

23 July 2010

**Amur Minerals Corporation**  
**(AIM: AMC)**

**Placing to raise £1.2m**

**Board restructuring**

Amur Minerals Corporation ("Amur" or the "Company"), an exploration and development company focused on Far East Russia, announces that it entered into a placing agreement with broker Hybridan LLP to raise up to £1,236,153 by way of a placing ("the Placing") of up to 35,318,684 ordinary shares ("Placing Shares") at 3.5p each ("Placing Price").

In addition, the Company has agreed to issue a further 1,428,570 new ordinary shares at 3.5p to its CEO Robin Young in lieu of salary that is owed to him.

Concurrent with the Placing, the board has been restructured.

Hybridan LLP has been appointed as Joint Broker to the Company with effect from today.

**Highlights:**

- Placing of 35,318,684 ordinary shares 3.5 pence to raise approximately £1.2 million.
- Proceeds to fund the ongoing programmes at Kun-Manie, the Company's main nickel exploration project. Work is focused on the areas between the drilled deposits where successful results have the potential to enlarge the stated resource and reserve at Kun-Manie.
- The total Russian approved reserve currently stands at 31.7 million tonnes of ore and averages 0.64% nickel and 0.18% copper.
- An independently compiled pre-feasibility study of Kun-Manie carried out in 2007 incorporating a \$7.50/lb nickel price, indicates a Post Tax NPV (10%) of \$84 million with an IRR of 15.7% which will be updated in the near term using information acquired over the last two years.
- Work continues with the Russian agencies in the acquisition of another exploration licence extension and obtaining a mining licence.
- Provides a stable source of funds from a cornerstone investor.

## **Robin Young, CEO commented:**

*“Over the course of the financial crisis, the Company has been successful in the arena of short term fund raising. Though having met its needs, the Company was always constrained by limited financial resources. It is pleasing to be able to structure a financing that targets our short and longer term fund requirements. It provides us with the flexibility to focus our resources and efforts on advancing Kun-Manie through the Russian regulatory system while simultaneously adding value to the project, the Company and for our shareholders.”*

## **Enquiries:**

<i>Company</i>	<i>Nomad and Joint Broker</i>	<i>Joint Broker</i>	<i>Public Relations</i>
<b>Amur Minerals Corp.</b>	<b>RBC Capital Markets</b>	<b>Hybridan LLP</b>	<b>Lothbury Financial Services</b>
Robin Young CEO	Martin Eales	Claire Noyce	Michael Padley Libby Moss
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## **Introduction**

Amur Minerals Corporation has raised £1,236,153 by way of a placing of 35,318,684 ordinary shares at 3.5p each. The funds were raised by Hybridan LLP.

Of these funds, the company intends to use £641,000 to cover near term costs related to limited exploration and obtaining the extension on the exploration licence, upgrade of the existing pre-feasibility study and the anticipated award of the mining licence at its Kun-Manie nickel exploration project in the Amur region of Far East Russia, with the balance to cover ongoing administrative and other costs.

## **Use of Proceeds**

The Company is presently conducting a limited exploration programme where work is focused on the areas between the drilled deposits where successful results could increase the stated resource and reserve at Kun-Manie. This work will be continued during the summer field season.

Efforts will also be focused on the licences related to the project. An extension to the exploration rights will be pursued as will continued work toward securing the mining licence of the mineralised areas of Kun-Manie. Concurrent with these efforts, the Company will endeavour to secure waivers from the Antimonopoly Board (FAS) allowing for less restrictive ownership constraints, which are limited to holdings of overseas investors to less than 10% of the Company.

Information acquired since the completion in 2007 of the SRK Consulting pre-feasibility study will be evaluated and an updated study compiled. Potential improvements to the study include an improved tax structure, new infill drilling, resource and reserve updates, optimisation of production, improved metallurgical recoveries and the alternative of producing a final metal product for sale in place of concentrate sales.

## **The Placing**

The Placing Shares have been conditionally placed by Hybridan on behalf of the Company with institutional investors subject to, inter alia, admission of the Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules. The Placing has not been underwritten.

17,000,000 of the 35,318,684 Placing Shares will be issued to Lanstead Capital L.P. ("Lanstead"), an institutional investor, at 3.5p per Placing Share for an aggregate subscription price of £595,000.

In addition, the Company has entered in an Equity Swap Agreement with Lanstead will allow the Company to retain much of the economic interest in the shares issued to Lanstead. The Company will issue 3 million shares to Lanstead as a value payment in connection with the Equity Swap Agreement. The Agreement allows the Company to secure much of the potential upside arising from near term news flow.

The Equity Swap Agreement provides that the Company's economic interest will be determined and payable in 24 monthly tranches as measured against a Benchmark Price of 4.67 pence per share. If the measured share price exceeds the Benchmark Price, for that month, the Company will receive more than 100 per cent. of the monthly payment due. There is no upper limit placed on the proceeds receivable by the Company as part of the monthly tranche payments. Should the share price be below the Benchmark Price, the Company will receive less than 100 per cent. of the monthly payment due. In no case would a decline in the Company's share price result in any increase in the number of ordinary shares received by Lanstead or any other advantage accruing to Lanstead. The mid market price of an ordinary share at the close of business on 22 July 2010 (being the latest practicable day prior to the publication of this announcement) was 4.0p.

The total number of 39,747,254 shares subject to this announcement represents approximately 23 per cent. of the existing issued share capital of the Company on the date of this announcement. Following the admission of these shares to trading on AIM, the Company will have 210,766,836 shares in issue.

It is expected that Admission of the shares will become effective and trading will commence on 28 July 2010. The Placing Shares will, when issued and fully paid, rank pari passu in all respects with the Company's existing shares, including the right to receive any dividend or other distribution thereafter declared, made or paid.

The structure of this placing is designed to provide the Company with flexibility in conducting limited near term work while releasing results as they develop as well as maintaining a constant source of funds covering a substantial part of the Company's longer term cash flow requirements.

### **Broker Appointment**

Hybridan LLP has been appointed as Joint Broker to the Company with effect from today.

### **Board Changes**

With effect from 22 July 2010 Willie McLucas and Eric McAuslan have resigned as Non Executive Directors of the Company. The Board thanks them for their contributions.

On the same date Brian Charles Savage (aged 50) has been appointed as a Non-Executive Director of the Company. Brian is a founder of Frontier Mining Limited and served as a Director since that company's formation in August 1998, acting as Chief Executive Officer between 2001 and 2009.

Brian has 20 years' experience in all aspects of the mining industry, having held senior positions in the Bank of New York, Sharps Pixley and the Bank of Montreal.

In 1996, he became President of Earth Search Sciences Inc (ESSI), a remote sensing company with applications in the mining industry, playing a major role in the Remote Sensing Mission to Kazakhstan (sponsored by the U.S. Government) and formed several joint venture companies in Kazakhstan. Brian left ESSI in 1998 and formed Frontier, having acquired the relevant data and local rights to the ESSI findings. He has a BSc in Mining Engineering and an MSc in Mineral Economics from the Colorado School of Mines.

Brian is also a Director (or has been within the past 5 years) of the following companies:

#### **Current Directorships**

Stockton Computer Services Limited  
SGS Capital Holdings  
BMF International Limited  
Pioneer Management LLC  
Frontier Mining Ltd  
Prime Exploration & Development  
Sokol Holdings Inc.

#### **Past Directorships**

None

There is no further information to be disclosed in accordance with AIM Schedule Two, paragraph (g).

### **Notes to Editors**

Amur Minerals Corporation is a mineral resource development company focused on base metal projects located in the far east of Russia where it has three projects. Its recent JORC compliant resource estimate for its flagship Kun-Manie project is 341,000 tonnes of contained nickel and 95,500 tonnes of copper and this is expected to increase as further exploration is completed. This resource, which has been identified and progressed in only 16 months of field work, is one of the largest nickel sulphide discoveries since Voisey's Bay.

An independently compiled pre-feasibility study of Kun-Manie conservatively indicates a Post Tax NPV (10%) of \$84 million with an IRR of 15.7%. The study contemplates producing 16,000 tonnes of nickel per year in concentrate from three deposits drilled to date on the Kun-Manie license as well as noting considerable upside potential.

For further information about Amur, please visit the Company's website at [www.amurminerals.com](http://www.amurminerals.com).