



**AMUR MINERALS CORPORATION**

**Annual Report and Consolidated Financial Statements  
As of 31 December 2008**

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## Chairman's Statement

Dear Shareholder,

It is with pleasure that I report the results of 2008 to our shareholders. During the course of the year, numerous objectives were accomplished in the areas of exploration, reporting and attaining a Certificate of Discovery. These three items are interdependent and meet the final objectives in allowing Amur to secure an extension on its Kun-Manie exploration licence and to move the currently drilled resources toward approval for a mining permit.

Given the difficult financial markets, Amur scaled back its originally planned exploration efforts and focused on meeting the data requirements and programme needs for obtaining an extension on the exploration licence. With the additional results in hand, we were able to compile summary reports for filing with the various Russian Federation governmental agencies responsible for oversight of mineral resource projects. The resultant documents provided the basis from which the Company was awarded an extension of two years to continue exploration within the boundaries of the original exploration licence until the end of 2010. The potential to discover new ore bodies remains high and includes three not yet drilled targets as well as the opportunity to expand resources within the three drilled areas. The limits of mineralisation have not yet been defined at Ikenskoe, Vodorazdalny and Maly Krumkon and the potential for resource expansion resulted in the award of the extension.

In addition, the Company submitted a Russian feasibility study for review of the economic potential of the drilled resources. The study indicated that the Kun Manie project in its current state has potential to become an economic mining operation. As a result, Amur was awarded with a protocol from the State Committee on Reserves (GKZ). This protocol enables Amur to move forward to submit applications for a mining licence within the appropriately drilled areas as defined by Russian standards.

Accomplishment of these tasks has positioned the Company to continue advancing from a pure exploration company to a preproduction company focused on the development of Kun-Manie. This project has the potential to be one of the premier open pit nickel sulphide projects in the world. We plan to continue with step out exploration and advance the project to production.

These milestones were achieved due to diligent professional work completed by our technical staff and the experience of our executive management within Russia. It is a credit to their efforts that we have been able to accomplish the required objectives in five short years. This is unusual; the majority of the companies working within Russia normally require significantly more time to reach the milestones attained by Amur.

In May of 2008, the Russian Federation also passed a new law regarding the ownership of mineral resource properties. This law had a two-fold impact on Amur. The first required the Company to register with the Anti Monopoly Board (FAS) as Amur is a foreign based company which is the majority owner of a resource project. The second impact of this law relates to the simple fact that the Kun Manie licence contains recoverable nickel and cobalt resources. As a result, the project will be placed into a newly defined class of resources called the "strategic category". This new classification requires FAS monitoring and may require that Amur has a Russian partner at Kun Manie. By August, we had filed the required information with FAS.

As regards to a Russian partner, Amur has been examining various alternatives among Russian companies since February 2008. The key criteria for selecting a Russian partner company is that it is financially transparent and can provide a compatible working relationship. We have compiled a short list of potential Russian companies and will continue the search to identify an appropriate partner. Concurrently, we are also examining the potential for obtaining a waiver that would obviate the need for a partner.

The Company ended 2008 with just over \$440,000 in bank deposits. Since the year end the Company has supplemented this with two placings raising a total of \$459,000 in cash and a further share swap in June 2009 through which the Company received shares worth approximately \$940,000 which will be held for resale. Cash flow forecasts show that current cash balances are sufficient to meet all of the Company's needs for a 6 week period.

In the absence of any financing being provided in the next six weeks, it is the Directors' intention to sell for cash all or part of the shares in Grafton Resources Limited that were acquired via stock swap on 1 June 2009 to meet immediate working capital requirements. Grafton Resources plans to list its shares on the Main Market of the Irish Stock Exchange in the next four weeks; however, these shares are not currently listed on any exchange and there can be no assurances that the Company will be able to sell these shares.

As for the future, the Company will continue to pursue a series of multiple objectives. Most of these are already moving forward and include the following:

- Discussions with potential investors to secure financing are in progress. These discussions follow on the back of two successfully completed transactions in 2009. As a result, the Board have concluded that it is appropriate to present these accounts on a going concern basis.
- The Company has also been interviewing selected, highly qualified individuals to broaden the expertise and geographic network of the Board of Directors. We believe that the candidates will provide valuable support to the Company in the areas of corporate finance, strategic thinking and increased levels of contacts throughout the mineral resource industry. By adding such individuals, there will be an increased visibility of the Company and it will allow it to advance its existing projects toward production.
- The Company will also evaluate the potential of diversifying its asset base. This will be done on geographic, commodity and near term production bases. By diversification, there will be a reduction in exposure to specific commodity prices and country risk. This shall increase the growth potential of the Company.

In summary, 2008 was a key year for the Company. In the face of the financial crisis and the changing dynamic of the Russian regulatory environment, we were able to attain all required goals. This has provided us with an extension to continue exploration at Kun-Manie as well as giving the right to file for a mining application on a large portion of the resources. These advances now allow the Company to continue to move forward towards development and production at Kun-Manie once a mining licence is granted.

As a final word, I would like to thank several individuals for their efforts over 2008. Several key staff and non executive directors retired at the end of the year. All have been instrumental in the success of Amur and include Messrs Prikhodko, Guryanov, Eccles, Striker Smith and Haskell. We appreciate their efforts on behalf of Amur and wish them well in their next endeavors.



Robert W. Schafer  
Chairman  
30 June 2009

## Chief Executive Officer's Statement

During 2008, we completed our fifth consecutive field season at Kun-Manie. The cumulative results have resulted in our being awarded the right to participate in the mining of the drilled resource and the granting of a two year exploration extension was also granted. The combination of these two accomplishments represents a major milestone to the Company and further establishes Amur as a long term player in Russia.

Numerous milestones were achieved despite the volatile economic climate. Accomplishments included the following:

- A total of seven million dollars was raised during 2008 when little capital funding was available. The Company has continued its unrelenting search for funds into 2009 to continue the advancement of the projects and has been successful in raising additional funds.
- Amur also registered on the Plus Market trading facility in London providing additional access to shareholders and resulting in improved liquidity of Amur shares.
- The Company moved from being contractor supported in the areas of logistics and site management to being self supporting. This was accomplished by the acquisition of earth moving equipment and numerous support vehicles. In the long term, this will reduce the operating costs related to exploration and future development.
- The final exploration obligations relating to the Kun-Manie licence were completed. This included further reconnaissance work, trenching, and verification drilling. Verification drilling confirmed the historical results as well as the presence of high grade intervals of nickel.
- The Company completed the compilation of a Russian equivalent feasibility study which was submitted to the appropriate Federation agencies. The results provided additional support that the property contained a sustainable mineral resource suitable for production.
- Amur obtained the right to participate in the development of the Kun-Manie project. This was accomplished with the award of a Certificate of Discovery from the Russian Federation's State Committee on Reserves (GKZ). This is the first step necessary in obtaining the mining licence for appropriately drilled mineralisation.
- The Company was awarded a two year extension to continue exploration on Kun-Manie through to the end of 2010. This was allowed as the Company has identified additional targets requiring further exploration work.
- Necessary reports related to its Anadjakan and Kustak licences were prepared for filing with the appropriate Russian agencies.

As well as successes, the year also provided challenges, mainly related to the financial crisis. As a result, we reduced our exploration programmes and undertook cost cutting measures.

Regulatory changes within the Russian Federation also modified the Company's plans to advance its exploration projects. In May 2008, all nickel projects were declared to fall within a newly defined strategic category. The new regulations required the Company to register with the Anti Monopoly Board (FAS). This was required as Amur controls licences containing strategic minerals and as such, the Company may have to have a Russian partner.

Amur's advisors were well informed in advance of the approval of the legislation and the Company had already begun to identify potential Russian partners which could be required in the future. A strategic partner may not be needed provided a waiver is granted to Amur. We continue to work with the appropriate Ministries and our contacts within the Russian government to attain this waiver whilst simultaneously continuing our search for a suitable Russian partner.

We maintain a positive outlook regarding the development of Kun-Manie. We continue to operate in cost cutting mode and have already identified various potential sources of funds for the upcoming year. With the

successful award of the Certificate of Discovery, we can now advance toward the submission of additional applications necessary for obtaining a mining licence. This work had already been initiated at the end of 2008 and will continue through 2009.

To conclude, Amur has now successfully operated in the Russian Federation for five years. It has succeeded in expanding the Kun-Manie project and has successfully navigated the regulatory agencies of Russia. These positive results are related to the simple fact that the Company has discovered a substantial nickel copper sulphide project thereby underpinning the future of Amur.

A handwritten signature in black ink, appearing to read 'Robin J Young', with a long horizontal flourish extending to the right.

Mr. Robin J Young  
Chief Executive Officer  
30 June 2009

## Directors' Report for the year ended 31 December 2008

The Directors present their annual report and the audited financial statements for the year ended 31 December 2008.

### PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

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

### RESULTS AND DIVIDENDS

The results for the year are disclosed in the Consolidated Income Statement on page 15. The Directors do not recommend payment of a dividend.

### DIRECTORS AND THEIR INTERESTS

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

	<i>Ordinary Shares</i>		<i>Share Options</i>	
	<i>At 31 December 2008</i>	<i>At 31 December 2007</i>	<i>At 31 December 2008</i>	<i>At 31 December 2007</i>
Robert W. Schafer (appointed 31 January 2006)	33,333	33,333	354,000	354,000
Robin J. Young (appointed 5 January 2006)	1,074,590	1,074,590	3,186,000	3,186,000
David F. Wood (appointed 5 January 2006)	418,144	418,144	2,124,000	2,124,000
George W. Eccles (appointed 5 January 2006, retired 1 January 2009)	30,303	30,303	354,000	354,000
David Straker-Smith (appointed 5 January 2006, retired 1 January 2009)	620,568	620,568	354,000	354,000
John Haskell (appointed 5 March 2008, retired 1 January 2009)	—	—	—	—

### LISTING

The Company's ordinary shares were admitted to trading on London's AIM Market (AIM) on 15 March 2006. RBC Capital Markets is the Company's Nominated Adviser and Broker. The share price at 31 December 2008 was 0.2p.

### GOING CONCERN

The Group has significant funding needs in order to continue exploration at its properties and provide ongoing working capital. The Group raised a further USD 0.5 million of cash and invested in shares in Grafton Resources valued at USD 0.9 million in a series of transactions in April and June 2009 through the issue of new shares. Based on current cashflow forecasts, the group has sufficient cash to meet all planned work programme and working capital commitments for a six week period.

The Directors are currently in negotiations with a number of parties in respect of raising further funds to continue with the exploration work programme. These negotiations relate to the raising of new capital and/or divestment of part of the Group's interest in its assets, in order to ensure that the Group will have adequate

cash resources to continue in operation and to develop its assets. There are currently no binding agreements in place.

In the absence of any additional finance being provided, it is the Directors' intention to sell for cash all or part of the shares in Grafton Resources Limited that were acquired via stock swap on 1 June 2009 to meet immediate working capital requirements. Grafton Resources plans to list its shares on the Main Market of the Irish Stock Exchange in the next four weeks; however, these shares are not currently listed on any exchange and there can be no assurances that the Company will be able to sell these shares.

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

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

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

### **Principal risks and uncertainties**

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

The key financial risks affecting the Group are set out in Note 17 to the financial statements. The key operating risks affecting the Group are set out above in the section entitled Going Concern.

### **The Group's licences**

The Group's activities are dependent upon the grant and renewal of appropriate licences, permits and regulatory consents. The licences held by the Group contain a range of obligations, including those described in Note 4 to the financial statements, failure to comply with which could result in penalties being levied or the suspension or revocation of the licence.

### **Project development risks**

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

### **Reserve and resource estimates**

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

### **Environmental issues**

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



### **Nickel price volatility**

The market price of nickel is volatile and is affected by numerous factors which are beyond the Company's control. These factors include world production levels, international economic trends, currency exchange fluctuations and industrial demand.

### **Political and economic risks**

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

### **The regulatory environment**

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

### **Taxation**

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

### **Russia's physical infrastructure**

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

### **POLICY FOR PAYMENT OF CREDITORS**

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

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**

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

During the year OOO Moore Stephens resigned as auditors of the Company and the directors appointed BDO Stoy Hayward LLP in their place. BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to re appoint them will be proposed at the annual general meeting.

**DONATIONS**

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

Approved by the Board of Directors and signed on behalf of the Board on 30 June 2009.

Robert W. Schafer  
Chairman  
30 June 2009

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the directors' report and the financial statements for the Group.

The directors have chosen to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that year. The directors have chosen to use the International Financial Reporting Standards "IFRS" as adopted by the European Union (IFRS) in preparing the Group's financial statements.

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

- consistently select and apply appropriate accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information; and
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.

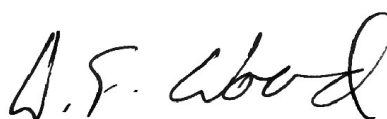
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website.

The directors confirm that they have complied with the above requirements in preparing the financial statements.



Robin Young  
Director  
30 June 2009



David Wood  
Director  
30 June 2009

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

We have audited the group financial statements (the “financial statements”) of Amur Minerals Corporation for the year ended 31 December 2008 which comprise the Consolidated Balance Sheet, the Consolidated Income Statement, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### **Respective responsibilities of directors and auditors**

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

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

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

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

Our report is made solely to the Company’s members, as a body, in accordance with our engagement letter dated 21 July 2008 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 engagement letter dated 21 July 2008 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

### **Basis of audit opinion**

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

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

### **Opinion**

In our opinion the group financial statements give a true and fair view, in accordance with IFRS as adopted by the European Union, of the state of the group’s affairs as at 31 December 2008 and of its loss for the year then ended.

### **Emphasis of matter – going concern**

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in note 2 to the financial statements concerning the group’s ability to continue as a

going concern which is dependent on raising further funds in the next 6 weeks through new debt, equity or sale of assets of the Group. While the directors are continuing funding negotiations with certain 3rd parties there are currently no binding agreements in place. The directors believe that the group will secure the necessary funds. These conditions together with the other matters referred to in note 2 indicate the existence of a material uncertainty which may cast significant doubt over the group's ability to continue as a going concern. The financial statements do not include any adjustments that would result if the group was unable to continue as a going concern.

BDO Stoy Hayward LLP  
Chartered Accountants  
London  
30 June 2009

**AMUR MINERALS CORPORATION AND ITS SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEET**  
**AS OF 31 DECEMBER 2008**

(Amounts in '000s US Dollars)

	<i>Note</i>	<i>31 December</i> 2008	<i>Restated</i> <i>31 December</i> 2007
<b>NON-CURRENT ASSETS</b>			
Capitalised exploration costs	4	13,597	12,534
Property, plant and equipment	4	1,044	94
<b>Total non-current assets</b>		<u>14,641</u>	<u>12,628</u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		442	1,729
Inventories	6	270	–
Other receivables	7	569	68
<b>Total current assets</b>		<u>1,281</u>	<u>1,797</u>
<b>Total assets</b>		<u>15,922</u>	<u>14,425</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	5	420	349
<b>Total current liabilities</b>		<u>420</u>	<u>349</u>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	9	19,719	12,719
Share premium	9	7,707	8,310
Share options	10	1,390	1,084
Retained deficit		(11,408)	(9,106)
Foreign exchange translation reserve		(1,906)	1,069
<b>Total shareholders' equity</b>		<u>15,502</u>	<u>14,076</u>
<b>Total liabilities and shareholders' equity</b>		<u>15,922</u>	<u>14,425</u>

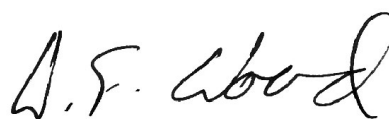
Restatement

The comparative amounts have been changed from that which was reported in the 2007 financial statements. For more information, see Note 3.

The financial statements were authorised for issue by the Board of Directors on 30 June 2009 and were signed on its behalf by:



Robin Young



David Wood

The accompanying notes on pages 18 to 36 form an integral part of these financial statements.

**AMUR MINERALS CORPORATION AND ITS SUBSIDIARIES**  
**CONSOLIDATED INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

*(Amounts in '000s US Dollars)*

	<i>Note</i>	<i>Year ended 31 December 2008</i>	<i>Restated Year ended 31 December 2007</i>
Administrative expenses	11	(2,352)	(2,121)
<b>Loss from operations</b>		<u>(2,352)</u>	<u>(2,121)</u>
Finance income		50	136
<b>Loss before tax</b>		<u>(2,302)</u>	<u>(1,985)</u>
Taxation	8	—	—
<b>Loss for the year attributable to equity shareholders of the parent</b>		<u>(2,302)</u>	<u>(1,985)</u>
Loss per share: basic & diluted	12	USD (0.02)	USD (0.02)

**Restatement**

Share based payment expense and foreign currency exchange gains were reported separately in the income statement in prior years. These items are now all included within Administrative Expenses, a full analysis of which is included in Note 11.

The accompanying notes on pages 18 to 36 form an integral part of these financial statements.

**AMUR MINERALS CORPORATION AND ITS SUBSIDIARIES**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

(Amounts in '000s US Dollars)

	<i>Note</i>	<i>Year ended 31 December 2008</i>	<i>Restated Year ended 31 December 2007</i>
<b>Cash flow from operating activities:</b>			
Net Loss before Taxation		(2,302)	(1,985)
Adjustments to reconcile loss before tax to net cash used in operating activities:			
Depreciation	4	13	9
Share based payment		26	412
Investment income		(50)	(136)
Increase in accounts receivable		(505)	(7)
Increase in inventories		(270)	–
Increase/(decrease) in accounts payable		68	334
Net cash used in operating activities		<u>(3,020)</u>	<u>(1,373)</u>
<b>Cash flow from investing activities:</b>			
Exploration expenditure		(3,516)	(5,152)
Purchase of property, plant and equipment		(1,356)	(91)
Interest received		50	136
Net cash used in investing activities		<u>(4,822)</u>	<u>(5,107)</u>
<b>Cash flow from financing activities:</b>			
Net proceeds from placing *	7	6,513	5,248
Net cash from financing activities		<u>6,513</u>	<u>5,248</u>
<b>Net change in cash and cash equivalents</b>		(1,329)	(1,232)
Cash and cash equivalents brought forward		1,729	2,999
Foreign Exchange Effects		42	(38)
<b>Cash and cash equivalents carried forward</b>		<u>442</u>	<u>1,729</u>
<b>Material non-cash transactions</b>			
Proceeds from issue of shares retained by broker		383	293
Expenses paid by broker		<u>(383)</u>	<u>(293)</u>

\* Presented net of commissions paid on financing raised and costs associated with listing.

**Restatement**

The comparative amounts have been changed from that which was reported in the 2007 financial statements. For more information, see Note 3.

The accompanying notes on pages 18 to 36 form an integral part of these financial statements.



**AMUR MINERALS CORPORATION AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

(Amounts in '000s US Dollars)

	<i>Share capital</i>	<i>Share premium account</i>	<i>Retained deficit</i>	<i>Options Reserve</i>	<i>Restated Foreign Currency Translation Reserve</i>	<i>Total</i>
<b>Balance at 31 December 2006</b>						
– as previously reported	7,143	8,838	(7,121)	472	–	9,332
– restatement (see Note 3)					432	432
<b>As restated</b>	7,143	8,838	(7,121)	472	432	9,764
Exchange differences arising on translation of foreign operations	–	–	–	–	637	637
Net income recognised directly in equity	–	–	–	–	637	637
Net loss for the year	–	–	(1,985)	–	–	(1,985)
Total recognised income and expense for the year	–	–	(1,985)	–	637	(1,348)
Shares issued	5,576	–	–	–	–	5,576
Costs associated with issue of share capital	–	(328)	–	–	–	(328)
Issue of share options	–	(200)	–	612	–	412
<b>Balance at 31 December 2007</b>	12,719	8,310	(9,106)	1,084	1,069	14,076
Exchange differences arising on translation of foreign operations	–	–	–	–	(2,975)	(2,975)
Net income recognised directly in equity	–	–	–	–	(2,975)	(2,975)
Net loss for the year	–	–	(2,302)	–	–	(2,302)
Total recognised income and expense for the year	–	–	(2,302)	–	(2,975)	(5,277)
Shares issued	7,000	–	–	165	–	7,165
Costs associated with issue of share capital	–	(487)	–	–	–	(487)
Issue of share options	–	(116)	–	141	–	25
<b>Balance at 31 December 2008</b>	19,719	7,707	(11,408)	1,390	(1,906)	15,502

**Restatement**

The comparative amounts have been changed from that which was reported in the 2007 financial statements. For more information, see Note 3.

The accompanying notes on pages 18 to 36 form an integral part of these financial statements.

**AMUR MINERALS CORPORATION AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

*(Amounts in '000s US Dollars)*

**1. GENERAL**

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

The Company’s registered office is located at Kingston Chambers, P.O. Box 173, Road Town, Tortola, British Virgin Islands. The average number of employees for the Group for the period to 31 December 2008 was 49 (2007: 14 employees).

The Company is the 100% owner of a Cypriot company called Irosta Trading Limited (“Irosta”). Irosta holds 100% of the shares in ZAO Kun-Manie (“Kun-Manie”), which holds the Group’s mineral licences.

The Group includes the following companies as at 31 December 2008 and 31 December 2007:

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

In addition to the Kun-Manie licence, the Group has two other mineral licences, namely the Anadjakan exploration licence and the Kustak exploration production licence. The Anadjakan licence was awarded in 2006 and is a five year licence to explore for gold and copper. Upon the successful discovery of minerals, the Anadjakan licence is convertible to a 20 year mining licence. The Kustak licence was acquired at auction in February 2007 and is valid for 25 years. It is a combined exploration and production licence.

**2. BASIS OF PRESENTATION**

**a) Statement of compliance**

The financial statements have been presented in thousands of United States Dollars and in accordance with International Financial Reporting Standards and IFRIC interpretations issued by the International Accounting Standards Board (IASB) adopted by the European Union (“IFRS”).

**b) Going concern**

The Group has significant funding needs in order to continue exploration at its properties and provide ongoing working capital. The Group raised a further USD 0.5 million of cash and invested in shares in Grafton Resources valued at USD 0.9 million in a series of transactions in April and June 2009 through the issue of new shares. Based on current cash flow forecasts, the group has sufficient cash to meet all planned work program and working capital commitments for the next six weeks.

The Directors are currently in negotiations with a number of parties in respect of raising further funds to continue with the exploration work program. These negotiations relate to the raising of new capital and/or divestment of part of the Group's interest in its assets, in order to ensure that the Group will have adequate cash resources to continue in operation and to develop its assets. There are currently no binding agreements in place.

In the absence of any additional finance being provided in the next six weeks, it is the Directors' intention to sell for cash all or part of the shares in Grafton Resources Limited that were acquired via stock swap on 1 June 2009 to meet immediate working capital requirements. Grafton Resources plans to list its shares on the Main Market of the Irish Stock Exchange in the next four weeks; however, these shares are not currently listed on any exchange and there can be no assurances that the Company will be able to sell these shares.

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

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

#### **c) Basis of consolidation**

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

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

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

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

### **3. PRINCIPAL ACCOUNTING POLICIES**

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

These financial statements have been prepared on the basis of a going concern and in line with IFRS. The adoption of all of the new and revised Standards and Interpretations issued by the IASB and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to the operations and effective for annual reporting periods beginning on 1 January 2008 are reflected in these financial statements.

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

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

The estimates and underlying assumptions are reviewed on an ongoing basis.

#### **Standards, amendments and interpretations effective in 2008:**

- IFRIC 11, IFRS 2 – Group and treasury share transactions, requires arrangements whereby an employee is granted rights to an entity's equity instruments to be accounted for as an equity-settled scheme, even if the entity buys the instrument from another party, or the shareholders provide the equity instruments needed. The adoption of this Interpretation had no impact on the financial position or performance of the Group.
- IFRIC 12, Service Concession Arrangements (effective for accounting periods beginning on or after 1 January 2008). IFRIC 12 gives guidance on the accounting by operators for public-to-private service concession arrangements. IFRIC 12 is not relevant to the group's operations due to absence of such arrangements.
- An amendment to IAS 39 and IFRS 7 – 'Reclassification of Financial Assets' – was issued on 13 October 2008. This Amendment permits an entity to reclassify non-derivative financial assets (other than those designated at fair value through profit or loss by the entity upon initial recognition) out of the fair value through profit or loss category in particular circumstances. The Amendment also permits an entity to transfer from the available-for-sale category to the loans and receivables category a financial asset that would have met the definition of loans and receivables (if the financial asset had not been designated as available for sale), if the entity has the intention and ability to hold that financial asset for the foreseeable future. The Amendment has had no effect on the Group's financial statements.

#### **Standards, amendments and interpretations effective in 2008 but not relevant for the Group:**

- IFRIC 14, IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction, provides guidance on how to assess the limit on the amount of surplus in a defined benefit scheme that can be recognised as an asset under IAS19 Employee benefits.

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

- IFRS 8, Operating segments, effective for annual periods beginning on or after 1 January 2009, replaces IAS 14 and aligns segment reporting with the requirements of US standard SFAS 131, Disclosures about segments of an enterprise and related information. The new standard requires a management approach under which segment information is presented on the same basis as that used for internal reporting purposes. The Group will apply IFRS 8 from 1 January 2009. Management do not foresee any changes to the Group's geographical or business segments.
- IAS 23 (Amendment), Borrowing costs, effective from 1 January 2009, requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs is removed. The Group will apply IAS23 (Revised) from 1 January 2009. The amendments to the standard are not expected to have an impact.
- Amendments to IAS 32, Financial instruments: Presentation, and IAS 1, Presentation of financial statements: Puttable financial instruments and obligations arising on liquidation, (effective from 1 January 2009). The amendments to the standards are not expected to have an impact.

- Amendment to IAS 1, Presentation of financial statements: A Revised Presentation aims to improve the ability of users of financial statements to analyse and compare information in those statements. The Group will apply the revised standard from 1 January 2009.
- Amendment to IFRS 2, Share-based payment Vesting conditions and cancellations, clarifies that only service conditions and performance conditions are vesting conditions and specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The Group will apply the amended standard from 1 January 2009 but it is not expected to have a significant impact.
- IAS 27 (Revised), Consolidated and separate financial statements, requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control. The standard also specifies the accounting when control is lost. The Group will apply the revised standard from 1 January 2010.
- IFRS 3 (Revised), Business combinations, continues to apply the acquisition method to business combinations, with some significant changes. The Group will apply the revised standard from 1 January 2010. Management is currently assessing the impact of IFRS 3 (Revised) on the accounts.
- Amendments to IAS 39, Financial Instruments: Recognition and Measurement: Eligible Hedged Items, clarifies how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation should be applied in the designation of a one-sided risk in a hedged item. The Group will apply the revised standard from 1 January 2010 subject to endorsement by the EU.
- IFRIC 16, Hedges of a Net Investment in a Foreign Operation, clarifies that the presentation currency does not create an exposure to which an entity may apply hedge accounting. The Group will apply the Interpretation from 1 January 2010.
- IFRIC 17, Distributions of Non-cash Assets to Owners, clarifies that a dividend payable should be recognised when the dividend is appropriately authorised and is no longer at the entity's discretion and that an entity should measure the dividend payable at the fair value of the net assets to be distributed. The Group will apply the Interpretation from 1 January 2010 subject to endorsement by the EU.
- The IASB issued 'Improvements to IFRSs' on 22 May 2008, which comprises a collection of necessary, but not urgent, amendments to IFRSs. The amendments are primarily effective for annual periods beginning on or after 1 January 2009. The directors do not expect these amendments to have a significant effect on the financial statements.
- The IASB issued 'Improvements to IFRSs (2010)' on 16 April 2009. The improvements in this Amendment clarify the requirements of IFRSs and eliminate inconsistencies within and between Standards. The directors do not expect these amendments to have a significant effect on the financial statements.

**Interpretations that are not yet effective and not relevant for the Group:**

- IFRIC 13, Customer loyalty programmes, effective for annual periods beginning on or after 1 January 2009.
- IFRIC 15, Agreements for the Construction of Real Estate, effective for annual periods beginning on or after 1 January 2009, but not yet endorsed by the EU.
- IFRIC 18, Transfer of Assets from Customers, effective for annual periods beginning on or after 1 January 2009, but not yet endorsed by the EU.

Management do not expect any of the above three interpretations to be relevant for the Group.

**a) Functional and presentation currency**

Items included in the financial information of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial information is presented in US dollars (\$), which is the functional and presentation currency of the Company. The exchange rate on 31 December 2008 was £1:\$1.44 (2007: £1:\$1.99) and \$1:RUB 29.38 (2007: \$1:RUB 24.55). The average rates applied to transactions during the year were £1:\$1.85 (2007: £1:\$2.00) and \$1:RUB 24.93 (2007: \$1:RUB 25.58).

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

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

**b) Business Combinations**

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

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

**c) Exploration and evaluation assets**

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

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

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

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

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

**d) Cash and cash equivalents**

Cash consists of cash and bank balances only.

**e) 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:

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

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

**f) Inventories**

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

**g) 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 substantively 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.

**h) 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.

**i) 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 10.

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. In a scheme where the company has a choice between equity and cash settlement the scheme is accounted for as equity settled if the company has no history of settling in cash.

#### **j) Segmental reporting**

The Group's operations are entirely focused on mineral exploration activities within the Russian Federation.

Based on risks and returns the directors consider that the primary reporting format is by business segment. The directors consider that there is only one business segment being mineral exploration activities and therefore the disclosures for the primary segment have already been given in these financial statements. As all operations are located in Russia there is no secondary reporting format.

Amur Minerals Corporation is in the exploration phase of its mineral projects in Russia and therefore received no revenue during the periods reported above.

#### **k) 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 cashflow, estimating costs of development of the mine and net profits once the mine has been put into operation. The main amounts and estimates required in calculating the future cashflows are:

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

Based on the cashflow 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 cashflows.

### **Critical judgements in applying the entity's accounting policies**

#### **Exploration and evaluation costs**

The recoverability of the amounts shown in the Group balance sheet in relation to deferred exploration and evaluation expenditure are dependent upon the discovery of economically recoverable reserves, continuation of the Group's interests in the underlying mining claims, the political, economic and legislative stability of the regions in which the Group operates, compliance with the terms of the relevant mineral rights licences,



the Group's ability to obtain the necessary financing to fulfil its obligations as they arise and upon future profitable production or proceeds from the disposal of properties.

#### **Recoverable Value Added Tax (VAT)**

Generally, Russian VAT on construction costs has not been recoverable until construction is complete and production commences although some amounts were recovered during the year. The directors anticipate that the Non-current VAT of USD 1,386 thousand (2007: USD 1,679 thousand) in respect of capitalized Exploration and evaluation costs and the current VAT receivable of USD 530 thousand (2007: USD 26 thousand) will be recovered, however if the Group's projects do not proceed to production some VAT may be irrecoverable.

#### **Share-based payments**

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

#### **Restatement**

The Group has changed its method of translating and reporting Rouble-based additions to Non-current assets that are held within subsidiary companies with a Rouble functional currency. The subsidiary assets are translated into the presentation currency of the group using the closing rate. Previously the Group translated all non-current asset additions into the presentation currency of the group at an average exchange rate therefore no exchange movements were shown. The change has resulted in an increase in the Exploration and Evaluation assets and Foreign exchange reserves of USD 1,069 thousand from that which was previously reported.

As a result the Group has corrected the reporting of certain items in its Consolidated Cash Flow Statement presented in the 2007 Annual Report. These corrections are presentational only and do not affect the reported changes in cash during the year.

#### 4. NON-CURRENT ASSETS

	<i>Vehicles and office &amp; computer equipment</i>	<i>Exploration and evaluations assets</i>	<i>Total</i>
<b>Cost:</b>			
<b>At 31 December 2006</b>			
– as previously stated	17	6,275	6,292
– restatement (see Note 3)	–	432	432
<b>As restated</b>	<u>17</u>	<u>6,707</u>	<u>6,724</u>
Additions	91	5,190	5,281
Foreign exchange differences	–	637	637
<b>At 31 December 2007</b>	108	12,534	12,642
Additions	1,151	2,754	3,905
Foreign exchange differences	(5)	(1,691)	(1,696)
<b>At 31 December 2008</b>	<u>1,254</u>	<u>13,597</u>	<u>14,851</u>
<b>Accumulated depreciation:</b>			
<b>At 31 December 2006</b>	5	–	5
Charge for the year	9	–	9
<b>At 31 December 2007</b>	<u>14</u>	<u>–</u>	<u>14</u>
Charge for the year	188	–	188
Foreign exchange differences	8	–	8
<b>At 31 December 2008</b>	<u>210</u>	<u>–</u>	<u>210</u>
Net book value:			
<b>At 31 December 2007</b>	<u>94</u>	<u>12,534</u>	<u>12,628</u>
<b>At 31 December 2008</b>	<u>1,044</u>	<u>13,597</u>	<u>14,641</u>

#### Restatement

The Group has changed its method of translating and reporting Rouble-based additions to Non-current assets that are held within subsidiary companies with a Rouble functional currency. The subsidiary assets are translated into the presentation currency of the group using the closing rate. Previously the Group translated all non-current asset additions into the presentation currency of the group at an average exchange rate therefore no exchange movements were shown. The change has resulted in an increase in the Exploration and Evaluation assets and Foreign exchange reserves of USD 1,069 thousand from that which was previously reported.

#### Exploration and evaluation costs

Exploration and evaluation costs are in respect of the Group's 3 mineral exploration licences: Kun-Manie, Anadjakan and Kustak.

In December 2008 the Kun-Manie exploration licence was extended for 2 years with out any further work commitment. In addition, in April 2009 RosNedra, the Russian licensing agency granted Kun-Manie a certificate of discovery, which gives the Company the right to convert part of the area into a 20 year mining licence.

The Anadjakan licence was awarded in 2006 and is a five year licence to explore for gold and copper. Upon the successful discovery of minerals, the Anadjakan licence is convertible to a 20 year mining licence. The Kustak licence was acquired at auction in February 2007 and is valid for 25 years. It is a combined exploration and production licence.

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

#### **VAT Receivable**

The capitalised Exploration and evaluation costs include VAT of USD 1,386 thousand (2007: USD 1,679 thousand). When the licensed areas are mined, the VAT will be recoverable based on the percentage of reserves mined in each year however, if the Group's exploration projects do not proceed to production, some VAT may be irrecoverable.

#### **5. TRADE AND OTHER PAYABLES**

	<i>31 December</i> 2008	<i>31 December</i> 2007
Exploration and evaluation payables	73	217
Accruals and other payables	347	132
	<u>420</u>	<u>349</u>

Included in Accruals and other payables is USD 101 thousand (2007: Nil) relating to unpaid directors' fees.

#### **6. INVENTORIES**

	<i>31 December</i> 2008	<i>31 December</i> 2007
Fuel	165	0
Other materials and supplies	105	0
	<u>270</u>	<u>0</u>

Prior to 2008, the Company did not maintain significant stores of fuel or materials as these were provided by contractors.

#### **7. OTHER RECEIVABLES**

	<i>31 December</i> 2008	<i>31 December</i> 2007
VAT recoverable	530	26
Other receivables	39	42
	<u>569</u>	<u>68</u>

Russian VAT recoverable of USD 530 thousand (2007: USD 26 thousand) has been incurred during the year mainly in relation to vehicle and equipment purchases and Administrative expenses.

## 8. TAXATION

Tax on loss on ordinary activities

	<i>Year ended 31 December 2008</i>	<i>Year ended 31 December 2007</i>
Current tax – BVI Corporation tax	–	–
Current tax – Russian Corporation tax	–	–
Current tax charge	<u>–</u>	<u>–</u>
Factors affecting tax charge for the year:		
Group loss on ordinary activities before tax	<u>(2,302)</u>	<u>(1,985)</u>
	<u>(2,302)</u>	<u>(1,985)</u>
Tax charge at the BVI corporation tax rate of 0% (2007: 0%)	0	0
Effects of:		
Difference in Russian tax rate (24%) to BVI standard rate	(173)	(56)
Expenses not deductible for tax purposes	66	56
Tax losses carried forward for offset against profits of future periods	<u>107</u>	<u>–</u>
Total tax charge for the year	<u>–</u>	<u>–</u>

During the exploration and development stages, the Group will accumulate tax losses which may be carried forward. As at 31 December 2008, the subsidiary in Russia had deferred tax losses carried forward with an estimated tax value at the standard rate of corporation tax in Russia of 20% effective from 1 January 2009 of USD 89 thousand (2007: Nil). Tax losses carried forward in the subsidiaries are available for use over a 10-year period. Of the total available Russian subsidiaries' tax credits, USD 449 thousand will be available until 31 December 2018.

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

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

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

## 9. SHARE CAPITAL

	<i>31 December</i> 2008	<i>31 December</i> 2007
Number of Shares (no par value):		
Authorised	500,000,000	150,000,000
Issued and fully paid	121,703,938	101,703,938

### General Meeting

At a general meeting held on 5 March 2008, shareholders considered three resolutions. The first was a special resolution to increase the Company's authorized share capital to 500 million ordinary shares. The second was an ordinary resolution to authorise the directors to allot up to 50 million ordinary shares pursuant to the Company's articles of association. The third resolution was to disapply the pre-emption rights contained in the Company's articles of association in respect of an allotment of up to 50 million ordinary shares. All resolutions were passed.

Another general meeting was held on 20 October 2008, at which shareholders considered two resolutions. The first was an ordinary resolution to authorise the directors to allot up to 90 million ordinary shares pursuant to the Company's articles of association. The second resolution was to disapply the pre-emption rights contained in the Company's articles of association in respect of an allotment of up to 90 million ordinary shares. Both resolutions were passed.

### Placings of shares

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

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

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

The resulting value of 1.2p per warrant, or a total of USD 166 thousand was allocated to the share options reserve. The costs associated with the issue of USD 329 thousand have been allocated to the share premium reserve.

On 2 July 2008, the Company raised USD 2 million through a placing of 6 million ordinary shares at a placing price of GBP0.17. The shares commenced trading on AIM on 7 July 2008. Under the terms of this placing the Company agreed, in the event that a future fund raising was to be completed with gross proceeds in excess of GBP1million at a price lower than GBP0.17 per share, to issue to the investor such number of additional fully paid up ordinary shares for the gross consideration of GBP 1 so that following such issue the weighted average price paid per share as part of this placing shall be adjusted to be equal to that future placing price.

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

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

During the year, the company granted 1,000,000 (2007: 775,000) options to Fox-Davies Capital under the terms of placing agreements to raise capital. The fair value of these options is estimated at the grant date using a Black-Scholes using the assumptions in the table below. The resulting charge of USD 116 thousand (2007: USD 200 thousand) has been taken to the share premium reserve.

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

Following these placings, the Company had 121,703,938 shares in issue.

The costs associated with the issues of USD 486 thousand have been taken to the share premium reserve.

#### **Share premium account**

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

#### **Share options reserve**

The balance held in the share options reserve relates to the fair value of the share options that have been charged to the income statement since adoption of IFRS 2.

#### **Foreign exchange translation reserve**

The exchange translation reserve includes movements that relate to the retranslation of the subsidiaries whose functional currencies are not the USD.

#### **Retained deficit**

Cumulative net gains and losses recognised in the consolidated income statement.

### **10. SHARE BASED PAYMENTS**

	<i>Year ended 31 December 2008</i>	<i>Year ended 31 December 2007</i>
Vesting of share options declared in 2006	25	125
Share options issued in 2007	—	287
Grant of options included in Income Statement	<u>25</u>	<u>412</u>

There were no new grants of options to directors or employees during 2008. The charge for the period relates entirely to vesting of options granted on Admission to AIM in March 2006.

In May 2007, 1,472,000 share options were granted to executive and non-executive directors and employees. There is a “best efforts” cash settlement option which does not obligate the Group to settle the options in

cash. Grants made during the year, which are not subject to vesting and are exercisable within five years of listing, are as follows:

<i>Grantee</i>	<i>Grant Date</i>	<i>Number of Instruments</i>
Robin Young	10 May 2007	486,000
David Wood	10 May 2007	324,000
Robert Schafer	10 May 2007	54,000
George Eccles	10 May 2007	54,000
David Straker-Smith	10 May 2007	54,000
Vladimir Pridhodko	10 May 2007	300,000
Other staff	10 May 2007	200,000

In addition, 775,000 share options were granted to Fox-Davies Capital pursuant to an engagement letter for fundraising dated February 2007. The exercise price of the options of GBP 0.18 is equal to the price at the share placement in late April 2007. There are no vesting provisions for the options.

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. The fair value of all the above share options is USD 487,000, based on the following assumptions:

Share price:	18p
Exercise price:	18p
Expected volatility:	39%
Option life (expressed as weighted average life used in the modeling under Black-Scholes model)	5
Expected dividends	0
Risk free rate (US treasury 5yr)	4.59%

The resulting charge for 2,247,000 options is USD 487 thousand, of which USD 287 thousand is recorded directly in equity as it relates to costs associated with share issues.

The fair value of share options granted to Fox Davies Capital in 2007 of USD 200 thousand is considered equal the value of services provided. This amount has been included in costs associated with issue of share capital and recorded as a charge against share premium.

As of 31 December 2008, there was a total of 17,291,456 (2007: 9,291,456) options and warrants outstanding. All of these instruments were fully vested. They have maturities that vary between 6 March 2010 and 2 July 2013 with a weighted average strike price of 24p (2007: 29p).

## 11. ADMINISTRATIVE EXPENSES

	<i>Year ended 31 December 2008</i>	<i>Year ended 31 December 2007</i>
Salaries, wages and directors' fees	882	680
Travel and subsistence expenses	234	283
Professional fees	325	280
Investor relations	150	263
Foreign exchange differences	256	(88)
Share based payments	25	412
Other administrative expenses	480	291
	<u>2,352</u>	<u>2,121</u>

## 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.

	<i>Year ended 31 December 2008</i>	<i>Year ended 31 December 2007</i>
Net loss for the year	(2,302)	(1,985)
Weighted average number of shares used in the calculation of basic loss per share	116,201,206	96,905,308
Weighted average number of shares used in the calculation of diluted loss per share	131,974,356	105,396,462
<b>Basic and diluted loss per share</b>	<b>USD (0.02)</b>	<b>USD (0.02)</b>

The Group had no dilutive potential ordinary shares in either year that would serve to increase the loss per ordinary share. There is therefore no difference between the basic and diluted loss per share for either year. A total of 17,291,456 (2007: 9,291,456) potential ordinary shares have therefore been excluded from the above calculations.

## 13. COMMITMENTS

Operating lease commitments

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

Capital commitments – there were no contracted commitments for capital purchases as at 31 December 2008 (2007: Nil)

## 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:

	<i>Year ended 31 December 2008</i>	<i>Year ended 31 December 2007</i>
Salaries and fees	775	469
Share-based payments	25	373

During 2008, the number of directors was increased from five to six. In addition, non-executive directors fees were increased from £20,000 (\$30,000) to £23,000 (\$34,000) per director per annum. The 2008 figure also includes a chief operating officer who became a full time employee in May 2008.



## **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% (2007 – 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 to be withdrawn.

### **Legal proceedings**

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

### **Insurance of fixed assets**

The insurance cover that was in place as at 31 December 2008 fully covered the property, machinery and equipment assets as at that date.

### **Taxation**

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

### **Environmental matters**

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

## **17. FINANCIAL INSTRUMENTS**

### **Financial instruments**

The Group 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.

### **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.

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

<i>Group</i>	<i>Carrying amount</i>	<i>Contractual cash flows</i>	<i>6 months or less</i>
2008			
Current financial liabilities held at amortised cost			
Trade and other payables	420	420	420
	<u>420</u>	<u>420</u>	<u>420</u>
<i>Group</i>	<i>Carrying amount</i>	<i>Contractual cash flows</i>	<i>6 months or less</i>
2007			
Current financial liabilities held at amortised cost			
Trade and other payables	349	349	349
	<u>349</u>	<u>349</u>	<u>349</u>

### **Credit risk**

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

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

	<i>Carrying value</i>	<i>Maximum exposure</i>	<i>Carrying value</i>	<i>Maximum exposure</i>
Current financial assets classified as loans and receivables				
Cash and cash equivalents	442	442	1,729	1,729
Trade and other receivables	569	569	68	68
	<u>1,011</u>	<u>1,011</u>	<u>1,797</u>	<u>1,797</u>

### **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 2008 related wholly to floating interest rates in respect of cash at bank. Cash at bank in interest bearing accounts was held in demand accounts with one-month maturities throughout the year. This policy was unchanged from 2007.

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

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

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

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Group's profit for the years ended 31 December 2008 and 31 December 2007 would not change materially.

## Currency risk

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

Management reviews its currency risk exposure periodically and since hedges part of its exposure to the US dollar by buying and holding on deposit GBP. The Group also hold Roubles in order to cover a proportion of anticipated Rouble expenditures. As at 31 December 2008 the Group had on deposit approximately USD 74 thousand in GBP (2007: USD 1.4 million) and USD 52 thousand in Rouble (2007: USD 263 thousand) bank accounts.

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

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

	31 December 2007		
	Denominated in		
	USD	RUR	GBP
Cash and cash equivalents	98	262	1,369
Prepayments	6	36	26
Payables and accruals	(273)	(48)	(28)
Net Exposure	<u>(169)</u>	<u>250</u>	<u>1,367</u>

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

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

	Rouble Impact		Sterling Impact	
	2008	2007	2008	2007
Profit or loss	5	25	7	137

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

## Fair values

The fair values of the Group's financial instruments are considered equal to the book value as they are all short term.

## **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.

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**

### **Placings of shares**

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

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

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

The resulting shares in issue after these transactions is 151,903,938.

# AMUR MINERALS CORPORATION

*(Incorporated and registered in the British Virgin Islands with registered number 1010359)*

## NOTICE OF SHAREHOLDERS' MEETING

Notice is hereby given that a Shareholders' Meeting of Amur Minerals Corporation (the "Company") will be held at the Courtyard Moscow City Center Hotel, Voznesensky Periulok 7, 125009 Moscow, Russian Federation at 11.00 a.m. on 14 August 2009 to consider and, if thought fit, pass the following resolutions of which resolutions 1-4 will be proposed as an ordinary resolution and resolution 5 will be proposed as a special resolution:

### ORDINARY RESOLUTION

1. To receive, consider and adopt the Directors' Report, the Financial Statements and the Report of the Independent Auditors thereon for the year ended 31 December 2008.
2. To Re-appoint Robin Jay Young, who retires on rotation at the meeting, as a Director of the Company
3. To reappoint BDO Stoy Hayward LLP 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.
4. THAT the Directors be and are hereby generally and unconditionally authorised to exercise all or any of the powers of the Company to allot up to 120,000,000 Ordinary Shares provided that this authority shall expire (unless previously renewed, varied or revoked by the Company in a meeting of Shareholders) at the conclusion of the annual general meeting of the Company to be held in 2010 save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities pursuant to any such offer or agreement notwithstanding such expiry.

### SPECIAL RESOLUTION

5. THAT the Directors be and they are hereby empowered to allot Ordinary Shares for cash pursuant to the authority conferred by Resolution 4 above as if the pre-emption rights in the Company's articles of association did not apply to any such allotment provided that the power hereby granted shall expire at the conclusion of the annual general meeting of the Company to be held in 2009 save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry but otherwise in accordance with the foregoing provisions of this power in which case the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

BY ORDER OF THE BOARD

David Fain Wood  
Secretary

Dated: 30 June 2009

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

**Notes:**

1. Any member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company.
2. To be valid, the enclosed form of proxy for the meeting convened by the above notice and any authority under which it is executed (or a notarially certified copy of such authority) must be deposited at the Company's registrars' office not less than 48 hours before the time for holding the meeting. Completion and return of the form of proxy will not preclude ordinary shareholders from attending and voting in person at the meeting. 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. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the time by which a person must be entered on the register of members in order to have the right to attend and vote at the Shareholders' Meeting is 8.00 a.m. GMT on 12 August 2008 (being not more than 48 hours prior to the time fixed for the meeting) or, if the meeting is adjourned, such time being not more than 48 hours prior to the time fixed for the adjourned meeting. Changes to entries on the register of members after that time will be disregarded in determining the right of any person to attend or vote at the meeting.
4. In the case of joint holders, the vote of the senior who tenders a vote whether in person or by proxy will be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
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.
6. Depositary Interest Holders may attend in person and vote on a show of hands or on a poll if the Depositary has appointed them a corporate representative. Depositary Interest Holders not wishing to attend the Shareholders' Meeting but wishing to vote in respect of the resolutions to be considered at the Shareholders' Meeting can do so by instructing the Depositary. This may be done in one of two ways:
  - (i) Depositary Interest Holders who are CREST members may give such an instruction utilising the CREST electronic voting service in accordance with the procedures described in the CREST Manual. CREST personal Depositary Holders or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf.

In order for an instruction made by CREST to be valid, the appropriate CREST message ("a CREST proxy instruction") must be properly authenticated in accordance with CRESTCo's requirements and must contain information required for such instructions, as described in the CREST Manual. The message, in order to be valid, must be transmitted so as to be received by the Depositary's agent, ID RA10 by 9.00 a.m. on 11 August 2009. The time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST applications host) from which the Depositary's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. The Depositary may treat as invalid a CREST voting instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST proxy instructions. It is the responsibility of the CREST member concerned to take (or to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. Please refer to the CREST Manual for further guidance.

- (ii) Depositary Interest Holders who cannot give voting instructions via CREST should complete the enclosed Form of Direction and submit to the Depositary. If the Depositary Interest Holder is a corporation then the form of direction must be executed by a duly authorised person or under its common seal or in a manner authorised by its constitution. To be valid forms of direction must be received by the Depositary no later than 9.00 a.m. on 11 August 2009.

# SHAREHOLDER'S APPOINTMENT OF PROXY

For use at the Annual General Meeting of the Company convened for Friday 14 August 2009 at 11.00 a.m.

I/We (name in full) .....  
 (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 Courtyard Moscow City Center Hotel, Voznesensky Periulok 7, 125009 Moscow, Russian Federation 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 Independent Auditors thereon for the year ended 31 December 2008.			
2. To Re-appoint Robin Jay Young, who retires on rotation at the meeting, as a Director of the Company			
3. To reappoint BDO Stoy Hayward LLP 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.			
4. THAT the Directors be and are hereby generally and unconditionally authorised to exercise all or any of the powers of the Company to allot up to 120,000,000 Ordinary Shares provided that this authority shall expire (unless previously renewed, varied or revoked by the Company in a meeting of Shareholders) at the conclusion of the annual general meeting of the Company to be held in 2010 save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities pursuant to any such offer or agreement notwithstanding such expiry.			
<b>Special Resolutions</b>			
5. THAT the Directors be and they are hereby empowered to allot Ordinary Shares for cash pursuant to the authority conferred by Resolution 4 above as if the pre-emption rights in the Company's articles of association did not apply to any such allotment provided that the power hereby granted shall expire at the conclusion of the annual general meeting of the Company to be held in 2009 save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry but otherwise in accordance with the foregoing provisions of this power in which case the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.			

None.

Signature ..... Dated ..... day of ..... 2009

\* 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 "Vote Withheld" 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.



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The Registry  
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