

**AMUR MINERALS CORPORATION
INTERIM REPORT 2021**

**Interim Financial Report
for the 6 months ended 30 June 2021**

Chairman's Statement

It is with pleasure that I take this opportunity to update shareholders of Amur Minerals Corporation (the "Company") on the Company's successful performance during the first six months of 2021.

In August 2021, the Company submitted the Permanent Conditions Report ("TEO") on its far east Russia Kun-Manie nickel copper sulphide project to the Russian Government Commission for Natural Resources Reserves ("GKZ"). The TEO was completed by Moscow based and certified Oreall LLC ("Oreall"), who have compiled Russian based project specific operating and capital cost estimates using a team of industry recognised specialists and experts. The completion of the GKZ review will establish the reserves available for open pit mining at its "Detailed Exploration and Mining Production" licence (BLG 15883 TE) located in Amur Oblast. Subsequent to GKZ registration of the reserves, the results will be utilised to establish the Russian approved mine plan for Kun-Manie.

TEO Highlights:

- Revenue is based on a conservative nickel price of US\$ 13,300/t (US\$ 18,600/t today) and a copper price of US\$5,960/t (US\$ 9,260/t today). Metal recoveries derived by Gipronickel Institute (a wholly owned subsidiary of Norilsk Nickel) are anticipated to be 73.5% for nickel and 52.3% for copper based on a nickel cut-off grade of 0.3% nickel.
- Russian B + C1 reserve inclusive of in-balance and off-balance totals 144.2 million ore tonnes containing 1.10 million nickel tonnes and 304 thousand copper tonnes. This inventory approximates the JORC resource categories of Measured and Indicated.
- Potential mine life estimated to be 25 years, sustaining an 11.2 million tonne per year throughput.
- Open pit mining operating costs per ore tonne US\$ 14.79 (ore plus waste cost). All other costs total \$33.25 per ore tonne FOB Vladivostok, Russia.
- Total initial capital costs are projected to be approximately US\$ 1.0 billion including the construction of a power line and a dual carriageway gravel surface road. Working capital expenditures projected to be US\$ 83 million.

On 30 June 2021, the Company announced that RPM Global had completed an update to the JORC resource estimates including all drilling and trenching. Based on a 0.3% nickel equivalent cut-off grade ("COG"), the global JORC ore tonnage has increased by 19.2 million tonnes ("Mt") (12.4%) to 174.3 Mt, by 156,000 nickel tonnes (13.5%) to 1.31 Mt of nickel (averaging 0.75% nickel) and by 53,000 copper tonnes (16.6%) to 372,000 copper tonnes (averaging 0.21% copper). A 0.3% nickel cut-off grade was used to calculate the JORC Resource compared to previously reported resources at a 0.4% Nickel cut off-grade. The reduction in the COG is primarily due to the metallurgical test results by Gipronickel Institute which confirmed that two revenue generating concentrate products (Ni and Cu) could be produced. Previous resource estimates were based on a single nickel only payable concentrate being produced with zero revenue contribution being derived from the copper.

NRR Investment

On 05 July 2021, the Company sold its wholly owned subsidiary Carlo Holdings Ltd ("CHL") which held an investment of US\$4.67 million in a Convertible Loan Note ("CLN") on Nathan River Resources Pte Limited ("NRR"). NRR owns the Roper Bar Iron Ore Project located in the Northern Territory in Australia. Amur acquired CHL on 28 August 2020 for a cash consideration of £1, and immediately provided the funding whereby CHL subscribed for the CLNs provided by NRR.

A share sale agreement was entered into with Hamilton Investments Pte. Ltd., a subsidiary of Britmar (Asia) Pte Ltd for cash consideration of US\$6,137,019. This represents a profit of US\$1.47 million when set against its original investment, albeit foregoing the interest that would otherwise be payable over the lifetime of the CLNs at a coupon rate of 14%. During the 6 month period to 30 June 2021, the Company received US\$326,900 in interest payments.

Financial Overview

As at 30 June 2021 the Company had cash reserves of US\$1,846,000, down from US\$2,790,000 at the start of 2021. Shortly after the period end, the Company received US\$6,137,019 in cash from Hamilton Investments Pte. Ltd in respect of the sale of CHL. The Company remains debt free.

Administration expenses for the first half of 2021 totalled US\$1.04 million (H1 2020: US\$1.3 million), a reduction caused by the departure of two board members. There was a currency translation gain of US\$0.4 million (H1 2020: translation loss of US\$3.0

million) was due to the strengthening of the Russian rouble to the US dollar. Expenditure on exploration was US\$0.4 million (H1 2020: US\$210,000) as the Company remained focused on the completion of the TEO. The exploration asset saw an exchange gain of US\$0.4 million (H1 2019: exchange loss US\$2.9 million) also due to the strengthening of the Russian rouble to the US dollar.

Covid-19

Since the start of January 2020, Covid-19 has created significant disruption to the global markets and economies, including Russia. In order to keep safe its personnel, the Company has put in place special measures to protect its workforce while at the same time ensuring business continuity. Prior to the outbreak, the Company had the facilities in place to allow remote working for most members of staff. This capability has been enhanced to ensure that the Company can continue to operate effectively over an extended period of time without requiring regular access to physical offices. The Company maintained close contact with its contractors working on the Permanent Conditions TEO as they also put in place procedures to work effectively over the period in order to ensure that these TEO was completed and delivered.

As of the date of this report, Covid-19 has created a lot of uncertainty and disruption in the financial markets. The Company has not seen any negative impact of Covid-19 on its ability to raise funds, having completed multiple equity placements throughout 2020.

Outlook

The Company's principal objective is to work towards the full registration of its reserve, compilation of its operational design and the conversion of the Russian based work for incorporation in a western Bankable Feasibility Study ("BFS"). The BFS provides the necessary technical, environmental and economic detail for institutional investors to advance funding for construction and production. The BFS is itself a considerable undertaking and the Amur team has been working on the detailed planning and costing of the BFS programme. This has required considerable interaction with both Russian and international organisations qualified in compiling both Russian and western BFS level work.

In conjunction with the development of the BFS work programme, the Company has also been keeping discussions open with potential offtake partners, funding sources and governmental infrastructure support agencies. It is the Company's belief that the successful completion of a binding offtake agreements will provide access to institutional investors providing financing options for BFS programme and any associated work. Downline metallurgical processes are also being investigated to determine if battery ready sulphate products can be generated. We envisage that this funding will be principally through funding at the asset level and would be sufficient to fund the BFS programme and sustain the Company's activity through to the completion of the BFS.

On behalf of the Board of Directors, I would like to thank all the staff, consultants and Russian agencies for their dedication and hard work throughout this period in successfully delivering the TEO for its subsequent use in the registration of reserves in accordance with Russian Federation regulatory standards.

Mr. Robert W. Schafer
Non Executive Chairman
29 September 2021

AMUR MINERALS CORPORATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

(Amounts in thousands of US Dollars)

| | <i>Note</i> | <i>Unaudited 30 June 2021</i> | <i>Unaudited 30 June 2020</i> | <i>Audited 31 December 2020</i> |
|--|-------------|-----------------------------------|-----------------------------------|-------------------------------------|
| Non-current assets | | | | |
| Exploration and evaluation assets | 5 | 24,364 | 24,413 | 23,542 |
| Property, plant and equipment | | 266 | 734 | 452 |
| Financial assets at fair value through profit and loss | | 6,137 | - | 5,255 |
| | | <u>30,767</u> | <u>25,147</u> | <u>29,249</u> |
| Current assets | | | | |
| Inventories | | 209 | 238 | 207 |
| Other receivables | | 234 | 146 | 158 |
| Cash and cash equivalents | | 1,846 | 831 | 2,790 |
| | | <u>2,289</u> | <u>1,215</u> | <u>3,155</u> |
| Total assets | | <u>33,056</u> | <u>26,362</u> | <u>32,404</u> |
| Current liabilities | | | | |
| Trade and other payables | | 836 | 1,191 | 913 |
| Rehabilitation provision | | - | - | - |
| | | <u>836</u> | <u>1,191</u> | <u>913</u> |
| Net current assets | | <u>1,453</u> | <u>24</u> | <u>2,242</u> |
| Non-Current Liabilities | | | | |
| Rehabilitation provision | | 145 | 144 | 141 |
| Total non-current liabilities | | <u>145</u> | <u>144</u> | <u>141</u> |
| Net assets | | <u>32,075</u> | <u>25,027</u> | <u>31,350</u> |
| Equity | | | | |
| Share capital | 7 | 80,449 | 71,012 | 80,449 |
| Share premium | | 4,278 | 4,748 | 4,278 |
| Foreign currency translation reserve | | (17,091) | (15,902) | (17,474) |
| Share options reserve | | 683 | 1,534 | 577 |
| Warrant Reserve | | - | 93 | - |
| Accumulated deficit | | (36,244) | (36,458) | (36,480) |
| Total equity | | <u>32,075</u> | <u>25,027</u> | <u>31,350</u> |

Approved on behalf of the Board on 29 September 2021

Robin Young

The accompanying notes on pages 7 to 11 form an integral part of the financial information

AMUR MINERALS CORPORATION
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2021

(Amounts in thousands of US Dollars)

| | <i>Note</i> | <i>Unaudited 6 Months ended 30 June 2021</i> | <i>Unaudited 6 Months ended 30 June 2020</i> | <i>Audited Year ended 31 December 2020</i> |
|---|-------------|--|--|--|
| Administrative expenses | | (1,154) | (1,297) | (3,083) |
| Operating loss | | (1,154) | (1,297) | (3,083) |
| Finance income | | 327 | - | 205 |
| Finance expense | | - | (104) | (104) |
| Fair value movements on derivative financial instruments and loans | | - | (109) | - |
| Gain on revaluation of assets held at fair value through profit and loss | | 1,046 | - | 423 |
| Loss on early redemption | | - | - | (109) |
| Foreign exchange | | 17 | - | - |
| Profit/(Loss) before tax | | 236 | (1,510) | (2,668) |
| Tax expense | | - | - | - |
| Profit/ (Loss) for the period / year attributable to owners of the parent | | 236 | (1,510) | (2,668) |
| Other Comprehensive (loss) / income: | | | | |
| Items that could be reclassified to profit or loss | | | | |
| Exchange differences on translation of foreign operations | | 383 | (3,037) | (4,123) |
| Total comprehensive (loss) / income for the period / year attributable to owners of the parent | | 619 | (4,547) | (6,791) |
| (Loss) per share: basic & diluted (expressed in cents) | 4 | US 0.02 | US (0.17) | US (0.25) |

The accompanying notes on pages 7 to 11 form an integral part of the financial information.

AMUR MINERALS CORPORATION
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2021

(Amounts in thousands of US Dollars)

| | <i>Unaudited 6 Months ended 30 June 2021</i> | <i>Unaudited 6 Months ended 30 June 2020</i> | <i>Audited Year ended 31 December 2020</i> |
|---|--|--|--|
| Cash flows used in operating activities: | | | |
| Payments to suppliers and employees | (1,040) | (655) | (2,196) |
| Interest paid | - | - | - |
| Net cash outflow from operating activities | <u>(1,040)</u> | <u>(655)</u> | <u>(2,196)</u> |
| Cash flow used in investing activities: | | | |
| Payments for exploration expenditure | (428) | (210) | (564) |
| Loans granted | - | - | (4,658) |
| Payment for property, plant and equipment | - | - | - |
| Interest received | 326 | - | 43 |
| Net cash used in investing activities | <u>(102)</u> | <u>(210)</u> | <u>(5,179)</u> |
| Cash flow from financing activities: | | | |
| Cash received on issue of shares, net of issue costs | - | 1,460 | 10,005 |
| Issue of convertible loan (net of issue costs) | - | - | 607 |
| Loans received | - | 595 | - |
| Loans repaid | - | (720) | - |
| Repayment of convertible loan | - | - | (720) |
| Net cash generated from financing activities | <u>-</u> | <u>1,335</u> | <u>9,892</u> |
| Net (decrease)/increase in cash and cash equivalents | (1,142) | 470 | 2,517 |
| Cash and cash equivalents at beginning of period / year | 2,790 | 398 | 398 |
| Effect of foreign exchange rates | 198 | (37) | (125) |
| Cash and cash equivalents at end of period / year | <u>1,846</u> | <u>831</u> | <u>2,790</u> |

The accompanying notes on pages 7 to 11 form an integral part of the financial information.

AMUR MINERALS CORPORATION
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2021

(Amounts in thousands of US Dollars)

| | <i>Share capital</i> | <i>Share premium</i> | <i>Foreign currency translation reserve</i> | <i>Share options reserve</i> | <i>Warrant Reserve</i> | <i>Accumula ted deficit</i> | <i>Total</i> |
|---|--------------------------|--------------------------|---|--------------------------------------|----------------------------|---------------------------------|---------------|
| At 1 January 2021 | 80,449 | 4,278 | (17,474) | 577 | - | (36,480) | 31,350 |
| Profit of the period | - | - | - | - | - | 236 | 236 |
| Exchange differences on translation of foreign operations | - | - | 383 | - | - | - | 383 |
| Total comprehensive income for the period | - | - | 383 | - | - | 236 | 619 |
| Issue of share capital | - | - | - | - | - | - | - |
| Costs of issue | - | - | - | - | - | - | - |
| Options granted | - | - | - | 106 | - | - | 106 |
| At 30 June 2021 (unaudited) | 80,449 | 4,278 | (17,091) | 683 | - | (36,244) | 32,075 |
| At 1 January 2020 | 69,510 | 4,790 | (12,865) | 1,136 | - | (34,948) | 27,623 |
| Loss of the period | - | - | - | - | - | (1,510) | (1,510) |
| Other comprehensive income for the period | - | - | (3,037) | - | - | - | (3,037) |
| Total comprehensive income for the period | - | - | (3,037) | - | - | (1,510) | (4,547) |
| Issue of share capital | 1,502 | - | - | - | - | - | 1,502 |
| Costs of issue | - | (42) | - | - | - | - | (42) |
| Options granted | - | - | - | 398 | - | - | 398 |
| Warrants granted | - | - | - | - | 93 | - | 93 |
| At 30 June 2020 (unaudited) | 71,012 | 4,748 | (15,902) | 1,534 | 93 | (36,458) | 25,027 |
| At 1 January 2020 | 69,510 | 4,790 | (13,351) | 1,136 | - | (34,948) | 27,137 |
| Loss for the year | - | - | - | - | - | (2,668) | (2,668) |
| Exchange differences on translation of foreign operations | - | - | (4,123) | - | - | - | (4,123) |
| Total comprehensive loss for the period | - | - | (4,123) | - | - | (2,668) | (6,791) |
| Issue of share capital | 10,063 | (512) | - | - | - | - | 9,551 |
| Conversion of warrants | 876 | - | - | - | - | - | 876 |
| Options charge for the year | - | - | - | 577 | - | - | 577 |
| Options expired | - | - | - | (1,136) | - | 1,136 | - |
| At 31 December 2020 (audited) | 80,449 | 4,278 | (17,474) | 577 | - | (36,480) | 31,350 |

The accompanying notes on pages 7 to 11 form an integral part of the financial information.

1. REPORTING ENTITY

Amur Minerals Corporation (the "Company" or the "Group") is a company domiciled in the British Virgin Islands. The consolidated interim financial information as at and for the six months ended 30 June 2021 comprise the results of the Company and its subsidiaries (together referred to as the "Group").

The consolidated financial statements of the Group as at and for the year ended 31 December 2020 are available upon request from the Company's registered office at Kingston Chambers, P.O. Box 173, Road Town, Tortola, British Virgin Islands or at www.amurminerals.com.

2. BASIS OF PREPARATION

The financial information set out in this report is based on the consolidated financial information of Amur Minerals Corporation and its subsidiary companies. The financial information of the Group for the 6 months ended 30 June 2021 was approved and authorised for issue by the Board on 29 September 2021. The interim results have not been audited. This financial information has been prepared in accordance with the accounting policies that are expected to be applied in the Report and Accounts of Amur Minerals Corporation for the year ended 31 December 2021 and are consistent with the recognition and measurement requirements of IFRS as adopted by the European Union. The auditor's report on the Group accounts to 31 December 2020 whilst unqualified raised a material uncertainty relating to going concern due to the lack of certainty over future funding. The comparative information for the full year ended 31 December 2020 is not the Group's full annual accounts for that period but has been derived from the annual financial statements for that period.

The consolidated financial information incorporates the results of Amur Minerals Corporation and its subsidiaries undertakings as at 30 June 2021. The corresponding amounts are for the year ended 31 December 2020 and for the 6 month period ended 30 June 2020.

The Group financial information is presented in US Dollars ('US\$') and values are rounded to the nearest thousand Dollars.

The same accounting policies, presentation and methods of computation are followed in the interim consolidated financial information as were applied in the Group's latest annual audited financial statements except for those that relate to new standards and interpretations effective for the first time for periods beginning on (or after) 1 January 2021, and will be adopted in the 2021 annual financial statements.

A number of new standards, amendments and became effective on 1 January 2021 and have been adopted by the Group. None of these standards have materially affected the Group.

3. GOING CONCERN

The Group operates as a natural resources exploration and development group. To date, the Group has not earned significant revenues and is considered to be in the exploration stage.

The Directors have reviewed the Group's cash flow forecast for the period to 31 December 2022 and plan to continue advancing the project in 2021 - 2022. Post 30 June 2021, the Company completed the sale of Carlo Holdings Limited for cash consideration of US\$6.1 million, which was received in full.

As the Group approaches bankable feasibility, an alternative funding option will need to be secured in order to adequately fund this step. The Directors are currently in negotiations with a number of parties in respect of raising further funds. Whilst progress is being made on a number of potential transactions which would provide adequate funding to the Group, there are no binding agreements in place. The Company was successful in completing three equity placements in 2020 and while the Directors are confident of raising additional funding should it be required, their ability to do this is not completely within their control.

Based on the current progress of the negotiations with potential investors and providers of finance the Directors believe that the necessary funds to provide adequate financing to continue with the current work program on its Kun-Manie project will be raised as required and accordingly they are confident that the Group will continue as a going concern and have prepared the financial statements on that basis.

The financial statements do not include the adjustments that would result if the Group was not able to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

4. PROFIT/(LOSS) PER SHARE

Basic and diluted profit/(loss) per share is calculated and set out below. The effects of warrants and share options outstanding at the period end are anti-dilutive as they will serve to reduce the profit/(loss) per share. A total of 90.1 million of potential ordinary shares have therefore been excluded from the following calculations:

| | <i>Unaudited 6 Months ended 30 June 2021</i> | <i>Unaudited 6 Months ended 30 June 2020</i> | <i>Audited Year ended 31 December 2020</i> |
|---|--|--|--|
| Net profit/(loss) for the period / year | 236 | (1,510) | (2,688) |
| Weighted average number of shares for the period/year | 1,379,872,315 | 878,022,210 | 1,071,175,000 |
| Basic profit/(loss) per share (expressed in cents) | US 0.02 | US (0.17) | US (0.25) |

5. EXPLORATION AND EVALUATION ASSETS

| | <i>Unaudited 6 Months ended 30 June 2021</i> | <i>Unaudited 6 Months ended 30 June 2020</i> | <i>Audited Year ended 31 December 2020</i> |
|--------------------------------------|--|--|--|
| At start of the period / year | 23,542 | 26,713 | 26,713 |
| Additions | 428 | 557 | 1,154 |
| Foreign exchange differences | 394 | (2,857) | (4,325) |
| At end of the period / year | 24,364 | 24,413 | 23,542 |

The Group did not recognise any impairment in respect of its exploration and evaluation assets during the period (H1 2020: nil) (2020: nil).

6. SHARE BASED PAYMENTS

Options:

No options were granted during the period ended 30 June 2021. In the period ended 30 June 2020, 55,619,260 new options were granted to Directors, management and Russian employees.

At 30 June 2021 the following options were outstanding at the beginning and end of the period:

| | |
|--------------------------------------|-------------------|
| Outstanding at 1 January 2021 | 55,619,260 |
| Granted | - |
| Exercised | - |
| Expired | (20,309,630) |
| Vesting | 7,500,000 |
| Outstanding at 30 June 2021 | 42,809,630 |

The fair value of the options is estimated at the grant date using a Black-Scholes model, taking into account the terms and conditions on which the options were granted. This uses inputs for share price, exercise price, expected volatility, option life, expected dividends and risk-free rate.

The share price is the price at which the shares can be sold in an arm's length transaction between knowledgeable, willing parties and is based on the mid-market price on the grant date. The expected volatility is based on the historic performance of Amur Minerals shares on the Alternative Investment Market of the London Stock Exchange. The option life represents the period over which the options granted are expected to be outstanding and is equal to the contractual life of the options. The risk-free interest rate used is equal to the yield available on the

principal portion of US Treasury Bills with a life similar to the expected term of the options at the date of measurement.

The total charge arising from outstanding options for the period was US\$105,527 (H1 2020: US\$398,000; December 2020: US\$484,546).

Warrants:

No warrants were granted during the period ended 30 June 2021. In the period ended 30 June 2020, 13,000,000 new warrants were granted to participants of the equity placing completed on 4 November 2019. In conjunction with the Loan Note Instrument entered into by the Company on 13 March 2020, 52,447,552 new warrants were granted and are treated as equity instruments. The loan was fully repaid on 4 May 2020. On 25 August 2020, 4,105,495 warrants were awarded to consultants.

At 30 June 2021 the following warrants were outstanding at the beginning and end of the period:

| | |
|--------------------------------------|--------------------------|
| Outstanding at 1 January 2021 | 42,022,550 |
| Granted | - |
| Exercised | - |
| Expired | - |
| Outstanding at 30 June 2021 | <u>42,022,550</u> |

There was no charge arising from outstanding warrants for the period (H1 2020: nil; December 2020: nil).

7. SHARE CAPITAL

| | <i>Unaudited</i> <i>30 June 2021</i> | <i>Unaudited</i> <i>30 June 2020</i> | <i>Audited</i> <i>31 December 2020</i> |
|----------------------------------|---|---|---|
| Number of Shares (no par value): | | | |
| Authorised | <u>2,000,000,000</u> | <u>2,000,000,000</u> | <u>2,000,000,000</u> |
| Total issued | <u>1,379,872,315</u> | <u>968,060,149</u> | <u>1,379,872,315</u> |

8. RELATED PARTIES

For the purposes of these financial statements, entities are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions as defined by IAS 24 "Related Party Disclosures". In addition, other parties are considered to be related if they are under common control. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Details of transactions between the Group and related parties are disclosed below.

Compensation of Key Management Personnel

Key management personnel are considered to be the Directors and senior management of the Group

| | <i>Unaudited 6 Months ended 30 June 2021</i> | <i>Unaudited 6 Months ended 30 June 2020</i> | <i>Audited Year ended 31 December 2020</i> |
|----------------------|--|--|--|
| Salaries and fees | 501 | 469 | 830 |
| Share-based payments | 89 | 398 | 434 |
| | 501 | 867 | 1,264 |

9. EVENTS AFTER THE REPORTING DATE

On 5 July 2021, the Company sold its wholly owned subsidiary Carlo Holdings Limited for a cash consideration of US\$6,137,019 pursuant to a share sale agreement entered into on 3 July 2021 with Hamilton Investments Pte. Ltd., a subsidiary of Britmar (Asia) Pte Ltd.

On 20 August 2021, the Company announced that Oreall LLC completed the Permanent Conditions Report ("TEO") on its far east Russia Kun-Manie nickel copper sulphide project and it was submitted for review by the Russian Government Commission for Natural Resources Reserves.

10. INTERIM REPORT

Copies of this interim report for the six months ended 30 June 2021 will be available from the Company's website www.amurminerals.com.