

9 May 2022

AMUR MINERALS CORPORATION
(AIM: AMC)

Proposed sale of the Kun-Manie Project for US\$ 105 Million

Amur Minerals Corporation ("Amur" or the "Company"), the nickel-copper sulphide mineral exploration and resource development company focused on the far east of Russia, announces that it, together with its wholly owned subsidiary Irosta Trading Limited ("Irosta"), has entered into a Share Purchase Agreement (the "SPA") for the sale of 100% of its interest in Irosta's wholly owned subsidiary, AO Kun-Manie ("AO KM" or "Kun-Manie"). For a total consideration of US\$105 million, Stanmix Holding Limited (the "Buyer" or "Stanmix") will purchase AO KM and the benefit of all amounts owed by AO KM to Amur under intra-group loans (the "Transaction"). AO KM is an exploration and mining company which holds the Detailed Exploration and Mine Production mineral licence for the Kun-Manie nickel-copper sulphide project located in Amur Oblast of the Russian Federation.

Highlights:

- The total consideration for the Transaction is US\$105 million to be completed in a series of payments. The Transaction consideration is payable in US\$.
- The divesture price represents premiums of 220% to the Company's market capitalisation of 5 May 2022 (£26.2 million) and 330% to the current Kun-Manie book value of US\$24.4 million as at 30 June 2021 in Amur's interim financials. The closing share price on 5 May 2022 was 1.91 pence per share.
- A Fair Market Value ("FMV") of AO KM was derived by Medea Natural Resources ("MNR") with a range from US\$106 million to US\$131 million based on an assessment of international transactions for similar sized nickel equivalent projects. Given current volatile market conditions, and that the project is located within Russia, the Transaction falls at the lower limit of the independently derived FMV.
- In addition to shareholder approval of the Transaction at a General Meeting scheduled for 25 May 2022, completion of the Transaction requires the approval by a newly created Russian Federation government commission per Order 81 dated 1 March 2022 (which specifically addresses change of control of western held assets) and the consent of the Federal Antimonopoly Service of Russia.
- The Company and its financial auditor ("BDO") now consider the Kun-Manie project to be an asset held for sale from an accounting perspective until a change of control is completed.

Payment Terms

The divestiture price of US\$105 million will be paid as follows:

- Consideration of US\$75 million payable by the Buyer to Amur as follows:
 - US\$15 million upon Completion of the Transaction (to occur within 60 days of signing the SPA);
 - US\$10 million within 12 months of the date of the SPA; and
 - US\$50 million within 48 months of the date of the SPA.
- Amur has also agreed to assign to the Buyer the benefit of all loans owed by Kun-Manie to Amur in consideration for US\$30 million, payable in ten annual installments of US\$3 million commencing on the anniversary of the date of completion in 2027.

Following the payment of the initial consideration of US\$15 million, all subsequent payments are supported by a personal guarantee by the controller of the Buyer. Once Kun-Manie enters production the obligations under this guarantee in respect of the US\$30 million payable in respect of loans may be assigned to Kun-Manie or any party that at that time holds its mining licence.

Use of Proceeds

The Company intends to use the proceeds from the payment obtained on Completion for an acquisition via a reverse takeover within six months of Completion. Funds from the Completion payment will be utilised to evaluate and acquire one or more projects located in mining friendly jurisdictions. It is anticipated that portions of the second and third payments (totaling US\$60 million) will be paid as dividends to the shareholders.

Robin Young, CEO of Amur, commented:

“I am delighted to announce the proposed sale of Kun-Manie to Stanmix Holding Limited for the total consideration of US\$105 million, representing a cash consideration of US\$75 million over four years and a further US\$30 million over 10 years commencing in 2027. The total consideration represents a 220% premium to the Company’s market capitalisation on 5 May 2022 and a 330% premium to the Kun-Manie book value. Additionally, Amur recently engaged with independent advisers with respect to the valuation of Kun-Manie which indicates that US\$105 million is a fair and reasonable price for the project.

“Stanmix Holding Limited is a company controlled by Vladislav Sviblov, a Russian entrepreneur and shareholder in a number of mining and industrial assets, including Highland Gold, one of the largest gold miners in Russia. He has also completed a number of major Russian mining M&A transactions and Stamnix Holding Limited is therefore well positioned to continue the development of Kun-Manie.

“The Board and I recommend that shareholders vote in favour of the sale at the General Meeting that will be held on 25 May 2022, as the total consideration represents a significant premium to shareholders compared to the current market capitalisation of the Company. Additionally, in order to move Kun-Manie into a development and production phase, significant further investment is required to be made, including significant expenditure on infrastructure and access roads and there is no guarantee that Amur will be able

to source and execute financing agreements to meet this required spend given the current volatile market. This also complicated the execution of this transaction.

“Following the sale, the Company will continue to be listed on AIM as a Rule 15 cash shell, providing the Board with the ability to identify future acquisition opportunities, in mining friendly jurisdictions, that have the potential to deliver value creation. Additionally, the Board anticipates that portions of the deferred consideration will be paid to shareholders as a dividend.”

Order 81 and Company Approvals

The Transaction is subject to certain conditions occurring within 60 days of the signing of the SPA (“Completion”) including:

- the dispatch of a shareholder circular (“Circular”) and approval of a resolution to complete the Transaction at a general meeting of the Company (“General Meeting”) scheduled for 25 May 2022;
- the approval under the commission created with regard to the Presidential Decree No. 81 dated 1 March 2022 having been granted on the terms required by applicable law, and not having been subsequently revoked, and such approval not being conditional upon any further actions or omissions by any party; and
- the consent of the Federal Antimonopoly Service of Russia or its relevant territorial department to the Transaction being granted and such consent not being conditional upon any further actions or omissions by any of the parties to the SPA.

Fair Market Value

An independent FMV analysis was compiled by MNR in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum on the Valuation of Mineral Properties (“CIMVAL”) Code for the Valuation of Mineral Properties. The evaluation was completed 4 February 2022).

Applying the principles of the CIMVAL Code, MNR has used various valuation methods to determine the value for the Project. The report looked at valuations of listed companies including resource multiples and also prices paid for comparable assets.

When assessing listed comparables, MNR examine the value of nickel in resources vs enterprise value, and also the Enterprise Value (“EV”) to Net Present Value (“NPV”) if the company in question had published the results of a technical study (Preliminary Economic Assessment, Preliminary Feasibility Study, Feasibility Study) where NPVs had been reported. When looking at M&A transactions and in order to obtain a reasonable number of comparables in the data set, it evaluated nickel, copper and zinc acquisitions estimated on a nickel equivalent basis. Using long term consensus pricing, assuming 100% relative payabilities, recoveries and JORC resource estimates for the data set, it defined the FMV based on the JORC Mineral Resource estimates for Kun-Manie.

Based on the 30 June 2021 Kun-Manie JORC resource estimate, MNR’s valuation range for the project is from US\$106 million to US\$131 million, with a preferred mid-point valuation of US\$118 million. Comparison of the FMV to the total cash offer consideration of US\$105 million, and based on similar international transactions related to nickel projects of the late exploration stage, the transaction of US\$105

million represents a discount to the midpoint FMV in the order of 11% and is attributable to the project being located within Russia.

Future Strategy and Special Dividend

The Transaction is a fundamental disposal pursuant to Rule 15 of the AIM Rules for Companies. A Circular containing full details of the Transaction will be published and notified by RNS and a General Meeting is expected to be held on 25 May 2022.

If the sale is approved by shareholders and completes in accordance with its terms (to occur within 60 days of signing of the SPA), the Company would become a cash shell in accordance with Rule 15 of the AIM Rules and retain cash balances of approximately US\$20 million after paying certain expenses and any taxes relating to the Transaction.

Following receipt of the first deferred consideration payment of US\$10 million, to be paid within one year of the date of the SPA, the Company intends to pay a special dividend to shareholders of the Company at that time. A further special dividend may be paid to shareholders of the Company following receipt of the second deferred consideration payment of US\$50 million, within four years of the date of the SPA. The Directors will determine the size of the special dividend at the relevant time. The Company has received tax advice that the Transaction is unlikely to attract capital gains or withholding tax. The Board proposes that the record date and payment date for the distribution of profits shall be no later than 90 days following receipt of each deferred consideration payment.

The Directors intend to seek to acquire another company or business in exchange for the issue of Ordinary Shares in a single transaction (a “reverse takeover”), subject to Shareholder approval. In considering the Company’s future strategy, the Board will seek to identify opportunities offering the potential to deliver value creation and returns to Shareholders over the medium to long-term in the form of capital and / or dividends.

The Company will be required to make an acquisition or acquisitions which constitute(s) a reverse takeover under AIM Rule 14 on or before the date falling six months from the completion of the Transaction, or be re-admitted to trading on AIM as an investing company under AIM Rule 8. Failing that, the Company’s Ordinary Shares would then be suspended from trading on AIM pursuant to AIM Rule 40. If the Company’s shares remain suspended for six months, admission of the Company’s shares will be cancelled.

As at end of H1 2021, the net asset value of the Company was US\$27 million.

About Stanmix Holding Limited

Stanmix Holding Limited is a Cyprus incorporated company controlled by Vladislav Sviblov. Mr Sviblov is a Russian entrepreneur and shareholder in some major mining and industrial assets including Highland Gold Mining, one of the largest gold miners in Russia which Mr Sviblov acquired in 2020. Mr Sviblov has previously completed two additional major M&A transactions, namely the acquisition of Trans-Siberian Gold in Kamchatka, and the assets of the Zoloto Kamchatki group. In April 2022, Highland Gold Mining entered into a definitive agreement to acquire the Russian assets of New York Stock Exchange-listed Kinross Gold Corporation.

Market Abuse Regulation (MAR) Disclosure

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the Company's obligations under Article 17 of MAR.

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For additional information on the Company, visit the Company's website, www.amurminerals.com.