Amur Minerals

AMUR MINERALS CORPORATION AND ITS SUBSIDIARIES

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2014

Dear Shareholder:

It is with pleasure that I take this opportunity to update the shareholders of Amur Minerals Corporation (the "Company" or "AMC") on the financial year ended 31 December 2014, a year in which, we forged the foundation for a new and dynamic AMC. Efforts made in 2014 were critical in transforming the Company and leading to the two major milestones in early 2015. These early 2015 milestones include the issue and registration of the 20 year "Detailed Exploration and Production Licence" (the "Production Licence") and the compilation of a "Preliminary Economic Assessment" (the "PEA") from which future activities can be defined, leading to the production decision and ultimate development of Kun-Manie. Presently, Kun-Manie, located in the Far East of Russia, is ranked among the 20 largest nickel copper sulphide projects in the world. Substantial exploration potential remains providing the opportunity to advance further up the world rankings. The key milestones derived from work during 2014 were as follows:

- The Production Licence was issued to our wholly owned subsidiary (ZAO Kun-Manie). The terms and conditions of the Production Licence allow the Company to recover all revenues from 100% of the mined metal that specifically includes nickel, copper, cobalt, platinum, palladium, gold and silver. It is noted that the project is a deposit of federal strategic significance.

- The issuance of the Company-compiled PEA was significant as it establishes a current technical and economic assessment correlative to the terms and conditions of the Production Licence. It provides technical and financial benchmarks from which a long-term plan will be defined. The plan will cover further exploration, engineering, development and operational considerations for this proposed large-scale bulk mineable operation. Presently, the unaudited results of the PEA indicate the operation could rank AMC among the mid-tier to major international nickel sulphide producers.

The Company has also been active in a broad realm of areas about which I am also pleased to report in the following sections.

Production Licence

The Production Licence was approved in May 2015 and registered with the State Geological Fund in early June 2015. The Production Licence expires on 1 July 2035 and can be extended should additional reserves prolong the profitable mine life be discovered. Since the year end, the Company has also paid the Russian Federation the amount of 23.6 million Roubles as a one-time payment for the acquisition of 100% of the production rights.

Preliminary Economic Assessment

The design of the proposed Kun-Manie operation and its economic potential were re-assessed using all available information and the terms and conditions of the Production Licence. While the Production Licence was under the approval process, our internationally experienced engineering management developed a long term operational plan matched to the terms and conditions of the licence. This resulted in a substantial update to the 2007 Pre-Feasibility Study ("PFS") compiled by SRK Consulting Ltd ("SRK"), which allows the Company to develop an implementation strategy to reach a production decision. Preliminary unaudited Company results indicate that the potential Net Present Value ("NPV", discounted at 10%) of the new 15 year production design ranges from US$709 million (at US$7.50 per pound for nickel) to $US1.436 billion (US$9.50 per pound for nickel). Vertically-integrated operations will cover construction, mining, processing and smelting of the Kun-Manie sulphide ores. The initial capital cost estimate is projected to be in the order of US$1.38 billion with an additional sustaining capital requirement of US$475 million over the 15 year life.

Additional Accomplishments

Given the two transformational milestones achieved during 2014, the Company was also active on other fronts. Using a minimal expenditure cost approach, the Company focused on completing tasks intended to shorten the lead time on efforts that ultimately lead to a production decision. These included:

- The Company is ready and capable to complete 6,000 metres of drilling. The award of the Production Licence triggered our preparations for mobilisation of our drill crews for an infill drill programme at Flangovy where Inferred resources will be converted to Indicated resources, a necessity to obtaining future bankability.

- On award of a Production Licence, most companies initiate preparation of the mandatory detailed exploration and preliminary development programme referred to as the Project (Proyect). Typically, this can take up to a year to complete including local expert approvals. Only after the approval is obtained can field activities be resumed. Proactively, our team compiled the necessary documentation in advance of the Production Licence award and are working with the local expert committee for review and approval. By having completed the programme in advance and with only the approval remaining, the Company should succeed in conducting a full seasonal drill programme, targeting infill drill efforts at Kun-Manie. The Company plans to drill up to 6,000 metres this field season, ending in early November, weather permitting.

- The next phase of metallurgical test work was established. The programme includes testing of specifically drilled metallurgical core holes from Flangovy and Kubuk. In addition, a series of samples will be tested to determine the metallurgical recoveries at various nickel grade intervals for both Flangovy and Kubuk. These samples, located in the Company's Khabarovsk core storage facility, will establish the variability of the recoveries as the mined grade varies in the delivered ore to the processing plant. Samples will shortly be shipped to an independent metallurgical laboratory.

- The proposed operation will require a substantial volume of both industrial and potable water. In late 2014, the Company identified an area from which to source the necessary water requirements and applied for the rights to evaluate and develop the area in support of the proposed operation. The rights to the 112 km square area were granted on 7 May 2015. Typically, this is done later in the project assessment life. A work programme is under development to establish a development plan.

Financial Considerations

Financially, as reported in our yearly financial audit for the period ending 31 December 2014, the Company is well positioned. Key highlights include:

- The Company remained debt free throughout 2014 with cash reserves of US$1.389 million as at 31 December 2014.

- During the year the Company received the remaining settlements from the Lanstead Capital LLP (Lanstead) financing agreement entered into during February 2012, totalling US$1.390 million. This brought this financing agreement to completion with total receipts from all settlements of US$4.0 million.

- In addition, the Company's financing agreement entered into with Lanstead in July 2013 received 3 settlements with proceeds of US$0.45 million during the year. The remaining settlements are expected to provide proceeds of an additional US$7.381 million (valued at the 31 December 2014 share price of 10.5p).

- Subsequent to the year end, the Company's cash position has continued to improve given that the Company's share price and volume have more than doubled from 1 January 2015 to June 2015. Lanstead have therefore made further settlements resulting in substantial inflows, leaving an unaudited cash position for the Group of US$ 6.0 million as at 17 June 2015.

Outlook

The Company has entered a new era with the Production Licence in hand. Going forward, the Company's efforts will be focused on generating data that will ultimately lead to the compilation of a definitive feasibility study. Production and financing decisions will stem from this Study. There is a great deal that remains to be accomplished on such a large scale Kun Manie project. Infill drilling at Flangovy and Kubuk will kick off this era. Additional metallurgical test work is required to determine how ores will respond to treatment at the plant and what final products will be derived from a potential smelter. More infrastructure challenges remain in the design and construction of an access road to the site. It will be challenging but rewarding as results continue to add to establishing one of the world's largest nickel operations.

Development of the project will require time and focus, and it was for this reason that the Company has proactively undertaken a series of tasks that are not typically initiated until later in a project's life, such as the acquisition of the water rights. The year ahead should see continued news flow that will clarify and refine the vision of the future operation. The Company has met the challenges to this point and will continue to do so under the direction of its Executive Management. The CEO and COO both have worked in the pre-production and construction phases of project development during assignments with Fluor Engineering, Kvarner Aker, Washington Group, Davy, Minproc, Bechtel and other engineering and production groups. Their combined experience includes major large scale projects such as Bingham Canyon, Porgera, and Olympic Dam.

Financially, existing funds will allow us to start the preproduction assessment phase. The team will also continue to work with financial institutions and assess potential partners as opportunities are presented. This will include broadening the geographical scope beyond Europe and the UK.

Lastly, the Company extends its appreciation and thanks to long term shareholders that have supported the Company to this point and into the future. Personally, I also wish to thank all parties that have been a part of the team that has brought us to this exhilarating point. Congratulations and thanks go to our dedicated and skilled staff, the Russian authorities that were key to processing the Production Licence, our contractors and the UK support staff. Welcome to the next phase of development of the Kun-Manie project and the set of challenges that will be offered up.

Mr. Robert W. Schafer
Non Executive Chairman
26 June 2015

I am pleased to provide investors with additional information regarding the Company's progress and development at our Kun-Manie nickel copper sulphide project, located in the Far East of the Russian Federation shown below. This remote project presents numerous challenges to the Company in the areas of administration, licencing and development which we are ready to undertake. The recent issuance of the Production Licence shows the dedication and ability of our team to meet current and future challenges as the project continues to be advanced.

Production Licence

As our Chairman noted, 2014 was a year of fundamental groundwork for the Company with the primary focus being the award of the Kun-Manie Production Licence. The process was involved and complex, requiring several years to successfully navigate and complete and represents the most significant milestone in Company history.

Since acquiring the exploration licence in 2004, obtaining the Production Licence was complex for a number of reasons. This included the Sub-Soil Law undergoing modifications, including a new classification system for deposits that was introduced in 2008 and updated in 2010. This new classification system created a category of deposits which are considered to be of federal significance ("Strategic"). Kun-Manie is classified as Strategic and therefore required the application process to pass additional governmental reviews that are not required of non-strategic deposits.

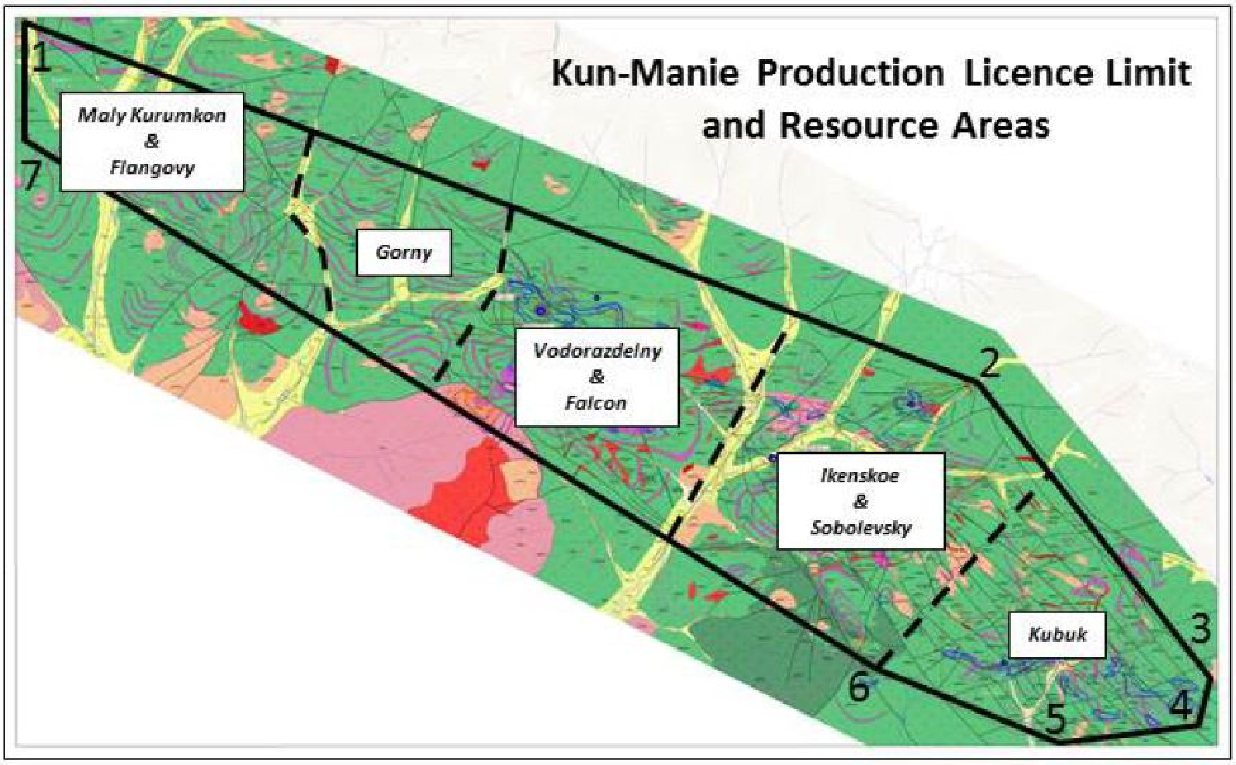
Last year's progress in working through the regulatory application process was exceptional. The numerous documents and subsequent approvals from various agencies was a team effort involving cooperation between the Company working in conjunction with Russian Federation State Subsoil Agency ("Rosnedra") officials. The process demanded updates of older documentation and frequent provision of additional information. In December 2014, the finalised application was ready for approval by the Russian Government.

The final step of the process required about five months to complete, during which time the Russian Government reviewed the production application, issued queries of the agencies involved, and held internal meetings to develop a full understanding of the project, its potential, and the acceptability of issuing the Production Licence to AMC's ZAO Kun-Manie subsidiary. A decree was issued on 22 May 2015 and Rosnedra was directed to compile and issue the licence.

On 10 June 2015, AMC received the final licence documentation and immediately registered it with the State Geological Fund, thereby activating our 20 year mining right to 100% of the recoverable metal through to 1 July 2035. The Company has also submitted the 23.6 million Rouble one-time payment, fully completing the Company's acquisition of the Production Licence.

It is worth noting that the Company maintained the beneficial right to 100% of the mineral defined within the Production Licence area. Typically, strategic assets are only permitted to have a 25% foreign ownership without specifically granted exclusions.

The newly acquired 20 year Production Licence and associated coordinates cover a 36 square kilometre area and are provided in the Figure and Table below:



Detailed Exploration and Production Licence

Production Licence Coordinates						
Point	Longitude			Latitude		
	Degrees	Minutes	Seconds	Degrees	Minutes	Seconds
1	132	18	44.2	55	22	32.3
2	132	29	2.7	55	20	26.6
3	132	31	41.3	55	18	36.6
4	132	31	32.3	55	18	16.3
5	132	30	8.0	55	18	7.3
6	132	28	11.3	55	18	33.0
7	132	18	45.7	55	21	47.7

Preliminary Economic Assessment

A second key event for the Company was work completed during 2014 on updating the PFS. A substantial amount of technical data had been acquired since the PFS was issued, including the increase in the resource base through step out drilling and the discovery of two new deposits. The key objectives of the update were to determine the portion of the Measured and Indicated resources that could be converted to open pit reserves, to define the portion of the Inferred resource that would also be open pit recoverable with successful infill drilling, and to determine whether additional resources were needed to support a 20 year mine life producing at a nominal production rate of 4.0 million tonnes per year. Results indicated that the majority of the Measured and Indicated resource were convertible into the reserve categories of Proven and Probable and that additional Inferred resources existed to support a 20 year operation. This confirmed that infill drilling would take priority over resource expansion, which also remains highly prospective.

In mid-2014, the update was under executive review and prepared for release when two events impacted the quality of the study, placing its release on hold.

- Economic sanctions placed against the Russian Federation required a reassessment of the equipment selection by identifying alternatives from within Russia and from sources outside the sanctions bloc.

- A rapid devaluation of the Russian Rouble impacted the quality of all operating costs and selected capital equipment estimates. This especially disrupted the projections related to labour costs. The devaluation was so significant that it invalidated significant portions of the study.

During Q3 and Q4 2014, the Company continued to update the study information where possible whilst monitoring the Rouble exchange rate. By February 2015, the Rouble had stabilised and the Company resumed its update of the study, which included a key change in scope. In Q4 2014, the terms and conditions for the Production Licence were negotiated (though final approval was still pending) with a 20 year Production Licence life being established. As a result, the Company was able to consider increasing the annual nominal throughput from 4.0 million to 6.0 million tonnes. It was determined that the existing resource inventory could support the increase as well as sustain a total production of 90 million tonnes for a 15 year mine life.

Another key decision was undertaken by management wherein a longer term vision of the operation was implemented. This called for the development of an 'Operational Blueprint' of an optimised conceptual design, providing for a fully integrated operation that will produce a substantially improved financial assessment for Kun-Manie. By doing so, a series of trade off studies were identified wherein each step of the proposed operation could be optimised. In June 2015, the Operational Blueprint and the associated economic evaluation was completed and presented as a PEA and not as an update to the PFS.

It is important to note the reasons that the Company considers the results to be at a PEA level. The project analysis included Inferred resource as reserves, which is not compliant with JORC reporting standards. In addition, portions of the work and results were derived internally by the Company, although much of the work is based on external results compiled by qualified specialist companies. The PEA has not yet undergone independent audit, which is a necessary step in finalisation of the assessment. Presently, the Company has shortlisted three internationally recognised mining consultancies to complete the audit. We stress that while a PEA is a step back from a PFS in project development timelines, the new information and changes from 2007-2014 allow the Company to update its strategy in a way that can significantly enhance the long-term economics of mining at Kun Manie. Pressing ahead without consideration of important new data would have sacrificed profitability for short savings of time, a trade-off the Company could not have justified to its shareholders.

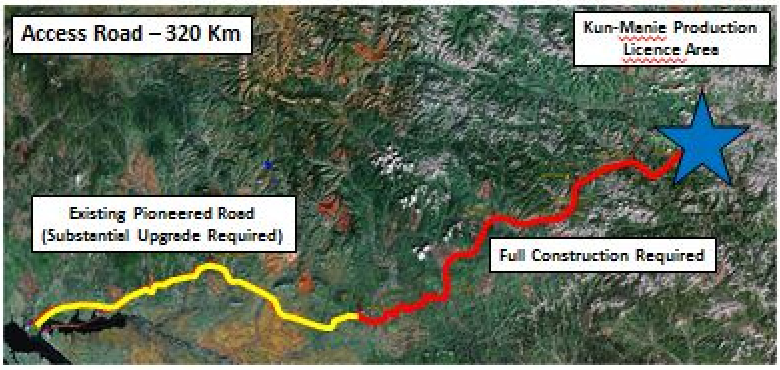
Proposed Operational Blueprint

The PEA has established the Operational Blueprint for the Kun-Manie nickel – copper sulphide project. The indicated scale of the project supports the conclusions that it will be a substantial producer, placing the Company among some of the world's larger nickel miners. The integrated Operational Blueprint for Kun-Manie includes the following:

- Power for the site will be generated using diesel fuelled generators, typical of remote Russian operations. The capital cost for site-generated power is substantially less than that required to construct a 360 kilometre long power line, estimated by the utility company to range from US$800,000 to US$1,000,000 per kilometre. Conversely, operating costs will be higher than with power delivered through a grid. This is a substantial change from 2007, when the local utility stated that the power line would be constructed at its expense. This is no longer the case. Power generation alternatives such as wind, hydroelectric, etc. could augment the power needs on site and shall be further investigated.

Potential Configuration of Power Plant

- To support the additional needs to provide power at the site, the access road design will be substantially upgraded by widening it to handle two-way traffic on a year round basis. This requires additional road maintenance equipment and is substantially higher than previous capital cost estimates related to construction of the 320 kilometre long access road.

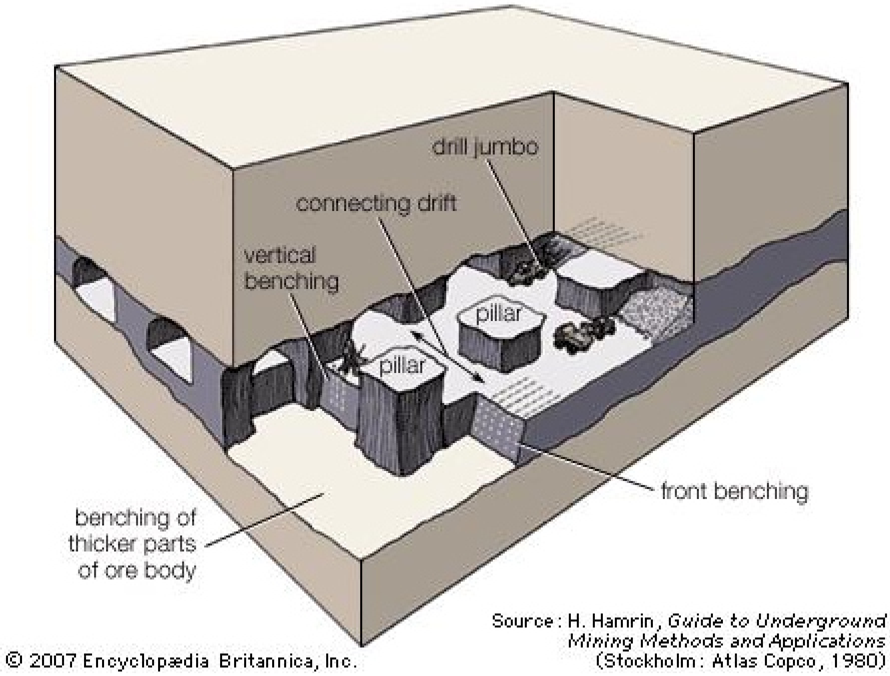


Preliminary Access Road Route

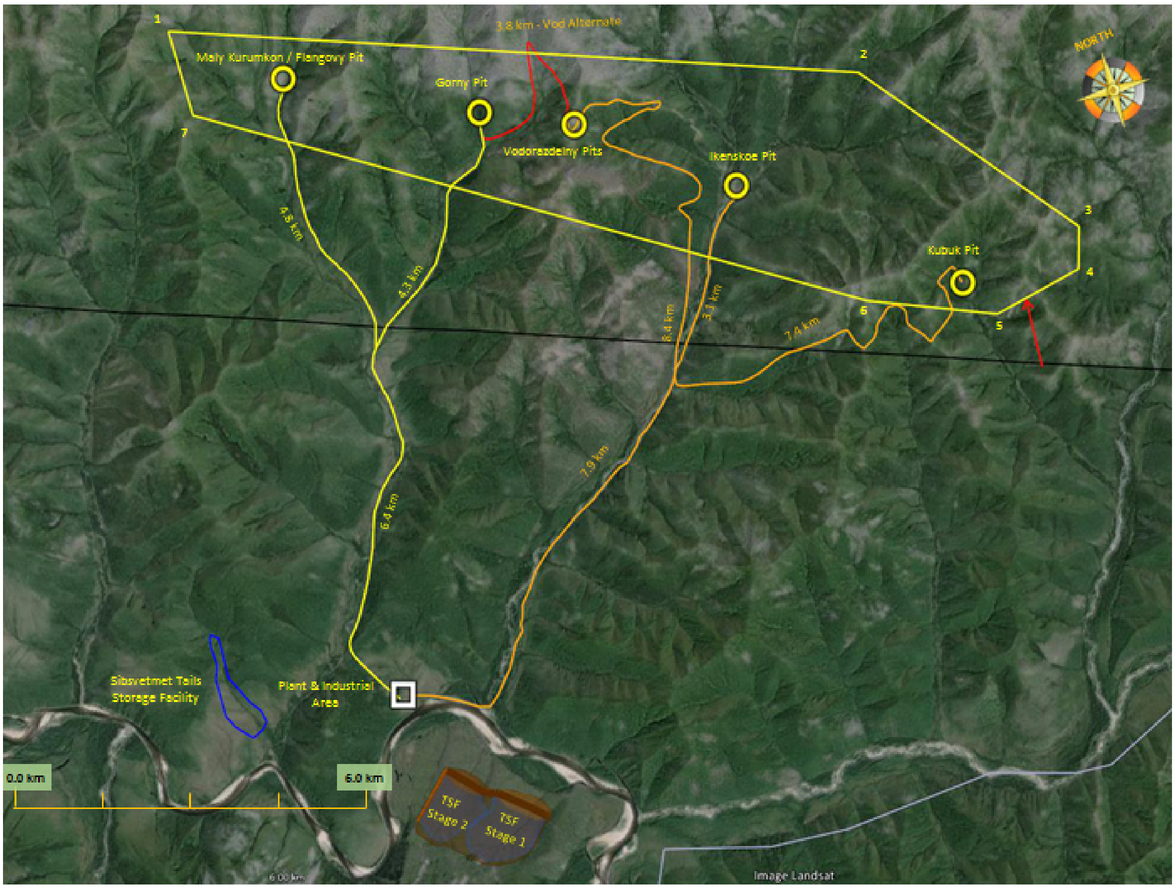
Planned Level 3 Road

- Based on the existing resource inventory at Kun-Manie, the resource is capable of supporting ore production at the nominal annual throughput of six million tonnes of ore for 15 years. Infill drilling of Inferred resources is required to confirm this first. At a later date the Company has the opportunity to add additional resources by step out drilling into highly prospective ground. Mine production will be undertaken using both open pit and underground mining methods. Open pit ores will be derived from four of the five deposits, whilst underground production will be obtained from areas lateral two of the pits. Ore will be transported by truck to the processing plant.

Photo of Open Pit Design Concept

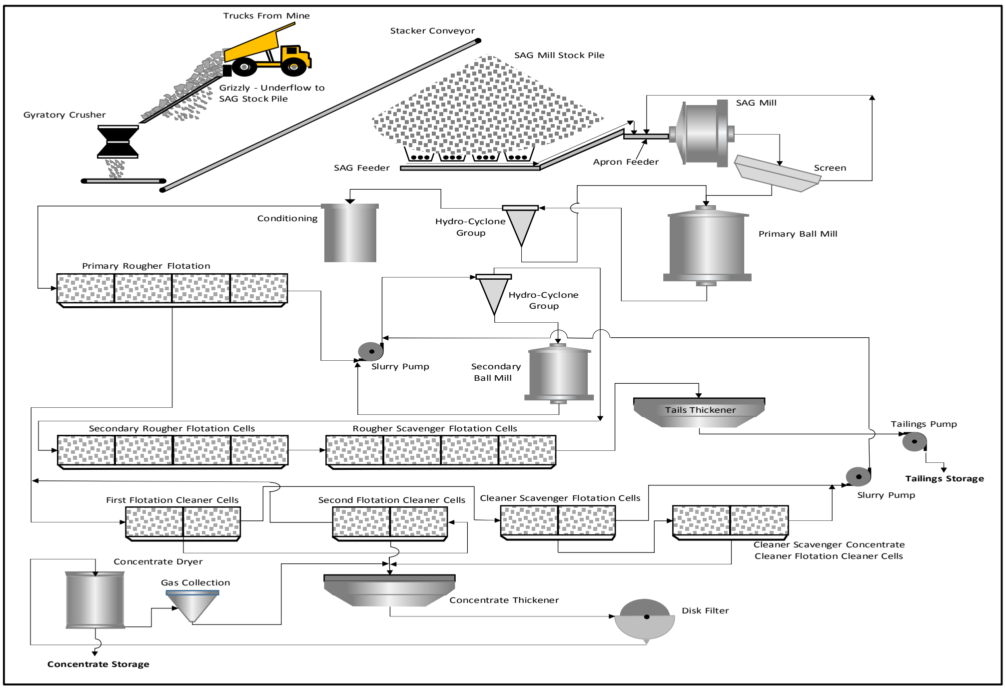


- The process plant and tailings impoundment areas have been relocated to more central locations, allowing for optimised ore transport from the four sources along the Kurumkon Trend within the Production Licence. The upsized 6.0 million tonnes of ore per year plant location also provides storage for the greater volume of tailings that will be generated.



Proposed Operations Layout

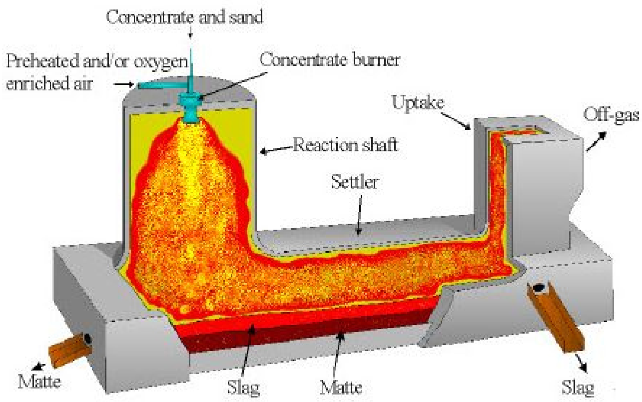
- The process plant has been expanded to handle six million tonnes of ore per annum (18,000 tonnes per day). Additional metallurgical test work indicates that metal recoveries will be improved over previously estimated recoveries, and independent work has confirmed that a single simple concentrate can be generated by classic and proven flotation technology. The concentrate is also suitable for smelting at either a toll smelter or its own captive smelter.



Process Plant Flowsheet

- The concentrate will be truck transported to the Baikal Amur rail line (“BAM”) where supplies and fuel will be delivered by rail for backhaul to the mine.

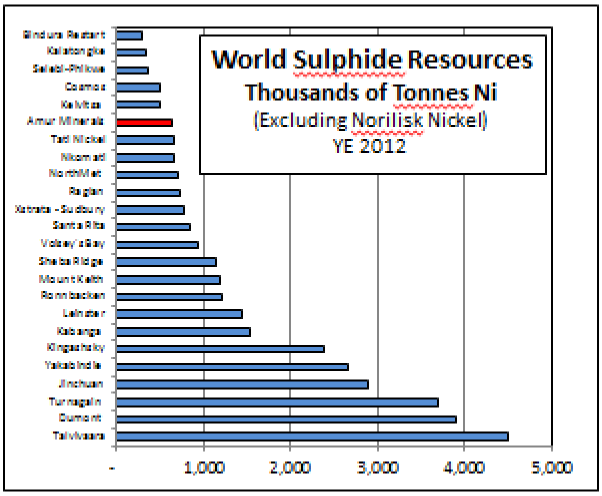
- External smelting specialists have examined the proposed composition of the concentrate to be generated by the processing plant and determined that it is suitable for smelting on a toll or owner operated basis. Preliminary capital cost estimates have been provided and a smelting cost per tonne of concentrate determined. A trade off study indicates that the greater benefit to the Company is generated by owning and operating its own smelter rather than shipping to a toll smelter. The preferred smelter location is immediately adjacent the BAM rail line where coal and limestone can be delivered to support smelting of the concentrate. Anticipated final products are nickel and copper cathodes, cobalt precipitate, and refined platinum, palladium, gold and silver. Available capacity at the smelter can be used to smelt concentrates for a fee on a contract basis should other mining companies in the region have suitable products that require processing.



Conceptual Smelter Design

PEA Production Basis and Projections

The Blueprint Design originates with the Company’s JORC defined resource compiled by SRK and updated at the end of Q1 2015. The current resource ranks among the top 20 nickel sulphide projects in the world, whilst the potential to expand the resource appears highly prospective. The limits of four of the five drilled deposits remain unknown as the potential is open in the dip and strike directions. Kun-Manie is expected to move up the list in the world ranking of sulphide deposits by simple step out drilling. Presently, there are 650,000 tonnes of nickel and 178,000 tonnes of copper delineated by drilling as well as additional by-product metals including cobalt, platinum and palladium.



Resource Class	Tonnage Mt	Ni %	Ni t	Cu %	Cu t	Pt g/t	Pt kg	Pd g/t	Pd kg
Total Measured	15.7	0.52	81,800	0.13	21,100	0.2	2,900	0.2	3,200
Total Indicated	37.8	0.56	210,500	0.15	57,000	0.1	4,560	0.1	5,300
Sub-total	53.5	0.55	292,300	0.15	78,100	0.1	7,460	0.2	8,500
Total Inferred	67.3	0.53	358,300	0.15	100,300	0.1	9,440	0.1	9,500
Grand Total	120.8	0.54	650,600	0.15	178,400	0.1	16,900	0.1	18,000

With the assistance of Runge, Pincock, Minarco (RPM), pit optimisation models were compiled for four of the drilled deposits. Using all resource classes including Inferred, ultimate pit limits based on Q1 2015 operating costs, metallurgical recoveries and mining constraints for each deposit were generated. Kun-Manie's existing resource inventory is sufficient to produce 90 million tonnes of ore from four open pits over the anticipated 15 year production life. It was also noted that substantial portions of these pits required the removal of large amounts of overlying waste that must be extracted to access the ore. In such cases, underground mining may provide higher profit per ore tonne than open pit production. The configuration and orientation of the mineralised bodies was examined and it was confirmed that an underground method such as Reverse Room and Pillar could be a viable alternative. A trade off study was completed confirming an optimal blend of open pit and underground production provides a greater operating profit than open pit production alone. The following table provides a summary reserve potential based on the conversion of Inferred resource to Indicated resource by infill drilling.

Production All Resource Classes	Total Tonnes (Mt)	Total Ore (Mt)	Total Waste (Mt)	Strip Ratio	Ni (%)	Cu (%)	Co (%)	Pt (g/t)	Pd (g/t)
Open Pit / Underground		90.0	130.5		0.56	0.15	0.01	0.13	0.15
Open Pit Component	175.5	45.0	130.5	2.7	0.59	0.15	0.01	0.13	0.16
Underground Component		45.0			0.54	0.15	0.01	0.13	0.14

The analysis provided key information for future planning purposes. Open pit production will be derived from Maly Kurumkon / Flangovy, Vodorazdelny, Ikenskoe / Sobolevsky and Kubuk. Underground production will be derived from the deposits at Flangovy and Kubuk. Infill drilling of the conceptual reserve will be focused on the underground portion wherein the majority of the resource is currently classified as Inferred, while the open pit production areas are generally Measured and Indicated. The future infill drill programme will be given priority, allowing for the generation of a full JORC qualified reserve to be utilised in the assembly of a Definitive Feasibility Study. Step out drilling to further expand the global resource will begin subsequent to completion of the infill verification work.

The plant flowsheet consists of a classical flotation plant suitable for sulphide mineralisation. The design and metallurgical recovery results have been verified by SGS Minerals located in Chita, Chichinskaya Oblast of the Russian Federation. The projected life of mine production through the 6.0 million tonne ore per annum plant is summarised in the tables below.

Delivered Mine Production		
Strip Ratio		2.7
Open Pit Waste	t	130,450,000
Pit Ore	t	44,950,000
Underground Ore		45,050,00
Ni Head Grade	%	0.56
Ni Delivered	t	512,123
Cu Head Grade	%	0.15
Cu Delivered	t	138,506
Co Head Grade	%	0.01
Co Delivered	t	9,821
Pt Head Grade	%	0.13
Pt Delivered	g	11,796,212
Pd Head Grade	%	0.14
Pd Delivered	g	12,355,279
%MgO	%	14.9
%S	%	1.2
Total Material Mined	t	220,450,000

Plant Production		
Mill Feed	t	90,000,000
Recovery of Nickel	%	80.4
Tonnes of Recovered Ni	t	411,556
Recovery of Copper	%	90.2
Tonnes of Recovered Cu	t	124,899
Recovery of Cobalt	%	66.00%
Tonnes of Recovered Co	t	6,482
Recovery of Pt	%	69.00%
Grams of Recovered Pt	g	8,139,386
Recovery of Pd	%	75%
Grams of Recovered Pd	g	9,266,459

Smelter Deliverable Concentrate		
Tonnes of Dry Concentrate	t	6,300,000
Contained Moisture	%	8.00%
Concentrate Wet Tonnes	t	6,804,000
Ni Grade in Concentrate	%	6.53%
Cu Grade in Concentrate	%	1.98%
Co Grade in Concentrate	%	0.10%
Pt Grade in Concentrate	g	1.29
Pd Grade in Concentrate	g	1.547

The concentrate will be transported by truck fleet from the site to the rail siding on the Baikal Amur rail line located approximately 320 road kilometres to the west. Supplies and fuel will be backhauled to the site.

The most critical component to the Blueprint was the decision to construct and operate a captive smelter located adjacent the BAM rail line. This location provides access to coal and limestone necessary to smelt the concentrate. It also allows the Company to capture the revenue generated from all metals, whereas toll smelting revenues are limited to only 70% of the nickel and 50% of the copper and nothing from any of the by-product metals. Penalties and transport fees are also incurred. The capital cost for the construction of the smelter and attendant refinery are substantial, however, the PEA results indicated that the additional revenues more than offset the cost and ultimately provide a higher Net Present Value for the global Kun-Manie operation.

PEA Input Parameters and Financial Projections

The pro forma cash flow model for the Operational Blueprint was also reported as a post-2014 event. The model utilised newly estimated Q1 2015 operating costs. Updated capital cost estimates reflect the increased nominal production rate of 6.0 million tonnes per year and specific commodity pricing factors.

From first principle design considerations, the Company estimated the cost per tonne of ore. These costs were generated based on Q1 2015 estimates. The Operational Blueprint operating costs are projected to be 74% higher than those estimated in 2007.

Estimated Cost Per Ore Tonne (AMC Sourced)	Q1 2015 US$	2007 PFS US$
Mining Cost Per Ore Tonne*	9.10	3.46
Processing and Tailings	10.51	6.82
G&A	2.26	1.46
Transport From Mine to Smelter	1.72	1.93
Smelting Cost Per Ore Tonne	11.27	6.33
Total Cost Per Ore Tonne	34.86	20.00

The cost per tonne for mining is based on the total mining cost of open pit and underground ore divided by the 90 million tonne life of mine production total.

The updated capital costs for the Blueprint design were estimated using Q1 2015 available information from public sources and calculated by staff. A summary of the initial and sustaining capital requirements follow:

Capital Cost Category	Initial	Sustaining
Total Capital Expenditure	1,381,473,753	474,735,562
Infrastructure & Permanent Facilities		
Studies	$5,000,000	$-
Road - 320 Km Access Road	$312,000,000	$7,000,000
Power Generated -6mt	$117,810,000	$3,150,000
Site Facilities	$9,865,000	$-
EPCM (Road, Power, Facilities)	$6,048,404	$97,745
Processing	$133,285,000	$4,255,000
Tailings	$13,646,349	$23,277,818
Electric Furnace Smelter	$126,500,000	$4,950,000
Converter Smelter	$189,750,000	$3,300,000
Refinery	$341,550,000	$2,750,000
Smelter Infrastructure	$22,000,000	$-
Haul Roads	$9,735,000	$19,911,000
Ikenskoe Diversion	$-	$2,000,000
Total Fixed Asset	$1,287,189,753	$70,691,562
Mobile Equipment		
Transportation Fleet	$14,989,000	$28,950,000
Mining Fleet	$79,295,000	$375,094,000
Total Mobile	$94,284,000	$404,044,000

The economic potential of the Operational Blueprint was determined using nickel prices of US$7.50 per pound (US$16,534 per tonne) and US$9.50 per pound (US$20,940 per tonne). The lower price of US$7.50 was selected as the base case as this was the long term nickel price in the PFS. The second is the long term price projection in 2017 by TD Securities, which predicts from US$ 9.50 to US$10.00 per pound. The Company utilised the lower limit of US$9.50 per pound in its economic assessment. Other commodity prices used in the generation of the cash flow model are provided in the table below.

Copper	Per Pound	$2.75	Per Tonne	$6,062.65
Cobalt	Per Pound	$13.52	Per Tonne	$29,806.19
Platinum	Per Ounce	$1,123.00	Per Gram	$36.19
Palladium	Per Ounce	$768.00	Per Gram	$24.75

The Operational Blueprint established by the Company is based on external information and an extensive amount of internal work that is to be independently audited. Also, the pro forma cash flow models compiled by the Company should be viewed as "forward looking statements" with risks, uncertainties, and other factors which may vary from actual results, performance or achievements of the Company resulting in material differences. A key factor is that the Company has already compiled a shortlist of independent mining consultancies to undertake a comprehensive audit of the Company PEA.

The projected financial potential of Kun-Manie based on the Operational Blueprint covering a 15 year production period is summarised below. Note that initial capital cost requirement for the Blueprint is $US1.37 billion for the vertically integrated operations.

Nickel Price Per Pound	$ 7.50	$ 9.50
Nickel Price Per Tonne	$16,530	$20,938
Net Present Value in Billion $US (10% discount)	0.71	1.44
Internal Rate of Return	21%	32%
Years Payback	4	4

The product of ten years of successful exploration, obtaining the production licence, and conducting engineering works, the PEA has permitted the Company to set a forward looking plan to direct the project through additional engineering work, leading to a Definitive Feasibility Study. This plan is being compiled and will be updated based on the results of the external audit of the PEA.

Prepared for Detailed Exploration

Detailed exploration can only begin when a Production Licence has been issued and registered with the State Geological Fund, the one-time payment is completed and the detailed exploration and development plan is approved. Also critical in the implementation of a field programme which means the site has to be prepared and stocked with suitable supplies and inventory to undertake the planned programme. This necessitates use of a winter ice road wherein heavy materials are delivered to site during the ice road's viability. It is typically constructed in February and is utilised through March, when Spring break-up occurs. Transport of personnel and perishable foodstuffs to the site is undertaken by helicopter, which is a more costly exercise. In early 2014, the Company decided to re-inventory the Kun-Manie site in order to be ready to drill at the soonest possible moment so as not to lose a field season. The following was accomplished:

- Supplies were delivered over the ice road allowing for the drilling of up to 6,000 metres of diamond core holes. This included spare parts, fuel, staff support materials and newly purchased equipment to facilitate the planned programme. Presently, the site is fully stocked and the Company can undertake drilling on a short notice basis by mobilisation of drill crews to the site using contracted helicopter support services.

- With the Production Licence issued and registered and the one-time payment completed, the final step required to initiate drilling is the approval of the detailed exploration and proposed development plan. The plan was compiled during 2014 and readied for delivery to the Russian Geological Expertise Committee located in Khabarovsk. The document has been delivered to the committee and the Company is working with the agency and addressing all queries as swiftly as possible. Once approval of the programme is complete, drill crews will be mobilised immediately.

The Company plans to drill through the month of October and into November with the prime target at Flangovy, where the current resource is classified as Inferred as per JORC standards. Typically, the Company's Boart Longyear LF70 has been averaging from 1,500 to 2,000 metres per month. To complete the full 6,000 metre programme, a minimum of three to four months drilling is required. The Company intends to drill as many metres as can be completed during the 2015 season.

Outlook

The Company has now developed a Blueprint to a production decision and ultimately to production. The Company will be extremely busy on all technical fronts. It will be an aggressive plan with the kick-off of metallurgical test work of the ores at Flangovy and Kubuk using existing samples, and the start of infill drilling at the Flangovy area. The independent verification study of the internal PEA is considered to be of a high priority and will be used to confirm our preproduction development plan and refine the strategy moving forward.

Mr. Robin J. Young
Chief Executive Officer
26 June 2015

The Directors present their annual report and the audited financial statements for the year ended 31 December 2014.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The Group's principal activity during the year was that of mineral exploration and development. A full review of the activity of the business and of future prospects is contained in the Chairman's Statement which accompanies these financial statements.

RESULTS AND DIVIDENDS

The results for the year are disclosed in the Statement of Comprehensive Income on page 24. The Directors do not recommend payment of a dividend for the year (2013: nil).

DIRECTORS

The number of Directors as at 31 December 2014 was 3 (2013: 3). Details of Directors remuneration and other interests are detailed in note 16.

LISTING

The Company's ordinary shares have been traded on London's Alternative Investment Market (AIM) since 15 March 2006. SP Angel Corporate Finance LLP is the Company's Nominated Adviser and Broker. The share price at 31 December 2014 was 10.5p.

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 stage. In May 2015 the 20 year 'Detailed Exploration and Production Licence' was issued to the Company's wholly owned subsidiary, ZAO Kun-Maine. The production licence expires on 1 July 2035.

The Directors have prepared a cash flow projection for period to July 2016 which indicates that the Group is sufficiently funded by its current financial resources, which comprise cash and derivative financial assets, for the next 12 months. The Directors therefore consider the Group to be a going concern and have prepared the financial statements on that basis.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the Group's business and the execution of its strategy are subject to a number of risks. Risks are formally reviewed by the Board and appropriate processes put in place to monitor and mitigate them. If more than one event occurs, the overall impact of such events may compound the possible adverse effects on the Group.

The key financial risks affecting the Group are set out in note 19 to the financial statements. The key operating risks affecting the Group are set out below.

The Group's licences

In May 2015 the Russian Prime Minister approved the Company's 'Detailed Exploration and Mine Production Licence' for its Kun-Maine nickel copper sulphide deposit. The licence area covers 36 square kilometres and valid until 1 July 2035. The licence grants the Company's wholly owned subsidiary ZAO Kun-Maine the rights to recover all value from the mineral defined to be present at Kun-Maine.

The Company utilises the legal services of Norton Rose Fulbright in Moscow. All documentation and filings are reviewed by Norton Rose Fulbright to ensure that communications, filings and any other required contacts maintain conformity with the regulatory agencies of the Russian Federation.

Project development risks
Resource estimates are based upon the interpretation of geological data. Project feasibility studies derive estimates of operating costs based upon anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, expected recovery rates and other factors. As a result, actual operating costs and economic returns may differ from those currently estimated.

The scale of the project mandates that all work should be conducted by Russian experienced, independent and internationally recognised companies in all areas of proposed and actual project development. Any internally generated studies are held confidentially within the Company until an independent and qualified group, company or experts have reviewed, commented and confirm the results of Company work.

Project work must be undertaken by Russian Federation approved agencies prior to the approval of any study, preproduction, construction and operational approvals are granted. The Company adheres to these regulatory statutes.

Reserve and resource estimates
Reserve and resource estimates may require revision based on actual production experience. The volume and grade of reserves mined and processed and recovery rates achieved may vary from those anticipated and a decline in the market price of metals may render reserves containing relatively lower grades of nickel and copper mineralisation uneconomic.

Resources and reserves are independently calculated by internationally recognised organisations to JORC standards. Information related to the calculation of such estimates is based on reports from external companies experienced in metallurgical and processing work as well as the evaluation of long term metal pricing where the Company utilises information provided by external organisations. As the Company is not in production at this time, actual production results cannot be utilised to verify predicted resources and reserves.

The Russian Federation requires a separate assessment of reserves and does not recognise resources which are not contained within a mine plan based on a Russian certified study calculated by a qualified agency or organisation. Final reserve numbers are audited by the State Commission on Mineral Reserves who is responsible for tracking and certifying all reserve estimates within the Russian Federation.

Environmental issues
The Group's operations are subject to environmental regulation, including environmental impact assessments and permitting. Russian environmental legislation comprises numerous federal and regional regulations which are not fully harmonised and may not be consistently interpreted.

The Company utilises Equator Principle standards with regard to its monitoring and maintenance of environmental protection. These standards are among the highest in the world and implementation of such standards is required when international financing of a project is undertaken. By utilising the highest level of standard, the Company meets both Russian and International standards.

On an internal Russian Federation basis, the Company is inspected on an annual basis to ensure that the Company is performing and maintaining protection of the environment. The Company employs three individuals to ensure that all work is done to and ultimately approved by the appropriate Russian authorities and organisations.

Nickel price volatility
The net present value of the Group's capitalised exploration assets is directly related to the long-term price of nickel. The market price of nickel is volatile and is affected by numerous factors which are beyond the Company's control. These factors include world production levels, international economic trends, currency exchange fluctuations and industrial demand.

The Company regularly reviews expected nickel and copper prices from internationally recognised expert sources and assesses the economic viability of its project based upon long term trends and surveys compiled by several resource groups specialised in long term price projection. Nickel and copper price sensitivity is built into the Company's economic models. Presently, the long term project price for nickel in 2014 USD is $9.50 per pound and is $2.75 per pound for copper and is based on a consensus survey of approximately 20 specialised banking institutions. All study work currently utilises prices of $7.50 and $2.75 for nickel and copper respectively.

Political and economic risks

The Group's assets are located in Russia which is still undergoing a substantial transformation from a centrally controlled command economy to a market-driven economy. In addition, in view of the legal and regulatory regime in Russia, legal inconsistencies may arise.

The Company utilises its Moscow based legal representatives of Norton Rose Fulbright and conducts periodic meetings to review changes in the legal and regulatory regime. The updates are typically undertaken on a 60 day basis. In addition, the Company is a member of the Mining Advisory Council which consistently works with Russian authorities to assist in the understanding of regulatory constraints and assists in the modification of legislation designed to clarify inconsistencies in legislation and interpretation of the law.

The regulatory environment

The Group's activities are subject to extensive federal and regional laws and regulations governing various matters, including licensing, production, taxes, mine safety, labour standards, occupational health and safety and environmental protections. Amendments to current laws and regulations governing operations and activities of mining companies or more stringent implementation or interpretation of these laws and regulations could have a material adverse impact on the Group, cause a reduction in levels of production and delay or prevent the development or expansion of the Group's properties in Russia.

The Company utilises its Moscow legal team of Norton Rose Fulbright to monitor changes to the regulatory system. In addition, the Mining Advisory Council also participates in reviews and working with the governmental groups responsible for regulatory control and the authoring of new legislation. Proactively, the Company assesses the potential impact of any proposed modifications and is dynamically changing Company policies and approaches to match the Russian regulatory environment. Often planning and work is completed in advance of changes when they are identifiable and could impact exploration and operations.

Taxation

Russian tax legislation has been subject to frequent change and some of the laws relating to taxes to which the Group is subject are relatively new. The government's implementation of such legislation, and the courts' interpretation thereof, has been often unclear or non-existent, with few precedents established. Differing opinions regarding legal interpretation may exist both among and within government ministries and organisations and various local inspectorates. The introduction of new tax provisions may affect the Group's overall tax efficiency and may result in significant additional tax liability.

The Company continually assesses the tax regime and utilised experienced local staff and state agencies in submission of taxes at all levels. This includes personal taxes, social taxes and any other taxes that the Company must pay on behalf of its employees. These documents and approaches are reviewed by the tax authorities on an annual basis and modifications are undertaken as required.

It is important to note that the Russian Government has approved regulations exempting profits tax on organisations that intend to construct projects wherein the capital expenditure exceeds 5.0 million USD. The waiver is implemented and the Company currently utilises the current rate of 20% for conservative reasons. With the new structure set into the tax code, the Company could have a 10 year tax holiday on its operation and plans to update future results reflecting the newly implemented regulations.

Russia's physical infrastructure
Some of Russia's physical infrastructure is in poor condition. This may disrupt the transportation of supplies, add to costs and interrupt operations, with a potentially material adverse effect on the Group's business.

The Company's project is remotely located and will need to construct an access road of about 320 kilometres from the Baikal Amur rail line to the project site. The Company's position is that they will have to construct access road to a standard suitable to support the operation on a year round basis. This includes the ability to restock consumables and fuel at site. The fuel transported to the project site will support the mobile equipment fleet (mining fleet included) as well as to fuel on site power generation using diesel fueled generator sets which will preclude the need to construct a power line to the site. Planning is done on a worst case basis and assumes nothing is available over more than half the distance and substantial upgrades to existing pioneer roads located along the western half of the planned road route will be required.

DONATIONS

The Company has not made any charitable or political donations during the year (2013: nil).

AUDITORS

All of the current Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

Approved by the Board of Directors and signed on behalf of the Board on 26 June 2015.

Robert W. Schafer
Chairman
26 June 2015

The Directors are responsible for preparing the Directors' report and the financial statements for the Group. The Directors have prepared the financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that year.

The Directors have chosen to use the International Financial Reporting Standards as adopted by the European Union (IFRS) in preparing the Group's financial statements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group, for safeguarding the assets, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of financial statements.

International Accounting Standards requires that financial statements present fairly for each financial year the Company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable International Financial Reporting Standards. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

A fair presentation also requires the Directors to:

- consistently select and apply appropriate accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- make judgements and accounting estimates that are reasonable and prudent;
- provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- state that the group has complied with IFRS as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website, in addition to being mailed to shareholders, financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Robin Young	Brian Savage
Director	Director
26 June 2015	26 June 2015

To the members of Amur Minerals Corporation

We have audited the financial statements of Amur Minerals Corporation for the year ended 31 December 2014 which comprise the consolidated statement of financial position, the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in equity, and the related notes. The financial reporting framework that has been applied in their preparation is International Financial Reporting Standards (IFRS) as adopted by the European Union.

This report is made solely to the Company's members, as a body in accordance with our engagement letter dated 1 April 2015. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Directors' responsibility for the financial statements

As explained more fully in the statement of Directors' responsibilities, the Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS as adopted by the European Union and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (as issued by the International Federation of Accountants (IFAC)). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the entity's preparation and fair presentation of financial statements in order to design appropriate audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on financial statements

In our opinion:

- the financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2014 and its financial performance and its cash flows for the year then ended; and
- have been prepared in accordance with IFRS as adopted by the European Union.

Opinion on other matters

We read the other information contained in annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises the Directors' report. In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

BDO LLP
Chartered Accountants
55 Baker Street
London W1U 7EU
United Kingdom

Date: 26 June 2015

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 OF 31 DECEMBER 2014
(Amounts in '000s US Dollars)

	Notes	31 December 2014	31 December 2013
NON-CURRENT ASSETS			
Capitalised exploration costs	5	11,783	18,318
Property, plant and equipment	5	252	637
Total non-current assets		**12,035**	**18,955**
CURRENT ASSETS			
Other receivables	9	83	188
Inventories	7	237	269
Derivative financial asset	8	7,381	8,225
Cash and cash equivalents		1,389	2,392
Total current assets		**9,090**	**11,074**
Total assets		**21,125**	**30,029**
CURRENT LIABILITIES			
Trade and other payables	6	407	123
Total current liabilities		**407**	**123**
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE PARENT			
Share capital	11	48,949	48,949
Share premium	11	6,473	6,473
Share options reserve	11	2,306	2,086
Retained deficit	11	(25,163)	(23,802)
Foreign currency translation reserve	11	(11,847)	(3,800)
Total equity		**20,718**	**29,906**
Total liabilities and equity		**21,125**	**30,029**

The financial statements were approved and authorised for issue by the Board of Directors on 26 June 2015 and were signed on its behalf by:

Robin Young Brian Savage

The accompanying notes on pages 26 to 43 form an integral part of these financial statements.

(Amounts in '000s US Dollars)

	Note	Year ended 31 December 2014	Year ended 31 December 2013
Administrative expenses	13	(2,358)	(2,539)
Loss from operations		**(2,358)**	**(2,539)**
Finance expense	14	(161)	(1,141)
Fair value movement on derivative financial assets	8	1,158	(151)
Loss before tax		**(1,361)**	**(3,831)**
Taxation	10	-	-
Loss for the year attributable to owners of the parent		**(1,361)**	**(3,831)**
Other Comprehensive income:			
Exchange differences on translation of foreign operations		**(8,047)**	**(1,362)**
Other comprehensive income for the year, net of tax		**(8,047)**	**(1,362)**
Total comprehensive income for the year attributable to owners of the parent		**(9,408)**	**(5,193)**
Loss per share: basic & diluted	15	US$(0.003)	US$(0.009)

The accompanying notes on pages 26 to 43 form an integral part of these financial statements.

(Amounts in '000s US Dollars)

	Note	Year ended 31 December 2014	Year ended 31 December 2013
Cash flow from operating activities:			
Payments to suppliers and employees		(1,960)	(1,556)
Net cash used in operating activities		(1,960)	(1,556)
Cash flow from investing activities:			
Payments for property, plant and equipment		-	(70)
Payments for capitalised expenditure		(748)	(2,245)
Net cash used in investing activities		(748)	(2,315)
Cash flow from financing activities:			
Proceeds from issue of equity shares (net of issue costs)		-	1,832
Cash received from derivative financial asset	8	1,841	2,410
Net cash from financing activities		1,841	4,242
Net change in cash and cash equivalents		**(867)**	**371**
Cash and cash equivalents at the beginning of the year		2,392	2,048
Foreign exchange effects		(136)	(27)
Cash and cash equivalents at the end of the year		**1,389**	**2,392**

The accompanying notes on pages 26 to 43 form an integral part of these financial statements.

AMUR MINERALS CORPORATION AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014
(Amounts in '000s US Dollars)

	Share capital	Share premium account	Share Options Reserve	Retained deficit	Foreign Currency Translation Reserve	Total
Balance at 31 December 2012	**40,902**	**6,613**	**1,256**	**(20,135)**	**(2,438)**	**26,198**
Loss for the year	-	-	-	(3,831)	-	**(3,831)**
Other comprehensive income for the year	-	-	-	-	(1,362)	**(1,362)**
Total comprehensive income	-	-	-	(3,831)	(1,362)	**(5,193)**
Shares issued	8,047	-	-	-	-	**8,047**
Share options expired in the period	-	-	(164)	164	-	**-**
Equity settled share based payments	-	-	871	-	-	**871**
Equity settled share based payments associated with issue of shares	-	(123)	123	-	-	**-**
Costs associated with issue of share capital	-	(17)	-	-	-	**(17)**
Balance at 31 December 2013	**48,949**	**6,473**	**2,086**	**(23,802)**	**(3,800)**	**29,906**
Loss for the year	-	-	-	(1,361)	-	**(1,361)**
Other comprehensive income for the year	-	-	-	-	(8,047)	**(8,047)**
Total comprehensive income	-	-	-	(1,361)	(8,047)	**(9,408)**
Equity settled share based payments	-	-	344	-	-	**344**
Equity settled share based payments associated with issue of shares	-	-	(124)	-	-	**(124)**
Balance as 31 December 2014	**48,949**	**6,473**	**2,306**	**(25,163)**	**(11,847)**	**20,718**

The accompanying notes on pages 26 to 43 form an integral part of these financial statements.

1. GENERAL

Amur Minerals Corporation ("Company") is incorporated under the British Virgin Islands Business Companies Act 2004. The Company and its subsidiaries ("Group") locates, evaluates, acquires, explores and develops mineral properties and projects in the Russian Far East.

The Company's registered office is located at Kingston Chambers, P.O. Box 173, Road Town, Tortola, British Virgin Islands. The average number of employees for the Group for the period to 31 December 2014 was 21 (2013: 42 employees).

The Company is the 100% owner of a Cypriot company called Irosta Trading Limited ("Irosta"). Irosta holds 100% of the shares in ZAO Kun-Manie ("Kun-Manie"), which holds the Group's mineral licences.
The Group includes the following companies as at 31 December 2014 and 31 December 2013:

	Country of Incorporation	Percentage Holding	Principal Activities
Amur Minerals Corporation	British Virgin Islands	Parent Company	Investment Holding Company
Irosta Trading Limited	Cyprus	100%	Investment Holding Company
ZAO Kun – Manie	Russia	100%	Exploration & mining Company

The Group's principal place of business is in the Russian Federation.

The Group's principal asset is Kun-Manie production licence, which was issued in May 2015. The licence is valid until 1 July 2035 and allows the Company's subsidiary, ZAO Kun-Maine, to recover all revenues from 100% of the mined metal that specifically includes nickel, copper, cobalt, platinum palladium, gold and silver. The Company's management are evaluating the project with a view of determining an appropriate model for the development and ultimate exploitation of the project.

2. BASIS OF PREPARATION

a) Statement of compliance

The financial statements have been presented in thousands of United States Dollars and prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS). The principal accounting policies adopted in the preparation of the financial statements are set out in note 3 to these financial statements. The policies have been consistently applied to all the years presented, unless otherwise stated.

b) Going concern

These consolidated annual financial statements are prepared on a going concern basis.

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 stage. In May 2015 the 20 year 'Detailed Exploration and Production Licence' was issued to the Company's wholly owned subsidiary, ZAO Kun-Maine. The production licence expires on 1 July 2035.

The Directors have prepared a cash flow projection for period to July 2016 which indicates that the Group is sufficiently funded by its current financial resources, which comprise cash and derivative financial assets for the next 12 months. The Directors therefore consider the Group to be a going concern and have prepared the financial statements on that basis.

c) Basis of consolidation

The consolidated financial statements of the Group include the accounts of Amur Minerals Corporation and its subsidiaries. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. The accounting policies and financial year ends of its subsidiaries are consistent with those applied by the Company. These consolidated financial statements include accounts of the Company and its subsidiaries as set out in note 1.

The Company's Russian subsidiary maintains its books and records in accordance with accounting principles and practices mandated by Russian Accounting Regulations. These records have been adjusted to comply with IFRS for the purposes of preparing these consolidated financial statements.

3. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the consolidated financial statements, are disclosed in this note in section (n).

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period, or in the period of revision and future periods if the revision affects both current and future periods. The estimates and underlying assumptions are reviewed on an ongoing basis.

A number of new and revised standards and amendments to existing standards were applicable from 1 January 2014. The adoption of these amendments did not have a material impact on the Group's financial statements for the year ended 31 December 2014.

Any standards and interpretations that have been issued but are not yet effective, and that are available for early application, have not been applied by the Group in these financial statements. The Group does not expect other pronouncements to have a material impact upon the Group's primary statements and disclosure requirements.

a) Functional and presentation currency

Items included in the financial information of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial information is presented in US dollars ($), which is the functional and presentation currency of the Company. The functional currency of the Group's operating subsidiary is the Russian Rouble. The exchange rate on 31 December 2014 was $1:RUB 56.45 (2013: $1:RUB 32.77), with the average rates applied to transactions during the year of $1:RUB 38.49 (2013: $1:RUB 31.82).

In preparing the financial statement of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the date of the transaction. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the reporting date.

Exchange differences arising on the settlement and on the retranslation of monetary items are included in profit or loss for the period.

On consolidation, the results of overseas operations are translated into US Dollars at rates approximating to those when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised directly in equity (the "foreign exchange reserve").

Exchange differences recognised in profit or loss of group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the overseas operation concerned are reclassified to other comprehensive income and accumulated in the foreign exchange reserve on consolidation.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are transferred to the consolidated statement of comprehensive income as part of the profit or loss on disposal.

b) Segmental Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The chief operating decision makers have been identified as the Chief Executive Officer, Chief Financial Officer and the other executive and non-executive Board Members.

The operating results of each of these segments are regularly reviewed by the Group's chief operating decision makers in order to make decisions about the allocation of resources and to assess their performance.

The accounting policies of these segments are in line with those set out in these notes.

c) Exploration and evaluation assets

All costs incurred prior to obtaining the legal right to undertake exploration and evaluation activities on a project are written off as incurred.

All costs associated with mineral exploration and investments are capitalised on a project by project basis, pending determination of the feasibility of the project. Costs incurred include appropriate technical and administrative expenses. If an exploration project is successful and the project is determined to be commercially viable, the related costs will be transferred to mining assets and amortised over the estimated life of the mineral reserves on a unit of production basis.

Where a project is relinquished, abandoned, or is considered to be of no further commercial value to the Group, the related costs are written off.

Impairment reviews performed under IFRS 6 are carried out on a project by project basis, with each project representing a potential single cash generating unit. An impairment review is undertaken when indicators of impairment arise; typically when one of the following circumstances applies:

i. sufficient data exists that render the resource uneconomic and unlikely to be developed
ii. title to the asset is compromised
iii. budgeted or planned expenditure is not expected in the foreseeable future
iv. insufficient discovery of commercially viable resources leading to the discontinuation of activities

d) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation. Depreciation is provided on all property, plant and equipment at rates calculated to write off the cost or valuation of each asset on a straight-line basis over its expected useful life as follows:

	Useful life (years)
Motor vehicles	2
Office and computer equipment	3-8
Heavy machinery	5-7

The costs of maintenance, repairs and replacement of minor items of property, plant and equipment are charged to profit or loss.

e) Inventories

Inventories are stated at the lower of cost and net realisable value and comprise mainly fuel, materials and spare parts. Costs comprise all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

f) Leased Assets

Where substantially all of the risks and rewards incidental to ownership of a leased asset are retained by the lessor (an "operating lease"), the total rentals payable under the lease are charged to profit or loss on a straight-line basis over the lease term.

g) Income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax. Taxable profit differs from net profit as reported due to income tax effects of permanent and temporary differences. Non-profit based taxes are included within administrative expenses.

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences relating to initial recognition of assets or liabilities that affect neither accounting nor taxable profit are not provided for. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

h) Costs associated with the issue of share capital

Costs which are directly attributable to the issue of new shares, net of any taxes, are set off against share premium.

i) Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instrument at the grant date. Fair value is measured by use of the Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. Further details on how the fair value of equity-settled share-based transactions has been determined can be found in Note 12.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

Equity-settled share-based payment transactions with other parties are measured at the fair value of the goods and services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

j) Financial Assets

The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Group has not classified any of its assets as held to maturity.

Loans and Receivables

Other receivables: - these assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially measured at fair value and subsequently carried at amortised cost, using the effective interest rate method, less any provision for impairment. If the need for impairment of a receivable arises, the value of provision, representing the expected loss from not being able to recover such a receivable, is recognised in administrative expenses.

Cash and cash equivalents: - these assets comprise cash, short term deposits and investments in money market funds. Short term deposits comprise deposits made for varying periods of between one day and three months.

Fair value through profit or loss

This category comprises only Lanstead derivative (note 8) which is carried in the statement of financial position at fair value with changes in fair value recognised in profit or loss. The Group does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

k) Financial Liabilities

The Group's financial liabilities only comprise other financial liabilities which include trade payables and other short-term monetary liabilities. These are initially measured at fair value and subsequently recognised at amortised cost using effective interest rate method.

l) Fair value measurement hierarchy

The Group classifies its financial assets and financial liabilities measured at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the fair value measurement (note 19). The fair value hierarchy has the following levels:

a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

b) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2);
c) Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The level in the fair value hierarchy within the financial asset or financial liability is determined on the basis of the lowest level input that is significant to the fair value measurement.

m) Share capital

Financial instruments issued by the Group are treated as equity only to the extent that they do not meet the definition of a financial liability. The ordinary shares are classified as equity instruments.

n) Critical accounting estimates, assumptions and judgements

The preparation of financial statements requires management to make estimates and assumptions concerning the future, which by definition will seldom result in actual results that match the accounting estimates. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within next financial year are discussed below:

Accounting estimates and assumptions

i. Recoverability of the exploration and evaluation assets

The most significant assumption in the preparation of these financial statements relates to the recoverability of capitalised exploration costs included in non-current assets. The directors have assessed whether there are any indicators of impairment in respect of exploration and evaluation costs. In making this assessment they have considered resource estimates, future processing capacity, the forward market and longer term price outlook for nickel.

Management's estimates of these factors are subject to risk and uncertainties affecting the recoverability of the exploration and evaluation costs. Any changes to these estimates may result in the recognition of an impairment charge with a corresponding reduction in the carrying value of such assets. After consideration of the above factors, the directors do not consider that there are any indicators that exploration and evaluation costs are impaired at the year end.

The recoverability of the amounts shown in the Group statement of financial position in relation to deferred exploration and evaluation expenditure are dependent upon the discovery of economically recoverable reserves, continuation of the Group's interests in the underlying mining claims, the political, economic and legislative stability of the regions in which the Group operates, compliance with the terms of the relevant mineral rights licences, the Group's ability to obtain the necessary financing to fulfil its obligations as they arise and upon future profitable production or proceeds from the disposal of properties.

ii. Russian business environment

The accompanying financial statements reflect management's assessment of the impact of the Russian business environment on the operations and the financial position of the Group. The future business environment may differ from management's assessment. The impact of such differences on the operations and the financial position of the Group may be significant.

Accounting judgements

i. Share-based payments

The Company makes equity-settled share-based payments to certain Group employees and advisers. Equity-settled share-based payments are measured at fair value using a Black-Scholes valuation model at the date of grant based on certain assumptions. Those assumptions are described in the notes to the accounts and include, among others, expected, volatility, expected life of the options and number of options expected to vest. More details including carrying values are disclosed in note 12 to the accounts.

ii. Valuation of derivative financial asset

The Company and Lanstead Capital L.P. have entered into an equity swap agreement in respect of the share placings as detailed in note 8 for which consideration will be received on a monthly basis over 24 months period. The amount to be received each month is dependent on the Company's share price at the end of each month. The Directors have made assumptions in their financial statements about the quantum of the funds receivable at the yearend however there is significant uncertainty underlying these assumptions due to the unpredictable nature of the share prices.

(Amounts in '000s US Dollars)

4. SEGMENT REPORTING

The Group has one reportable segment being Kun-Manie which is involved in the exploration for minerals within the Kun-Manie licence areas in Russia.

The operating results of this segment is regularly reviewed by the Group's chief operating decision makers in order to make decisions about the allocation of resources and assess the performance.

As the Group has no revenue, the following is an analysis of the Group's results from continuing operations by reportable segment.

Reportable information as at 31 December 2014

	Corporate (Unallocated)	Kun-Manie	Total
Administrative expenses	(1,897)	(461)	**(2,358)**
Finance income	-	-	**-**
Finance expense	(161)	-	**(161)**
Fair value (loss)/gain on derivative financial asset	1,158	-	**1,158**
Taxation	-	-	**-**
Loss for the year	**(900)**	**(461)**	**(1,361)**
Non-current assets	-	12,035	**12,035**
Inventories	-	237	**237**
Derivative financial asset	7,381	-	**7,381**
Trade and other receivables	30	53	**83**
Cash and cash equivalents	1,279	110	**1,389**
Segment assets	**8,690**	**12,435**	**21,125**
Trade and other payables	(382)	(25)	**(407)**
Segment liabilities	**(382)**	**(25)**	**(407)**
Segment net assets	**9,377**	**11,341**	**20,718**
Exploration capital expenditure	**-**	**726**	**726**

Reportable information as at 31 December 2013

	Corporate (Unallocated)	Kun-Manie	Total
Administrative expenses	(2,111)	(428)	**(2,539)**
Finance income	-	-	**-**
Finance expense	(1,141)	-	**(1,141)**
Fair value (loss)/gain on derivative financial asset	(151)	-	**(151)**
Taxation	-	-	**-**
Loss for the year	**(3,403)**	**(428)**	**(3,831)**
Non-current assets	-	18,955	**18,955**
Inventories	-	269	**269**
Derivative financial asset	8,225	-	**8,225**
Trade and other receivables	23	165	**188**
Cash and cash equivalents	2,263	129	**2,392**
Segment assets	**10,511**	**19,518**	**30,029**
Trade and other payables	(83)	(40)	**(123)**
Segment liabilities	**(83)**	**(40)**	**(123)**
Segment net assets	**11,438**	**18,468**	**29,906**
Property, plant and equipment capital expenditure	**-**	**70**	**70**
Exploration capital expenditure	**-**	**2,245**	**2,245**

(Amounts in '000s US Dollars)

The accounting policies of the reportable segment are the same as the Group's accounting policies described in note 3. Segment loss represents the loss incurred by the segment without allocation of central administration costs and Directors' salaries and finance income or costs. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and assessment of segment performance.

5. CAPITALISED EXPLORATION COSTS AND PROPERTY, PLANT AND EQUIPMENT

	Vehicles and office & computer equipment	Exploration and evaluation assets	Total
Cost:			
At 1 January 2013	**1,820**	**17,084**	**18,904**
Additions	70	2,245	2,315
Foreign exchange differences	(129)	(1,011)	(1,140)
At 31 December 2013	**1,761**	**18,318**	**20,079**
Additions	-	725	725
Foreign exchange differences	(739)	(7,261)	8,000
At 31 December 2014	**1,021**	**11,783**	**12,804**
Accumulated depreciation:			
At 1 January 2013	**976**	**-**	**976**
Charge for the year	232	**-**	232
Disposals	-	**-**	-
Foreign exchange differences	(84)	-	(84)
		-	
At 31 December 2013	**1,124**	**-**	**1,124**
Charge for the year	118	**-**	118
Foreign exchange differences	(473)	**-**	(473)
At 31 December 2014	**769**	**-**	**769**
Net book value:			
At 31 December 2014	**252**	**11,783**	**12,035**
At 31 December 2013	637	18,318	18,955
At 1 January 2013	844	17,084	17,928

Exploration and evaluation costs

Exploration and evaluation assets relate to the Group's mineral exploration licence, Kun-Manie. During the year US$344,000 (2013: US$1,068,000) of salaries and wages and US$118,000 (2012: US$237,000) of depreciation were capitalised to the exploration and evaluation asset.

VAT Receivable

The capitalised exploration and evaluation costs include VAT receivable of US$538,000 (2013: US$538,000).

(Amounts in '000s US Dollars)

6. TRADE AND OTHER PAYABLES

	31 December 2014	31 December 2013
Accruals and other payables	407	123
	407	**123**

7. INVENTORIES

	31 December 2014	31 December 2013
Fuel	59	73
Other materials and supplies	178	196
	237	**269**

8. DERIVATIVE FINANCIAL ASSET

	31 December 2014	31 December 2013
Derivative financial asset	7,381	8,225
	7,381	**8,225**

The Company entered into financing agreements with Lanstead Capital L.P ("Lanstead") which include an equity swap price mechanism for 75% of the shares issued. All of the voting rights are transferred on the date of the transaction with the consideration received over a 24 month period. The actual consideration receivable will vary to the extent that the actual share price is greater or lower than the reference point. As the consideration is variable depending upon the Company's share price, the agreement is treated as a derivative financial asset and re-valued through the income statement with reference to the Company's share price.

	Actual share price	Lanstead 2	Lanstead 3	Lanstead 4	Total
Number of unpaid shares outstanding at 31 December 2012	8.725p	3,125,000	37,937,500	-	**41,062,500**
Inception of new instruments	9.67p	-	-	51,724,139	**51,724,139**
Number of shares paid up		(3,125,000)	(16,675,000)	(1,000,000)	**(20,800,000)**
Number of unpaid shares outstanding at 31 December 2013	**6.93p**	**-**	**21,262,500**	**50,724,139**	**71,986,639**
Inception of new instruments		-	-	-	**-**
Number of shares paid up		-	(21,262,500)	(5,465,516)	**(26,728,016)**
Number of unpaid shares outstanding at 31 December 2014	**10.5p**	**-**	**-**	**45,258,623**	**45,258,623**

(Amounts in '000s US Dollars)

	Lanstead 2	**Lanstead 3**	**Lanstead 4**	**Total**
Value of derivative at 31 December 2012	440	5,347	-	**5,787**
Inception of new instruments	-	-	6,140	**6,140**
Cash received during the year	(285)	(2,081)	(44)	**(2,410)**
Finance expense (note 14)	(367)	(658)	(116)	**(1,141)**
Gain/(loss) on revaluation at 31 December 2013	212	(179)	(184)	**(151)**
Value of derivative at 31 December 2013	**-**	**2,429**	**5,796**	**8,225**
Inception of new instruments	**-**	**-**	**-**	**-**
Cash received during the year	**-**	**(1,390)**	**(451)**	**(1,841)**
Finance income/ (expense) (note 14)	**-**	**52**	**(213)**	**(161)**
(Loss)/ gain/ on revaluation at 31 December 2014	**-**	**(1,091)**	**2,249**	**1,158**
Value of derivative at 31 December 2014	**-**	**-**	**7,381**	**7,381**

9. OTHER RECEIVABLES

	31 December 2014	**31 December 2013**
VAT receivable	9	62
Other receivables	74	126
	83	**188**

Other receivables represent prepayments and annual fees paid in advance under the normal course of business.

10. TAXATION

	31 December 2014	**31 December 2013**
Current tax – BVI Corporation tax	-	-
Current tax - Russian Corporation tax	-	-
Current tax charge	-	-
Factors affecting tax charge for the year:		
Group loss on ordinary activities before tax	(1,361)	(3,831)
	(1,361)	(3,831)
Tax charge at the BVI corporation tax rate of 0% (2013: 0%)	-	-
Effects of:		
Difference in overseas tax rate	333	304
Non-deductible expenses	(207)	(39)
Enhanced tax deductions	675	80
Tax losses carried forward for offset against profits of future periods	(801)	(345)
Total tax charge for the year	-	-

During the exploration and development stages, the Group will accumulate tax losses which may be carried forward. As of 31 December 2014, the subsidiary in Russia had tax losses carried forward of:

	31 December 2014	**31 December 2013**
Tax losses carried forward	9,118	6,986
Potential deferred tax asset at 20%	1,824	1,397

(Amounts in '000s US Dollars)

The tax losses of the subsidiary in Russia are available for use over a 10-year period. The total Russian subsidiary tax losses are available as follows:

Date Tax Losses Available To:	Available Tax Losses
31 December 2018	235
31 December 2019	344
31 December 2020	415
31 December 2021	1,559
31 December 2022	530
31 December 2023	973
31 December 2024	5,062
	9,118

The tax losses arising in the current and prior periods will reduce the Group's tax liability in the future and give rise to deferred tax assets. The Directors believe that it would not be prudent to recognise such tax assets before such time as the Group generates taxable income. Hence, no tax asset has been recognised.

11. SHARE CAPITAL AND RESERVES

	Issue of shares	Issue Price	Authorised Capital	Issued and fully paid up	Share Capital US$
1 January 2013			**1,000,000,000**	**353,155,179**	**40,901,861**
22 April 2013	Directors	7.68p		375,463	43,830
25 July 2013	Lanstead 4	7.25p		68,965,518 5,896,551	7,675,000
25 July 2013	Institutional Investors	7.25p		2,758,623	327,460
31 December 2013 and 31 December 2014			**1,000,000,000**	**431,151,334**	**48,948,651**

On the 22 April 2013 the Board of Directors opted to use a portion of their Directors' fees and salary to purchase 375,463 new ordinary shares at the price of 7.68 pence based on the 19 April 2013 closing price, the last trading day prior to the purchase.

On the 25 July 2013, the Company raised £5.2 million (US$8 million) through the issue of 71.1 million new shares at a placing price of 8p per share. A further 5.9 million new shares were issued to satisfy commissions of the fund raising.

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

There were no shares issued during 2014.

Group reserves comprise the following:

Share capital
Amounts subscribed for share capital at proceeds received.

Share premium account
The share premium account represents the amounts received by the Company on the issue of its shares which was in excess of the nominal value of the terms of the shares prior to the shares being changed to having no par value.

(Amounts in '000s US Dollars)

Share options reserve
The balance held in the share options reserve relates to the fair value of the share options that have been charged to the profit or loss since adoption of IFRS 2.

Foreign currency translation reserve
The foreign currency translation reserve includes movements that relate to the retranslation of the subsidiaries whose functional currencies are not the US$.

Retained deficit
Cumulative net gains and losses recognised in the statement of comprehensive income less any amounts reflected directly in other reserves.

12. SHARE BASED PAYMENTS

a) Options Granted

During the period ended 31 December 2014 no new options were granted to key management and personnel (2013: 18.2 million).

As of 31 December 2014 the following options and weighted average exercise prices were outstanding:

	Number of share options	Weighted Average exercise price (pence)
At 1 January 2013	**11,360,000**	**13.1**
Expired during year	(2,294,500)	13.1
Granted during year	18,200,000	8.7
Outstanding as at 31 December 2013 and 31 December 2014	**27,265,500**	**10.2**
Exercisable as at 31 December 2014	21,630,333	10.6
Exercisable as at 31 December 2013	15,995,167	11.3

The fair value of the options issued in the prior year was estimated at the grant date using a Black-Scholes model, taking into account the terms and conditions on which the options were granted. The fair value was based on the following assumptions:

Share Price	7.3p
Exercise price	8.7p
Expected volatility	86%
Option life	5 years
Expected dividends	0
Risk free rate	1.25%

The share price was 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 was 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 was 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 UK government issued Gilt Strips with a life similar to the expected term of the options at the date of measurement.

There are no market conditions associated with the share option grants. The total expense recognised in the profit and loss during the year arising from outstanding options is US$344,000 (2013: US$871,000) and relates to the vesting of options issued in the prior year.

(Amounts in '000s US Dollars)

b) Shares for services

As stated in notes 8 and 11, during the year the Company issued no new shares (2013: 5.9 million).

	31 December 2014	31 December 2013
Shares issued	-	5,986,551
Value of share issued US$ '000	-	668

13. ADMINISTRATIVE EXPENSES

	31 December 2014	31 December 2013
Salaries, wages and Directors' fees	1,016	837
Travel and subsistence expenses	213	202
Professional fees	215	314
Investor relations	242	146
Foreign exchange differences	62	(49)
Share options grant	344	871
Other administrative expenses	266	218
	2,358	**2,539**

14. FINANCE EXPENSE

	31 December 2014	31 December 2013
Foreign exchange (gain)/loss	6	(4)
Finance expense on Lanstead swap arrangement (note 8)	155	1,145
	161	**1,141**

15. LOSS PER SHARE

Basic and diluted loss per share are calculated and set out below. The effects of warrants and share options outstanding at the year ends are anti-dilutive and the total of 27.2 million (2013: 27.2 million) of potential ordinary shares have therefore been excluded from the following calculations:

	31 December 2014	31 December 2013
Net loss for the year	(1,361)	(3,831)
Weighted average number of shares used in the calculation of basic loss per share	431,151,334	387,227,252
Basic and diluted loss per share	**US$(0.003)**	**US$(0.009)**

(Amounts in '000s US Dollars)

16. DIRECTORS REMUNERATION

The aggregate remuneration of the Directors of the Company was as follows:

	31 December 2014			31 December 2013		
	Salary	**Fees**	**Total**	**Salary**	**Fees**	**Total**
Executive Directors						
Robin Young	261	-	261	253	-	253
Non-Executive Directors						
Robert Schafer	-	52	52	-	47	47
Brian Savage	-	44	44	-	40	40
	261	**96**	**357**	**253**	**87**	**340**

The following tables show the beneficial interests of the Directors who held office at the end of the year in the ordinary shares of the Company and the interests of the Directors in share options:

	Robin Young	**Robert Schafer**	**Brian Savage**
Shares held at 1 January 2013	**1,587,160**	**146,969**	**93,749**
Additions	184,176	103,653	87,634
Shares held at 31 December 2013 and 31 December 2014	**1,771,336**	**250,622**	**181,383**

Options held	Exercise Price	Exercise Dates	**Robin Young**	**Robert Schafer**	**Brian Savage**
1 January 2013	£0.12675 ($0.20)	18.04.11 to 18.04.16	**3,600,000**	**2,400,000**	**1,600,000**
Options Expired/Lapsed			-	-	-
Options Granted	£0.087 ($0.14)	23.04.11 to 23.04.18	7,800,000	1,950,000	1,950,000
31 December 2013 and 31 December 2014			**11,400,000**	**4,350,000**	**3,550,000**

$ exercise prices are shown for indicative purposes only, calculated at 31 December 2014 exchange rates.

17. COMMITMENTS

Operating lease commitments
The Group leases various offices and other buildings under cancellable operating lease agreements. The leases have varying terms, and renewal rights and are immaterial to the Group.

Capital commitments
There were no material contracted commitments for capital purchases as at 31 December 2014 (2013: Nil). On 24 May 2015 the Company received formal notification that Rosnedra has completed the calculation of the one-time payment of 23.6 million Roubles (approximately US$420,000) to convert a portion of its exploration licence to a mining licence. This amount is payable within 30 days of the formal grant of the licence.

(Amounts in '000s US Dollars)

18. 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

	31 December 2014	31 December 2013
Salaries and fees	722	517
Share-based payment	265	611
	987	**1,128**

19. FINANCIAL INSTRUMENTS

Financial instruments
The Group is exposed to risks that arise from its use of financial instruments. The main purpose of these financial instruments is to raise and utilise finance in the Group's operations.

The principal financial instruments used by the Group are as follows:

	31 December 2014	31 December 2013
Loans and receivables at amortised costs		
Cash and cash equivalents and other receivables	1,463	2,518
Financial assets at fair value through profit or loss		
Derivative financial asset	7,381	8,225
Financial liabilities held at amortised costs		
Trade and other payables	407	123

The main risks arising from the Group's financial instruments are interest risk, liquidity risk and currency risk. The Directors review and agree policies for managing these risks and these are summarised below.

Liquidity risk
The Group manages its operations through equity and seeks to manage financial risk to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Management monitors rolling cash flow forecasts of the Group and Company to ensure that the sufficient funds are available to meet the Group's and Company's commitments. The review consists of considering the liquidity of local markets, projecting cash flows and the level of liquid assets to meet these. Management raises additional capital financing when the review indicates this to be necessary.

(Amounts in '000s US Dollars)

The contractual maturities of the Group's financial liabilities are shown in the table below:

Group 2014	**Carrying amount**	**Contractual cash flows**	**6 months or less**
Trade and other payables	407	407	407
	407	407	407

Group 2013	**Carrying amount**	**Contractual cash flows**	**6 months or less**
Trade and other payables	123	123	123
	123	123	123

Credit risk
The principle financials assets of the Company are bank balances and derivative financial assets. The credit risk on liquid funds is limited because the counterparties are banks with credit ratings assigned by international credit rating agencies. The derivative financial asset is described in note 8. At 31 December 2013 and 31 December 2014 no element of the derivative financial asset was past due.

The Group's maximum exposure to credit risk by class of individual financial instrument is shown in the table below:

Group	**2014**		**2013**	
	Carrying value	**Maximum exposure**	**Carrying value**	**Maximum exposure**
Other receivables	74	74	126	126
Cash and cash equivalents	1,389	1,389	2,392	2,392
Derivative financial asset	7,381	7,381	8,225	8,225
	8,844	8,844	10,743	10,743

Subsequent to the year end, Lanstead have settled 32,327,500 of the unpaid shares (note 8) for approximately $5.9m. The remaining amounts are expected to be received by the end of the next financial year.

Fair values
The fair values of the Group's financial assets and liabilities are considered equal to the book value as they are all short term.

The Group measures the fair value of its financial assets and liabilities in the statement of financial position in accordance with the fair value hierarchy. This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

(Amounts in '000s US Dollars)

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Level 2 fair value measurements at 31 December 2014

	Derivative financial asset	
	31 December 2014	**31 December 2013**
Opening balance	8,225	5,787
Additions	-	6,140
Repayment	(1,841)	(2,410)
Net gains/(losses) recognised in income statement	997	(1,292)
Closing balance	**7,381**	**8,225**

As the consideration is variable depending upon the Company's share price, the derivative financial asset is revalued through the income statement with reference to the Company's closing share price. The valuation methodology and inputs are described in note 8.

Interest rate risk
The Group finances its operations through equity financing to alleviate the interest rate risk. The interest rate exposure of the financial assets of the Group as at 31 December 2014 related wholly to floating interest rates in respect of cash at bank. Cash at bank in interest bearing accounts was held in demand accounts with one-month maturities throughout the year. This policy was unchanged from 2013.

The Group is exposed to cash flow interest rate risk from its deposits of cash and cash equivalents with banks. The cash balances maintained by the Group are managed in order to ensure that the maximum level of interest is received for the available funds but without affecting working capital flexibility.

The Group is not currently exposed to cash flow interest rate risk on borrowings as it has no debt or fixed rate finance leases. No subsidiary of the Group is permitted to enter into any borrowing facility or lease agreement without the Company's prior consent.

Currency risk
The Group undertakes certain transactions denominated in foreign currencies hence exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters by holding bank deposits in Russian Roubles, US Dollars and Pound Sterling (GBP).

Management reviews its currency risk exposure periodically and hedges part of its exposure to the US dollar by buying and holding on deposit GBP. The Group also hold Roubles in order to cover a proportion of anticipated Rouble expenditures. As at 31 December 2014 the Group had on deposit approximately US$1,168,000 in GBP (2013: US$2,189,000) and US$11,000 in Rouble (2013: US$171,000) bank accounts.

An analysis of the Group's net monetary assets and liabilities by functional currency of the underlying companies at the year-end is as follows:

	Functional Currency		
	US Dollars 31 December 2014	Russian Rouble 31 December 2014	**Total 31 December 2014**
Currency of net monetary asset/liability	US$	US$	**US$**
US Dollar	(83)		**(83)**
Sterling	8,470		**8,470**
Russian Rouble		53	**53**
Total	**(8,387)**	**53**	**8,440**

(Amounts in '000s US Dollars)

The table above indicates that the Company's primary exposure is to exchange rate movements between UK Pound Sterling and the US Dollar. The table below shows the impact of changes in exchange rates on the result and financial position of the Company.

	US$
Sterling 10% weakening of the US Dollar	847
Sterling 10% strengthening of the US Dollar	(847)
Rouble 20% weakening of the US Dollar	17
Rouble 20% strengthening of the US Dollar	(17)

In the Directors' opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure reflects only the impact on the year-end balance sheet of changes in exchange rates and the does not reflect the exposure on on-going and future expenditure. Rouble denominated expenditures is seasonal with higher volumes in the second and third quarters of the financial year.

20. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital (i.e. share capital, share premium and retained deficit) are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other shareholders. Historically the company has issued share capital to provide funds for the exploration programmes. The need for further finance is kept under review by the Board through review of cash flow forecasts and further finance, from equity or debt, will be considered for future exploration and development work.

21. EVENTS AFTER THE REPORTING DATE

Director and Executive Share Purchase
In January 2015 the Board of Directors, Executive staff and other service providers opted to receive new shares in lieu of compensation. A total of 3,035,955 new shares were issued at a placing price of 10.25p. The Board members received a total of 682,422 new shares with the remainder being issued to professional staff and certain service providers.

Mining Licence Award
In May 2015 the Company announced that Kun-Maine production licence had been award. The licence would cover 36 square kilometres and be valid until 1 July 2035.