a proxy must be deposited at the registered office of the Company before the time fixed for holding the meeting.

To be valid the instrument appointing a proxy together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified or office copy thereof, must be deposited at the Company's Registrar, Capita Registrars Limited, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4BR at least 48 hours before the time fixed for the meeting. A proxy form is enclosed with this Annual Report.

Shareholder's Appointment of Proxy

For use at the Annual General Meeting of the Company convened for Tuesday 29 May 2007 at 9.30 a.m.

I/We.....
 (BLOCK LETTERS PLEASE)
 of.....
 being a member of Amur Minerals Corporation, hereby appoint the Chairman of the meeting, or*

.....
 as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at the offices of Concorde Oil & Gas, 20 Voznesensky pereulok, Building 3, 125009 Moscow, Russia on 29 May 2007 at 9.30 a.m. on the following resolutions, to be submitted to the meeting and at any adjournment thereof, and any other business which may properly come before the meeting and any adjournment thereof.

Please indicate with an 'X' in the appropriate space how you wish your vote to be cast. Unless otherwise instructed, the proxy will vote as he thinks fit or abstain.

Ordinary Resolutions	For	Against	Abstain
1. To receive, consider and adopt the Directors' Report, the Financial Statements and the Report of the Auditors thereon for the year ended 31 December 2006.			
2. To reappoint Robert Schafer, who retires on rotation at the meeting, as a Director of the Company.			
3. To reappoint George Eccles, who retires on rotation at the meeting, as a Director of the Company.			
4. To reappoint Moore Stephens Moscow Limited as auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next general meeting at which accounts are laid before the Company and to authorise the Directors to fix the remuneration of the auditors of the Company.			
5. To empower the Directors, until the conclusion of the Company's annual general meeting to be held in 2008, pursuant to the Articles, to allot new Ordinary Shares for cash pursuant to the authority granted in Article 14 of the Company's Articles of Association provided that this power shall be limited to the allotment of up to an aggregate number of new Ordinary Shares equal to 33 per cent of the Company's issued Ordinary Shares as of the date of this meeting (101,703,938).			
Special Resolutions			
None.			

Signature Dated.....day of2006

* You may, if you wish, in the space provided insert the name(s) of the person(s) of your choice to attend and vote at the meeting on your behalf.

Please note that if the "Abstain" box is marked with an "X", the Shareholder will not be counted in the calculation of votes "For" and "Against" and the Shareholder will not be taken to have given his/her/their discretion to the Proxy on how to vote.

Notes:

1. A member entitled to attend and vote at the meeting is also entitled to appoint a proxy or proxies to attend and vote on a poll instead of him. A proxy may demand, or join in demanding, a poll. A proxy need not be a member of the Company.
2. Completion and return of the form of proxy will not preclude ordinary shareholders from attending or voting at the meeting, if they so wish.
3. To be effective, this proxy form must be lodged with the Company's Registrars Capita Registrars Limited, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU not later than 48 hours before the time of the Meeting, or any adjournment thereof, together, if appropriate, with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or, where the proxy form has been signed by an officer on behalf of a corporation, a notarially certified copy of the authority under which it is signed.
4. In the case of a joint holding, a proxy need only be signed by one joint holder. If more than one such joint holder lodges a proxy only that of the holder first on the register of members will be counted. Any alterations made in this proxy should be initialled.
5. In the case of a corporation this proxy must be given under its common seal or be signed on its behalf by an attorney or officer duly authorised.

Third fold and tuck in

BUSINESS REPLY SERVICE
Licence No RRHB-RSXJ-GKCY



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