



**AMUR MINERALS CORPORATION  
AND ITS SUBSIDIARIES**

**Interim Financial Report  
for the 6 months ended 30 June 2010**

## **Chairman's Statement**

Dear Shareholder,

Amur Minerals Corporation continues to advance and thrive in what is still a very difficult financing environment for the junior mining sector. During the period, we have identified two significant targets for the potential expansion of resources at Kun-Manie. Due to a combination of good planning, existing inventory of supplies at the site and aggressive pursuit of VAT refunds, we have been able to initiate a field campaign, as opposed to 2009 where our focus was on preparing the documentation for our mining licence submission. The limited field work we have performed already in 2010 has paid dividends, with a new drill target confirmed and other potential expansions adjacent to our existing deposits identified at Kun-Manie. We have continued to reduce our administrative expenses, as well as reducing our current payables in line with our cash resources. Subsequent to the reporting period, we attracted additional capital, some of which was through an innovative structure. We have now received an extension to our Kun-Manie exploration licence to the end of 2012 and remain confident that the mining licence will be awarded in due course.

### **Success in the Field**

Whilst the mining licence application works its way through the Russian regulators prior to approval, we have undertaken a limited field campaign at Kun-Manie. We planned this work carefully over many months. We were able to finance the programme by the receipt of a significant VAT refund and by utilizing our existing inventory of fuel remaining on site. The work has focused on the areas between the drilled deposits where successful results could increase the stated resource and reserve. We have engaged in reconnaissance and road building on site to prepare for more active drilling in 2011 and 2012.

Results from two previously drilled – but unsampled – wild cat drill holes confirmed a new drill target. This target lies along strike between two previously drilled deposits known as Maly Krumkon and Vodorazdelny. Drilling and assays identified potentially economic levels of nickel and copper mineralisation within a 15 to 30 metre thick layer of websterite rock. The configuration of the intersected mineralisation suggests similar orientations, styles of mineralisation and thicknesses as those encountered in the proposed Maly Krumkon pit located to the west. Successful step out drilling along strike and down dip within the immediate area could result in an increase in both resources and near surface open pit recoverable reserves.

We have also exposed additional nickel sulphide mineralisation on a road cut immediately to the south of the Ikenskoe deposit, which is the largest of the three drilled deposits within the Kun Manie exploration licence identified to date. The nickel and copper mineralisation is expected to continue to the east and south of the drilled area of the deposit. During construction of the access road, the projected mineralised zone was exposed and visual inspection indicates the newly exposed outcrop contains abundant sulphides. This find confirms our belief that Ikenskoe could be substantially larger than presently reported, and our initial expectations are that the mineralisation extends both to the east and south of the known deposits. We look forward to announcing the laboratory results when they are available.

### **Financial Highlights**

Our loss for the period was US\$1.4million, up from US\$1.1 million in the first half of 2009. Whilst we reduced our administrative expenses through salary reductions, we had larger impairment charges than incurred in the previous period. The impairment charges are one-time in nature. Our cash position at 30 June was US\$249,000 versus US\$997,000 at year end 2009. This reflects our seasonal cash flows and the fact that we completed a financing after the reporting date of 30 June. Our outstanding payables at 30 June were \$312,000 versus \$290,000 at year end 2009. Of these amounts, US\$210,000 was owed to directors and key management personnel. This figure has been further reduced since the reporting date by Robin Young taking shares in lieu of US\$76,000 of back pay. This transaction will significantly reduce the amount of Accounts Payable for the full year.

The Directors continue to seek further funds to finance the exploration work programme and satisfy general corporate needs. Whilst several parties have expressed an interest in providing additional finance for the Group, there are currently no binding agreements in place.

These conditions indicate the existence of a material uncertainty which may cast significant doubt over the group's ability to continue as a going concern. Based on the current progress of the negotiations with potential providers of finance and discussions with potential investors the Directors believe that the necessary funds to provide adequate financing for continued exploration work 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.

### **Kustak and Grafton Provisions**

These financial statements contain non-cash charges for two items we have carried within our financial statements.

We acquired the Kustak licence in 2007 for 6.4 million Roubles (then, approximately US\$250,000) and committed subsequent exploration resources totaling US\$141,000 at current exchange rates. We have closely examined the data we have collected on Kustak. While we still believe the data supports our assertion that the area represents the potential for new nickel discoveries, it is not the best use of shareholder capital at this time. Kustak is an early stage, green field area requiring an extensive funding to explore the project area due to significant exploration requirements remaining under the terms of the Kustak licence. These include drilling which is expensive in the Russian far east. As we anticipate considerable future investment at Kun-Manie, which is much further advanced, the Company has opted to impair our capitalised expenditures and endeavor to either sell the Kustak licence or return it to the Russian government. Given the uncertainty over the ability to realise any value in a sale, farm-out, or joint venture of Kustak, we have opted to take the conservative approach of recognising an impairment of US\$ 321,000, representing a write down of our full investment in Kustak to date.

Also, on the eve of publishing these financial statements, we were offered a chance to sell our shares in Grafton Resources Limited. We acquired the shares via a share swap in June 2009 as part of a larger transaction that enabled a separate cash placement in a difficult environment. The Directors' understanding at the time was that Grafton would become listed and traded as an investment fund. While Grafton was listed on The Irish stock exchange within six weeks of the transaction, its shares have never traded. At year end, the Directors made reasonable enquiries and assessed the value of the holding by reference to other comparable, publicly traded funds in European and North American markets. The Directors have decided that in the current environment, adding cash to the balance sheet outweighs continuing to wait for Grafton shares to have a quoted value nearer to their carrying value. We are therefore taking a non-cash charge of US\$ 331 thousand to reflect the sale value we anticipate realising versus our carrying value of US\$ 691 thousand at year end.

### **Board changes**

We are pleased to welcome Brian Savage to the Board as a non-executive director as of 23 July 2010. Brian is a founder of Frontier Mining Ltd and served as a Director since that company's formation in 1998, acting as Chief Executive Officer between 2001 and 2009. Brian has 30 years' experience in all aspects of the mining industry, having held senior positions in the Bank of New York, Sharps Pixley and the Bank of Montreal. He also has extensive experience in the former Soviet Union. He has a BSc in Mining Engineering and an MSc in Mineral Economics from the Colorado School of Mines.

As mentioned in the annual report produced in June, David Wood resigned as a director on April 22 2010 and continued to serve as a consultant to Amur Minerals during the remainder of the period. He has continued on a full time basis until the end of September and thereafter will provide consulting support on an as required basis. In addition, Willie McLucas and Eric McAuslan resigned with effect from 22 July

2010. We thank each of these gentlemen for their contribution to the development of the company and wish them success in their future endeavours.

## **Outlook**

We are excited to have the opportunity to meet the challenges that lie ahead. We will continue to work with the Russian government to secure the mining licence for Kun-Manie and obtain waivers from the appropriate Russian agencies which allow for less restrictive ownership constraints.

During the remaining months of this year and early 2011, we will study the results we have collected during our field season. We will continue our internal efforts to update the pre-feasibility report originally prepared in 2007. Potential improvements to the study include an improved tax structure, new infill drilling, resource and reserve updates, optimisation of production, improved metallurgical recoveries and the alternative of producing a final metal product for sale in place of concentrate sales.

We will continue to seek financing to grow and advance Kun Manie and we will be ever watchful of opportunities for partnerships. In all, we remain positive about our prospects and diligent in making sure those prospects come to fruition.

Robert W. Schafer  
Chairman  
29 September 2010

**Independent Review Report  
To the shareholders of Amur Minerals Corporation**

**Introduction**

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2010 which comprises the Consolidated Statement of Financial Position, Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Cash Flows, and Consolidated Statement of Changes in Shareholders' Equity and related notes.

We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

**Directors' responsibilities**

The interim report, including the financial information contained therein, is the responsibility of and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market which require that the half-yearly report be presented and prepared in a form consistent with that which will be adopted in the company's annual accounts having regard to the accounting standards applicable to such annual accounts.

**Our responsibility**

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Our report has been prepared in accordance with the terms of our engagement to assist the company in meeting the requirements of the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

**Scope of review**

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2010 is not prepared, in all material respects, in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

**Emphasis of matter – going concern**

In forming our review conclusion, which is not qualified, we have considered the adequacy of the disclosures made in note 3 to the condensed consolidated financial statements concerning the group's ability to continue as a going concern which is dependent on raising further funds through new debt, equity or sale of assets of the Group. The Group cash flow forecasts show that in addition to the expected cash receipts from the imminent sale of its available-for-sale investments, the Group requires additional funds to complete its exploration and evaluation commitments under the terms of the extended Kun-Manie licence. While the directors are continuing funding negotiations with certain third parties there are currently no binding agreements in place. The directors believe that the Group will secure the necessary funds. These conditions together with the other matters referred to in note 3 indicate the existence of a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern. These condensed consolidated financial statements do not include any adjustments that would result if the group was unable to continue as a going concern.

*BDO LLP  
Chartered Accountants  
London,  
United Kingdom*

*BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).*

**AMUR MINERALS CORPORATION AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2010**

*(Amounts in thousands of US Dollars)*

	<i>Note</i>	<i>Unaudited 30 June 2010</i>	<i>Unaudited 30 June 2009</i>	<i>Audited 31 December 2009</i>
<b>NON-CURRENT ASSETS</b>				
Capitalised exploration costs	<b>5</b>	13,194	12,951	13,525
Property, plant and equipment		514	853	629
VAT Receivable		330	-	341
<b>Total non-current assets</b>		<b>14,038</b>	<b>13,804</b>	<b>14,495</b>
<b>CURRENT ASSETS</b>				
Cash and cash equivalents		249	294	997
Available for sale investments	<b>10</b>	360	927	691
Prepayments and other receivables	<b>7</b>	110	565	125
VAT Receivable		-	-	253
Inventories		218	233	247
<b>Total current assets</b>		<b>937</b>	<b>2,019</b>	<b>2,313</b>
<b>Total assets</b>		<b>14,975</b>	<b>15,823</b>	<b>16,808</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables		313	757	290
<b>Total current liabilities</b>		<b>313</b>	<b>757</b>	<b>290</b>
<b>SHAREHOLDERS' EQUITY</b>				
Share capital	<b>8</b>	22,990	20,999	22,990
Share premium		7,786	7,686	7,620
Share options reserve		1,224	1,390	1,390
Shares to be issued		-	54	-
Retained deficit		(14,586)	(12,508)	(13,169)
Foreign exchange translation reserve		(2,752)	(2,791)	(2,313)
Available-for-Sale reserve		-	236	-
<b>Total shareholders' equity</b>		<b>14,662</b>	<b>15,066</b>	<b>16,518</b>
<b>Total liabilities and shareholders' equity</b>		<b>14,975</b>	<b>15,823</b>	<b>16,808</b>

Approved on behalf of the Board on 29 September 2010

Robin Young

Robert W Schafer

The accompanying notes on pages 10 to 13 form an integral part of these financial statements.

**AMUR MINERALS CORPORATION AND ITS SUBSIDIARIES**  
**CONSOLIDATED INCOME STATEMENT**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2010**  
*(Amounts in thousands of US Dollars)*

	<b>Note</b>	<i>Unaudited 6 Months ended 30 June 2010</i>	<i>Unaudited 6 Months ended 30 June 2009</i>	<i>Audited Year ended 31 December 2009</i>
Other administrative expenses		(765)	(688)	(1,397)
Impairment of capitalised exploration costs	<b>5</b>	(321)	(233)	(240)
Impairment of assets held for sale	<b>10</b>	(331)	-	-
<b>Total administrative expenses</b>		<b>(1,417)</b>	<b>(921)</b>	<b>(1,637)</b>
<b>Loss from operations</b>		<b>(1,417)</b>	<b>(921)</b>	<b>(1,637)</b>
Finance expense		-	(179)	(179)
Gain on sale of property, plant & equipment		-	-	55
<b>Loss before tax</b>		<b>(1,417)</b>	<b>(1,100)</b>	<b>(1,761)</b>
Taxation	<b>6</b>	-	-	-
<b>Loss for the period attributable to equity shareholders of the parent</b>		<b>(1,417)</b>	<b>(1,100)</b>	<b>(1,761)</b>
Loss per share: basic & diluted	<b>4</b>	US\$ (0.01)	US\$ (0.01)	US\$ (0.01)

The accompanying notes on pages 10 to 13 form an integral part of these financial statements.

**AMUR MINERALS CORPORATION AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2010**

*(Amounts in thousands of US Dollars)*

	<i>Unaudited 6 Months ended 30 June 2010</i>	<i>Unaudited 6 Months ended 30 June 2009</i>	<i>Audited Year ended 31 December 2009</i>
<b>Loss for the period</b>	<b>(1,417)</b>	<b>(1,100)</b>	<b>(1,761)</b>
<b>Other comprehensive income:</b>			
Exchange differences on translating foreign operations	(439)	(885)	(407)
Valuation changes on Available-for-sale financial assets	-	236	-
<b>Other comprehensive income for the period, net of tax</b>	<b>(439)</b>	<b>(649)</b>	<b>(407)</b>
<b>Total comprehensive income for the period attributable to equity shareholders of the parent</b>	<b>(1,856)</b>	<b>(1,749)</b>	<b>(2,168)</b>

The accompanying notes on pages 10 to 13 form an integral part of these financial statements.

**AMUR MINERALS CORPORATION AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2010**  
*(Amounts in thousands of US Dollars)*

	<i>Unaudited 6 Months ended 30 June 2010</i>	<i>Unaudited 6 Months ended 30 June 2009</i>	<i>Year ended 31 December 2009</i>
<b>Cash flow from operating activities:</b>			
Payments to suppliers and employees	(683)	(366)	(1,366)
Receipts of VAT refunds	268	-	-
Net cash used in operating activities	<u>(415)</u>	<u>(366)</u>	<u>(1,366)</u>
<b>Cash flow from investing activities:</b>			
Payment for capitalized exploration expenditure	(273)	(192)	(532)
Payment to acquire financial assets	-	-	(10)
Sale of property, plant and equipment	-	10	214
Net cash used in investing activities	<u>(273)</u>	<u>(182)</u>	<u>(328)</u>
<b>Cash flow from financing activities:</b>			
Proceeds from issue of equity shares	-	473	2,260
Net cash from financing activities	<u>-</u>	<u>473</u>	<u>2,260</u>
<b>Net change in cash and cash equivalents</b>	<b>(688)</b>	<b>(75)</b>	<b>566</b>
Cash and cash equivalents brought forward	997	442	442
Foreign exchange effects	(60)	(73)	(11)
<b>Cash and cash equivalents carried forward</b>	<b><u>249</u></b>	<b><u>294</u></b>	<b><u>997</u></b>

The accompanying notes on pages 10 to 13 form an integral part of these financial statements.

**AMUR MINERALS CORPORATION AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2010**

*(Amounts in 'thousands of US Dollars)*

	<i>Share capital</i>	<i>Share premium</i>	<i>Retained deficit</i>	<i>Share options reserve</i>	<i>Shares to be issued</i>	<i>Foreign exchange translation reserve</i>	<i>Available for sale reserve</i>	<i>Total</i>
<b>Balance at 31 December 2008</b>	<b>19,719</b>	<b>7,707</b>	<b>(11,408)</b>	<b>1,390</b>	-	<b>(1,906)</b>	-	<b>15,502</b>
Total comprehensive income for the period	-	-	(1,100)	-	-	(885)	236	(1,749)
Shares issued	1,280	-	-	-	-	-	-	1,280
Costs associated with issue of share capital	-	(21)	-	-	-	-	-	(21)
Shares to be issued	-	-	-	-	54	-	-	54
<b>Balance at 30 June 2009</b>	<b>20,999</b>	<b>7,686</b>	<b>(12,508)</b>	<b>1,390</b>	<b>54</b>	<b>(2,791)</b>	<b>236</b>	<b>15,066</b>
Total comprehensive income for the period	-	-	(661)	-	-	478	(236)	(419)
Shares issued	1,991	-	-	-	(54)	-	-	1,937
Costs associated with issue of share capital	-	(66)	-	-	-	-	-	(66)
<b>Balance at 31 December 2009</b>	<b>22,990</b>	<b>7,620</b>	<b>(13,169)</b>	<b>1,390</b>	-	<b>(2,313)</b>	-	<b>16,518</b>
Total comprehensive income for the period	-	-	(1,417)	-	-	(439)	-	(1,856)
Lapsed share options	-	166	-	(166)	-	-	-	-
<b>Balance at 30 June 2010</b>	<b>22,990</b>	<b>7,786</b>	<b>(14,586)</b>	<b>1,224</b>	-	<b>(2,752)</b>	-	<b>14,662</b>

The accompanying notes on pages 10 to 13 form an integral part of these financial statements.

**AMUR MINERALS CORPORATION AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2010**

*(Amounts in thousands of US Dollars)*

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**1. REPORTING ENTITY**

Amur Minerals Corporation (the "Company") is a company domiciled in the British Virgin Islands. The condensed consolidated interim financial statements as at and for the six months ended 30 June 2010 comprise 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 2009 are available upon request from the Company's registered office at Kingston Chambers, P.O. Box 173, Road Town, Tortola, British Virgin Islands, from offices of RBC Capital Markets, One Queenhithe EC4V 4DE, London or at [www.amurminerals.com](http://www.amurminerals.com).

**2. BASIS OF PREPARATION**

The financial information set out in this report is based on the consolidated financial statements of Amur Minerals Corporation and its subsidiary companies (together referred to as the 'Group'). The accounts of the Group of the 6 months ended 30 June 2010 were approved and authorised for issue by the Board on 29 September 2010. The interim results have not been audited, but were the subject of an independent review carried out by the Company's auditors, BDO LLP. Such unaudited results do not constitute statutory accounts of the Company or the Group. These accounts have 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 2010. The auditor's report on the group accounts to 31 December 2009 was unqualified, but did include an emphasis of matter on going concern. The comparative information for the full year ended 31 December 2009 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 statements incorporate the results of Amur Minerals Corporation and its subsidiaries undertakings as at 30 June 2010, using the acquisition method of accounting as appropriate. The corresponding amounts are for the year ended 31 December 2009 and for the 6 month period ended 30 June 2009.

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

**3. GOING CONCERN**

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 and development stage. The Directors anticipate that a production licence will eventually be granted for the Kun-Manie deposit, but cannot estimate a date for commercial production to commence. The Group is currently dependent upon its existing financial resources which comprises cash and available-for-sale investments, and its ability to raise additional finance through share placings to satisfy its obligations and fully finance its exploration and evaluation programme for Kun-Manie. A minimum work program has been agreed as part of the Kun-Manie licence extension and failure to meet these exploration and evaluation commitments could put the related licence interests at risk of forfeiture.

The Directors continue to seek further funds to finance the exploration work programme and satisfy general corporate needs. Whilst several parties have expressed an interest in providing additional finance for the Group, there are currently no binding agreements in place.

These conditions indicate the existence of a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern. Based on the current progress of the negotiations with potential providers of finance and discussions with potential investors the Directors believe that, in addition to the expected imminent cash receipts from the sale of shares of Grafton Resources Investment Limited, the necessary additional funds to provide adequate financing for continued exploration work 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 condensed consolidated financial statements do not include the adjustments that would result if the Group was not able to continue as a going concern.

**AMUR MINERALS CORPORATION AND ITS SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2010**

*(Amounts in thousands of US Dollars)*

**4. LOSS PER SHARE**

Basic and fully diluted loss per share are calculated and set out below. The effects of warrants and share options outstanding at the period ends are anti-dilutive and have therefore been excluded from the following calculations.

	<b>Unaudited 6 Months ended 30 June 2009</b>	<b>Unaudited 6 Months ended 30 June 2009</b>	<b>Audited Year ended 31 December 2009</b>
Net loss for the period	(1,417)	(1,100)	(1,761)
Average number of shares for the period	171,019,582	126,902,833	145,825,418
<b>Basic and diluted loss per Share</b>	<b>US\$ (0.01)</b>	<b>US\$ (0.01)</b>	<b>US\$ (0.01)</b>

The Group had no potentially dilutive ordinary shares in either period that would serve to increase the loss per ordinary share. There is therefore no difference between the basic and diluted loss per share for either period. A total of 12,868,379 (2009: 17,291,456) potential ordinary shares have therefore been excluded from the above calculations.

**5. CAPITALISED EXPENDITURES**

During the six months ended 30 June 2010, the Group capitalized exploration and development related expenditures (excluding foreign exchange losses of US\$401 thousand and changes in capitalized VAT of US\$11 thousand) totaling US\$402 thousand (1H 2009: US\$345 thousand excluding exchange losses of US\$759 thousand and VAT changes of nil). The group recognized an impairment charge of US\$321 thousand (1H2009: US\$233 thousand) during the period relating to a write-down of investment in the Kustak licence.

**6. TAXATION**

No taxation has been provided due to losses in the period. No deferred tax asset has been recognised for past or current losses as the recoverability of any such assets is not probable in the foreseeable future.

**7. PREPAYMENTS AND OTHER RECEIVABLES**

Prepayments and other receivables totalled US\$110 thousand at the reporting date (2009: US\$ 565 thousand). The comparative figure for 30 June 2009 included US\$501 thousand of Russian VAT recoverable of which US\$341 thousand was reclassified to non-current assets in the annual report and US\$253 thousand remained in current assets which was based on management's expected recovery timeframe for these amounts. During the period, the Group received Russian VAT refunds totalling US\$267 thousand (2009: nil). As noted in the 2009 annual report, a portion of the Russian VAT receivable has been classified as non-current due to the expected length of time to receive refunds in Russia.

**AMUR MINERALS CORPORATION AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2010**

*(Amounts in thousands of US Dollars)*

**8. SHARE CAPITAL**

	<u>Unaudited 30 June 2010</u>	<u>Unaudited 30 June 2009</u>	<u>Audited 31 December 2009</u>
Number of Shares (no par value):			
Authorised	<u>500,000,000</u>	<u>500,000,000</u>	<u>500,000,000</u>
Total issued	<u>171,019,582</u>	<u>151,903,938</u>	<u>171,019,582</u>

All of these shares have been admitted to trading on the AIM market of London Stock Exchange plc.

**9. RELATED PARTIES**

Key management personnel and directors were due total compensation of US\$263 thousand for the six months ended 30 June 2010 (1H 2009 US\$316 thousand). No options have been granted to directors in the period (2009: nil). As at 30 June 2010, US\$210 thousand (2009: US\$366 thousand) in fees and expense reimbursements was payable to directors and key management personnel.

**10. AVAILABLE FOR SALE INVESTMENT**

On 1 June 2009, the Company entered into a share exchange transaction with Grafton Resource Investments Ltd ("Grafton"). The shares and acquisition costs of US\$63 thousand were capitalised as Available-for-sale investments in the statement of financial position at 31 December 2009 totalling US\$691 thousand. Subsequent to the reporting date, the Company accepted an offer to sell its shares in Grafton for US\$363 thousand. These financial statements include an impairment of US\$331 thousand (1H 2009: nil) to reduce the carrying value to the sales value less a provision for costs associated with the transaction of US\$4 thousand.

**11. EVENTS AFTER THE REPORTING DATE**

**Placing of shares**

On 22 July 2010, the Company raised £1.2 million (US \$ 1.8 million) by way of a placing of 35,318,684 ordinary shares at 3.5p per share. In addition, the Company issued 1,428,570 ordinary shares to CEO Robin Young in lieu of \$76,300 salary owed to him. The shares commenced trading on AIM on 28 July 2010. The funds will be used to fund the on-going exploration and development work of Kun-Manie and Kustak, as well as for general and administrative expenses.

In addition, the Company entered in an equity swap agreement to allow the Company to retain much of the economic interest in the shares pursuant to the placing. The Company issued 3 million shares to as a value payment in connection with the equity swap agreement. The agreement allows the Company to secure much of the potential upside arising from near term news flow.

Following the placings, the Company has 210,766,836 shares in issue.

**Board Changes**

On 22 July 2010, Willie McLucas and Eric McAuslan retired as non-executive directors of the Company. Brian C Savage was appointed as a non-executive director as of 23 July 2010.

**Licence Extension**

On 1 September 2010, the Group was granted an extension of the Kun-Manie exploration licence. The exploration licence, which covers an area of 950 square kilometres had been due to expire on 31 December 2010 and will now expire on 31 December 2012.

**AMUR MINERALS CORPORATION AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2010**

*(Amounts in thousands of US Dollars)*

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**12. FORWARD LOOKING STATEMENTS**

This report contains certain forward looking statements, which include assumptions with respect to future plans, results and capital expenditures. The reader is cautioned that assumptions used in the preparation of such information may prove to be incorrect. All such forward looking statements involve substantial known and unknown risks and uncertainties, certain of which are beyond the Company's control. Please refer to the Company's Admission Document available from the Company's web site for a list of risk factors. The Company's actual results could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits the Company will derive therefrom. All subsequent forward-looking statements, whether written or oral, attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Furthermore, the forward-looking statements contained in this report are made as at the date of this report

**13. INTERIM REPORT**

Copies of this interim report for the six months ended 30 June 2010 will be available from the company's website [www.amurminerals.com](http://www.amurminerals.com)