Amur Minerals

AMUR MINERALS CORPORATION AND ITS SUBSIDIARIES

Interim Financial Report for the 6 months ended 30 June 2011

Chairman's Statement

Dear Shareholder,

I am pleased to have this opportunity to update Amur Minerals Corporation shareholders on the Company's progress over the first six months of 2011. Broadly, progress has been made in three areas; reconnaissance exploration at our Kun-Manie nickel copper sulphide project was resumed in mid June, we have also substantially increased our cash reserve during the first half of the year and we continue to work with various Russian Federation officials and agencies in advancing our application for the mining licence at Kun-Manie. In greater detail, the following key accomplishments are noted below:

- Resupply of our base camp and the Kun-Manie project site were completed using the winter ice roads during February and March. The advance team that was mobilised to site immediately undertook rehabilitation, refurbishment and repair of the site facilities whilst awaiting arrival of the exploration crew to arrive in mid June.

- The reconnaissance exploration work began during the final days of June. The primary objectives are to identify drill targets for 2012. This includes geological mapping, grab and soil sampling, trenching with channel sampling and geophysical surveys within the limits of the proposed mining licence and areas nearby.

- During Q1 of 2011, the Company and Lanstead agreed to close the July and October 2010 Lanstead placings by settling the remaining payments on an accelerated basis which resulted in a substantial increase in cash reserves. Value Added Tax (VAT) refunds from the Russian Federation were also obtained during the six months and, together with the Lanstead settlements, this resulted in cash and cash equivalents being increased to a total of US$5.067 million from US$3.066 million during the six month period.

- In a post period end transaction, an additional US$1.2 million VAT refund was also obtained addition to the cash balance reported above.

- Current liabilities remain low at US$159,000 and the Company is debt free.

- Combined Total Liabilities and Equity increased from US$21.665 million to US$24.288 million.

- The Company has continued to work with the Mining Advisory Council in submission of amendments to the Strategic Law which could ultimately result in the threshold of nickel reserves necessary to determine a 'strategic deposit' being increased to two million tonnes of nickel. Presently the limit used to define a strategic deposit containing nickel is the presence of any amount of certified reserve of nickel and if defined as such, the Company may have undertake the formation of a joint venture with a Russian partner.

- Executive staff have been working with the Amur Oblast authorities and members of the Duma who have been lobbying the Federal agencies to grant the mining licence. In addition, frequent contact with the Ministry of Economics has been maintained to ensure that all information required by the agency is available ensuring that the agency can complete its report to Rosnedra (the agency responsible for granting the mining licence).

Debt Free and Cash Position

The Company remained debt free and was able to increase its cash reserves from US$3.1 million to US$5.1 million during the first half of the year. This was accomplished by completion of the following:

- The primary source of additional funds was attained by the acceleration and closure of the Lanstead LLP financing originally placed in July and October 2010. At the beginning of 2011, 18 monthly unexercised settlements remained. The Company in agreement with Lanstead undertook an accelerated programme to exercise the settlements at market prices which were at a substantially higher share price than defined at the placing. The average monthly payment for the 18 settlements was approximately £95,000 which was more than £45,000 higher than contemplated in the original placing. Globally, this meant the Company more than doubled the actual cash paid above that planned from approximately £890,000 to over £2.0 million. Also of importance was the fact that we were able to accumulate the cash in a matter of weeks rather than over the course of 18 months.

- Secondly, refunds of Russian Value Added Tax (VAT) to our ZAO Kun-Manie subsidiary also increased the cash reserve. The amount of the VAT refund during the period was in the order of US$223,000.

- Looking to the longer term cash requirements over the next 12 to 24 months, Amur entered into a second placing with Lanstead in the amount of £2.5 million. The placing was similarly structured to that of the June 2010 placing and included 24 settlement payments to be executed over a two year period. The projected monthly income to Amur for each settlement is approximately £104,000 based on a projected share price of 13.33 pence. The placing was done at 10 pence per share. The first settlement was completed in early June of this year, just before the period end.

- The acceleration of the July and October 2010 Lanstead LLP placings, the VAT refunds and the funds received from the first settlement of the second Lanstead placing have resulted in an increase in available cash and cash equivalents by approximately US$2.0 million from US$3.1 million to US$5.1 million during the six month period. This represented an increase of nearly 65% in cash while simultaneously funding the Group's operational costs.

- Not included in the US$5.1 million cash balance at the end of the six month period and occurring as a post period end event, a large VAT refund in the amount of US$1.2 million for outstanding amounts from 2006 through part of 2008 was received. At the close of July 2011, the Company cash position was nearly US$6.2 million.

Exploration

During the first half of 2011, the Company initiated its 2011 exploration season by the construction of a 300 kilometre long winter ice road during February. In February and March, the site was fully restocked with fuel, spare parts, food stuffs, and additional supplies. An advance team specialised in maintenance and repairs moved to the site and initiated work on the various camps located throughout the licence area.

The advance crews were joined in mid June when the geological crews arrived and began the reconnaissance exploration work planned for 2011. The primary 2011 objective of the exploration programme is drill target delineation for an extensive drill programme planned for the summer field season of 2012. The field work consists of geological mapping, geochemical sampling, soil sampling, geophysical surveys, trenching and road building. Samples collected on site are initially prepared at the camp and are flown out via helicopter once a month for delivery to our base camp along the Baikal Amur Rail system for shipment to Moscow and subsequent analysis. The comprehensive turnaround time from sample collection at the outcrop to final analytical results ranges from 8 to 12 weeks. Presently, the first partial batch of analytical results has just been received and an announcement will be made when the results are verified.

Concurrent with the exploration work ongoing engineering work has also been initiated allowing the Company to advance the project toward production as well as the identification of alternatives which could result in the reduction of the previously projected capital cost estimates as compiled by SRK Consulting. Specific focus is also being given to the metallurgical response of the defined nickel copper ores to assist in a more definitive process design. Optimisation studies are also being assessed to determine the potential impact on cash flow projections related to Kun-Manie.

<u>Mining Licence</u>

Rosnedra is responsible for the issuance of the mining licence. The process requires reviews and reports to be issued from the Ministry of Defence (MOD), Anti-Monopoly Board (FAS), State Security (FSB) and the Ministry of Economic Development (MED). All but MED have completed their obligations and reports have been forwarded by three of the agencies to Rosnedra.

The executives of Amur, its legal counsel in Moscow, Duma members, and key administrative officials of Amur Oblast have all been working together to encourage MED to complete its assigned task. Communications with MED within the last month confirm that they have all the necessary information from the Company to undertake its work obligation as related to the mining licence application for Kun-Manie. Discussions with MED and affiliated State sanctioned groups indicate that work on the pricing efforts is in progress. No delivery date for the final report has been provided.

In summary, the Company continues to conduct exploration on the Kun-Manie licence with visual results indicating that substantial potential remains within the licence area to expand the resources and potentially improve the projected economics of the project. Work continues to refine the project design and to optimise various areas such as mine production, scheduling, metallurgical recoveries and the possible consideration in the addition of a smelter. Over the course of the last six months, the cash position of the Company has been significantly improved. The Board remains confident that we shall ultimately obtain the mining licence at Kun-Manie.

Robert W. Schafer
Chairman
28 September 2011

Independent Review Report
To the shareholders of Amur Minerals Corporation

Introduction

We have been engaged by the company to review the financial statements in the half-yearly financial report for the six months ended 30 June 2011 which comprises the Consolidated Statement of Financial Position, Consolidated Statement of Comprehensive Income, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity and related notes.

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

Directors' responsibilities

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

Our responsibility

Our responsibility is to express to the company a conclusion on the financial statements in the half-yearly financial report based on our review.

Our report has been prepared in accordance with the terms of our engagement to assist the company in meeting the requirements of the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements in the half-yearly financial report for the six months ended 30 June 2011 is not prepared, in all material respects, in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

Emphasis of matter – going concern

In forming our review conclusion, which is not qualified, we have considered the adequacy of the disclosures made in note 3 to the financial statements concerning the Group's ability to continue as a going concern which is dependent on raising further funds through new debt, equity or sale of assets of the Group. The Group cash flow forecasts show that the Group requires additional funds before October 2012. 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 3 indicate the existence of a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern. These consolidated financial statements do not include any adjustments that would result if the group was unable to continue as a going concern.

BDO LLP
Chartered Accountants and Registered Auditors
London,
United Kingdom

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

AMUR MINERALS CORPORATION AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011
(Amounts in thousands of US Dollars)

	Note	*Unaudited 30 June 2011*	*Unaudited 30 June 2010*	*Audited 31 December 2010*
NON-CURRENT ASSETS				
Capitalised exploration costs	**5**	13,985	13,194	13,685
Property, plant and equipment		419	514	466
VAT receivable	**8**	-	330	299
Total non-current assets		**14,404**	**14,038**	**14,450**
CURRENT ASSETS				
Cash and cash equivalents		5,067	249	3,066
Available for sale investments		-	360	-
Prepayments and other receivables		82	110	152
Derivative financial asset	**7**	3,785	-	3,806
VAT receivable	**8**	1,236	-	24
Inventories		270	218	167
Total current assets		**10,440**	**937**	**7,215**
Total assets		**24,844**	**14,975**	**21,665**
CURRENT LIABILITIES				
Trade and other payables		159	313	109
Total current liabilities		**159**	**313**	**109**
SHAREHOLDERS' EQUITY				
Share capital	**9**	32,227	22,990	28,183
Share premium		7,071	7,620	7,233
Share options reserve	**11**	1,226	1,390	1,390
Retained deficit		(14,034)	(14,586)	(12,804)
Foreign exchange translation reserve		(1,805)	(2,752)	(2, 446)
Total shareholders' equity		**24,685**	**14,662**	**21,556**
Total liabilities and shareholders' equity		**24,844**	**14,975**	**21,665**

Approved on behalf of the Board on 28 September 2011

Robin Young

Robert W Schafer

The accompanying notes on pages 9 to 13 form an integral part of these financial statements

AMUR MINERALS CORPORATION AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2011
(Amounts in thousands of US Dollars)

	Note	*Unaudited 6 Months ended 30 June 2011*	*Unaudited 6 Months ended 30 June 2010*	*Audited Year ended 31 December 2010*
Other administrative expenses		(627)	(765)	(1,607)
Impairment of capitalised exploration costs	**5**	-	(321)	(321)
Share based payment		(562)	-	-
Impairment of assets held for sale		-	(331)	-
Total administrative expenses		(1,189)	(1,417)	(1,928)
Loss from operations		**(1,189)**	**(1,417)**	**(1,928)**
Finance income		20	-	24
Finance expense		(71)	-	(5)
Fair value (loss)/gain on derivative financial assets	**7**	(716)	-	2,602
Loss on disposal of investment held		-	-	(328)
(Loss)/Profit before tax		**(1,956)**	**(1,417)**	**365**
Taxation	**6**	-	-	-
Profit/(loss) for the year attributable to owners of the parent		**(1,956)**	**(1,417)**	**365**
Other Comprehensive income:				
Exchange differences on translation of foreign operations		**641**	**(439)**	**(133)**
Total comprehensive income for the year attributable to owners of the parent		**(1,315)**	**(1,856)**	**232**
(Loss)/profit per share: basic & diluted	**4**	US$ (0.007)	US$ (0.008)	US$ 0.002

The accompanying notes on pages 9 to 13 form an integral part of these financial statements.

AMUR MINERALS CORPORATION AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2011
(Amounts in thousands of US Dollars)

		Unaudited 6 Months ended 30 June 2011	*Unaudited 6 Months ended 30 June 2010*	*Audited Year ended 31 December 2010*
Cash flow from operating activities:				
Payments to suppliers and employees		(1,689)	(683)	(1,201)
Receipts of VAT refunds	**8**	223	268	
Net cash used in operating activities		(1,466)	(415)	(1,201)
Cash flow from investing activities:				
Payment for capitalized exploration expenditure		-	(273)	(492)
Proceeds from sale of asset held		-	-	363
Net cash used in investing activities		-	(273)	(129)
Cash flow from financing activities:				
Proceeds from issue of equity shares	**7**	3,349	-	3,527
Net cash from financing activities		3,349	-	3,527
Net change in cash and cash equivalents		**1,883**	**(688)**	**2,197**
Cash and cash equivalents brought forward		3,066	997	997
Foreign exchange effects		118	(60)	(128)
Cash and cash equivalents carried forward		**5,067**	**249**	**3,066**

The accompanying notes on pages 9 to 13 form an integral part of these financial statements.

AMUR MINERALS CORPORATION AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2011
(Amounts in 'thousands of US Dollars)

	Share capital	*Share premium*	*Retained deficit*	*Share options reserve*	*Foreign exchange translation reserve*	*Total*
Balance at 31 December 2009	**22,990**	**7,620**	**(13,169)**	**1,390**	**(2,313)**	**16,518**
Loss for the period	-	-	(1,417)	-	-	(1,417)
Other comprehensive income for the period	-	-	-	-	(439)	(439)
Balance at 30 June 2010 (unaudited)	**22,990**	**7,620**	**(14,586)**	**1,390**	**(2,752)**	**14,662**
Loss for the period	-	-	1,782	-	-	1,782
Other comprehensive income for the period	-	-	-	-	306	306
Shares Issued	5,193	-	-	-	-	5,193
Costs associated with issue of share capital	-	(387)	-	-	-	(387)
Balance at 31 December 2010 (audited)	**28,183**	**7,233**	**(12,804)**	**1,390**	**(2,446)**	**21,556**
Loss for the period	-	-	**(1,956)**	-	-	**(1,956)**
Other comprehensive income for the period	-	-	-	-	**641**	**641**
Share options expired in the period	-	-	**726**	**(726)**	-	-
Equity settled share based payments	-	-	-	**562**	-	**562**
Shares Issued	**4,044**	-	-	-	-	**4,044**
Costs associated with issue of share capital	-	**(162)**	-	-	-	**(162)**
Balance at 30 June 2011 (unaudited)	**32,227**	**7,071**	**(14,034)**	**1,226**	**(1,805)**	**24,685**

The accompanying notes on pages 9 to 13 form an integral part of these financial statements.

1. REPORTING ENTITY

Amur Minerals Corporation (the "Company") is a company domiciled in the British Virgin Islands. The consolidated interim financial statements as at and for the six months ended 30 June 2011 comprise the Company and its subsidiaries (together referred to as the "Group").

The consolidated financial statements of the Group as at and for the year ended 31 December 2010 are available upon request from the Company's registered office at Kingston Chambers, P.O. Box 173, Road Town, Tortola, British Virgin Islands, from offices of RBC Europe Limited, Riverbank House, 2 Swan Lane London EC4R 3BF or at www.amurminerals.com.

2. BASIS OF PREPARATION

The financial information set out in this report is based on the consolidated financial statements of Amur Minerals Corporation and its subsidiary companies (together referred to as the 'Group'). The accounts of the Group for the 6 months ended 30 June 2011 were approved and authorised for issue by the Board on 28 September 2011. The interim results have not been audited, but were the subject to an independent review carried out by the Company's auditors, BDO LLP. Such unaudited results do not constitute statutory accounts of the Company or the Group. These accounts have been prepared in accordance with the accounting policies that are expected to be applied in the Report and Accounts of Amur Minerals Corporation for the year ended 31 December 2011 and are consistent with IFRS as adopted by European Union. The auditor's report on the group accounts to 31 December 2010 was unqualified, but did include an emphasis of matter on going concern. The comparative information for the full year ended 31 December 2010 is not the Group's full annual accounts for that period but has been derived from the annual financial statements for that period.

The consolidated financial statements incorporate the results of Amur Minerals Corporation and its subsidiaries undertakings as at 30 June 2011, using the acquisition method of accounting as appropriate. The corresponding amounts are for the year ended 31 December 2010 and for the 6 month period ended 30 June 2010.

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

3. GOING CONCERN

In the absence of production revenues, the Group is currently dependent upon its existing financial resources which comprises cash and derivative financial asset (note 7), and its ability to raise additional finance through share placings to satisfy its obligations and fully finance its exploration and evaluation programme for Kun-Manie. Failure to meet these exploration and evaluation commitments could put the related licence interest at risk of forfeiture.

The Group currently has sufficient funding to finance its activity through to October 2012. The Directors are currently in negotiations with a number of parties in respect of raising further funds to continue with the exploration work programme. Whilst progress is being made on a number of potential transactions which would provide additional finance for the Group, progress needs to be made to ensure the expenditure commitments on the asset interests the Group retains can be met with its available funding in order to secure the Group's future. There are currently no binding agreements in place which will provide additional finance.

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

(Amounts in thousands of US Dollars)

4. 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 period ends are anti-dilutive and have therefore been excluded from the following calculations.

	Unaudited 6 Months ended 30 June 2011	**Unaudited 6 Months ended 30 June 2010**	**Audited Year ended 31 December 2010**
Net loss for the period	(1,956)	(1,417)	365
Average number of shares for the period	265,555,482	171,019,582	193,790,726
Basic and diluted loss per Share	**US$ (0.007)**	**US$ (0.008)**	**US$ 0.002**

The Group had no dilutive potential ordinary shares in either period 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 period. A total of 13,847,000 (2010: 10,291,456) potential ordinary shares have therefore been excluded from the above calculations.

5. CAPITALISED EXPENDITURES

During the six months ended 30 June 2011, the Group did not capitalise any exploration and development related expenditures (1H 2010: US$402 thousand excluding exchange losses of US$401 thousand and VAT changes of US$11 thousand). The group did not recognise any impairment of capitalised expenditure during the period (1H 2010: US$321 thousand related to a write-down of investment in the Kustak licence).

The increase in the exploration and evaluation asset is attributable to the foreign exchange gain on translation to presentation currency which was partly off-set by US$1.2 million of VAT receivable re-classification to current assets (note 8).

6. TAXATION

No taxation has been provided due to losses in the period. No deferred tax asset has been recognised for past or current losses as the recoverability of any such assets is uncertain in the foreseeable future.

7. DERIVATIVE FINANCIAL ASSET

Lanstead 1 Agreement

In July 2010 the Company raised US$907,196 via an issue of 17 million new shares to Lanstead Capital L.P ("Lanstead") at 3.5p per share. In October 2010 a further US$500,881 was raised through the issue of 6 million new shares to Lanstead at 5.25p per share. The Company entered into an equity swap price mechanism with Lanstead for 75% of the shares issued and that Lanstead hedge the consideration they pay for shares in the Company against the performance of the Company's share price over a 24 month period.

To the extent that the share price is greater or lower than the reference price at each swap settlement, the Company will receive greater or lower consideration calculated on pro-rata basis i.e. share price / reference price multiplied by the monthly transfer amount. The valuation for each settlement is determined to be the average share price for the preceding 5 trading days up to settlement date.

As the amount of consideration receivable from Lanstead will change in response to the change in the Company's share price and foreign exchange rates and will be settled in the future, the receivable is treated as a derivative financial asset and has been designated at fair value through profit or loss.

The fair value of the derivative financial assets has been determined by reference to the Company's share.

During the six months ended 30 June 2011 all remaining settlements for the derivative financial asset was received by the Company, thereby completing the equity swap price mechanism with Lanstead. The consideration received and the fair value adjustments made during the life of the derivative financial asset were as follows:

	Actual share price	Notional number of Outstanding shares	Fair value US$000
Value recognised on inception (July 2010)	3.5p	12,750,000	907
Value recognised on inception (October 2010)	5.25p	4,500,000	501
		17,250,000	1,408
Consideration received during to 31 December 2010		(2,534,090)	(204)
Gain on revaluation of derivative at 31 December 2010			2,602
Value of derivative at 31 December 2010	**16.75p**	**14,715,910**	**3,806**
Consideration received during the period		(14,715,910)	(3,180)
Loss on revaluation of derivative recognised in the period			**626**

<u>Lanstead 2 Agreement</u>

In March 2011 the Company raised US$4 million via an issue of 25 million new shares at 10p per share to Lanstead. The Company entered into equity swap price mechanism with Lanstead for a notional 75% of these shares with a notional reference price of 13.33p per share. All 4 million shares were transferred, with full voting rights on the date of the transaction. The Company will receive consideration on a monthly basis over a 24 month period.

Similarly for the previous Lanstead agreement the consideration receivable from Lanstead has been treated as a derivative financial asset and has been designated at fair value through profit or loss. The fair value of the derivative financial asset has been determined by reference to the Company's share price and has been estimated as follows:

	Actual share price	Notional number of Outstanding shares	Fair value US$000
Value recognised on inception (Mar 2011)	10p	18,750,000	4,044
Consideration received during the period		(781,250)	(169)
Loss on revaluation of derivative at 30 June 2011			(90)
Value of derivative at 30 June 2011	**13.12p**	**17,968,750**	**3,785**

8. VAT RECEIVABLE

During the period ended 30 June 2011 the Group received Russian VAT refunds of US$223 thousand (1H 2010: US$268 thousand). In July 2011 the Company received a VAT refund from the Russian tax authorities of US$1.2 million, with this amount being recognised as a current receivable as at 30 June 2011.

9. SHARE CAPITAL

	Unaudited 30 June 2011	**Unaudited 30 June 2010**	**Audited 31 December 2010**
Number of Shares (no par value):			
Authorised	500,000,000	500,000,000	500,000,000
Total issued	**277,862,112**	171,019,582	250,362,112

(Amounts in thousands of US Dollars)

On the 22 March 2011, the Company raised GBP2.5 million (US$4 million) through the issue of 25 million new shares at a placing price of 10p per share (note 7). Further 2.5 million new shares were issued to satisfy commissions of the fund raising.

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

10. RELATED PARTIES

Key management personnel and directors were due total compensation of US$182 thousand for the six months ended 30 June 2011 (1H 2010: US$263 thousand). A total of 7.6 million options were granted to directors in the six months ended 30 June 2011 (2010: nil).

11. OPTIONS

During the period ended 30 June 2011 a total of 7,044,456 of previously outstanding options expired resulting in a write back of US$726 thousand in the Options Reserve (1H 2010: nil). During this period total of 10.6 million new options were granted to key management and personnel at a value of US$562 thousand (1H 2010: nil).

At 30 June 2011 the following options and warrants were outstanding:

Grant Date	Number of Shares	Expiry	Strike Price
10 May 2007	2,247,000	10 May 2012	18p
5 March 2008	700,000	5 March 2013	18.5p
2 July 2008	300,000	2 July 2013	17p
18 April 2011	10,600,000	18 April 2016	12.675p

The fair value of the new 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 is based on the following assumptions:

Share Price	10.88
Exercise price	12.675
Expected volatility	77%
Option life	5
Expected dividends	0
Risk free rate	3.75%

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

There are no market conditions associated with the share option grants. The total expense recognised in profit or loss arising from equity-settled is US$562,000 (H1 2010: nil).

12. EVENTS AFTER THE BALANCE SHEET DATE

In July 2011 the Group received US$1.2 million in Russian VAT refund.

13. FORWARD LOOKING STATEMENTS

This report contains certain forward looking statements, which include assumptions with respect to future plans, results and capital expenditures. The reader is cautioned that assumptions used in the preparation of such information may prove to be incorrect. All such forward looking statements involve substantial known and unknown risks and uncertainties, certain of which are beyond the Company's control. Please refer to the

Company's Admission Document available from the Company's web site for a list of risk factors. The Company's actual results could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits the Company will derive therefrom. All subsequent forward-looking statements, whether written or oral, attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Furthermore, the forward-looking statements contained in this report are made as at the date of this report.

14. INTERIM REPORT

Copies of this interim report for the six months ended 30 June 2011 will be available from the company's website www.amurminerals.com.