

19 June 2017

## AMUR MINERALS CORPORATION

(“Amur” or the “Company”)

### RESULTS FOR THE YEAR ENDED 31 DECEMBER 2016

#### CHAIRMAN’S STATEMENT

With pleasure, I present Amur Minerals Corporation’s (the “Company” or “Amur”) financial results, our most recent and current operating agenda and the results of the 2016 advancements and developments on progressing our wholly owned Kun-Manie nickel copper sulphide deposit toward production. Located in the Far East of Russia near the largest three international nickel consuming markets of China, Korea and Japan, we entered 2016 in a financially stable position on the back of having been granted the Detailed Exploration and Production Licence in the middle of 2015.

Strongly positioned in Q1 2016, Amur implemented an aggressive programme targeting its completion on or about 1 January 2018. The programme was designed to develop a comprehensive project implementation plan to be defined at a Definitive Feasibility Study (“DFS”) level. The resultant report is to be used to identify and implement funding alternatives for the construction and development of Kun-Manie, with the potential to be one of the world’s top 10 annual nickel production operations.

Key accomplishments of our programme are summarised herein. Detailed information and a summary of our numerous successes over the course of 2016 have been outlined by Mr Robin Young, our Chief Executive Officer following my report to shareholders.

#### Operational Programme

Entering 2016 in a solid financial position having arranged financing in the amount of 12.5 million Sterling (US\$ 18.75 million), we set out an aggressive two-year plan to move the project forward toward the completion of a Definitive Feasibility Study (“DFS”). This plan was developed and initiated at the beginning of 2016 targeting its completion on 1 January 2018. The major objectives of the two-year plan included the following:

- **2016 Drill Programme:** All drilling for 2016 and into the foreseeable future is to be focused on upgrading Inferred resources to that of Indicated allowing for inclusion in the definition of a Mining Ore Reserve. Areas of newly identified resources will be immediately infill drilled on drill spacing suitable for designation of Indicated resources. Mineral Resource Estimates (“MRE”) are to be completed in accordance with JORC (2012) reporting standards.
- **Mineral Resource Estimates:** Post the completion of the 2016 drill season, newly reported Mineral Resource Estimates (“MRE”) were expected to be compiled using a cut-off grade (“COG”) of 0.4% nickel. The increase in the COG allows the Company to evaluate resources likely to be mined at lower nickel prices whilst simultaneously permitting us to identifying the preferred mining method. The MRE was to be constructed in a manner allowing the Company to define a preferred mining approach (comprised of open pit or underground production methods).
- **Mining Ore Reserve (“MOR”):** The MOR estimates are to be based on audited operating costs and externally derived metallurgical test work specific to each deposit. Mining is planned using open pit and underground approaches. Hence, the MOR will be defined based on the mining approach that produces the highest net operating profit per ore tonne. Based on typical construction loan financing structures which range from 5 to 7 years, the Company targeted the identification of a MOR inventory of 60 million tonnes representing a 10 year production period. The 60 million tonne selection represents approximately 1.5 times a typical project finance loan life period which is typically required by funding source which ensures a company’s ability to repay a loan covering the preproduction construction period and start up requirements. Identification of the MOR is to be completed in accordance with JORC (2012)

standards.

- **Metallurgical Test Work:** The definition of the final metallurgical flowsheet and plant design is a critical step in defining the economic potential of Kun-Manie. Numerous options are available to the Company and require careful consideration to provide an optimal plant design. These options to be included in the design in the metallurgical test programme included consideration of potential commercial smelter off take agreements, the ability to generate multiple concentrate streams for off take options by commodity, the potential of generating a separate concentrate(s) for streaming by-product metals and determination of a concentrate which could be treated at a company owned furnace allowing for low grade matte generation. To fully evaluate the alternatives, a staged process was defined thus allowing for the results of each stage to be used to refine each ensuing metallurgical assessment phase. The first phase consisted of the completion of bench scale test work to define maiden grade recovery curves at Kubuk (“KUB”) and the Flangovy area of Maly Kurumkon / Flangovy (“MKF”). The comprehensive set of grade recovery curves defining metallurgical recoveries and preliminary slag forming composition of the concentrate by deposit, each deposit could be ranked by its metallurgical response and would enable confirmation that MKF remained the priority deposit at which the proposed mining operation would begin. Moving from bench scale work to larger scale production style testing which is more accurate and reflective of production, a representative sample from existing core is to be selected and processed allowing for a more accurate and definitive evaluation of the metallurgical responses of the ore than would be defined by the less accurate bench scale grade recovery work. The final phase of test work on concentrate production is to be implemented using a substantially larger representative sample allowing for the evaluation of the various potential options described above and derivation of the final plant flowsheet and plant design.
- **Large Scale Metallurgical Test Work:** Follow on pyrometallurgical test work on the concentrate derived from the large scale metallurgical test work will be undertaken. The results will allow the Company to fully evaluate the flowsheet, technical and economic potential of an owner operated furnace converting all or at least a substantial portion of the concentrate to a low grade matte for sale to the international market.
- **Site Ancillary Facilities:** Development of site ancillary facilities is necessary to ensure the full implementation of the final selected design for the Kun-Manie operation. This is planned for definition as a later stage component since the final MOR and plant design will impact the scale and cost of these components. These components include power generation on site, fuel and tank farms to support power generation and mining operations, tailing handling and placement, housing and employee support and operation’s administration and facilities.
- **Road Access:** A major component to the success of the operation will be the completion of an estimated 320-kilometre long access road linking the project site to the Baikal Amur (“BAM”) rail line. This road will allow for resupply and support of the mine and for the transport of concentrate to the BAM rail line where a support facility will be built. Representing approximately 30% of the initial capital cost (US\$ 160 million), design and construction of the access road is key to the successful implementation of the project. A four-phase approach has been defined. The first stage was the selection of the better of three preliminary existing routes to be completed by qualified road construction specialists during which preliminary assessment of the route and access to road construction materials would be evaluated. The selection of the route, topographic and hydrological maps were to be compiled along the selected road corridor for use in the next phase. The second phase is comprised of a desktop design using the available digital information to select a more specific route which will be field verified and any necessary adjustments to the final route could be identified and included reducing geological and or hydrological hazards. The third phase is comprised of the detailed engineering including the acquisition of detailed geotechnical and hydrological information for road and bridge designs, finalisation of the road design and related bridge and water crossing design. The final stage is the construction of the road.
- **Ulak Support Facility:** The final major component of the Kun-Manie operation is the design and construction of an Ulak based support facility. Located immediately adjacent the BAM rail line, a support facility is planned allowing for the delivery of supplies and material to the mine along the 320 kilometre access road. Also included is a concentrate storage facility from which concentrate can be shipped to the international markets or delivered into the company owned concentrate treatment facility from which a low grade matte can be generated.

## Progress and Milestones

Substantial progress set out in related our 1 January 2016 planned programme has been made over the course of 2016 and into Q1 of 2017. To highlight our major accomplishments, I note the following:

- Record drill productivities have been attained with a total of 19,785 metres having been completed at MKF during the 2016 season. The drill cost per metre of US\$ 40 was the lowest ever recorded during a field season and includes drilling, labour, fuel, consumables and analytical results.
- A newly compiled MRE for RungePincockMinarco (“RPM”) reported 10 February 2017, substantially upgraded the 1 January 2016 reportable MRE. Drilling during 2016 confirmed continuous mineralised higher grade structures to be present and the MRE was modelled based on a 0.4% nickel COG. The current Kun-Manie MRE averages a nickel equivalent grade of 1.03% within a 101.3 million tonne resource. Containing approximately 1.05 million tonnes of nickel equivalent metal, the nickel equivalent tonnage has been increased by 22.5% from 853 thousand nickel equivalent tonnes. It is also noted that the configuration and thicknesses of the mineralisation are conducive to both open pit and underground mining.
- An increase of over 118% in the Measured and Indicated nickel equivalent tonnage has been identified based on the highly successful 2016 drill programme at MKF. Successful infill drilling of areas previously identified as Inferred resource and the application of drilling all newly discovered mineralisation at a spacing allowing for the new resource to be assigned to the Indicated category is the reason for such a large expansion of the Measured and Indicated resource. The global Measured and Indicated nickel equivalent tonnage was increased from 383,200 tonnes to 836,300 tonnes. The near 450,000 tonne nickel equivalent expansion of Measured and Indicated resource alone is larger than many nickel sulphide companies report within their total resource inventory. The average nickel equivalent grade was also increased from 0.72% to 1.03% (an increase of 43%). On a mineralised tonnage basis, the Measured and Indicated resource contains 80 million ore tonnes which can be used in the definition of an MOR.
- As noted, the shift in drilling for Measured and Indicated has been highly successful and positioned the Company to consider various funding options. Based on the adoption of drilling for reserve approach, the Measured and Indicated resource inventory now totals more than 80 million nickel equivalent tonnes for inclusion in the definition of the MOR. This component of the resource indicates the potential to define the MOR of 10 to 13 years at a nominal production rate of 6.0 million tonnes per year (it is assumed that approximately 85% of the Measured and Indicated resource will be converted to MOR). Successful conversion of this portion of the resource to reserve is likely to cover the payback period of a construction loan. Such loans typically range from five to seven years and financial institutions underwriting such loans prefer to fund an operation that has an MOR equal to 150% planned for processing over the life of the loan. The 2017 drill programme will be targeting a 10.9 million tonne Inferred resource at KUB as well as resource expansion down dip, to the east and to the west. Drilling is also planned at IKEN focused on resource expansion. The Company plans to infill drill any newly discovered mineralisation for inclusion in the Indicated resource category.
- In an RPM mining trade off study for MKF conducted in late 2016 and reported in Q1 2017, a first stage analysis of the mineable potential of MKF was completed. The study confirmed the Company’s conclusion that both open pit and underground production are viable and the combination would result in improved economics as opposed to open pit mining only. Using the 10 May 2016 study, compiled by SRK Consulting (UK) Ltd (“SRK”), RPM identified the mining potential to consist of a diluted mineable reserve totaling 44.5 million tonnes (approximately 7.5 years of mine production) averaging 0.75% nickel and 0.19% copper along the 2,100 metre long deposit model (excluding the 900 metre extension identified by the 2016 drill results). The total tonnes of mined nickel were projected to be in the order of 332,200 with copper totaling 83,500 copper tonnes. More than 87% of plus 0.4% COG resource from the total 2,100 metre long deposit (including Inferred) was identified to be suitable for mining. Based on the highly supportive and confirmatory work, the Company will have an independent and qualified consulting group derive a MOR at four deposits based on deposit specific operating costs per tonne, metallurgical recoveries of the recovered metals and the selection of the appropriate mining method(s) for each deposit. In addition, rock slope stability for open pit consideration, underground support requirements and hydrological considerations will be included in the definition of the MOR.
- Work by SGS Minerals (“SGS”) has confirmed metallurgical recoveries vary by deposit based on whole

core and grade recovery curve determination. Across all deposits, metallurgical recovery increases with increasing grade. For MKF, Gipronickel Institute ("Gipro") (a subsidiary of Norilsk Nickel) also completed a large scale bulk metallurgical test on a near half-tonne bulk sample having an average grade of 0.70% nickel and 0.19% copper. Metallurgical recoveries for both nickel and copper will exceed 80%. Having established that higher recoveries increase with increasing mined grade and that MKF mining potential study is projected to extract an average nickel grade of 0.75%, it is anticipated metallurgical recovery could be higher. However, use of the current 80% recoveries for nickel and copper at MKF will provide a degree of conservatism in future evaluations. A larger scale bulk metallurgical sample comprised of 7.4 tonnes of core from MKF will be processed to allow for the determination of the process flowsheet and plant design from which the sulphide concentrate will be generated. The metallurgical test work programme for this sample will assess various alternatives including the potential to generate multiple concentrate products for consideration in off take agreements and the specific design of a furnace for a company owned concentrate treatment facility capable of producing a low grade matte.

- Ground based geophysics completed near the proposed processing plant site has identified potential sources of water for industrial use in the treatment of ore. A drill programme is planned for the 2017 season to define the amount of water available from underground sources. Additional geophysical work is planned for this season in the western area of the hydrological licence.
- Selection of the preliminary access road route was completed during the year and detailed topographic and hydrological maps have been compiled allowing for the next stage of the road design process to be implemented. A specific route will be selected, examined and adjusted as necessary to allow for detailed engineering, design and construction. This is a major component of the project and nearly a third of the initial capital expenditure of Kun-Manie is projected for this critical component to the successful completion of the project.

As indicated above, the Company has made significant progress over the course of 2016, some of which have been reported as post 2016 events. We have identified the presence of much higher grades available to mining, substantially increased our Measured and Indicated resource, confirmed that our future MOR will likely be substantially higher in grade than previously planned, that our MOR will likely be of sufficient size and grade to allow for project financing and begun to establish key metallurgical results for the treatment and eventual sale of concentrate and or low grade matte for the Kun-Manie ores. These are all important achievements allowing for the continued advancing of the project toward a final project design and decision to initiate production. Our aggressive plan to advance the project has already shown substantial and multiple benefits and we shall continue to proceed with our Q1 2016 programme.

A great deal of work remains to be accomplished to attain our final object of the decision to place Kun-Manie into production and to fund the construction of the project.

The above accomplishments would not have been possible without the full support, success and dedication of our ZAO Kun-Manie staff headed by our General Director Mr Anatoly Velma. We are already benefitting from our Russian team's activities in 2017 as they have once again fully set up the Company to complete another field season of drilling and onsite engineering activities with the transport of new record tonnages over our winter ice road.

For additional information and a more in-depth review of our 2016 results, our Chief Executive Officer, Mr Robin Young has provided significant detail on the successes of 2016 presented below.

### **Funding of Activities**

The aggressive two-year programme was established on the basis of the Crede CG III Ltd. ("Crede") placing in the total amount of £12.5 million (US\$ 18.75 million) to be delivered to the Company in five tranches at 90 day intervals. As at year end 2015, the Company reported available cash to be £6.4 million (US\$ 9.6 million). Entering the year, four of the five £2.5 million (US\$ 3.75 million) tranches remained to be settled providing an additional £10.0 million (US\$ 15.0 million) during 2016. Given the 1 January 2016 cash position and scheduled delivery of an addition £10.0 million (US\$ 15.0 million) via the Crede placing, a total projected cash position of £16.4 million (US\$ 24.6 million) was available covering the two-year period of 2016 and 2017.

The budget to implement the aggressive two-year programme was estimated to require £13.3 million (US\$ 20.0 million) leaving approximately £3.0 million (US\$ 4.5 million) for coverage of the Group's administrative costs covering the two-year period. With a defined budget and funding commitments to cover the DFS programme,

the Company established a fast track plan to attain the DFS and implemented it in very early Q1 2016.

Two significant events occurred during 2016 which are now beginning to impact the compilation of the aggressive DFS plan. Firstly, on 23 June 2016, the UK voted to exit the European Union. This resulted in a substantial and rapid devaluation of the Pound Sterling reducing the cash available to the programme by 20%. Secondly, shareholders opted to discontinue the final two Crede tranches totalling £5.0 million (US\$ 7.5 million). The combination of these two events has resulted in a shortfall of approximately £7.8 million (US\$ 9.8 million) for completion of the DFS.

In response to these events, the Company has revisited all working relationships and initiated cost cutting measures by utilising a larger component of qualified Russian companies, entered negotiations with Chinese companies to reduce anticipated higher costs associated with western companies and undertaken substantial portions of the DFS work internally under the direction of independent qualified organisations that are a part of the DFS compilation plan. Presently, we will continue to advance the work on the DFS as aggressively as possible and are identifying specific aspects of the DFS which are not as critical to the determination of the economic viability of the project.

### **Financial Overview**

The Company remained debt free throughout the period with cash reserves of US\$ 8.2 million as at 31 December 2016.

In March 2016 and June 2016, the Company completed tranches 2 and 3 of the financing agreement entered into with Crede CG III Ltd ("Crede") in 14 December 2015 providing a further £5 million of funding. This is in addition to the £2.5 million provided in December 2015.

As part of the Crede financing agreement the Company issued 17m warrants in December 2015 and a further 24.5 million warrants for tranche 2 in March 2016 and 48 million warrants for tranche 3 in June 2016. During the period all 17 million warrants of tranche 1 and 10m warrants of tranche 2 were exercised leaving 62.5 million warrants outstanding as at 31 December 2016. In accordance with financial reporting requirements, the fair valuation of these remaining warrants as at 31 December 2016 is US\$ 3.3 million which must be reported as a financial liability at fair value through the profit and loss on the statement of financial position. After the year end, the remaining 14m of tranche 2 warrants were exercised on 28 April 2017.

In total the Company has spent US\$2.3 million on capital equipment during the period (US\$0.6 million for the same period in 2015) and US\$3.5 million on exploration costs (19,785 metres drilled) (US\$2.2 million in the same period in 2015) (5,821 meters).

The Company incurred an operating loss of US\$5.77 million (2015: US\$0.7 million). Administration costs for the year were US\$3.8 million (2015: US\$4.1 million) of which US\$1.4 million was attributable to Net Foreign Exchange losses. Employee costs, including Directors Fees, were US\$1.1 million (2015: US\$1.0 million) due to the strengthening of the Russian Rouble and the addition of Mr. Gazzard to the Company's board. There was no financial income earned for the year (2015: US\$2.2 million) as the Company had successfully completed the financing agreement with Lanstead Capital L.P in October 2015.

### **Key Non-Executive Board Additions**

To assist us with meeting the new challenges that await us in 2017 and into the future, we brought two new nonexecutive directors to the Board – Mr Paul Gazzard and Mr Ljupco Naumovski. These strategic appointments add addition experience and further strengthen the Board providing an increased breadth and depth of knowledge and experience which is essential in moving the Company forward.

Mr. Robert W. Schafer  
Non-Executive Chairman  
16 June 2016

Market Abuse Regulation (MAR) Disclosure

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.

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## CHIEF EXECUTIVE OFFICER'S OPERATIONAL SUMMARY

With pleasure, I present a detailed and comprehensive technical summary of our activities completed during year under review. As we began our move from an exploration based company into a preproduction scenario, 2016 was an extremely busy and successful year.

### 2016 – A Field Season of Records and First Accomplishments

The 2015 and 2016 field seasons were focused on resource expansion and the upgrade of Inferred resource to that of Indicated at MKF, our largest deposit. In addition, engineering field work required for inclusion in the planned operational design of the Kun-Manie nickel copper sulphide project was undertaken.

As a result of an early start to the field season (5 May 2016) and additional drilling capacity, the Company completed a record number of drill meters (19,785 metres) than the originally planned 15,000 metres of drilling at the MKF deposit. Infill and step out drilling as well as the acquisition of a bulk metallurgical sample were successfully completed resulting in a substantial expansion and upgrade of the Mineral Resource Estimate (“MRE”).

Globally, our accomplishments over the 2016 drill season included the following:

- A record tonnage of 500 tonnes of supplies, fuel, materials and newly purchased earthmoving equipment (including the newly purchased capital equipment) was transported over the Q1 2016 winter ice road in preparation for the season.
- Two newly purchased Caterpillar D9R dozers increased our total dozer fleet to five allowing for construction of 13.3 kilometres of drill roads and 82 drill pads. The acquisition of a Caterpillar 320D2L excavator substantially enhanced the ability for road construction in challenging areas of steep relief.
- The purchase of a new Boart Longyear LF-90 diamond core rig doubled our drilling capacity bringing our rig total to two. The LF-90 also provided us with the increased capability to drill deeper targets which our single LF-70 was not capable of reaching.
- During the 2016 season, a record total of 19,785 metres were drilled within 83 holes. This total was nearly triple our previous historical high of 7,201.9 metres completed in 2012 and nearly 5,000 metres more than planned for the 2016 season. Project wide drilled metres now total 58,084.3.
- A total of 63 holes expanded the MKF known mineralised limits of the resource with ore intersections averaging 0.73% nickel and 0.21% copper based on a COG of 0.2% nickel. Typical thicknesses of the mineralisation averaged 13.3 metres per mineral interval. Using the newly defined COG of 0.4% nickel, continuous mineable thicknesses were clearly identified in step out and infill drilling throughout the MKF deposit. Having an average interval thickness of 10.5 metres and averaging 0.88% nickel and 0.24% copper, these structures were determined to contain more than 75% of the MKF drill identified metal.
- At the end of the drilling season, 31 October 2016, the length of MKF had been expanded by 40% (900 metres) bringing MKF's total continuous length to 3,000 metres. At the eastern end, the final row of drill holes contain ore grade mineralisation indicating that potential resource expansion remains to the east possibly linking the MKF deposit to the Gorny deposit. Successful drilling in this area could result in linking MKF and Gorny providing for a total continuous orebody length of more than 5,000 metres.
- The current drill spacing along the entire 3,000 metre length of the MKF JORC resource to be classified as Indicated resource which is suitable for use in the determination of Mining Ore Reserve (“MOR”) along its entire drill defined length.
- A total of 21 drill holes were completed to acquire a bulk metallurgical sample totalling 7.4 tonnes for use in the determination of process plant flow sheet design and engineering as well as the completion of subsequent pyrometallurgical test work for the design of a flowsheet and the engineering of a furnace for the construction of an owner operated concentrate treatment facility to generate a low grade matte.
- Substantial resource expansion remains to be drill tested. This includes a 500 metre long segment between the eastern limit of MKF and Gorny. Successful drilling would result in the merge of MKF and Gorny creating a single deposit approaching nearly 5,000 metres in length. The second largest target is located between IKEN and KUB and immediately to the east of KUB. The total untested target is nearly 3,500. Successful drilling of these targets would link IKEN and KUB creating a single deposit approaching a total length of 5,500 metres.
- Geophysical surveys were completed in the vicinity of the planned processing plant location for the identification of subsurface water sources for use in processing of the ore and to identify potable water



MKF													
Measured													
Indicated	57.5	0.77	0.22	0.015	0.15	0.16	1.05	445	124	8.9	8.8	9.3	602.5
<b>M+I</b>	<b>57.5</b>	<b>0.77</b>	<b>0.22</b>	<b>0.015</b>	<b>0.15</b>	<b>0.16</b>	<b>1.05</b>	<b>445</b>	<b>124</b>	<b>8.9</b>	<b>8.8</b>	<b>9.3</b>	<b>602.5</b>
Inferred	3.4	0.80	0.22	0.017	0.16	0.15	1.06	27	7	0.6	0.5	0.5	36.2
<b>MKF TOTAL</b>	<b>60.9</b>	<b>0.78</b>	<b>0.22</b>	<b>0.015</b>	<b>0.15</b>	<b>0.16</b>	<b>1.05</b>	<b>472</b>	<b>131</b>	<b>9.5</b>	<b>9.3</b>	<b>9.8</b>	<b>639.3</b>
IKEN													
Measured	10.1	0.66	0.18	0.011	0.21	0.25	0.94	67	18	1.1	2.1	2.5	94.6
Indicated	6.3	0.61	0.14	0.011	0.20	0.25	0.87	39	9	0.7	1.2	1.6	54.7
<b>M+I</b>	<b>16.4</b>	<b>0.65</b>	<b>0.05</b>	<b>0.003</b>	<b>0.06</b>	<b>0.25</b>	<b>0.91</b>	<b>106</b>	<b>27</b>	<b>1.8</b>	<b>3.3</b>	<b>4.1</b>	<b>149.3</b>
Inferred	4.7	0.84	0.20	0.016	0.19	0.23	1.14	40	9	0.8	0.9	1.1	53.9
<b>IKEN TOTAL</b>	<b>21.1</b>	<b>0.69</b>	<b>0.17</b>	<b>0.012</b>	<b>0.20</b>	<b>0.25</b>	<b>0.96</b>	<b>146</b>	<b>36</b>	<b>2.6</b>	<b>4.2</b>	<b>5.2</b>	<b>201.8</b>
KUB													
Measured													-
Indicated	3.6	0.87	0.21	0.016	0.18	0.19	1.17	31	8	0.6	0.6	0.7	41.6
<b>M+I</b>	<b>3.6</b>	<b>0.87</b>	<b>0.01</b>	<b>0.001</b>	<b>0.01</b>	<b>0.20</b>	<b>1.17</b>	<b>31</b>	<b>8</b>	<b>0.6</b>	<b>0.6</b>	<b>0.7</b>	<b>41.6</b>
Inferred	10.9	0.74	0.20	0.015	0.16	0.14	1.00	81	22	1.7	1.7	1.5	109.5
<b>KUB TOTAL</b>	<b>14.5</b>	<b>0.77</b>	<b>0.20</b>	<b>0.016</b>	<b>0.16</b>	<b>0.15</b>	<b>1.04</b>	<b>112</b>	<b>30</b>	<b>2.3</b>	<b>2.3</b>	<b>2.2</b>	<b>149.5</b>
VOD													
Measured	0.6	0.74	0.22	0.012	0.29	0.32	1.16	5	1	0.1	0.2	0.2	7.1
Indicated	3.2	0.85	0.21	0.017	0.16	0.16	1.13	27	7	0.5	0.5	0.5	35.8
<b>M+I</b>	<b>3.8</b>	<b>0.85</b>	<b>0.01</b>	<b>0.001</b>	<b>0.01</b>	<b>0.19</b>	<b>1.13</b>	<b>32</b>	<b>8</b>	<b>0.6</b>	<b>0.7</b>	<b>0.7</b>	<b>42.9</b>
Inferred	1.0	0.81	0.22	0.016	0.17	0.16	1.07	8	2	0.2	0.2	0.2	11.1
<b>VOD TOTAL</b>	<b>4.8</b>	<b>0.83</b>	<b>0.21</b>	<b>0.016</b>	<b>0.18</b>	<b>0.18</b>	<b>1.12</b>	<b>40</b>	<b>10</b>	<b>0.8</b>	<b>0.9</b>	<b>0.9</b>	<b>54.0</b>
TOTAL													
Measured	10.7	0.67	0.18	0.011	0.21	0.25	0.95	72	19	1.2	2.3	2.7	101.7
Indicated	70.5	0.77	0.21	0.015	0.16	0.17	1.04	542	148	10.7	11.1	12.1	734.6
<b>M+I</b>	<b>81.2</b>	<b>0.76</b>	<b>0.29</b>	<b>0.021</b>	<b>0.23</b>	<b>0.18</b>	<b>1.03</b>	<b>614</b>	<b>167</b>	<b>11.9</b>	<b>13.4</b>	<b>14.8</b>	<b>836.3</b>
Inferred	20.1	0.77	0.20	0.016	0.17	0.16	1.05	156	40	3.3	3.3	3.3	210.6
<b>TOTAL</b>	<b>101.3</b>	<b>0.76</b>	<b>0.20</b>	<b>0.015</b>	<b>0.17</b>	<b>0.18</b>	<b>1.03</b>	<b>770</b>	<b>207</b>	<b>15.2</b>	<b>16.7</b>	<b>18.1</b>	<b>1,044.5</b>

**Factors in the Determination of the Nickel Equivalent Grade  
1 February 2017 Metal Pricing**

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

Key observations include the following:

- The thicknesses of the MRE resource zones range from a minimum of 3.0 metres to more than 60 metres and represent mineable thicknesses for both open pit and underground production methods.
- The global Kun-Manie MRE is now defined to be comprised of 101.3 million mineralised tonnes having a nickel equivalent ("Ni Eq") grade of 1.03%. Containing more than 1.0 million nickel equivalent tonnes, the nickel equivalent grade has been increased by 38% from the 1 January 2016 MRE 0.74% Ni Eq grade.
- By commodity, the global average grade of nickel is 0.76% (an increase of 40% from 0.54%), copper is 0.20% (an increase of 33% from 0.15%), cobalt is 0.015%, platinum is 0.17 g/t and palladium is 0.18 g/t. Approximately 85% of the metal value is attributable to the combination of nickel and copper. The remaining 15% is attributable to cobalt, platinum and palladium. Minor gold and silver is also present and have not been estimated or reported.
- The Company focuses on drilling resources possessing a high probability of being converted to that of a MOR. Presently, approximately 80% (81.2 million tonnes) is classified as Measured and Indicated resource. Averaging 1.03% nickel equivalent, a total of 836,300 nickel equivalent tonnes are contained within the Measured and Indicated resource which is targeted for MOR definition.
- The majority of the resource increase is the result of the highly successful MKF drill programmes of 2015 and 2016. MKF now contains 60.9 million mineralised tonnes having an average 1.05% nickel equivalent grade containing a total of 639,300 nickel equivalent tonnes. From 1 January 2016, the total contained nickel equivalent tonnage (all resource categories) within MKF has been increased by 61%.
- It is anticipated that the MKF deposit will be the deposit from which production will be initiated. This deposit has been drilled at a spacing allowing for the majority of the mineralisation to be classified as Indicated. The total Indicated MRE (convertible to MOR) for MKF now stands at 57.7 million tonnes of ore averaging 1.05% nickel equivalent containing 602,500 nickel equivalent tonnes. MKF contains 69% of the Measured and Indicated resource presently identified at Kun-Manie and its easternmost mineralised limits are not yet fully defined.

### **Mining Potential**

Using the 10 May 2016 MRE for MKF, RPM conducted a mining trade off study intended to verify the Company's conclusions that open pit and underground mining would result in a more optimal economic result. In late 2016 and prior to completion of the 2016 drill season and MRE update of 10 February 2017, it was confirmed by RPM that a combined open pit and underground operation was appropriate for consideration at MKF and that similar results could be derived at IKEN and KUB. Using all resource categories including Inferred, RPM identified that MKF could produce the following mining potential:

- A potential open pit and underground diluted mineable reserve totaling 44.5 million tonnes averaging 0.75% nickel and 0.19% copper along the 2,100 metre long deposit model (excluding the 900 metre extension identified by the 2016 drill results). The total tonnes of mined nickel were projected to be in the order of 332,200 with copper totaling 83,500 recovered copper tonnes. Based on a COG of 0.2% nickel, more than 87% of the total 2,100 metre long resource was considered to be mineable by the combination of open pit and underground mining.
- Open pit production from MKF would be derived from three small open pits extracting the near surface ore within the western area of MKF. From these pits, production was projected to be 12.85 million ore tonnes averaging 0.63% nickel and 0.18% copper per ore tonne. A total of 43.7 million tonnes of waste resulted in a stripping ratio of 3.4 tonnes of waste per mined ore tonne. A total of 29% of production would be derived by open pit mining.
- Using an underground long hole retreat mining method and West Australia mining costs which are anticipated to be substantially higher than Russian production costs, a total of 31.7 million tonnes of ore were indicated for production and the average mined ore grades are projected to be in the order of 0.79% nickel and 0.19% copper. The underground production component from MKF was estimated to represent 71% of the mining total.
- The RPM mining trade of study on MKF represents a substantial upgrade over the Company's Preliminary Economic Analysis ("PEA") wherein a total of 45.5 million tonnes of ore were projected to be mined at an average grade of 0.53% nickel (approximately 241,000 nickel tonnes) and 0.15% copper (approximately 69,300 tonnes). The newly defined RPM mining potential recovers an additional 91,000 tonnes of nickel (38% increase) and an additional 14,200 tonnes of copper (20% increase). The additional metal is derived from increased mining grades as the PEA and RPM studies indicate nearly

the same projected mineable tonnage.

MKF Production Parameters	PEA Study (1 January 2016 MRE)	RPM Study (10 May 2016 MRE)
Total mineable reserves	45.5 million tonnes	44.5 million tonnes
Total tonnes of mineable nickel	241,000 tonnes	332,200 tonnes
Average nickel grade	0.53%	0.75%
Total tonnes of mineable copper	69,300 tonnes	83,500 tonnes
Average copper grade	0.15%	0.19%
Underground production	28.1 million tonnes	31.7 million tonnes
Open pit production	17.4 million tonnes	12.9 million tonnes

- The indicative results for the MKF mining trade off study are considered to be conservative. The RPM analysis did not include any of the 2016 drill results which have substantially increased the resource size and grade. In addition, the majority of the MKF resource is now considered to be Indicated by JORC category and is considered to be suitable for inclusion in the estimation of the MOR. Finally, the RPM analysis utilised West Australia mining costs and not Russian based unit costs which are substantially lower and could further expand the mining potential by lowering the COG in the underground resource category.
- The RPM study confirms the Company's conclusion that underground mining is likely viable and represents a substantial basis for identification of higher grade ores suitable for generating greater operating profits per ore tonne. The planned compilation of the MOR will include similar trade off studies for the deposits of MKF, IKEN, and KUB. The newly defined models of 10 February 2017 will be utilised for determination of the MOR based on audited operating costs.

### Metallurgical Advances

During 2016, SGS completed bench scale test work on a series for samples from KUB and Flangovy to define the final set of grade recovery curves for each of these two deposits at Kun-Manie. Results confirmed:

- The comprehensive results confirmed that metallurgical recoveries increase with increasing grades at all deposits. Not being optimised tests, the results were considered to be conservative but suitable for use in the determination of potential recoveries.
- As defined by SGS Minerals, recoveries generally decrease from west to east and vary by deposit due to the nickel silica (which is unrecoverable nickel) content.
- Globally, the grade recovery curves indicated a single concentrate would contain from 8.8% to 12.0% combined nickel and copper. Nickel recoveries would vary from 61% to 83% with copper recoveries varying from 77% to 91%. The recoveries are dependent on the grade of the ore delivered to the mill. Higher grade nickel and copper ores display higher recoveries. Recoveries of by-product metal will range from 50% to 65% for cobalt, platinum and palladium.
- The MRE update indicates that higher grades will be mined than originally anticipated on 1 January 2016 which will have higher recoveries.

As bench scale test work is based on smaller samples and is often not fully optimised, the Company undertook the first large scale metallurgical test of the MKF ores. Completed by Gipronickel Institute ("Gipro"), a subsidiary of Norilsk Nickel, a 443.9 kilogramme bulk sample averaging 0.70% for nickel and 0.17% for copper was tested.

Results indicated the following:

- Metallurgical recoveries of 80.6% for nickel, 83.8% for copper, 61.4% for cobalt, 59.6% for platinum, 82.3% for palladium, 63.7% for gold and 70.5% for silver were identified.
- The Gipro results are more reflective of the actual production process.
- The final concentrate grades were projected to be 8.58% for nickel, 2.10% for copper, 0.15% for cobalt, 1.26 g/t for platinum, 1.91 g/t for palladium, 0.6 g/t for gold, and 7.82 g/t for silver.
- An improved mass pull of less than 7% was identified. The Gipro mass pull indicates that a total of 394,000 tonnes of concentrate will be generated from 6.0 million mined ore tonnes. This is a reduction from the previously identified 420,000 tonnes of concentrate and could result in a potential savings to the initial capital expenditure related to the construction of the concentrate treatment facility where a low grade matte is to be produced. Additional reduction in the transport fleet may be possible as the total

concentrate tonnage is approximately 26,000 fewer tonnes than previously planned for transport from the mine to our Ulak station along the BAM rail line.

During 2016, a 7.4 tonne bulk metallurgical sample collected by core drilling was obtained for the next phase of metallurgical test work. From this sample, multiple analyses will be conducted to determine the final flow sheet design and engineering of the process plant. Metal recoveries and the composition of the concentrate will be determined to allow for determination of the quality of the concentrate and its impact on any commercial off take agreements that may be established. In addition, the pyrometallurgical characteristics of the concentrate must be defined for use in the evaluation and design of a company owned furnace intended to generate a low grade matte.

### **Hydrological Assessment**

During 2016, the first phase of work was completed to identify subsurface water sources for use in the treatment of ore during processing. Geophysical surveys were completed in the vicinity of the planned processing plant location for the identification of subsurface water sources for use in processing of the ore and to identify potable water sources to support a 1,000 staff operation. Specific water well locations were identified and are planned for drilling during the 2017 field season. In addition, the acquisition of field data was completed during the winter season to establish the amount of available water from the Maya River located to the south of the planned plant location. Potable water sources will also be drilled during 2017 which will be required by site personnel once operations are begun.

### **Access Road**

During the 2016 field season, three previously identified access road routes were inspected in the field by a qualified road engineer allowing for identification of the preferred access road route. Totalling approximately 320 kilometres in length, selection of the preferred preliminary route also included the identification of potential sources of road construction materials. A four kilometre wide corridor centred on the anticipated route has been topographically mapped including detailed information of river and stream drainages necessary for bridge and water crossing design work.

Staged work is planned for the finalisation of the road route, its design and detailed cost to construct. The first phase is the identification of the route followed by a field inspection wherein geological and hydrological hazards will be identified allowing for final route designation and preliminary costing for capital expenditures and operating costs. This work will be followed by the acquisition of geotechnical and hydrological data gathering allowing for a final detailed design to be completed including the road and bridging requirements. The road will be classified as a Technical Road (gravel surfaced) having an 8 to 10 metre operating surface. As this is a Technical Road it will be owned and maintained by the Company.

This is an infrastructure project and therefore is considered to be suitable for financing via the Far East and Baikal Region Development Fund ("FEDF"). Such funding of similar infrastructure projects has historically been implemented through low interest loans. It is also important to note that the Company is also considering the use of UK based bridges and should the total cost of the road (or major sections) exceed 20%, additional low interest funding may also be available via the UK Export Finance and Department of International Trade ("UKEF"). The Company is in discussions with FEDF and the UKEF regarding potential funding assistance.

### **Outlook**

The 2017 field programme includes 10,000 metres of planned resource drilling at KUB and 5,000 metres of planned resource drilling at IKEN. Sufficient supplies for 20,000 metres have been delivered to the project site. The objectives at KUB is the conversion of a 10.9 million tonne Inferred resource block to Indicated, step drilling and the acquisition of metallurgical bulk sample. For IKEN it is planned to undertake step out drilling in the direction of KUB and to also collect a bulk metallurgical sample.

Mr R Young  
Chief Executive Officer  
16 June 2017

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2016**

	<b>2016 US\$'000</b>	<b>2015 US\$'000</b>
<b>Non-current assets</b>		
Exploration and evaluation assets	17,167	11,513
Property, plant and equipment	2,736	649
	<u>19,903</u>	<u>12,162</u>
<b>Current assets</b>		
Inventories	756	512
Other receivables	768	1,230
Cash and cash equivalents	8,199	9,613
	<u>9,723</u>	<u>11,355</u>
<b>Total assets</b>	<u>29,626</u>	<u>23,517</u>
<b>Current liabilities</b>		
Trade and other payables	416	539
Derivative financial liabilities	3,295	370
	<u>3,711</u>	<u>909</u>
Net current assets	<u>6,012</u>	<u>10,446</u>
<b>Non-current liabilities</b>		
Rehabilitation provision	166	139
<b>Total liabilities</b>	<u>3,877</u>	<u>1,048</u>
<b>Net Assets</b>	<u>25,749</u>	<u>22,469</u>
<b>Equity</b>		
Share capital	60,293	54,093
Share premium	4,904	5,648
Foreign currency translation reserve	(12,427)	(15,310)
Share options reserve	3,575	3,907
Retained deficit	(30,596)	(25,869)
<b>Total equity</b>	<u>25,749</u>	<u>22,469</u>

The financial statements were approved by the Board of directors and authorised for issue on 16 June 2017 and were signed on its behalf by:

Mr B Savage  
Director

Mr R Young  
Director

**CONSOLIDATED INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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	<b>2016 US\$'000</b>	<b>2015 US\$'000</b>
Administrative expenses	(3,768)	(4,114)
<b>Operating loss</b>	(3,768)	(4,114)
Finance income	4	2,224
Fair value movements on derivative financial instruments	(2,007)	1,184
<b>Loss before taxation</b>	(5,771)	(706)
Income tax expense	-	-
<b>Loss for the year attributable to owners of the parent</b>	(5,771)	(706)
<b>Loss per share</b>		
Basic and diluted	US\$(0.011)	US\$(0.002)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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	<b>2016 US\$'000</b>	<b>2015 US\$'000</b>
<b>Loss for the year</b>	<u>(5,771)</u>	<u>(706)</u>
<b>Other comprehensive income items that may be reclassified to profit or loss</b>		
Exchange differences on translation of foreign operations	<u>2,883</u>	<u>(3,463)</u>
<b>Total other comprehensive income for the year</b>	<u>2,883</u>	<u>(3,463)</u>
<b>Total comprehensive income for the year attributable to owners of the parent</b>	<u>(2,888)</u>	<u>(4,169)</u>

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016	2015
	US\$'000	US\$'000
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	<u>(2,210)</u>	<u>(3,090)</u>
<b>Net cash outflow from operating activities</b>	(2,210)	(3,090)
<b>Cash flow from investing activities</b>		
Payments for exploration expenditure	(2,863)	(2,141)
Payments for property, plant and equipment	(1,670)	(610)
Interest received	<u>4</u>	<u>-</u>
<b>Net cash used in investing activities</b>	(4,529)	(2,751)
<b>Cash flow from financing activities</b>		
Proceeds from issue of shares (net of issue costs)	6,589	3,618
Cash received from settlement of derivative financial asset	<u>-</u>	<u>10,789</u>
<b>Net cash generated from financing activities</b>	<u>6,589</u>	<u>14,407</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(150)	8,566
Cash and cash equivalents at beginning of year	9,613	1,389
Effect of foreign exchange rates	<u>(1,264)</u>	<u>(342)</u>
Cash and cash equivalents at end of year	<u><u>8,199</u></u>	<u><u>9,613</u></u>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Share capital	Share premium	Foreign currency translation reserve	Share options reserve	Retained deficit	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 January 2015	48,949	6,473	(11,847)	2,306	(25,163)	20,718
Loss for the year	-	-	-	-	(706)	(706)
Other comprehensive income for the year	-	-	(3,463)	-	-	(3,463)
Total Comprehensive income for the year	-	-	(3,463)	-	(706)	(4,169)
Issue of share capital	4,887	-	-	-	-	4,887
Equity settled share based payments	-	-	-	1,691	-	1,691
Costs associated with issue of share capital	-	(825)	-	-	-	(825)
Exercise of options	257	-	-	(90)	-	167
Balance at 31 December 2015	54,093	5,648	(15,310)	3,907	(25,869)	22,469
Loss for the year	-	-	-	-	(5,771)	(5,771)
Other comprehensive income for the year	-	-	2,883	-	-	2,883
Total Comprehensive income for the year	-	-	2,883	-	(5,771)	(2,888)
Issue of share capital	6,185	-	-	-	-	6,185
Equity settled share based payments	-	-	-	712	-	712
Costs associated with issue of share capital	-	(744)	-	-	-	(744)
Exercise of options	15	-	-	(14)	14	15
Options expired	-	-	-	(1,030)	1,030	-
Balance at 31 December 2016	60,293	4,904	(12,427)	3,575	(30,596)	25,749

## 1. BASIS OF PREPARATION

### a) Statement of compliance

The financial statements have been presented in thousands of United States Dollars and prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS). The principal accounting policies adopted in the preparation of the financial statements are set out in note 3 to these financial statements. The policies have been consistently applied to all the years presented, unless otherwise stated.

### b) Going concern

These consolidated annual financial statements are prepared on a going concern basis.

The Group operates as a natural resources exploration and development company. To date, the Group has not earned significant revenues and is considered to be in the exploration stage. In May 2015 the 20 year 'Detailed Exploration and Production Licence' was issued to the Company's wholly owned subsidiary, ZAO Kun-Manie. The production licence expires on 1 July 2035.

The Directors have prepared cash flow projections to December 2018 which indicates that the Group has sufficient funds to cover its recurring expenditure, budgeted exploration programmes and capital commitments. Should any unforeseen cash demands arise the Directors consider that further funds could be raised or action could be taken to reduce the cost base in a timely fashion. The Directors therefore consider that it is appropriate to prepare the financial statements on a going concern basis.

### c) Loss per share

Basic and 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 the total of 95.3 million (2015: 56.6 million) of potential ordinary shares have therefore been excluded from the following calculations:

	<b>2016</b> <b>US\$'000</b>	<b>2015</b> <b>US\$'000</b>
<b>Number of shares</b>		
Weighted average number of ordinary shares used in the calculation of basic earnings per share	547,940,724	436,576,884
Net loss for the year from continued operations attributable to equity shareholders	(5,771)	(706)
<b>Loss per share for continuing operations</b>		
Basic and diluted earnings per share	US\$(0.011)	US\$(0.002)

### d) Events after the reporting date

On 6 January 2017 the Company appointed Mr Lou Naumovski to the Board as a Non-Executive Director, effective 2 January 2017.

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

On 30 January 2017 the Company issued 500,000 new ordinary shares to Jett Capital Advisors LLC

following the exercise of warrants at an exercise price of 4.68 pence per new ordinary share.

## **Annual Accounts**

Copies of the Group's Annual Accounts will be posted to the shareholders today and are available for download from the Company's website at [www.amurminerals.com](http://www.amurminerals.com).

## **Notes to Editors**

The information contained in this announcement has been reviewed and approved by the CEO of Amur, Robin Young. Mr. Young is a Geological Engineer (cum laude) and is a Qualified Professional Geologist, as defined by the Toronto and Vancouver Stock Exchanges and a Competent Person for the purposes of the AIM Rules for Companies.

## **Glossary**

### **DEFINITIONS OF EXPLORATION RESULTS, RESOURCES & RESERVES EXTRACTED FROM THE JORC CODE: (December 2012) ([www.jorc.org](http://www.jorc.org))**

A 'Mineral Resource' is a concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.

An 'Inferred Mineral Resource' is that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability.

An 'Indicated Mineral Resource' is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed.

A 'Measured Mineral Resource' is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and/or grade continuity.

An 'Ore Reserve' is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified. Ore Reserves are sub-divided in order of increasing confidence into Probable Ore Reserves and Proved Ore Reserves.

