

10 January 2011

## Amur Minerals Corporation

Year End	Revenue (US\$m)	PBT* (US\$m)	EPS* (c)	DPS (c)	P/E (x)	Yield (%)
12/08	0.0	(2.3)	(2.0)	0.0	N/A	N/A
12/09	0.0	(1.6)	(1.1)	0.0	N/A	N/A
12/10e	0.0	(0.9)	(0.5)	0.0	N/A	N/A
12/11e	0.0	(1.3)	(0.5)	0.0	N/A	N/A

Note: \*PBT and EPS are normalised, excluding goodwill amortisation and exceptional items.

### Investment summary: C'est l'Amur

In Kun-Manie, Amur has a rare, if remote, nickel resource in the Russian far east. It includes a key 2km wide and 16km long trend, within which lie three drilled deposits, named Ikenskoe, Vodorzdelny and Maly Krumkon, over which the company has applied for a mining licence covering some 100km<sup>2</sup>. Shares in Amur have risen sharply since early December reflecting the progress made regarding this licence, with only one approval required before Rosnedra (the Russian state regulator) drafts the licence.

### Sulphide ore type in demand

Significantly, Kun-Manie is a sulphidic, rather than a lateritic, deposit. From a technological perspective, nickel sulphides are much easier to process. In particular, their ability to produce concentrates reduces the size of the facilities required to treat the ore. Moreover, sulphide replenishment has lagged rates of ore depletion for several years, with the result that sulphide deposits now account for only 28% of the world's known resources of nickel ore (cf 72% for laterites).

### Pre-feasibility study completed

In November 2007, consultants SRK completed a pre-feasibility study for the Kun-Manie deposit that valued it at US\$85m at a nickel price of US\$14,300/t, excluding penalties for deleterious elements. We are not privy to SRK's financial model. However, using ostensibly the same input parameters, we derive a similar value for the project of US\$89m, or 35p per share (before dilution).

### Valuation: Discount to everything

Updating Edison's model to account for a nickel price of US\$22,500/t increases our estimate of the value of the project to US\$505m, or £1.30 per share before dilution. Amur's share price is therefore at an 85% discount to the potential value of the project. It has also recently received a two-year extension until 2012 on its exploration licence. While there is a risk that the mining licence is not granted, if the deposit is ever exploited by a third party then Amur has the right to compensation equal to 140% of its exploration expenditure, which was capitalised on its balance sheet at a value of US\$13m as at end-June 2010.

Price 19p  
Market Cap £48m

#### Share price graph



#### Share details

Code AMC  
Listing AIM  
Sector Mining  
Shares in issue 250m

#### Price

52 week High 19.0p Low 3.8p

#### Balance Sheet as at 30 June 2010

Debt/Equity (%) N/A  
NAV per share (c) 7.9  
Net cash (US\$m) 0.25

#### Business

Amur Minerals is an exploration and development company focused on base metal projects located in Russia's far east. The company's principal asset is the Kun-Manie nickel sulphide deposit, located in the Amur Oblast, containing over a third of a million tonnes of contained nickel in three deposits.

#### Valuation

	2009	2010e	2011e
P/E relative	N/A	N/A	N/A
P/CF	N/A	N/A	N/A
EV/Sales	N/A	N/A	N/A
ROE	N/A	N/A	N/A

#### Revenues by geography

	UK	Europe	US	Other
0%	0%	0%	0%	0%

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## Investment summary: Share price discount to NAV

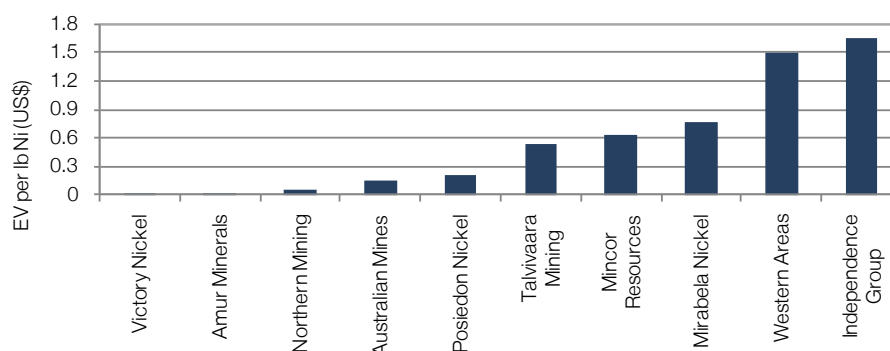
### Company description: Nickel sulphide explorer

Amur Minerals has a 100% interest in the Kun-Manie deposit in the north-east corner of Russia's Amur Oblast in the far east. To date, the project has delineated three specific deposits of nickel sulphide mineralisation, containing 341,500t (752m lbs) of in-situ nickel, discovered at an average cost of 1.8 US cents per pound (cf a nickel price currently of US\$11.20/lb).

### Valuation

In addition to the valuation considerations highlighted on page one, Amur is also cheap relative to its peers when considered purely in terms of its resource base, as shown in Exhibit 1.

**Exhibit 1: Nickel companies' enterprise value per resource lb Ni (US\$)**



Source: Edison Investment Research

### Sensitivities: Threats and opportunities

The three principal threats faced by Amur are uncertainty regarding the grant of a mining licence, uncertainty surrounding the likelihood and extent of smelter penalties for deleterious elements and likely future dilution (see page 10). At the same time, it is presented with three opportunities, being the potential to improve the project's NPV via rescheduling higher grade production earlier in the mine plan, the potential to build a smelter (also improving NPV and incidentally recovering cobalt, platinum and palladium) and the potential to reduce infrastructure capex as a result of the completion of the Baikal spur railway line to Elgin (see page 4).

### Financials

Amur currently has around US\$3.1m in cash on its balance sheet (December 2010) compared to a budget over the next 19 months of US\$2.0m to cover overheads. In addition, it is scheduled to undertake an exploration programme as well as completing metallurgical test-work for a bankable feasibility study. In order to finance its budget, it has entered into an agreement with Lanstead Partners, an alternative investment vehicle focused on providing equity capital through bespoke agreements. In the case of Amur, Lanstead bought c 10% of its total issued share capital for an initial period of two years (through equity issue and swap agreements announced in July and October 2010). In this period Amur is paid a projected monthly amount of approximately £35,000. The payment amounts vary based on the relative average share price of Amur's stock to a stipulated benchmark price. The strike price for the projected payments for the 10 July deal is 3.5p per share (24 month term) and for the October 2010 agreement is 5.25p per share (22 month term). Payments will increase or decrease based on the actual price above or below the strike price.

## Company description: Rare nickel sulphide

Amur Minerals owns exploration rights over a land package of approximately 950km<sup>2</sup> in the Russian far east. This includes a key 2km wide and 16 km long trend, within which lie three drilled deposits, named Ikenskoe, Vodorazdelny and Maly Krumkan, over which the company has applied for a mining licence covering some 100km<sup>2</sup>.

### History

In November 2007, consultants SRK completed a pre-feasibility study for Amur that concluded that a project designed to produce a nickel concentrate had a net present value of US\$84m at a discount rate of 10% and nickel and copper prices of US\$7.50/lb and US\$1.50/lb, respectively. All costs were included in the analysis, including staff costs, mining, transport to and from site, loading and railway transport to a third-party smelter. However, potential cobalt, platinum and palladium revenues were excluded from the analysis. In addition, while the optimal pit outlines had been determined, these have not been translated into optimum production schedules. As a result, some higher grade production was delayed until later years, thus reducing the NPV of the project unnecessarily.

### The three deposits

The topography of the Vodorazdelny deposit in particular is significant in that it comprises two occurrences of mineralisation of which one is the summit of a hill, which therefore has almost no stripping requirement (SRK estimated the stripping ratio of this deposit to be 0.5:1 waste:ore). The remaining two larger deposits dip into the side of hills, with the highest grades and greater thicknesses of ore being located near the ore zone out crops.

### Reserves and resources

Considered together, SRK's most recent estimate of mineral resources at Kun-Manie is as follows:

#### Exhibit 2: SRK estimate of Kun-Manie resources

Note: No block cut-off grade applied.

		Tonnage (Mt)	Grade Ni (%)	Cont'd Ni (t)	Grade Cu (%)	Cont'd Cu (t)	Grade Pt (g/t)	Cont'd Pt (oz)	Grade Pd (g/t)	Cont'd Pd (oz)
<b>Measured</b>	Vodorazdelny			0		0		0		0
	Ikenskoe	3.7	0.61	22,700	0.16	5,800	0.2	25,721	0.2	25,721
	Maly Krumkon			0		0		0		0
	<b>Total measured</b>	<b>3.7</b>	<b>0.61</b>	<b>22,700</b>	<b>0.16</b>	<b>5,800</b>	<b>0.2</b>	<b>25,721</b>	<b>0.2</b>	<b>25,721</b>
<b>Indicated</b>	Vodorazdelny	5.9	0.71	41,800	0.20	11,800	0.2	28,936	0.1	25,721
	Ikenskoe	26.8	0.42	111,300	0.12	32,700	0.2	135,034	0.2	131,819
	Maly Krumkon	15.0	0.49	73,700	0.13	19,900		0		0
	<b>Total indicated</b>	<b>47.7</b>	<b>0.48</b>	<b>226,800</b>	<b>0.14</b>	<b>64,400</b>	<b>0.1</b>	<b>163,970</b>	<b>0.1</b>	<b>157,540</b>
<b>Inferred</b>	Vodorazdelny			0		0		0		0
	Ikenskoe	5.9	0.49	28,700	0.13	7,500	0.2	32,151	0.2	41,796
	Maly Krumkon	11.2	0.56	62,800	0.16	17,800		0		0
	<b>Total inferred</b>	<b>17.1</b>	<b>0.54</b>	<b>91,500</b>	<b>0.15</b>	<b>25,300</b>	<b>0.1</b>	<b>32,151</b>	<b>0.1</b>	<b>41,796</b>
<b>Total</b>	Vodorazdelny	5.9	0.71	41,800	0.20	11,800	0.2	28,936	0.1	25,721
	Ikenskoe	36.4	0.45	162,700	0.13	46,000	0.2	192,906	0.2	199,336
	Maly Krumkon	26.2	0.52	136,500	0.14	37,700	0.0	0	0.0	0
	<b>Total</b>	<b>68.5</b>	<b>0.50</b>	<b>341,000</b>	<b>0.14</b>	<b>95,500</b>	<b>0.1</b>	<b>221,842</b>	<b>0.1</b>	<b>225,057</b>

Source: SRK, Amur Minerals Corp

## Metallurgical test work

The metallurgical test work for the project was conducted locally within Russia and concluded that nickel recovery of 87% is possible (cf 76% assumed by SRK in its economic analysis). More metallurgical work will be required to meet the standards of a bankable feasibility study and also to determine more accurately the existence and concentrations of deleterious compounds in concentrate. This is planned for early 2011.

## Infrastructure

Two items of local infrastructure are important to the project. The first is the Zeya hydroelectric dam, which provides electricity for the trans-Siberian and Baikal Amur railways. In addition to providing cheap electricity, the dam is reported to be operating below capacity. The possibility of sourcing electricity from Zeya will form the basis of a separate study.

The other significant item of infrastructure, which has been undertaken since the conclusion of SRK's pre-feasibility report in 2007, is the Baikal spur railway line to Elgin. Whereas the nearest railway line had previously been 320km distant (or 200km on a straight line basis), this development could reduce the distance between Amur's project and the nearest railway line to approximately 100km – thus potentially reducing the capital expenditure associated with building rail infrastructure by half, to (we estimate) c US\$70m.

## Permitting

Amur is currently in possession of an exploration licence which expires on 31 December 2012. Being in possession of a certificate of discovery and a Russian feasibility study, in November 2009 the company submitted an application for a mining licence over approximately 100km<sup>2</sup> of its 950km<sup>2</sup> land holding to the local authorities. This was passed on to the Ministry of Natural Resources by the local authorities in January 2010. In a December 2010 update, Amur reported that input is now awaited from the Ministry of Economic Development, receipt of which should lead to Rosnedra (the Russian state regulator) drafting a mining licence and terms. In theory, the process of granting a mining licence can be completed in as little as six months. In practice it may take over a year, including the negotiation of the precise terms under which the licence will be issued (see 'Consequences of owning a deposit deemed strategic', below).

## Consequences of having a certificate of discovery

A certificate of discovery is awarded to a company that has produced a resource statement accepted by the relevant Russian authority – the GKZ. Once in possession of a certificate of discovery, a company is formally registered as the discoverer of a deposit, which it then, in theory, has the right to mine. To Amur's knowledge, no company in history has ever been disallowed from the right to mine a deposit that it has discovered. If a company is disallowed from mining a deposit that it has discovered, then the regulatory agencies have stated that it is entitled to reimbursement equal to 140% of its discovery costs. This legal sanction has particular significance for Amur because, in May 2010, all requirements to pay for historical geological data were waived. Hence, in the event of Amur being disallowed from mining its deposit for any reason, it stands to benefit from being reimbursed 140% of the sunk cost of discovering the deposit, while not having to simultaneously pay for the historical data from which it benefitted.

## Consequences of owning a deposit deemed 'strategic'

Since May 2008 all deposits deemed strategic by the Russian state are required to be owned at least 51% by a Russian entity prior to development. The definition of a 'strategic' interest varies depending on the metal and/or mineral in question. In the case of nickel, however, all deposits are deemed to be 'strategic'. This leaves Amur with a number of options:

- Seek a Russian partner, as required by law, to which end we understand that Amur has been in extensive talks with a number of local Russian vehicles. The price at which any such deal might be concluded remains to be seen.
- Seek a waiver of the 'strategic' requirement. Such a move has a precedent in Barrick's development of the Fedorova deposit near Murmansk.

A third option is that the Ministry of Natural Resources awards a mining licence to Amur conditional upon it finding a Russian partner.

## Russian risk

Two principal risks arise from Amur's position in Russia. First, a greater than 10% shareholding in an entity owning a deposit deemed strategic by the Russian state requires the approval of the Russian government. Second is the risk associated with security of tenure relating to mineral assets. While differences of interpretation have arisen in recent years regarding the terms of private companies' ownership of mineral assets, most of these disputes have focused on hydrocarbon, rather than mineral, companies. For exploration stage companies such as Amur the basic test used to define suitability to retain mineral rights is one of 'earnest effort' with respect to the development of the project. Inevitably such a definition involves a degree of subjectivity and, as such, a degree of risk must therefore attach itself to projects being financed by western companies in Russia from the perspective of their investors.

## Meteorological risk

Currently, Amur is able to undertake exploration activities for four to six months of the year, between April and October. Mining activities, by contrast, can be conducted on a year-round basis in the region with only approximately five to seven days a year lost to cold weather.

## Opportunities

Three particular opportunities are relevant to Amur's development of its project in Russia's far east. The first is its ability to optimise the production schedule compared to that analysed in SRK's report, such that higher grade ore is treated earlier with a view to maximising the project's NPV. The second is the potential to install a flash smelter on site. Currently, the project is predicated on the beneficiation of ore to concentrate which is then transported to a third-party smelter. After metallurgical recoveries and the net smelter royalty (NSR), the total recovery to Amur under the current plan is estimated to be approximately 50% nickel and 45% copper. However, this rises to c 83.4% nickel and 60% copper in the event that the company installs its own smelter. In addition, rail transport costs relating to the concentrate are eliminated, while revenues from cobalt, platinum and palladium are liberated to the benefit of the company. Amur estimates the capital expenditure involved in building a flash smelter would be c US\$220m, although this would be more than recouped in a higher net present value for the project, estimated to be US\$750m at US\$9.50/lb nickel. The third opportunity is that of 'blue-sky' exploration. Within this:

- 1) Geophysics and geochemical sampling suggests that the Ikenskoie deposit extends beyond its current known limits.
- 2) Geochemical, geophysical, mapping and rock chip sampling all suggest that the Maly Krumkon ore body and two exploration holes located 2km to the east could represent a single continuous structure containing potentially economic levels of nickel and copper.
- 3) One additional deposit, Falcon, between Ikenskoie and Voderazdelnaya has been delineated, although it was not submitted for reserve approval as it was not a primary target for the company.
- 4) The western limit of the 16km long trend zone within which all three deposits are located is bordered by a fault, beyond which, to the south, geochemical testing indicates the potential existence of a fourth deposit, known as Espiline.

In the opinion of management there are 'dozens' of potential targets within the company's current 950km<sup>2</sup> exploration licence.

## Milestones

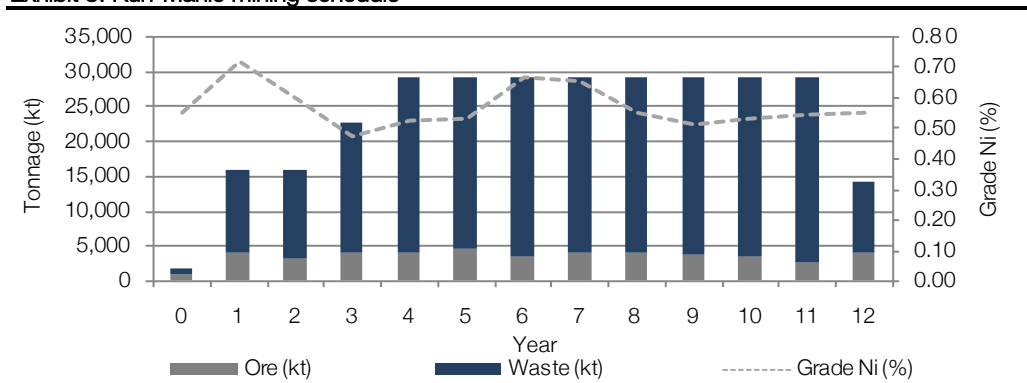
Within the next 12 months, subject to approval by Russian authorities of its mining licence, Amur intends to achieve the two following operational milestones:

- 1) Undertake exploration and technical work to move the project towards a bankable feasibility study.
- 2) Delineate the potential limits of the three deposits and establish additional drill requirements.

## Valuation

Our valuation of Kun-Manie is based on the production schedule outlined by SRK in its pre-feasibility report of November 2007, outlined below.

**Exhibit 3: Kun-Manie mining schedule**



Source: Edison Investment Research, SRK, Amur Minerals Corporation

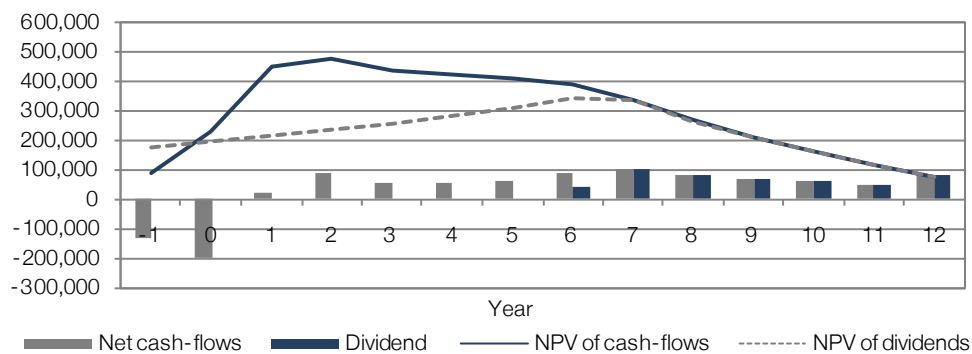
On the basis of the above schedule, SRK calculated a value for the project of US\$85m at a 10% discount rate and a 15% internal rate of return in what it described as its '4 Mtpa Upside' scenario. This differed from SRK's '4 Mtpa' scenario principally in its elimination of US\$231m in penalties relating to deleterious compounds (especially magnesium oxide) in the concentrate. We are not privy to the precise financial model used by SRK in deriving this valuation. By using the (very similar/identical) assumptions summarised below, however, we were able to derive a valuation for Kun-Manie of US\$89m.

**Exhibit 4: Edison assumptions used in deriving a value for Kun-Manie project**

Parameter	Assumption
Nickel price	US\$14,300/t
Nickel price	US\$6.49/lb
Payable nickel	67%
Copper price	US\$3,000/t
Payable copper	50%
Average nickel sulphide recovery	77.3%
Percent nickel in concentrate	7.0%
Freight costs (minesite – siding)	US\$21.67/t
Freight costs (siding – smelter)	US\$35.75/t
Royalties (Ni & Cu)	8% of net revenue after freight
Mining cost, ore	US\$1.30/t
Mining cost, waste	US\$1.20/t
Processing cost	US\$6.11/t
General & administrative cost	US\$2.25/t
Russian corporate tax rate	24%
Cost of debt	10%
Creditor days	30
Debtor days	30
Stock turn	12
Initial capex	US\$424m

Source: Edison Investment Research

The value of US\$89m is based on the present value of future cash-flows to investors in the project and compares to a value based on the present value of future dividend flows to investors of US\$178m, as shown in Exhibit 5, below.

**Exhibit 5: Kun-Manie project value profile (US\$'000s)**

Source: Edison Investment Research, SRK, Amur Minerals Corporation

The valuations derived by both methods then converge with time to a value of US\$339m in year seven of the project's life, when the first significant dividend is payable to investors.

## Significant post-PFS events

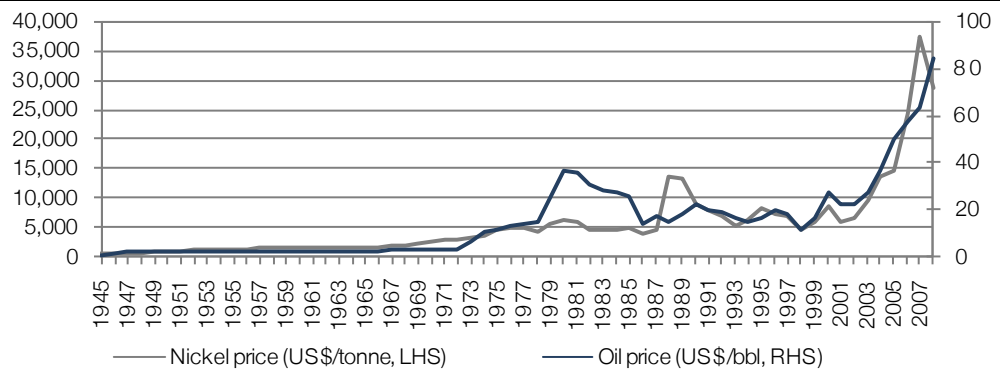
SRK's pre-feasibility study was concluded in November 2007 when the crude oil price averaged US\$92.83/bbl, compared with US\$72.61/bbl for CY07 as a whole. As such, the crude oil price environment at the time was higher than it is now – which provides some comfort with respect to likely cost estimates. At the same time, the nickel price was on a rising trend in CY07, increasing from c US\$33,000/t to US\$55,000/t and then falling back to US\$25,000/t by the year end. It subsequently fell to US\$8,000/t in CY08, before recovering to US\$28,000/t earlier this year. It is currently trading at US\$22,500/t.

### Nickel vs oil

Since 1945, the average real price of nickel has been US\$13,135/tonne. During the same time-span, the worst period of price deflation occurred between 1988 and 1998, when the price of nickel declined by 66%, from an annual average of just below US\$15,000/tonne in 1988 to just below US\$5,000/tonne in 1998. Taking 2007 to have been a peak in the most recent cycle, a similar peak-to-trough fall would imply a nickel price of US\$12,513/tonne.

However, the nickel price may also be analysed with reference to the price of oil.

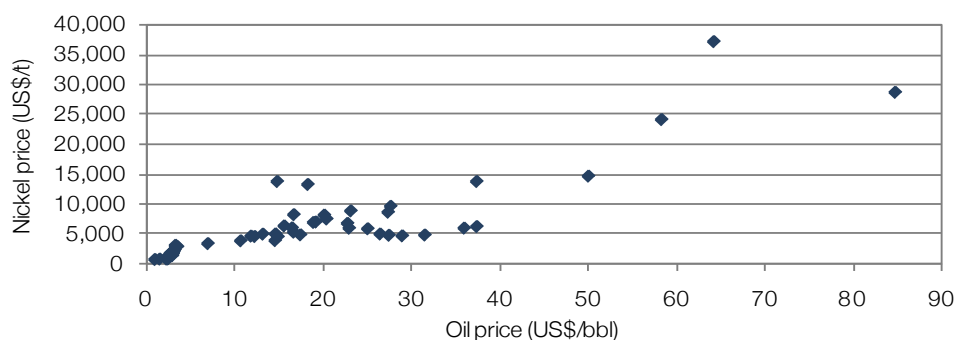
**Exhibit 6: Nickel (US\$/t) and oil prices (US\$/bbl), 1945-2008**



Source: Edison Investment Research, USGS

The production of nickel is an extremely energy-intensive process and the price of a barrel of crude oil can therefore be considered as a proxy for energy input costs generally. As a result, the correlation between the nominal price of nickel and the nominal price of oil has been extremely close, returning a Pearson Product Moment Coefficient of 0.85 (on a scale between +1 and -1) for the period from 1945 to the present.

**Exhibit 7: Nickel price vs oil price, 1945-2008**



Source: Edison Investment Research, USGS

The future price of nickel can therefore be estimated in terms of the price of crude oil by using regression techniques. The results of this process are shown below:

**Exhibit 8: Estimated future long-term price of nickel at varying long-term future oil prices**

Price of oil (US\$/bbl, nominal)	40	60	75	80	100	120	140
Implied price of Ni (US\$/tonne, nominal)	14,160	21,135	26,365	28,109	35,084	42,058	49,033

Source: Edison Investment Research

For nickel to fall back by 66% from its 2007 high or to its long-term real price of US\$13,135/tonne would therefore imply the price of crude oil falling back below US\$40/bbl. A long-term oil price of about US\$75/bbl by contrast implies a nickel price of US\$26,365/tonne.

## Kun-Manie updated valuation and sensitivities

Updating the Edison model purely to reflect changes in external factors results in changes to the valuation and internal rates of return for the project, shown below:

**Exhibit 9: Updated Kun-Manie valuations**

Parameter updated	NPV (US\$m)	IRR (%)
Nickel price increased from US\$14,300/t to US\$22,500/t and nickel payability from 67% to 71%.	505	35.4
Ditto, plus Ni in concentrate grade increased to 7.5% from 7.0%.	577	38.6
Nickel price increased from US\$14,300/t to US\$26,365/t and nickel payability from 67% to 73%.	710	44.4
Ditto, plus Ni in concentrate grade increased to 7.5% from 7.0%.	795	48.0

Source: Edison Investment Research

The project's sensitivity to the nickel price, unit costs and the discount rate meanwhile, is given in Exhibits 10, 11 and 12.

**Exhibit 10: Kun-Manie updated valuation sensitivity to the nickel price**

Nickel price (US\$/t)	12,415	13,135	14,300	22,500	26,365	30,000	35,000
Updated Kun-Manie valuation (US\$m)	0	35	89	505	710	911	1,143

Source: Edison Investment Research

**Exhibit 11: Kun-Manie updated valuation sensitivity to unit costs**

Unit cost change	(10%)	u/c	+10%	+20%	+50%	+100%	+139%
Updated Kun-Manie valuation (US\$m)	425	505	371	343	261	120	0

Source: Edison Investment Research

**Exhibit 12: Kun-Manie updated valuation sensitivity to discount rate**

Note: US\$11.4m equals Amur's market cap minus liquid assets.

Discount rate	5%	10%	15%	20%	25%	29%	30%
Updated Kun-Manie valuation (US\$m)	671	505	229	121	51	*11.4	4

Source: Edison Investment Research

## Financials and potential future dilution analysis

Amur is currently reported to have US\$3.1m of cash on its balance sheet and anticipates that it will receive approximately an additional US\$1.0m (total through to July/August 2012) from payments from Lanstead. Its budget over the next 19 months is US\$2.0m to cover administrative costs and an additional possible exploration campaign from mid March to May 2011, in the amount of US\$1.4m. To finance its budget, Amur does not need to place additional shares to meet its auditor's requirements to be classified as a going concern. Should Amur undertake an exploration drilling programme in 2012, it will need to raise additional capital – possibly as high as \$6m plus a further US\$1.4m for environmental, general & administrative, study and legal expenses.

The initial capital cost estimate for the Kun-Manie project is US\$424m. Assuming that this is satisfied 50% by debt, Amur will need to raise an additional US\$212m in equity in order to satisfy its funding obligations to give a total combined likely future equity funding requirement of US\$219.4m. With US\$212m in new equity thus invested, the project's post-funding value then rises to US\$737m (being approximately US\$505m plus US\$212m). Exhibit 13 gives the post-funding value of the Kun-Manie project to Amur shareholders, per share, with a total of US\$219.4m in equity being raised at a variety of different prices.

**Exhibit 13: Analysis of post-funding value of Kun-Manie project to Amur shareholders**

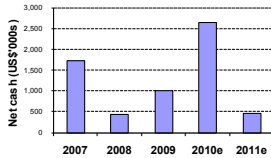
Cable rate	1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.55
Funds to be raised (US\$m)	219.4	219.4	219.4	219.4	219.4	219.4	219.4	219.4	219.4	219.4	219.4	219.4	219.4
Price at which funds raised (pence)	10	11	12	13	14	15	25	35	77	30	35	40	130
New shares issued	1,492	1,356	1,243	1,148	1,066	995	597	426	194	497	426	373	115
Shares already in issue (m)	250	250	250	250	250	250	250	250	250	250	250	250	250
Total shares in issue post-funding	1,742	1,607	1,494	1,398	1,316	1,245	847	677	444	748	677	623	365
Post-funding value of project (US\$m)	737	737	737	737	737	737	737	737	737	737	737	737	737
Post-funding value of project per share (cents)	42.3	45.9	49.3	52.7	56.0	59.2	87.0	108.9	165.9	98.6	108.9	118.2	201.8
Post-funding value of project per share (pence)	27.3	29.6	31.9	34.1	36.2	38.2	56.2	70.4	107.2	63.7	70.4	76.4	130.4

Source: Edison Investment Research

## Exhibit 14: Financials

	US\$'000s	2007	2008	2009	2010e	2011e
Year end 31 December		IFRS	IFRS	IFRS	IFRS	IFRS
<b>PROFIT &amp; LOSS</b>						
<b>Revenue</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Cost of Sales		0	0	0	0	0
Gross Profit		0	0	0	0	0
<b>EBITDA</b>		<b>(2,112)</b>	<b>(2,339)</b>	<b>(1,397)</b>	<b>(865)</b>	<b>(1,300)</b>
<b>Operating Profit (before GW and except.)</b>		<b>(2,121)</b>	<b>(2,352)</b>	<b>(1,397)</b>	<b>(875)</b>	<b>(1,310)</b>
Intangible Amortisation		0	0	0	0	0
Exceptionals		0	0	(185)	(652)	0
Other		0	0	0	(211)	0
<b>Operating Profit</b>		<b>(2,121)</b>	<b>(2,352)</b>	<b>(1,582)</b>	<b>(1,738)</b>	<b>(1,310)</b>
Net Interest		136	50	(179)	0	40
Equity swap inflows					152	468
<b>Profit Before Tax (norm)</b>		<b>(1,985)</b>	<b>(2,302)</b>	<b>(1,576)</b>	<b>(875)</b>	<b>(1,270)</b>
<b>Profit Before Tax (FRS 3)</b>		<b>(1,985)</b>	<b>(2,302)</b>	<b>(1,761)</b>	<b>(1,586)</b>	<b>(802)</b>
Tax		0	0	0	0	0
<b>Profit After Tax (norm)</b>		<b>(1,985)</b>	<b>(2,302)</b>	<b>(1,576)</b>	<b>(875)</b>	<b>(1,270)</b>
<b>Profit After Tax (FRS 3)</b>		<b>(1,985)</b>	<b>(2,302)</b>	<b>(1,761)</b>	<b>(1,586)</b>	<b>(802)</b>
Average Number of Shares Outstanding (m)		96.9	116.2	146.4	193.9	250.4
EPS - normalised (c)		(2.0)	(2.0)	(1.1)	(0.5)	(0.5)
EPS - FRS 3 (c)		(2.0)	(2.0)	(1.2)	(0.8)	(0.3)
Dividend per share (c)		0.0	0.0	0.0	0.0	0.0
Gross Margin (%)		N/A	N/A	N/A	N/A	N/A
EBITDA Margin (%)		N/A	N/A	N/A	N/A	N/A
Operating Margin (before GW and except.) (%)		N/A	N/A	N/A	N/A	N/A
<b>BALANCE SHEET</b>						
<b>Fixed Assets</b>		<b>12,628</b>	<b>14,641</b>	<b>14,495</b>	<b>14,076</b>	<b>14,824</b>
Intangible Assets		12,534	13,597	13,525	12,815	14,215
Tangible Assets		94	1,044	629	619	609
Other receivables		0	0	341	642	0
<b>Current Assets</b>		<b>1,797</b>	<b>1,281</b>	<b>2,313</b>	<b>3,781</b>	<b>1,433</b>
Stocks		0	270	247	218	218
Trade Debtors		0	0	0	0	0
Cash		1,729	442	997	2,647	455
Other receivables/other				1,069	916	760
<b>Current Liabilities</b>		<b>(349)</b>	<b>(420)</b>	<b>(290)</b>	<b>(300)</b>	<b>(300)</b>
Creditors		(349)	(420)	(290)	(300)	(300)
Short term borrowings		0	0	0	0	0
<b>Long Term Liabilities</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Long term borrowings		0	0	0	0	0
Other long term liabilities		0	0	0	0	0
<b>Net Assets</b>		<b>14,076</b>	<b>15,502</b>	<b>16,518</b>	<b>17,557</b>	<b>15,957</b>
<b>CASH FLOW</b>						
<b>Operating Cash Flow</b>		<b>(1,373)</b>	<b>(3,020)</b>	<b>(1,366)</b>	<b>(426)</b>	<b>(832)</b>
Net Interest		136	50	0	0	40
Tax		0	0	0	0	0
Capex		(5,243)	(4,872)	(328)	(273)	(1,400)
Acquisitions/disposals		0	0	0	0	0
Financing		5,248	6,513	2,260	2,349	0
Dividends		0	0	0	0	0
Net Cash Flow		(1,232)	(1,329)	566	1,650	(2,192)
<b>Opening net debt/(cash)</b>		<b>459</b>	<b>(1,729)</b>	<b>(442)</b>	<b>(997)</b>	<b>(2,647)</b>
HP finance leases initiated		0	0	0	0	0
Other		(38)	42	(11)	0	0
<b>Closing net debt/(cash)</b>		<b>1,729</b>	<b>(442)</b>	<b>(997)</b>	<b>(2,647)</b>	<b>(455)</b>

Source: Amur Minerals Corporation accounts, Edison Investment Research

Growth	Profitability	Balance sheet strength	Sensitivities evaluation	
N/A	N/A		Litigation/regulatory	○
			Pensions	○
			Currency	◐
			Stock overhang	○
			Interest rates	●
			Oil/commodity prices	●

Growth metrics	%	Profitability metrics	%	Balance sheet metrics		Company details	
EPS CAGR 07-11e	N/A	ROCE 10e	N/A	Gearing 10e	N/A	Address:	
EPS CAGR 09-11e	N/A	Avg ROCE 07-11e	N/A	Interest cover 10e	N/A	14 Gaidar Street	
EBITDA CAGR 07-11e	N/A	ROE 10e	N/A	CA/CL 10e	N/A	Office 9	
EBITDA CAGR 09-11e	N/A	Gross margin 10e	N/A	Stock turn 10e	N/A	Khabarovsk 680063	
Sales CAGR 07-11e	N/A	Operating margin 10e	N/A	Debtor days 10e	N/A	Phone	+7 916 2424406
Sales CAGR 09-11e	N/A	Gr mgn / Op mgn 10e	N/A	Creditor days 10e	N/A	www.amurminerals.com	

Principal shareholders		%	Management team
Newland Fund Management LLP		6.03	<b>CEO: Robin Young</b>
Foxley Associates Ltd.		3.16	Mr Young is a geologist and mining engineer who has worked extensively in the CIS since 1991. He has 34 years of experience in the mineral resources industry overall, which has included large projects in remote areas as well as significant work with junior mining companies. He has been CEO of Amur since October 2004.
Anturium Resources		2.76	
Polar Star Capital		2.79	
Lanstead Partners Ltd.		2.40	
National Republican Bank		2.32	<b>COO: Jack Swanson</b>
Resource Investment Group		0.48	Mr Swanson is a mining engineer with over 40 years' experience, including work at Nezdansinskoe in Yakutia and Suzdal in Kazakhstan. He is also a former vice president of operations of Bunker Hill Mining Company, as well as having mine management positions with several operations located worldwide.
Forthcoming announcements/catalysts	Date *		
AGM	September 2011		
Final Results	January 2011		
Interim results	July 2011		<b>Chairman: Robert Schafer</b>
			Mr Schafer has 33 years of experience in the mineral industry, working in the international sector with both major and junior mining companies. He is currently vice-president, business development with Hunter Dickinson Inc., a globally active private natural resources corporation.
<i>Note: * = estimated</i>			
Companies named in this report			
Victory Nickel, Northern Mining, Posiedon Nickel, Australian Mines, Talvivaara Mining, Mirabela Nickel, Mincor Resources, Western Areas, Independence Group			

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