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AMUR MINERALS CORPORATION
(AIM: AMC)

Kun-Manie Nickel – Copper Sulphide TEO Results
$333 Million $NPV_{10\%}$, 15.6% IRR

Amur Minerals Corporation ("Amur" or the "Company"), the exploration and resource development company, announces the completion of its TEO Project (a Russian feasibility level study) approved by the Russian Federation State Committee on Reserves ("GKZ") with regard to its Kun-Manie nickel copper sulphide project located in the Russian Far East.

Highlights:

- The TEO Project was compiled by Oreoll LLC ("Oreoll") and GKZ Russian Federation ("RF") certified experts from all project disciplines.

- The GKZ expert commission approved a 19 year open pit operational design with revenue generation derived from two saleable concentrates allowing for the recovery of payable values for both copper and nickel. Minor payable amounts for gold, platinum and palladium will also be recovered.

- The design parameters maximise revenue generation to the RF based on fully loaded taxation and royalty schemes. The total Net Present Value ("$NPV_{10\%}$") deliverable to the RF is projected to be US$ 628 million. This approach does not optimise the financial return to the project operator which is addressed during the next and final requirement of the DEMP, the mine planning stage.

- The GKZ commission reviewed Oreoll's submission. Necessary adjustments allowing for the identification and approval of operational parameters and considerations, associated capital / operating costs, the revenue generation from the sale of individual nickel and copper concentrates and selected commodity prices were defined. As a result of the expert evaluations, a Life of Mine ("LOM") cutoff grade ("COG") was defined to be 0.2% Ni. The annual nominal production rate of 12.4 million ore tonnes was selected.

- Lerchs Grossman open pit production analyses including mining loses and dilution indicate the average LOM ore production grades for delivery to the sulphide flotation plant will be 0.66% Ni, 0.18% Cu, 0.015% Co, 0.05 grammes per tonne ("g/t") Au, 0.90 g/t Ag, 0.14 g/t Pt and 0.14 gt/ Pd. The total cumulative LOM RF NAEN certified Reserve totals 187.1 million ore tonnes. Approximately 4.6 cubic metres ("m^3") of waste will be extracted per ore tonne.

- The total metal delivered from the mine to the processing plant will be 1.2 million nickel tonnes, 343 thousand copper tonnes, 25.5 thousand tonnes of cobalt, 25.7 tonnes of platinum, 26.5 tonnes of palladium, 9.0 tonnes of gold and 168.5 thousand tonnes of silver.

- The Oreoll and GKZ experts have determined the LOM capital cost estimate is US$ 1.92 billion with US$ 1.14 billion allocated as preproduction and construction costs, US$ 698 million in sustaining costs and US$ 85 million in working capital. The increase in the capital cost estimate from previously reported projections is attributable to the more than doubling of the previous annual operational capacity impacting the expansion of the open pit mining fleet, the addition of a copper recovery circuit within the process plant, tailings expansion, power plant requirements and the need to construct a dual carriage way access road capable of handling the increased mine support and concentrate transport needs. All capital expenditure sectors include contingencies specific to the project and its location.

- Operating costs per ore tonne are projected to be US$ 42.32 including ore and waste mining costs, depreciation and royalties.

- The LOM combined payable metals from the two concentrates total 627 thousand nickel tonnes, 177 thousand copper tonnes, 1.5 tonnes of gold, 3.3 tonnes of platinum and 3.5 tonnes of palladium. The payable metal schedules and all fees are based on confidential metal trading schedules provided by two reputable, recognised industry metals traders.

- Nickel and copper account for 95% of the LOM revenue obtained from the two intermediate nickel and copper intermediate concentrate products. The GKZ approved prices for the primary revenue generators of nickel and copper were US$ 14,468 per Ni tonne (US$ 6.56 per pound) and US$ 6,758 per Cu tonne (US$ 3.07 per pound). Minor credits were included for gold (US$ 58.90 / g), platinum (US$ 34.35 / g) and palladium (US$ 80.75 / g).

- For the 19 year production schedule, the $NPV_{10\%}$ is US$ 333 million with an Internal Rate of Return ("IRR") of 15.6%. The payback period for the 12.4 million ore tonne per year operation is projected to be 5.5 years.

Robin Young, CEO of Amur Minerals, commented:

"The TEO Project feasibility study results generated by the GKZ expert commission indicates the Kun-Manie operation should be scaled up to as much as 12.4 million ore tonnes per year for a 19 year open pit operation. This is a more than doubling of the previously anticipated capacity of 6.0 million ore tonnes per year.

"Given the current commodity prices for nickel and copper are substantially higher than the $6.56 per pound nickel and $3.07 per pound copper utilised in the TEO Project, there is substantial upside potential to enhance the GKZ commissions NPV10% of US$ 333 million and IRR of 15.6% financial results. The GKZ Project Feasibility Study did not include sensitivity analysis as related to metal prices which is typical of western studies. Today's approximate price of US$ 13.50 per pound nickel and US$4.25 per pound of copper support the of upside potential to improve the financial results.

"The Company also notes that the present geopolitical situation related to the Russian Federation will impact the Company's ability to develop Kun-Manie due to sanctions and restrictions implemented by the Federation. Sources for capital funding will likely be limited and western companies are no longer considering investment within Russia."

As a requirement of the terms and conditions of the Detailed Exploration and Mine Production Licence ("DEMP"), the RF GKZ has reviewed, adjusted and approved the Oreoll independently compiled RF feasibility study. All documentation has been registered with all appropriate local, state and federal agencies. Work was undertaken by RF experienced, licenced and certified individuals and organisations experienced in the evaluation of nickel copper sulphide projects.

It has been established that a 19 year open pit operation at an annual rate of 12.4 million ore tonnes should be implemented. Financial results have derived a NPV_{10}) of US$ 333 million and an IRR of 15.6%. A nickel price of US$ 14,468 per tonne (US$ 6.56 per lb) and a copper price of US$ 6,758 per tonne (US$ 3.07 per lb) were used in the RF feasibility study. The results provide the basis for the next phase required as a part of the DEMP where RF approved mine plans and designs are to be compiled.

The results have been determined by experts utilised by the RF certified company of Oreoll and the expert commission of the GKZ. The expert opinions confirm that it is appropriate to more than double the scale of the previously reported operation.

Keys elements driving the expert commission's approval for the expansion of the operation are based on NorNickel's wholly owned subsidiary (Gipronickel Institute) metallurgical test work, flowsheet and plant designs that confirmed two revenue generating intermediate concentrate products (nickel and copper) can be generated. This supercedes the previously understood design wherein a single all commodity bulk concentrate design was planned wherein only nickel was payable. Scaling up of the operation has required adjustments in most sectors of the operation and there is now the need to construct a dual carriage way access road between the mine site and Baikal-Amur ("BAM") rail station. The RF expert commission have also provided capital and operating costs for the 12.4 million ore tonne per annum production scenario.

AMC notes that Reserves reported herein are in accordance with Russian Reserve reporting standards (NAEN). JORC resources and reserves are not allowed for use in the definition or classification of Reserves in the RF. There are three Russian categories identified as B, C_1 and C_2. Those that are within an open pit (mineable) are reported as in-balance reserve whilst those not mined or below cutoff grade and within the pit are off-balance reserves. Per the Committee for Mineral Reserves – International Reporting Standards ("CRIRSCO"), RF and western resources / reserves (JORC) are somewhat correlative. In-Balance Russian B Reserves equate to JORC Proved with Russian C_1 and portions of C_2 approximating JORC Probable Reserves.

All USD values quoted herein are based on Russian Ruble derived estimates and have been converted at an exchange rate of 73 RUR per US$.

Company	*Nomad and Broker*	*Public Relations*
Amur Minerals Corp.	**S.P. Angel Corporate Finance LLP**	**BlytheRay**
Robin Young CEO	Richard Morrison Adam Cowl	Megan Ray Tim Blythe
+7 (4212) 75 56 15	+44 (0) 203 470 0470	+44 (0) 207 7138 3204

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

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.

Notes to Editors

The information contained in this announcement has been reviewed and approved by the CEO of Amur, Mr. Robin Young. Mr. Young is a Geological Engineer (cum laude), a Professional Geologist licensed by the Utah Division of Occupational and Professional Licensing, and is a Qualified Professional Geologist, as defined by the Toronto and Vancouver Stock Exchanges. An employee of Amur, previously Mr. Young was employed as an independent consultant with Fluor Engineers, Fluor Australia and Western Services Engineering, Inc. during which time his responsibilities included the independent compilation of resources and reserves in accordance with JORC standards. In addition, he was the lead engineer and participant of numerous studies and projects requiring the compilation of independent Bankable Studies utilised to finance small to large scale projects located worldwide. Mr. Young is responsible for the content of this announcement which includes information derived by Russian Federation mining experts under the employ of Ore0ll and the GKZ fully encompassing commission of experts.

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.

TEO Project - Технико-экономическое обоснование

As part of the terms and conditions of the DEMP licence, the compilation of a TEO Project (Feasibility Study) is required.

Requirements of both local permitting and international fundraising require increasing numbers of projects in Russia and CIS to carry out dual technical studies. The principal focus of Russian mining project design is to satisfy Russian regulatory requirements. However, the technical documents are not generally accepted by international banks for project finance outside Russia. Similarly, international study documents are not accepted for design and permitting in Russia. With the Kun-Manie project being located within Russia, the Company has focused on Russian required documentation and approvals.

The Russian design and permitting system is centered around two key statutory technical documents termed the TEO Konditsy and the TEO Project. These documents are subject to regulatory approval and are broadly equivalent to the international prefeasibility study and the feasibility study respectively. A comparison of study criteria suggests similar approaches are used for the main technical disciplines in project design by the time projects are at the point of construction, but there is divergence on environmental matters where the OVOS (Russian Environmental and Social Impact Assessment ("ESIA") equivalent) differs from an ESIA in some significant areas. The key differences relate to project footprint, level of technical detail required for baseline studies, level of public consultation, consideration and disclosure of information, labour, coverage of community and social issues and the preparation of a Social and Environmental Management System (SEMS).

It has been noted that the Russian Design Institutes often leave the detailed economic analysis until compilation of the TEO Project. A common problem is design teams tend to look for "technological solutions" without due concern for project economics. The end result of this can be mines that are overcapitalized and hence sub-optimal. It can be concluded that Design Institutes have the monopoly on Russian permitting reports. Similarly, Russian institutes generally do not prepare feasibility studies to international standards as established by western requirements, and this continues to be the case. Therefore, to achieve the requirements meeting both RF and western studies that have a significant overlap but are meant to obtain two unique results their is necessary for international consultants and Russian Design Institutes to cooperate on a joint work programme during the mine planning stage. Key issues ensuring the most appropriate final operation configuration must be considered throughout the next phase and that the environmental work programme covers the additional studies necessary for the ESIA should western financing be a part of the funding package.

The AMC compiled TEO Project includes all available operational details and economic assessment of the potential of Kun-Manie. This input will also be utilised in any subsequent international funding packages.

Resource and Reserve Determinants – West Versus Russian

Russia uses its own mineral reporting and classification system ("NAEN") which differs substantially in the calculation procedures used to compile the internationally (such as JORC) recognised resource / reserve classification systems. The Russian system divides mineral reserves into seven categories, in three major groups, based on the level of exploration performed. These are:

- Fully explored/ reserves (A, B, C1),
- Evaluated reserves (C2), and
- Prognostic/inferred resources (P1, P2, P3).

Computation of NAEN reserves follows a set of prescribed manual procedures established by the Ministry of Natural Resources of the Russian Federation.

The NAEN Code, was developed by the Society of Experts on Mineral Resources in close cooperation with the Russian State Commission of Reserves (GKZ). A CRIRSCO Public Reporting Template was updated in 2014 allowing for a comparison of the NAEN versus western codes. It currently provides Guidelines on the Alignment of Russian Minerals Reporting Standards and a mapping of the Russian and the CRIRSCO categorization of mineral resources and mineral reserves. For reporting in public disclosures related to western companies, it is recommended that the CRIRSCO proposed alignment guidelines on reporting exploration and mining results in public disclosures be utilised. The proposed "mapping" facilitates a comparison of the Russian classification categories of Resources and Reserves, used for state and corporate reporting as established by the GKZ (Categories A, B, C1, C2) to that of CRIRSCO categories which are more familiar to the western investor community.

The Russian classification system prescribes grid densities for drilling and trenching, based on the type of deposit, size, shape and complexity. Deposits demonstrating continuity scale with regard consistency of length, depth, thickness and grade variability require less dense drilling than a vein deposit would require. Huge amounts of lithological, mineralogical and geochemical data are interpreted and summarised in geological and technical-economic reports, filed at local and central state committees or directorates. The density of the drilling and level of detail of knowledge about the mineral prospect determines the "reserve category". After applying mining parameters such as cut-off grade, minimum mineable thickness of the ore body, maximum thickness of the included waste and minimum grade per mining unit (COG), the mineralised material is classified as fully explored and ready for mining development. Every geological and technical-economic report with resources or reserves is reviewed and must be approved by the GKZ technical experts committee on mineral resource and reserve evaluations. It is the committee's decision that a project has a significant amount of mineralised material to provide for the resource / reserve to be approved and included in the registerd mineral inventory of Russia and available to the Company for extraction.

One of the main differences between the CRIRSCO Reporting Standards and the classification systems for State Regulatory purposes is that CRIRSCO standards are non-prescriptive. The Competent or Qualified Person (CP or QP) for the project can design and implement exploration programs, following the best exploration practices, but having the freedom to choose appropriate exploration techniques, field activities and analyses. The Resource/Reserve estimation parameters and procedures are selected by the CP or QP with regard to the implementation of appropriate exploration programmes. The code does not recommend observation point density, drill hole spacing or any other metrics whilst the NAEN system is far more prescriptive and definitive.

Kun-Manie NAEN VS JORC

Over the seasonally limited exploration life at of Kun-Manie, the Company compiled numerous JORC resource statements as additional exploration data was accumulated. Though the JORC estimates were unacceptable for use in the RF reserve definition process, this approach provided the Company with the ability to report per the CRIRSCO guidelines that are more familiar to western investors. The most recent JORC estimates including all exploration results was compiled by RPM Global (30 June 2021).

The TEO Project compiled resource is based on the NAEN system which is required to advance a project into production. A comparison of the Kun-Manie JORC and NAEN results based on same exploration data sets is summarised below. Note, the comparison of results for the RPM Global JORC estimate is based on a 0.3% Ni COG whilst that of the NAEN estimate is based on the RF GKZ selected COG of 0.2% Ni.

NAEN (Russian) COG 0.2% Ni	Ore Mt	Ni %	Cu %	Ni T (1,000's)	Cu T (1,000's)	JORC COG 0.3% Ni	Ore Mt	Ni %	Cu %	Ni T (1,000's)	Cu T (1,000's)
Maly Kurumkon / Flangovy											
B	3.6	0.75	0.20	27.0	7.3	Measured	7	0.76	0.22	55	16
C1	35.0	0.74	0.21	258.7	72.3	Indicated	38	0.80	0.22	300	84
B+C1	**38.6**	**0.74**	0.21	**285.6**	**79.6**	**M+I**	**45**	**0.79**	**0.22**	**355**	**100**
C2	10.0	0.71	0.21	70.7	20.6	Inferred	3	0.79	0.23	24	7
TOTAL	**48.6**	**0.73**	0.21	**356.3**	**100.2**	**MKF TOTAL**	**48**	**0.79**	**0.22**	**380**	**110**
Ikenskoe / Sobolevskey /Kubuk											
B	4.1	0.64	0.17	26.0	7.3	Measured	11	0.70	0.19	77	21
C1	113.5	0.69	0.19	786.4	221.2	Indicated	88	0.74	0.21	650	180
B+C1	**117.7**	**0.69**	**0.19**	**812.3**	**228.5**	**M+I**	**99**	**0.74**	**0.20**	**727**	**201**
C2	16.0	0.58	0.17	92.9	27.0	Inferred	25	0.68	0.19	170	48
TOTAL	**133.7**	**0.68**	**0.19**	**905.2**	**255.6**	**ISK TOTAL**	**125**	**0.72**	**0.20**	**890**	**250**
Vodorazdelny											
B	2.2	0.89	0.24	19.3	5.2	Measured	2	0.84	0.24	15	4
C1	3.0	0.72	0.21	21.5	6.4	Indicated	2	0.80	0.22	17	5
B+C1	**5.1**	**0.79**	**0.22**	**40.8**	**11.5**	**M+I**	**4**	**0.8**	**0.23**	**32**	**9**
C2	0.1	0.74	0.19	0.8	0.2	Inferred	1	0.78	0.22	10	3
TOTAL	**5.3**	**0.79**	**0.22**	**41.6**	**11.7**	**VOD TOTAL**	**5**	**0.81**	**0.23**	**43**	**12**
Sub-total (Deposits estimated by both NAEN and JORC Estimates)											
B	9.9	0.73	0.20	72.2	19.8	Measured	20	0.73	0.20	147	41
C1	151.5	0.70	0.20	1,066.6	299.9	Indicated	128	0.75	0.21	967	269
B+C1	**161.4**	**0.71**	0.20	**1,138.8**	**319.7**	**M+I**	**148**	**0.75**	**0.21**	**1,114**	**310**
C2	26.1	0.63	0.18	164.3	47.8	Inferred	29	0.69	0.20	204	58
TOTAL	**187.5**	**0.69**	0.20	**1,303.1**	**367.5**	**GLOBAL**	**178**	**0.75**	**0.21**	**1,313**	**372**
Gorny (Additional NAEN)											
B	-	-	-	-	-						
C1	4.2	0.45	0.12	18.9	5.0						
B+C1	**4.2**	**0.45**	**0.12**	**18.9**	**5.0**						
C2	4.9	0.41	0.1	19.8	4.9						

TOTAL	**9.0**	**0.43**	**0.11**	**38.7**	**9.9**
NAEN Grand Total					
B	9.9	0.73	0.20	72.2	19.8
C1	155.7	0.70	0.20	1085.5	304.9
B+C1	**165.6**	**0.70**	**0.20**	**1157.7**	**324.7**
C2	31.0	0.59	0.17	184.1	52.7
TOTAL	**196.6**	**0.68**	**0.19**	**1341.8**	**377.4**

Totals may differ due to rounding.

For the commonly reported deposits (excluding the Gorny deposit), the global ore tonnages and contained metal are highly similar as indicated below:

- The NAEN estimate contains 4.8% more tonnage (14.5 million tonnes) at 187.5 million tonnes.
- The NAEN estimate contains 0.5% fewer nickel tonnes at 1.3 million total tonnes.
- The NAEN estimate contains 1.2% fewer copper tonnes at 367 thousand total tonnes.

It is noted that the similarity of the results is not atypical based on the experience of the Company staff wherein multiple reviews and independent compilations of projects having been estimated using both JORC and NAEN estimates were available. This includes projects located within the RF, China, Central Asia and Eastern Europe.

Kun-Manie NAEN Reserves

Four COG's were evaluated in the TEO Project. These ranged from 0.1% Ni to 0.4% Ni in increments of 0.1% Ni. Lerchs Grossman open pit optimisation assessments based on each COG scenario resulted in the identification of 0.2% Ni being the preferred COG. The selection of the 0.2% Ni COG was based on the result that it provided the maximum revenue generation to the RF including all taxation and metal royalties at payable metal prices of US$ 6.56. per pound for nickel and $3.07 per pound for copper. An NPV10% of US$ 625 million.

The table below presents the summary of the NAEN reserve category and for each commodity. For the commodities of nickel, copper and cobalt, sampling intervals (1.5 metres) allowed for the identification of reserves by the categories of B, C1 and C2. For platinum, palladium, gold and silver, the metal content was based on composite sample lengths over the entire nickel and copper mineralised interval. Hence, the numerically reduced sample density has provided classification of these commodities into the NAEN category of C2.

The table also presents a summary of the NAEN reserves by mineable category. In-Balance reserves are contained within the Lerchs Gorssman 0.2% Ni COG pit. Out of Balance reserves are comprised of mineralisation located external the 0.2% Ni pit shell and that mineralisation within the pit shell considered to be sub-economic (less than 0.2% Ni average grade) when diluted to a five meter minimum mining thickness.

GKZ Approved NAEN Reserve - Insitu													
Commodity	**Unit**	**In Balance**				**Out of Balance**				**Total (In plus Out)**			
		B	**C1**	**C2**	**Total**	**B**	**C1**	**C2**	**Total**	**B**	**C1**	**C2**	**Total**

Ore Tonnes	kT	9,877	143,708	18,564	172,149	-	12,012	12,410	24,422	9,877	155,720	30,974	196,571
Ni	kT	73	1,025	120	1,218	-	60	64	124	73	1,085	184	1,342
Cu	kT	20	287	35	342	-	18	18	35	20	305	53	377
Co	kT	1	21	2	25	-	1	1	3	1	23	4	28
Pt	Kg	-	-	24,812	24,812	-	-	3,490	3,490	-	-	28,302	28,302
Pd	Kg	-	-	26,810	26,810	-	-	3,795	3,795	-	-	30,605	30,605
Au	Kg	-	-	9,063	9,063	-	-	1,300	1,300	-	-	10,363	10,363
Ag	T	-	-	174	174	-	-	22	22	-	-	196	196
Commodity	**Unit**	**In Balance Grade**				**Out of Balance Grade**				**Average Grade (In plus Out)**			
Ni	%	0.73	0.71	0.65	0.71	-	0.50	0.52	0.51	0.73	0.70	0.59	0.68
Cu	%	0.20	0.20	0.19	0.2	-	0.15	0.14	0.15	0.20	0.20	0.17	0.19
Co	%	0.010	0.020	0.015	0.015	-	0.010	0.010	0.010	0.014	0.014	0.012	0.014
Pt	g/t	-	-	0.14	0.14	-	-	0.14	0.14	-	-	0.14	0.14
Pd	g/t	-	-	0.16	0.16	-	-	0.16	0.16	-	-	0.16	0.16
Au	g/t	-	-	0.05	0.05	-	-	0.05	0.05	-	-	0.05	0.05
Ag	g/t	-	-	1.01	1.01	-	-	0.90	0.89	-	-	1.00	1.00

Totals may differ due to rounding.

Based on the in-pit 0.2% Ni pit shell design, the primary NAEN Reserve inventory of falls within the B + C1 + C2 categories and is distributed follows:

- 87.6% of the mineralised tonnage is in-balance (172 million tonnes).
- 90.8% of the nickel is in-balance at an average insitu grade of 0.71% Ni (1.2 million tonnes).
- 76.3% of the copper is in-balance at an insitu grade of 0.20% Cu (342 thousand tonnes).
- 89.3% of the cobalt is in balance at an insitu grade of 0.015% Co (25 thousand tonnes).

Application of selective open pit mining considerations provides the final mined tonnages and grades delivered to the sulphide flotation plant. Based on a minimum mining thickness of five meters, dilution of 7.4% and 2.9% losses, a total of 187 million ore tonnes are deliveraable to the plant for processing using the recommended Girponickel Institute sulphide flotation methods. The NAEN inventory is provided in the table below.

Mine Delivered Mill Feed NAEN Reserve Dilution and Mining Losses Included COG 0.2% Ni			
Commodity	**Factor**	**In Balance - B + C1 + C2**	
		0.2% Ni COG	**Grade**
Mill Feed Tonnes	T	187,134,000	
Ni	T	1,233,697	0.66%
Cu	T	343,045	0.18%
Co	T	25,518	0.014%

Pt	Kg	25,709	0.14 g/t
Pd	Kg	26,547	0.14 g/t
Au	Kg	8,964	0.05 g/t
Ag	Kg	168,505	0.90 g/t

Totals may differ due to rounding.

Ore Processing

NorNickel's subsidiary, Gipronickel Institute conducted metallurgical test work on representative samples of the Kun-Manie ore. Its work was mutually supportive of previously undertaken work and subsequently established the preferred metallurgical flowsheet for the generation of individual nickel and copper sulphide concentrates. Previously a single bulk concentrate had been considered in design considerations.

Crushing and grinding requirements were established for the mill feed. For each concentrate type, the mass pull ratios, metallurgical recoveries, composition of the concentrates, water usage requirements, consumables consumption requirements, tailings handling approach and the process plant equipment list were defined.

The following table presents a summary of the metallurgical recoveries of the metals by concentrate type.

LOM Flotation Plant Recoveries by Concentrate Type				
Commodity	**Nickel Concentrate Recovery**	**Nickel Concentrate Tonnage**	**Copper Concentrate Recovery**	**Copper Concentrate Tonnage**
Concentrate (kt)		10,292		842
Ni	76.3%	941,311	0.4%	5,182
Cu	27.2%	93,308	54.0%	185,244
Au	40.9%	3.7	18.9%	1.7
Pt	50.3%	12.9	2.8%	0.7
Pd	50.8%	13.5	3.7%	9.8

*Cobalt and silver have been excluded as there was no payable allotment by either of the two metal market traders for either concentrate.

Confidential payable schedules sourced from two internationally recognised metal traders were evaluated by the GKZ. From these schedules, payable metal amounts within each concentrate, minimum required metal contents for payability, treatment and refining costs and penalty fees for deleterious metals and gangue minerals were used. The following table presents the LOM payable metal totals inclusive of fees, penalties, minimum payable amounts and all other deductions.

Commodity	Nickel Concentrate % Payable	Payable Nickel	Copper Concentrate % Payable	Payable Copper	Payable Metal
Ni (t)	66.63	627,196	0.4	Penalty	627,196
Cu (t)	No Payment		95.5	176,908	176,908
Au (t)	Below Minimum		90.0	1.5	1.5

Pt (t)	26.5	3.4	Below Minimum		3.4
Pd (t)	26.5	3.6	26.5	0.3	3.9

Operating Cost

The commission reviewed, adjusted and approved operating cost per tonne (Q4 21) which average US$ 42.32 per ore tonne over the mine life. Newly identified operating cost centers previously excluded were transport and property taxes. Royalty taxes had previously been calculated using the Far East Development Fund reduced schedule during the first 10 years of operation. Environmental fees had not been included. Depreciation was previously included in cash flow models but not as a part of the operating cost.

Operating Cost Centres	Cost Per Ore Tonne
Mining (Ore plus Waste)	$13.08
Processing	$11.06
Tailings Handling	$1.77
Concentrate Transport	$4.44
Transport Tax	$0.01
Royalty Tax	$2.86
Property Tax	$0.83
Environmental Fees	$0.15
General and Administrative	$1.42
Depreciation	$6.69
Total Cost US$ / Ore Tonne	$42.32

Capital Cost Projections

The Oreoll and GKZ experts have determined the LOM capital cost estimate is US$ 1.92 billion with US$ 1.14 billion allocated as preproduction and construction costs, US$ 698 million in sustaining costs and US$ 85 million in working capital. The increase in the capital cost estimate from previously reported projections is attributable to the more than doubling of the previous annual operational ore capacity impacting the expansion of the open pit mining fleet, process plant, tailings, power plant requirements and the need to construct a dual carriage way access road capable of handling the increased mine support and concentrate transport needs. All capital expenditure sectors include regional regulatory contingency factors es specific to the project location and its being characterised as a permafrost location.

Capital Investment Summary	
Category	**US$D (m)**
Life Of Mine Capital Expenditure	$1,924
Preproduction Construction	$1,141
Working	$85
Sustaining	$698

Based on the preproduction construction cost and the nominal annual capacity of 12.4 million ore tonnes, the capital cost per tonne is approximately US$ 92.01 per tonne of plant throughput. For the capital intensity basis of the annual payable nickel plus nickel equivalent of copper, the total is anticipated to be

capital intensity cost is projected to be $30,535 per tonne. Revenues derived from recovered gold, platinum and palladium are excluded.

Net Present Value, Internal Rate of Return and Payback

Based on the GKZ selected metal price of US$ 6.56 per pound nickel and US$ 3.07 per pound copper at the production rate of 12.4 million ore tonnes per annum the following was estimated by the RF economist from the commission.

- NPV10% is US$ 333 million.
- IRR is 15.6%.
- Payback is 5.5 years.

Sensitivity analyses related to the price of metals was not reported. It is noted that the previously utilised base case metal prices for western study wok based on a nickel only single bulk concentrate were US$ 8.00 per nickel pound. As the previous technical operation was based on the sale of a single bulk concentrate, a direct comparison of prior results is inappropriate given the NorNickel subsidiary test work confirmed the addition of a saleable copper concentrate, a material impact across the entire operation.