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AMUR MINERALS CORPORATION
(AIM: AMC)

Removal of Nickel and Copper Export Tax Enhances Metallurgical Options

Amur Minerals Corporation (“Amur” or the “Company”), the nickel copper exploration and development company focused on base metal projects located in the far east of Russia, is pleased to announce that the Russian Federation has eliminated the export taxes (“ExT”) on intermediate product nickel (5%) and copper (10%). The elimination of the tax opens the door to added operational trade off studies specifically related to the generation of a final saleable nickel and copper product at the Kun-Manie Project. This is the third financial incentive package recently implemented by the Russian government and the Ministry of Economic Development, all of which directly and favourably reduce the cost of recovering nickel and copper.

Highlights:

- The current operational design for the Kun-Manie Project is comprised of generating a single nickel and copper concentrate and having it contract smelted in either Russia or China. Presently, the average annual nickel and copper production is projected to be 15,900 tonnes of nickel and 4,300 tonnes of copper being delivered to a smelter.
- In 2010, the Russian Federation imposed an export tax of 5% for nickel, equating to 793 tonnes of the nickel production per year. The copper export taxation portion per annum was projected to be 430 tonnes.
- The export tax was specific to intermediate products consisting of saleable matte or owner operated smelter products. The impact of the export tax was an increase in the operating costs related to any near final product produced on site.
- Removal of the export tax will substantially improve project economics of the Kun-Manie Project and improves the economic potential for the Company to produce an internationally saleable nickel copper matte or owner operated smelter product. The improved economics could result in an improved financial model allowing the Company to produce a lower cost final product.
- Using 29 May 2014 metal prices of US \$18,734 per tonne (\$8.50 per pound) for nickel and US \$6,064 per tonne (\$3.16 per pound) of copper and the generation of a final on site product, the average annual export tax cost saving could be in the order of US \$17.9 million for the Kun-Manie Project. This reduction represents a substantial improvement in the EBIT (“Earnings Before Interest and Tax”). The Life Of Mine (“LOM”) undiscounted revenue increase could be as much as US \$230 million.

The elimination of the export taxes for both nickel and copper has been implemented by the subcommittee on customs and tariff regulation of the Ministry of Economic Development (“MED”). This has been done two years in advance of the planned reduction negotiated between the Russian Federation and the World Trade Organisation (“WTO”) wherein the removal of the export tax was scheduled for implementation in 2016 as a part of Russia’s full admittance to the WTO.

The base case operational design of the Kun-Manie Project is to generate a single nickel and copper bearing concentrate for transshipment to a contract smelter which is high in cost and for which there is a substantial metal payment. Concentrate is not considered to be an intermediate product and was therefore not taxable as an export commodity.

Alternatively, the metallurgical test work completed by SGS Minerals (“SGS”) indicates that a final matte and / or smelter product could be generated by the Company. The final products of these two options were export taxable and were therefore economically penalised by the tax. Removal of the export tax both reduces the operating cost per tonne and provides additional international markets for the sale of the final product to be produced by Amur.

The elimination of the export tax could add as much as US \$230 million over the current LOM production cycle.

The Company is presently in the final stages of updating its mine production cycle using the most recently reported resources and the pro-forma cash flow model will subsequently be updated. With the new production schedule based on Q1 2014 updated operating and capital cost estimates, improved metallurgical recoveries and the three newly implemented financial incentive programmes initiated by the Russian Federation, the financial potential of the project could be substantially increased over that reported in the past.

The elimination of the export tax in conjunction with the reduction of the Profits Tax (“PT”) and Mineral Resources Extraction Tax (“MRET”) have a compounding positive impact on the Kun-Manie Project economics. The table below presents a comparison of the current incentive programmes versus that of the programmes in place in 2007 when the SRK Consulting Prefeasibility Study (“PFS”) was produced. These newly implemented programmes are presently being utilised in the update of the PFS which the Company is near completing and will provide in due course.

Year	Current incentive programmes					Current and Figures used in 2007 PFS
	1 - 2	3 - 4	5 – 6	7 - 8	9 - 10	
PT	0.0%	0.0%	5.0%	10.0%	10.0%	24.0%
MRET	0.0%	1.6%	3.2%	4.8%	6.4%	8.0%
ExT	0.0%	0.0%	0.0%	0.0%	0.0%	5% (Ni) – 10% (Cu)

Robin Young, CEO of Amur Minerals Corporation, commented:

“The implementation of a third financial incentive related specifically to the development of mineral projects within Russia supports the fact that foreign investment is being encouraged by the country. An incentive such as this also opens the door to additional considerations that could well continue to improve the economic and technical potential of the Kun-Manie Project. This is nearly a quarter of a billion dollar incentive package over the life of the mine. Given the fact that the Directors believe the mining resource could increase significantly, this could reap an even larger benefit.”

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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.

Discussion

The Kun-Manie exploration licence area is approximately 950 km² and is located 700 km northeast of the city of Blagoveshchensk located on the Chinese border. Amur commenced seasonal field work on the licence in 2004 and issued a JORC compliant statement covering the three deposits of Maly Kurumkon, Vodorazdelny and Ikenskoe in 2007.

Since 2007, exploration and drilling has been conducted on an ongoing basis and an updated resource estimate has been compiled in two stages wherein resources are reported from five deposits located along the prolific Kurumkon Trend.

The five deposits contain a total Measured, Indicated and Inferred resource of 120.8 million tonnes averaging 0.54% nickel and 0.15% copper. The total contained tonnage of nickel is estimated to be 650,600 tonnes with copper being 178,400 tonnes. This equates to 1.4 billion pounds of contained nickel and 0.4 billion pounds of copper. A total of 16.9 tonnes of platinum and 18.0 tonnes of palladium are also present as by product metals. A total contained nickel equivalent is indicated to be 830,000 tonnes using 2 December 2013 metal prices. Metal prices utilised to determine the nickel equivalent value were US\$13,378 per tonne for nickel, US\$7,009 per tonne for copper, US\$1,350 per ounce for platinum and US\$714 per ounce for palladium.

The estimation of the resource has been compiled by SRK Consulting (UK) Ltd (“SRK”) using geostatistical methods and has been reported using the JORC Code.

Further, SRK has undertaken sufficient work, inclusive of a series of pit optimisation studies to determine that all of the reported resource has reasonable prospects for eventual economic extraction. A detailed summary of the SRK resource estimate is presented at the end of this announcement. The summary provides information by deposit and resource category as set forth by JORC resource reporting standards. By deposit, a brief summary follows:

- **Kubuk:** Drilling was initiated for the first time during the 2013 field season. The present drill configuration and results on this deposit indicates that step out drilling could expand the size of this deposit in the dip direction and up to a kilometre to the east where trenching has exposed mineralisation. The resources within Kubuk are presently classified as Inferred resources. A total of 20.6 million tonnes of mineralisation are estimated to be present containing an average nickel grade of 0.58% and an average copper grade of 0.16%. This equates to approximately 118,900 tonnes of contained nickel and 32,900 tonnes of copper.

- Gorny: Before 2013, no resource had been reported to be present at Gorny. This deposit was discovered after the 2007 prefeasibility study was completed by SRK. All resources contained within this deposit are classified as Inferred and there is potential to expand the resource as the limits of mineralisation have not yet been defined to the east, west or down dip.
- Maly Kurumkon / Flangovy: In-fill and step out drilling immediately to the east of Maly Kurumkon has been completed since 2007. The in-fill drill efforts at Maly Kurumkon have converted a portion of the previously Inferred resources to the higher confidence resource category of Indicated. The Indicated resource now stands at 21.8 million tonnes averaging 0.58% nickel and 0.16% copper. This represents an increase of more than 45% to the Maly Kurumkon Indicated resource category from 2007. Step out drilling immediately adjacent and east of Maly Kurumkon in the Flangovy area has confirmed that the Maly Kurumkon ore body extends for at least another kilometre eastward bringing the total deposit length to at least two kilometres. The step out drilling has resulted in a near doubling of the total resource tonnage and has added 157,700 tonnes of nickel bringing the total contained nickel at Maly Kurumkon / Flangovy to 294,200 tonnes making it the largest deposit drilled at Kun-Manie. Contained copper has also been more than doubled to 85,100 tonnes. The limits of the mineralisation have not been defined to the east, west or down dip.
- Vodorazdelny: In-fill drilling and extensive trenching has resulted in the definition of Measured resources for a portion of this deposit which was previously all classified as Indicated. The total resource now stands at 5.6 million tonnes having an average grade of 0.64% nickel and 0.17% copper. The deposit has been drilled on a sufficient density resulting in all resources being classified as Measured and Indicated. The potential for expansion of the resource in this area is limited.
- Ikenskoe / Sobolevsky: In-fill drilling and step out drilling to the south have resulted in a substantial conversion of Indicated Resources to the higher confidence class of Measured Resource. This in-fill drilling has now defined the Measured Resource to be 14.9 million tonnes where it was previously 3.7 million tonnes as defined in 2007. This is an increase of approximately 300%. Step out drilling to the south has identified a higher grade area of Inferred resources. Globally, the Ikenskoe deposit (plus the Sobolevsky extension to the south) now contains 177,700 tonnes of nickel and 43,800 tonnes of copper. There has been a net increase 15,000 tonnes of nickel over that reported in 2007. The potential for expansion of this resource exists as mineralisation remains open at depth and to the east toward Kubuk.

The modeling process also estimated metallurgical parameters including sulphur and magnesium oxide which impact smelter fees, a large cost centre if the Company is to contract smelt its anticipated concentrate. The creation of this geometallurgical model is a significant enhancement over previously reported JORC resource estimates as it allows the Company to conduct detailed assessment of various smelter schedules and hydrometallurgical processes.

The Company is in the process of undertaking further technical work to update its previous technical studies and facilitate producing a reserve statement in due course. This will incorporate newly estimated Q1 2014 updated capital and operating costs, the higher metallurgical recoveries derived in 2012 by SGS Minerals, and lower net profits tax. The study will also assess alternative power generation options, road design considerations and alternative considerations such as heavy lift zeppelins, and the potential of generating near final marketable product on site and the determination of specific metallurgical test work required to assess the final configuration of the operation.

JORC Resource Estimate – 2 December 2013
(zero cut off grade)

Orebody	Tonnage	Ni	Ni	Cu	Cu	Pt	Pt	Pd	Pd
	Mt	%	t	%	t	g/t	kg	g/t	kg
Kubuk									
Measured	-	-	-	-	-	-	-	-	-
Indicated	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-
Inferred	20.6	0.58	118,900	0.16	32,900	0.1	3,000	0.1	2,400
Total	20.6	0.58	118,900	0.16	32,900	0.1	3,000	0.1	2,400
Gorny									
Measured	-	-	-	-	-	-	-	-	-
Indicated	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-
Inferred	7.6	0.31	23,900	0.09	7,000	0.2	1,600	0.2	1,900
Total	7.6	0.31	23,900	0.09	7,000	0.2	1,600	0.2	1,900
Ikenskoe									
Measured	14.9	0.52	77,100	0.13	19,700	0.2	2,700	0.2	3,000
Indicated	7.7	0.39	29,800	0.10	7,800	0.1	1,100	0.2	1,300
Subtotal	22.6	0.47	106,900	0.12	27,500	0.2	3,800	0.2	4,300
Inferred	11.5	0.62	70,800	0.14	16,300	0.2	2,300	0.2	2,500
Total	34.1	0.52	177,700	0.13	43,800	0.2	6,100	0.2	6,800
Vodorazdelny									
Measured	0.8	0.57	4,700	0.17	1,400	0.3	200	0.3	200
Indicated	4.8	0.66	31,200	0.17	8,200	0.1	600	0.1	600
Subtotal	5.6	0.64	35,900	0.17	9,600	0.1	800	0.1	800
Inferred	-	-	-	-	-	-	-	-	-
Total	5.6	0.64	35,900	0.17	9,600	0.1	800	0.14	800
Maly Krumkon									
Measured	-	-	-	-	-	-	-	-	-
Indicated	21.8	0.58	126,100	0.16	34,900	0.1	2,400	0.1	3,000

Subtotal	21.8	0.58	126,100	0.16	34,900	0.1	2,400	0.1	3,000
Inferred	31.1	0.54	168,100	0.16	50,200	0.1	3,000	0.1	3,100
Total	52.9	0.56	294,200	0.16	85,100	0.1	5,400	0.1	6,100
Total Measured	15.8	0.52	81,800	0.13	21,100	0.2	2,900	0.2	3,200
Total Indicated	34.3	0.55	187,100	0.15	50,900	0.1	4,100	0.1	4,900
Sub-total	50.1	0.54	268,900	0.14	72,000	0.1	7,000	0.1	8,100
Total Inferred	70.7	0.54	381,700	0.15	106,400	0.1	9,900	0.1	9,900
Grand Total	120.8	0.54	650,600	0.15	178,400	0.1	16,900	0.1	18,000

Glossary

DEFINITIONS OF EXPLORATION RESULTS, RESOURCES & RESERVES EXTRACTED FROM THE JORC CODE: (December 2012) (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.