AMUR MINERALS CORPORATION

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

CORPORATE DIRECTORY

Directors	Mr R Schafer (Non-Executive Chairman) Mr R Young (Chief Executive Officer) Mr P Gazzard (Non-Executive Director) Mr T Bowens (Non-Executive Director)
Registered Office	Kingston Chambers P.O. Box 173 Road Town Tortola British Virgin Islands
Auditors	BDO LLP 55 Baker Street London W1U 7EU United Kingdom
Nominated Advisor and Broker	S.P. Angel Corporate Finance LLP Prince Fredrick House 35 – 39 Maddox Street London W1S 2PP United Kingdom
Legal Advisers	Maples and Calder P.O. Box 173 Road Town Tortola British Virgin Islands
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Solicitors	Fieldfisher LLP Riverbank House 2 Swan Lane London EC4R 3TT United Kingdom

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Dear Shareholder,

It is with pleasure that I update you on the activities of the Company for the twelve month period to 31 December 2021, as well as the period since the year end, including recent global events which have impacted us. Along with all worldwide corporate entities, Amur Minerals Corporation (the "Company") had to balance and endure the challenges related to the Covid-19 pandemic during the year and the more recent, post 2021, developing geopolitical situation in the Ukraine. Broadly, our major areas of focus during the year included:

- Advancing the TEO Project document for the Kun-Manie Project, compiled by the expert team of Oreoll Ltd. ("Oreoll") and submission of the draft report to the expert commission of the State Committee on Reserves ("GKZ"). This is a document required by the Russian Federation which was completed post 2021 and maintains our compliance with the Russian permitting regime.

- Selling our 14% interest in the Nathan River Resources ("NRR") Roper Bar iron ore operation in Australia. Grossing US$5.9 million with a profit of US$0.9 million.

- The continued M&A effort to identify a partner and / or buyer of the Kun-Manie nickel copper sulphide project located in the Russian Far East. A bona fide purchase offer being ultimately rejected in May 2022.

The strategic plan for 2022 was to carry out the work plan and strategy to maintain the extraction rights to its 100% controlled Kun-Manie project and this continues to be our prime objective.

However, the current geopolitical situation in Ukraine has radically altered our strategy for 2022. It is therefore important that we also provide key additional information as to the impact of Russia's "Special Military Operation" ("SMO"). Given the changing situation regarding the SMO, the 2022 strategy may require rapid adjustments depending on the actions of various nation states and the Russian Federation ("RF"). This has not yet impacted our in-Russia operational activities but has substantially altered our activities related to our M&A strategy.

Looking at our 2021 activities in isolation, we present the Annual Report and Accounts for the year 31 December 2021. Importantly, we note that over the course of the year 2021, the Company continued to remain debt-free, and its cash reserve increased 2.4 times from US$2,790,000 (1 January 2021) to US$6,682,000 (31 December 2021).

Kun-Manie Nickel-Copper Sulphide Project

Kun-Manie is and remains our flagship project as one of the largest undeveloped nickel - copper sulphide projects in the world. It is located near the three largest nickel consuming nations of Japan, Korea and China and we will continue to focus on this project.

Our primary objective is to maintain the Group's 100% production rights at Kun-Manie. We shall continue to complete specific work programmes per the terms and conditions of the licence to maintain our production rights. Entering 2021, two objectives remained to be completed. The first was the completion of an expert commission report called a TEO Project which was scheduled for completion at the end of 2021 and completed in H1 2022. Thereafter, a Mine Plan document must also be completed.

Production approval for the Kun-Manie project requires RF approvals based on Russian protocols. These approvals cannot be obtained based on "western standard" Feasibility, Definitive or Bankable studies. The approvals are derived from several RF agencies based on Russian standard design work completed by certified institutes. It has always been a priority for us to obtain suitable and approvable Russian documentation for obtaining the required approvals. This approach ensures that we maintain the integrity of and production rights to the licence and have a fully suitable and approved, ready to operate mining operation at the end of the day. This part of our strategy remains unchanged from 2021.

For clarification, it is important to understand what a TEO Project is. It is a feasibility study level document compiled by certified Russian Federation experts using specific state-defined procedures and reporting requirements and is ultimately approved by the State Committee on Reserves ("GKZ"). The document addresses all project disciplines and is similar to the contents of western feasibility study. It is to include all available technical results and study work specific to the project. For compilation of this TEO Project report, we contracted an experienced and independent expert company (Oreoll LLC) who warranted it would diligently complete and defend the results submitted to the GKZ. Oreoll's first submission date on our behalf was 20 August 2021.

In the evaluation process, the first submission of the TEO Project is considered a draft document. A GKZ commission of experienced, certified and approved experts covering all project disciplines is then assembled and each expert examines specific sections of the report relevant to their expertise. Discussions between Oreoll and the GKZ experts are held and Oreoll is directed to finalise the negotiated document. This final report covers the design basis of the project with regard to operating parameters, design considerations, operating and capital cost estimates, infrastructure requirements and financial analysis.

In a post 2021 event, the Company announced the final TEO Project results in an RNS released 7 June 2022. The key highlights were:

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

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

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

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

- Lerchs Grossman open pit production analyses including mining loses and dilution indicate the average LOM ore production grades for delivery to the sulphide flotation plant will be 0.66% Ni, 0.18% Cu, 0.015% Co, 0.05 grammes per tonne ("g/t") Au, 0.90 g/t Ag, 0.14 g/t Pt and 0.14 gt/ Pd. The total cumulative LOM RF National Association of Subsoil Examination ("NAEN") certified Reserve totals 187.1 million ore tonnes. Approximately 4.6 cubic metres ("m^3") (13.8 tonnes) of waste will be extracted per ore tonne.

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

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

- Accounting for both flotation plant metallurgical losses and adjustments for off take fees, the LOM recovered payable metals from the two concentrates total 627 thousand nickel tonnes, 177 thousand copper tonnes, 1.5 tonnes of gold, 3.3 tonnes of platinum and 3.5 tonnes of palladium. The payable metal schedules and all fees are based on confidential metal trading schedules provided by two reputable, internationally recognised industry metals traders.

- Nickel and copper account for 95% of the LOM revenue obtained from the nickel and copper concentrate products. The GKZ approved conservative prices for the primary revenue generators of nickel and copper were US$ 14,468 per Ni tonne (US$ 6.56 per pound) and US$ 6,758 per Cu tonne (US$ 3.07 per pound). Minor credits were included for gold (US$ 58.90 / g), platinum (US$ 34.35 / g) and palladium (US$ 80.75 / g). Metal prices for nickel and copper as at 28 June 2022 were US$10.82 and US$3.86, respectively.

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

The most important component derived within the GKZ approved TEO Project is the registration of the mining reserve. It is from these final certified reserves that a Mine Plan will be developed. For your convenience, the table below defines the 19 year GKZ Life of Mine NAEN reserve by tonnages and grades to be delivered to the mill.

Mine Delivered Mill Feed NAEN Reserve Dilution and Mining Losses Included COG 0.2% Ni			
Commodity	**Factor**	**In Balance - B + C1 + C2**	
		0.2% Ni COG	**Grade**
Mill Feed Tonnes	T	187,134,000	
Ni	T	1,233,697	0.66%
Cu	T	343,045	0.18%
Co	T	25,518	0.014%
Pt	Kg	25,709	0.14 g/t
Pd	Kg	26,547	0.14 g/t
Au	Kg	8,964	0.05 g/t
Ag	Kg	168,505	0.90 g/t

JORC resources and reserves are not accepted by the Russian Federation, however, we have provided JORC estimates over the life of our exploration programme. We implemented this approach in accordance with CRIRSCO recommendations which allow shareholders to measure the progress of resource expansion of our resource with time. Though not required, CRIRSCO recommend this approach be taken for publicly listed companies such as Amur.

With the TEO Project now complete, our next phase is to compile the Mining Plan due mid-year 2023, which leads to obtaining construction, mining and operational approvals and funding considerations.

Kun-Manie -Russia's SMO, Sanctions and Orders

Entering 2021, our strategy regarding funding was based on the knowledge that the preproduction and construction start-up capital expenditure would be relatively large (greater than US$ 0.5 billion) given the remote location of the project. We anticipated that project funding would require a consortium of Russian and international funding sources. The strategy throughout 2021 and into the start of 2022 consisted of:

- Completion of all required conditions per the terms of the licence including the mandatory TEO Project (Feasibility Study), review by the State Committee on Reserves ("GKZ") and the subsequent mandatory Mine Plan work also requiring certified Russian institutes input and approvals.

- Detailed engineering and design work completed to Russian standards thus making it suited for approvals by the specific authorities and meeting the investment requirements of Russian financial institutions.

- In anticipation that we would have to raise substantial funds from both inside and outside of Russia to fully support financing, a western bankable study will also be compiled. Potential outside funding sources will include internationally recognised financial institutions and intermediate metal off-takers. Based on discussions with western mining engineering companies experienced in Russia, the western study should be a hybrid product based on the Russian documentation but compiled in a manner meeting both Russian and international requirements. The best time to undertake this western work is during the later stages of the assembly of the Russian banking study following the TEO Project.

In Q1 22, we revisited the funding approach of our strategy due to the SMO in Ukraine. Sanctions are now in place and continue to be introduced by various nation states. These target Russian banking institutions, select Russian companies and numerous individuals associated with mineral and industrial activities. In response, the Russian Federation issued and continues to issue counter measures (Orders). The main Order restricts the ability of companies to operate within Russia through strict currency controls restricting the outflow of funds from Russia.

To this point, our subsidiary, AO Kun-Manie a Russian company, has functioned on an unhindered basis. The sanctions and orders have, however, impacted the Group's activities.

AMC - The SMO, Sanctions and Orders

In 2020, Amur developed a shortlist of potential partners or purchasers wherein a Russia-based project would be of interest. The list included Russian and internationally based mining companies, investment groups, financial institutions, metal trading groups and electric vehicle battery manufacturers. Discussions were held with potential partners and confidentiality agreements were signed with interested parties.

In Q2 21 and Q3 21, the M&A market relating to nickel and copper sulphide projects improved due to the increasing Green Energy interest and electric vehicle battery demand. Three parties (one western and two Russian) demonstrated bona fide interest in funding or purchasing Kun-Manie.

Medea Naturals Resources ("MNR") were contracted to establish a Fair Market Value ("FMV") for the sale of Kun-Manie. Based on their survey and the analysis of world-wide nickel exploration and development project transactions, they established a transaction sale price ranging from US$106 million to US$131 million. The majority of the transactions surveyed were external to Russia, but focused on an anticipated yield earned by a project sale.

Negotiations advanced with all three parties and funding alternatives and purchase options were tabled. Of the three, a proposed outright purchase of Kun-Manie was selected as it offered the highest consideration available to the Company, approaching fair market value. Transaction documentation was initiated and neared completion in late February 2022.

On 24 February 2022, Russia initiated the SMO. The action resulted in the immediate implementation of sanctions and counter measure responses by the Russian Government on 28 February, 1 March and 8 March of 2022. The combined actions had an immediate impact on the proposed sale of Kun-Maine, voiding the agreed terms of the nearly final Share Purchase Agreement ("SPA"). The buyer and Amur agreed to monitor the situation and revisit the SPA once the full impact of the sanctions and orders were understood.

Upon completion of a sanction and order review period, negotiations were resumed to modify the SPA allowing for all constraints to be considered. Specific considerations and impacts to the transaction and available alternatives is a transaction structure as follows:

- A transaction with a Russian entity or individual can be implemented if they are not sanctioned. Searches by our Russian and UK solicitors confirmed the buyer was free from restriction, and regular reviews were conducted as sanctions are frequently updated. The buyer remained unsanctioned and we were able to modify the SPA.

- Russian Government implemented Orders restricting foreign currency flow out of Russia will have the greatest impact. Foreign exchange payments may be made with the approval of a newly formed Currency Control Committee and this committee has final approval on the quantity and timing of currency flow from Russia. The buyer's funds would originate from Russia and, therefore must be approved by the committee.

- For the transaction, the Company requires legal support using Russian solicitors to ensure that the transaction will meet all regulatory and statutory considerations. Many legal entities have exited Russia, including our former Russian solicitors who were involved in negotiations. We had anticipated that this might occur and have already engaged a highly regarded, experienced Russian law firm, Birch Legal.

- In the event that Amur is unable to complete a transaction with the buyer, the SMO has substantially and adversely impacted the opportunity to sell and develop Kun-Manie. Sanctions have eliminated many companies, including mining entities, some off-take metal marketers and all sanctioned Russian companies as potential business counterparts. Additionally, the larger and well-funded Russian resource banks and fund sources are predominantly now sanctioned. International funding sources are avoiding participation in Russian based projects.

May 2022 Kun-Manie Transaction Offer

From late March through early May of 2022, a revised SPA was negotiated and executed with the buyer. All necessary associated documentation was completed, including the Circular for shareholder approval of the offer. For a total consideration of US$105 million, Stanmix Holding Limited offered to purchase AO Kun-Manie per the following terms:

- US$15 million upon Completion of the Transaction (to occur within 60 days of signing the SPA).

- US$10 million within 12 months of the date of the SPA.

- US$50 million within 48 months of the date of the SPA.

- US$30 million, payable in ten annual installments of US$3 million commencing in 2027.

Requiring shareholder approval, a General Meeting was set for 25 May 2022. At the request of attending shareholders, our Chief Executive Officer ("CEO"), Robin Young conducted a Q&A session related to the transaction. Subsequent to the Q&A session, the offer from Stanmix was rejected. The primary reasons from shareholders attending the were:

- Payment terms extended over to long a period.

- No absolute guarantee that all payments would be forthcoming.

- Initial payments were insufficient.

- Specific dividends to shareholders were not identified.

Robin Young was asked to revisit the M&A potential given the concerns of the attending shareholders. As at the date of this report we continue to be in discussions with Stanmix.

Of special note, the beneficial underlying owner of Stanmix (Mr. Vladislav Sviblov) entered into an agreement to purchase the mining assets of Kinross Gold in Russia. This transaction was announced and completed by Kinross Gold on 15 June 2022. Based on renegotiated terms, the total consideration purchase price reported by Kinross was US$340 million, a reduction of nearly 50% from the original offer. This is the first transaction completed by a Russian buyer with a western owner since the SMO, introduction of sanctions and the counter measure responses of the Russian Federation.

Impact of Kun-Manie Sale On The Company

In the event of a sale of Kun-Manie is successful, the Company will be classified as a cash shell by the Alternative Investment Market ("AIM"). During the immediately following six months, the Company will need to acquire another project or company via a Reverse Take Over ("RTO") to maintain trading on AIM. Should an RTO not be completed within that timescale, the Company will be suspended from trading and if after six months in suspension with no RTO having occurred, the Company would be delisted. In anticipation of a sale, we are examining the acquisition of projects, particularly within more favourable mining jurisdictions as a part of our strategy.

An alternative scenario is to reclassify the Company as an investment vehicle which would require the Company to successfully raise gross placing proceeds of at least £6.0 million.

NRR Roper Bar Iron Ore Transaction

In 2020 the Group acquired a Convertible Loan Note ("CLN") on Nathan River Resources Pte Limited ("NRR") which owns the Roper Bar Iron Ore Project ("Roper Bar") totalling US$4,670,000. Roper Bar is a large established iron ore deposit in the Northern Territory of Australia with a defined JORC resource of 446,000,000 tonnes at 39.9% Fe and a JORC reserve of 4,760,000 tonnes at 60.1% Fe. NRR had re-established the mining and shipping of iron ore to China under an offtake agreement with Glencore.

On 3 July 2021, the Group announced that it sold its wholly owned subsidiary Carlo Holdings Limited ("CHL"), the direct owner of the NRR CLN, for a cash consideration of US$5,892,000 to Hamilton Investments Pte. Ltd., a subsidiary of Britmar (Asia) Pte Ltd. The Group recognised a profit on the sale of US$915,000. In addition, the CLN carried an interest-bearing coupon at 14% which was payable to the Company. Amur received US$530,000 during its period of ownership, of which US$327,000 was received in the year 2021.

Since the completion of the sale, in November 2021, the Roper Bar project was placed into care and maintenance.

Financial Overview

As at 31 December 2021 the Company had cash reserves of US$6,682,000, up from US$2,790,000 at the start of 2021 and remains debt free.

The increase in cash reserves derives largely from the sale of the Company's wholly owned subsidiary CHL for cash consideration of US$6,137,019. As a result, the Company has not found it necessary to undertake any equity placings or other fundraising activities during the period. The Group also received coupon interest payments of 14% from the NRR CLN held within CHL. During the reporting period US$327,000 was received.

Administration expenses for the 2021 year totalled US$1,790,000 (2020: US$3,083,000). The main reasons for the decrease in administration expenses was the reduction in non-executive directors from four to three, saving US$177,000, a reduction in professional fees of US$150,000 as a result of completing the TEO in mid-2022 and a lower share-based payment expense in 2021 of $105,000 compared to $485,000 in 2020. Additionally, administration expenses of US$367,000 relating to Kun-Maine were presented within discontinued operation as at 31 December 2021 in line with the Board's plans to sell the entity.

Other Comprehensive Income was charged with a translation loss of US$138,000 (2020: US$4,123,000) due to the weakening of the Russian rouble to the US dollar. Expenditure on exploration was US$703,000 (2020: US$1,200,000) as the Group completed and submitted the TEO Project for review in August 2021. Exploration assets realised an exchange loss of US$585,000 (2020: exchange loss US$3,840,000) also due to the weakening of the Russian rouble to the US dollar.

An aggregate of £254,000 in cash was received, post year end from the execution of warrants in late January / early February 2022.

Covid-19

During early 2021, the Group continued to care for the safety of its personnel by implementing special measures to protect its workforce while at the same time ensuring business continuity. The Company continued to operate effectively over an extended period of time without requiring regular access to physical offices, slowly reverting to pre-Covid-19 operating conditions as the situation eased towards the end of 2021.

Covid-19 created significant uncertainty and disruption in the financial markets. However, the Company has not realised a negative impact of Covid-19 on its ability to conduct business across the Group including the sale of its iron ore subsidiary. With the virus apparently in the rear view, the Directors will continue to monitor developments.

Outlook

The Company's primary objectives for 2022 includes the completion of the TEO Project and continuing the acquisition of all necessary information for commencement of the Mining Plan and the required incumbent study work.

Work will continue at a level allowing for the compilation of bankable feasibility studies. Given that a mining operation within Russia requires Russian sourced and certified work to obtain operational permits and access, the initial focus is on the generation of a Russian bankable study. Follow-on compilation of a hybrid western bankable study is also planned. This hybrid study will include the Russian study work with necessary considerations to allow for the document to support external Russia funding sources.

Both documents will include the technical, environmental and economic detail for needed by unsanctioned Russian and external Russia institutional investors to advance funding for mine construction and advancement into production. Completion of both documents will require considerable interaction between Russian and international organisations to complete an international BFS for consideration.

We shall also continue to pursue the sale of the Kun-Manie project. The most likely buyer will be a Russian entity due to the current geopolitical situation in Ukraine.

On behalf of the Board of Directors, I would like to thank all the staff for their dedication, loyalty and hard work throughout this period in getting the TEO Project organised and progressing it toward its completion.

Mr. Robert W. Schafer
Non Executive Chairman
29 June 2022

Dear Shareholders,

As Chairman of the Company, I firmly believe that strong corporate governance helps provide the building blocks that allow an organisation to be successful. The Board is committed to good governance across the business at its executive level and throughout its operations. In March 2018, the Company adopted The Quoted Companies Alliance Corporate Governance Code 2018 (the "QCA Code" or the "Code").

The Board not only sets expectations for the business but also works towards ensuring that strong values are set and carried out by the Directors and Executives across the business. The Board strives to ensure that the objectives of the business, the principles and risks are underpinned by values of good governance throughout the Company.

The importance of engaging with our shareholders is key to the success of the business, and the Board strives to ensure that there are numerous opportunities for investors to engage with both the Board and executive team.

Mr R Schafer
Non-Executive Chairman
29 June 2022

Set out below are the 10 key principals of the QCA code adopted by Amur. In addition to the details provided below, governance disclosures can be found on the Company's website at https://amurminerals.com/corporate- governance-code/.

Principle 1: Establish a strategy and business model which promote long-term value for shareholders

The Board's strategy has concluded that the highest medium and long-term value can be delivered to shareholders through the continued development of the Kun-Maine sulphide nickel deposit located in the far east of Russia. The Company has continued to develop the project by the completion of the Russian Federation TEO Project, a Russian equivalent to a Feasibility Study. The study specifically defines Reserves in accordance with the NAEN Russian reserve classification system. These serve as the basis for mine design and future detailed engineering studies. Simultaneously the Company has been assessing the M&A Market to identify suitable strategic partners who can assist in bringing the project to production. Whilst searching for potential partners, Amur continues to evaluate the acquisition of cashflow generating projects to support the funding of the Kun-Manie project, general and administrative costs and /or acquisition of other resource projects within more favourable mining jurisdictions.

Principle 2: Seek to understand and meet shareholder needs and expectations

The Company remains committed to listening and communicating openly with its shareholders to ensure that its strategy, business model and performance are clearly understood and communicated. Understanding what analysts and investors think about us, and in turn, helping these audiences understand our business, is a key part of driving our business forward and we actively seek dialogue with the market. We do so via investor roadshows, attending investor conferences, maintaining updates on the Company's FAQ page and our regular reporting.

Amur is committed to providing full and transparent disclosure of its activities via the Regulatory News Service (RNS) of the London Stock Exchange. Company announcements are also available on the Company's website. Amur has an active and effective investor relations programme that includes institutional road-shows and presentations, effective Annual General Meetings with presentations to shareholders and a high level of disclosure of the Company's activity to its shareholders.

In addition, all shareholders are encouraged to attend the Company's Annual General Meeting and any other meetings where Q&A sessions are a part of the meetings. Investors have access to current information on the Company through its website (www.amurminerals.com) chand via the info@amurminerals.com email address. The Company also retains the services of BlytheRay as PR advisor.

Principle 3: Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Board recognises that the long term success of the Company is reliant upon the efforts of the employees of the Company and its contractors, suppliers, regulators and other stakeholders. The Board has put in place a range of processes and systems to ensure that there is close oversight and contact with its key resources and relationships.

The Company has staff dedicated to ensuring that it has active relationships with local communities who are within the vicinity of its operations to understand their concerns and expectations thereby seeking to ensure a mutually beneficial co-operation for both sides. The Company is subject to oversight by a number of different governmental and other bodies who directly or indirectly are involved with the licencing and approval process of exploration and mining operations in Russia. The Company makes all reasonable efforts, directly or through its advisers, to engage in and maintain active dialogue with each of these governmental bodies, to ensure that any issues faced by the Company, including but not limited to regulations or proposed changes to regulations, are well understood and ensuring to the fullest extent possible that the Company is in compliance with all appropriate regulation, standards and specific licencing obligations, including environmental, social and safety, at all times.

The Company has close ongoing relationships with a broad range of its stakeholders and provides them with the opportunity to raise issues and provide feedback to the Company, and the Board is regularly updated on wider stakeholder insights into issues that matter to them and the business to enable the Board to understand and consider these issues in decision making.

The Board recognises that our employees are one of our most important stakeholder groups.

Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation

Financial controls
The Company has an established framework of internal financial controls, the effectiveness of which is regularly reviewed by the Executive Management, the Audit Committee and the Board in light of an ongoing assessment of significant risks facing the Company:

- The Board is responsible for reviewing and approving overall Company strategy, approving revenue and capital budgets and plans, and for determining the financial structure of the Company including treasury, tax and dividend policy. Monthly results and variances from plans and forecasts are reported to the Board.
- The Audit Committee assists the Board in discharging its duties regarding the financial statements, accounting policies and the maintenance of proper internal business, and operational and financial controls, including the review of results of work performed by the Group controls function.
- There are comprehensive procedures for budgeting and planning, for monitoring and reporting to the Board business performance against those budgets and plans, and for forecasting expected performance over the remainder of the financial period. These cover cash flows, capital expenditure and balance sheets. Monthly results are reported against budget and compared with the prior year, and forecasts for the current financial year are regularly revised in light of actual performance.
- The Company has a consistent system of prior appraisal for investments, overseen by the Chief Financial Officer (Westend Corporate acting), Chief Executive Officer and Board of Directors. Financial controls and procedures with which each business area is required to comply in order to be granted investment funds for development.

Non-financial controls

The Board recognises that maintaining sound controls and discipline is critical to managing the downside risks to our plan. The Board has ultimate responsibility for the Group's system of internal control and for reviewing its effectiveness. However, any such system of internal control can provide only reasonable, but not absolute, assurance against material misstatement or loss. The Board considers that the internal controls in place are appropriate for the size, complexity and risk profile of the Group.

The principal elements of the Group's internal control system include:

- Close management of the day-to-day activities of the Group by the Executive Directors.
- An organisational structure with defined levels of responsibility, which promotes entrepreneurial decision-making and rapid implementation while minimising risks.
- A comprehensive annual budgeting process producing a detailed integrated profit and loss, balance sheet and cash flow, which is approved by the Board.
- Detailed monthly reporting of performance against budget.
- Central control over key areas such as capital expenditure authorisation and banking facilities.

The details of the Group's principal risks and controls to mitigate them are outlined on pages 15-18.

Principle 5: Maintaining the Board as a well-functioning, balanced team led by the Chairman

The Board comprises the Non-Executive Chairman, one Executive Director and two Non-Executive Directors. The Board of Amur is supported by the senior management team and Westend Corporate. The details and background of the members of the Board and senior management can be found on the Company's website at www.amurminerals.com/management-team/.

The Board is satisfied that it has a suitable balance between independence on the one hand, and knowledge of the Company on the other, to enable it to discharge its duties and responsibilities effectively. All Directors are encouraged to use their independent judgement and to challenge all matters, whether strategic or operational. The following Directors are considered to be independent Directors:

- Robert Schafer (Non-Executive Chairman).
- Paul Gazzard (Non-Executive Director).
- Tom Bowens (Non-Executive Director).

The Board has established an Audit Committee and a Remuneration Committee, particulars of which appear hereafter. The Board has agreed that appointments to the Board are made by the Board as a whole. The Non- Executive Directors are considered to be part time but are expected to provide as much time to the Company as is required. The Board considers that this is appropriate given the Company's current stage of operations. It shall continue to monitor the need to match resources to its operational performance and costs and the matter will be kept under review going forward. The Board notes that the QCA recommends a balance between executive and non-executive Directors and recommends that there be two independent non-executives. The Board shall review further appointments as scale and complexity grows.

Attendance at Board and Committee Meetings

The Company shall report annually on the number of Board and committee meetings held during the year and the attendance record of individual Directors. In order to be efficient, the Directors meet formally and informally both in person and by telephone. During the year there were 19 board meetings and their attendance was as follows:

	Meetings attended	Meetings eligible to attend
Mr R Schafer	19	19
Mr R Young	19	19
Mr P Gazzard	19	19
Mr T Bowens	17	17

Key Board activities this year included:

- Discussing strategic priorities.
- Continue dialogue with the investment community.
- Discussing the Company's capital structure and financial strategy.
- Discussing internal governance processes.
- Discussing the Company's risk profile.
- Developing and progressing the Kun-Manie project in accordance with Russian Federation regulatory requirements as related to the Detailed Exploration and Mining licence.

Directors' conflict of interest

The Company has long established and effective procedures in place to monitor and deal with conflicts of interest. The Board is aware of the other commitments and interests of its Directors, and changes to these commitments and interests are reported to and, where appropriate, agreed with the rest of the Board.

Principle 6: Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities

The Board is satisfied that, between the Directors, it has an effective and appropriate balance of skills and experience required for the Company. Biographies of the directors are available on the Company's website. All Directors receive regular and timely information on the Group's operational and financial performance. Relevant information is circulated to the Directors in advance of meetings.

The Board recognises that it currently has limited diversity, and this will form a part of any future recruitment consideration if the Board concludes that replacement or additional directors are required. The Board will also review annually the appropriateness and opportunity for continuing professional development whether formal or informal.

Appointment, removal and re-election of Directors

The Board makes decisions regarding the appointment and removal of Directors, and there is a formal, rigorous and transparent procedure for appointments. The Company's Articles of Association require that one-third of the Directors must stand for re-election by shareholders annually in rotation; that all Directors must stand for re- election and that any new Directors appointed during the year must stand for election at the AGM immediately following their appointment.

Independent advice

All Directors are able to take independent professional advice in the furtherance of their duties, if necessary, at the Company's expense. In addition, the Directors have direct access to the advice and services of the Company Secretary and Westend Corporate (external accountancy and financial service).

Principle 7: Evaluate the Board performance based on clear and relevant objectives, seeking continuous improvement

The Board has determined that it shall itself be responsible for assessing the effectiveness and contributions of the Board as a whole, its committees (which currently comprise the Audit Committee, the Remuneration Committee) and individual directors. The size of the Board allows for open discussion and the Chairman has regular dialogue with the Chief Executive whereby the Board's role and effectiveness can be considered. The Chief Financial Officer (undertaken by Westend Corporate) also has regular dialogue with the Head of the Audit Committee whereby that Committee's effectiveness can be considered.

Internal evaluation of the Board, the Committee and individual Directors is to be undertaken on an annual basis in the form of peer appraisal and discussions to determine the effectiveness and performance of the Directors and their continued independence. No formal assessments have been prepared however the Board will keep this matter under review and especially if either the size of the Board or the number of committees increases which in turn may require a more formalised assessment and evaluation process to be established to ensure continued effectiveness.

Principle 8: Promote a culture that is based on ethical values and behaviours

The Board recognises that their decisions regarding strategy and risk will impact the corporate culture of the Company as a whole and that this will impact the performance of the Company. The Board is very aware that the tone and culture set by the Board will greatly impact all aspects of the Company as a whole and the way that employees behave. The corporate governance arrangements that the Board has adopted are designed to ensure that Amur delivers long term value to its shareholders and that shareholders have the opportunity to express their views and expectations for the Company in a manner that encourages open dialogue with the Board.

A large part of Amur's activities is centred upon what needs to be an open and respectful dialogue with employees, clients and other stakeholders. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Company to successfully achieve its corporate objectives. The Board places great importance on this aspect of corporate life and seeks to ensure that this flows through all that the Company does. The directors consider that at present the Company has an open culture facilitating comprehensive dialogue and feedback and enabling positive and constructive challenge.

Additionally, the Company has adopted a code for Directors' and employees dealings in securities which is appropriate for a company whose securities are traded on AIM and is in accordance with the requirements of the Market Abuse Regulation which came into effect in 2016.

Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board

Maintenance of Governance Structures and Processes
Ultimate authority for all aspects of the Company's activities rests with the Board, the respective responsibilities of the Chairman and Chief Executive Officer arising as a consequence of delegation by the Board. The Board has adopted appropriate delegations of authority which set out matters which are reserved to the Board. The Chairman is responsible for the effectiveness of the Board, while management of the Company's business and primary contact with shareholders has been delegated by the Board to the Chief Executive Officer.

Audit Committee
The Audit Committee currently comprises Paul Gazzard (Chairman) and Robert Schafer. This committee has primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Company is properly measured and reported. It receives reports from the executive management and auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Company. The Audit Committee shall meet not less than twice in each financial year and it has unrestricted access to the Company's auditors.

Remuneration Committee
The Remuneration Committee comprises Tom Bowens (Chairman) and Robert Schafer. The Remuneration Committee reviews the performance of the executive directors and employees and makes recommendations to the Board on matters relating to their remuneration and terms of employment. The Remuneration Committee also considers and approves the granting of share options pursuant to the share option plan and the award of shares in lieu of bonuses pursuant to the Company's Remuneration Policy.

Nominations Committee
Given the size and complexity of Amur, the Board has agreed that appointments to the Board will be made by the Board as a whole and so has not created a Nominations Committee.

Non-Executive Directors
At each Annual General Meeting one third of the directors must retire by rotation, whereupon they can offer themselves for re-election if eligible. The Board evaluates its performance and composition on a regular basis and will make adjustments as and when indicated. When assessing the independence of each Non-Executive Director, length of service is one of the considerations. The Board will when assessing new appointments in the future consider the need to balance the

experience and knowledge that each independent director has of the Company and its operations, with the need to ensure that independent directors can also bring new perspectives to the business.

Executive Team

The Executive Team consists of Robin Young, with input from the outsourced Chief Financial Officer ("CFO") and the subsidiary managers and teams. They are responsible for formulation of the proposed strategic focus for submission to the Board, the day- to-day management of the Group's businesses and its overall trading, operational and financial performance in fulfilment of that strategy, as well as plans and budgets approved by the Board of Directors. It also manages and oversees key risks, management development and corporate responsibility programmes. The Chief Executive Officer reports to the Board on issues, progress and recommendations for change. The controls applied by the Executive Team to financial and non-financial matters are set out earlier in this document, and the effectiveness of these controls is regularly reported to the Audit Committee and the Board.

Principle 10: Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. The Company has close ongoing relationships with its private shareholders. Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting. The outcomes of all votes will be disclosed in a clear and transparent manner via the RNS of the London Stock Exchange.

Investors also have access to current information on the Company through its website, www.amurminerals.com, and via the info@amurminerals.com email post questions that are incorporated into the FAQ page of the Company's website. The Company lists contact details on its website and on all announcements released via RNS, should shareholders wish to communicate with the Board.

The Company shall include, when relevant, in its annual report, any matters of note arising from the audit or remuneration committees.

The Board

The Board is comprised of the non-executive chairman, three non-executive directors and a CEO. The Board has significant industry, financial, public markets and governance experience, possessing the necessary mix of experience, skills, personal qualities and capabilities to deliver on the Group's strategy for the benefit of shareholders over the medium to long-term.

The Chairman has the responsibility of ensuring that the Board discharges its responsibilities and is also responsible for facilitating full and constructive contributions from each member of the Board in determination of the Group's strategy and overall commercial objectives. The Board is responsible for the overall management and performance of the Group and operates within a framework of prudent and effective controls which enables risk to be assessed and managed.

Westend Corporate acting as CFO leads the business with the support of a strong executive team ensuring that the strategic and commercial objectives are met. They are accountable to the Board for the operational and financial performance of the business.

The Board as a whole is kept abreast with developments of governance and AIM regulations. The Company's solicitors provide updates on governance issues and the Company's NOMAD provides updates on listing regulations as well training as part of a director's onboarding.

The directors have access to the Company's NOMAD, company secretary, solicitors and auditors and are able to obtain advice from other external bodies as and when required. The 2021 performance of the business and its staff will be measured across both financial and operational functions and is captured in a corporate scorecard. The scorecard is made up of various KPIs and is tracked throughout the year.

Matters Reserved for the Board

The Board retains full and effective control over the Group and is responsible for the Group's strategy and key financial and compliance issues. There are certain matters that are reserved for the Board which are reviewed on an annual basis, and they include but are not limited to:

- **Strategy and Management** – approval of strategic aims and objectives; approval of the Group's annual operating and capital expenditure budgets and changes; decision to cease to operate all or any material part of the Group's business;
- **Structure and Capital** – major changes to the Group's corporate structure; any change to the Company's listing;
- **Financial Reporting and Controls** – approval of financial results; annual reports and accounts; dividend policy and declaration of any dividend; significant changes in accounting policies/practice; treasury policies;
- **Internal Controls** – ensuring maintenance of a sound system of internal control and management;
- **Contracts** – major capital contracts; contracts which are material or strategic; major investments or any acquisitions/disposals;
- **Communications** – approval or resolutions and documentation put forward to shareholders;
- Board Membership and Other Appointments;
- **Remuneration** – determining the remuneration policy for directors, senior executives and non-executive directors, introduction of new share incentive plans, changes to existing plans;
- **Corporate Governance Matters** – review of the Group's overall corporate governance arrangements; and
- **Policies** – approval of Group policies, including the share dealing code.

Board Evaluation

The directors consider seriously the effectiveness of the Board, its Committees and individual performance.

The Board generally meets a minimum of four times a year with ad hoc Board meetings as the business demands. There is a strong flow of communication between the directors, and in particular between the CEO and Chairman. Board meeting agendas are set in consultation with both the CEO and Chairman, with consideration being given to both standing agenda items and the strategic and operational needs of the business.

Comprehensive board papers are circulated in advance of meetings, giving directors ample time to review the documentation and enabling an effective meeting. Resulting actions are tracked for appropriate delivery and follow up. The directors have a broad knowledge of the business and understand their responsibilities as directors of a UK company quoted on AIM and developing appropriate corporate governance procedures and looking forward to building further on the governance structure already in place.

The Company's Nomad provides annual boardroom training as well as initial training as part of a director's onboarding. The Company Secretary helps keep the Board up-to-date with developments in corporate governance and liaises with the Nomad on areas of AIM requirements. The Company Secretary has frequent communication with both the Chairman and CEO and is available to other members of the Board as required. The directors also have access to the Company's auditors and lawyers as and when required, and the directors are able, at the Company's expense, to obtain advice from other external advisers if required.

The Board entered 2021 looking forward to building further on the governance structure already in place. Whilst being mindful of the size and stage of development of the Company, the board reviews and ensures the highest level of governance is maintained.

OPERATING RISKS AND UNCERTAINTIES

Set out below are the key operating risks and uncertainties affecting the Group.

The Group's licences

The Group's activities are dependent upon the grant and renewal of appropriate licences, permits and regulatory consents. The Group's Exploration and Mine Production licence is valid until 1 July 2035 and grants the Company's wholly owned subsidiary ZAO Kun-Manie the rights to recover all value from the mineral defined to be present at Kun-Manie. The Group's licences are regulated by the Russian governmental agencies and contain a range of obligations, failure to comply with which could result in additional costs, penalties being levied or the suspension or revocation of the licence. This would have a material adverse impact on the Group.

Mitigation: Management closely monitor compliance with the terms of the Group's licences and utilises the legal services of Bryan Cave Leighton Paisner who review all documentation and filings 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.

Mitigation: The scale of the project mandates that all work is 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 confirmed the results of Company work.

Project work is 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.

Mitigation: For reporting purposes, 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 (NAEN) and does not recognise resources which are not contained within a mine plan based on a Russian certified expert study calculated by a qualified agency or organisation. Final reserve numbers are audited by the State Commission on Mineral Reserves ("GKZ") who is responsible for the registration of 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.

Mitigation: The Company utilises Equator Principles standards with regard to its monitoring and maintenance of environmental protection. Equator Principles is a risk management framework, widely adopted by financial institutions, for determining, assessing and managing environmental and social risk in projects. 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 suitably qualified individuals to ensure that all work is done to the highest standards and ultimately approved by the appropriate Russian authorities and organisations.

Financial risks

The Group operates as a natural resources exploration and development group. To date and being an exploration company, it has not earned revenues and is considered to be in the final stages of exploration and evaluation activities of its Kun-Manie project. It is therefore reliant on raising additional financing through share placings with new or existing partners or combination of debt and equity financing from financial institutions. The Group may not be able to raise additional funds that will be required to support the development of its projects and any additional funds that are raise may cause dilution to existing shareholders. During the first six months of 2021, the Company was paid interest on its holding in the Nathan River Resources Roper Iron Ore mine located in Australia.

Mitigation: The Company maintains a close monitoring of its projected cash requirements and Directors are in regular negotiations with various parties in respect of raising further funds to ensure sufficient funding is available as and when required.

Business disruption due to Covid-19

The 2021 situation surrounding Covid-19 global pandemic represents significant uncertainty for the mining industry. The potential impact could include operational disruptions due to Government restrictions, staff absences and supply chain delays as well as disruptions to key partners and capital markets.

Mitigation: While the Company has seen little direct impact from Covid-19 pandemic, management have focused on implementing measures to ensure safety of employees and contractors, and to prepare business to face potential challenges that could emerge. These include, amongst other things: following Government's guidelines in all jurisdictions the Company operates, communicating precautionary measure to staff to prevent the spread of the virus, enabling remote working, exploring available liquidity options, implementing business continuity measures.

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.

Mitigation: 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 (YE 2021), the long term forecast price for 2024 from RBCCM for nickel is US$7.50 per pound and is US$3.50per pound for copper. All western study work currently utilises prices of US$8 and US$3 for nickel and copper respectively. Russian TEO Project pricing does not accept forward looking metals prices, it utilises a look back price. The TEO uses a price for nickel of US$6.46 per pound and for copper is US3.07 per pound.

Political and economic risks

At the beginning of 2021, the Group's assets and operations were based in Russia and Australia. The Kun-Manie exploration project is subject to Russian federal and regional laws and regulations. Russian legal and regulatory regime is still undergoing a substantial transformation and is subject to frequent changes and interpretations. Amendments to current laws and regulations governing the

Group's operating activities or more stringent implementation or interpretation of these laws and regulations could have a material adverse impact on the Group.

Additionally, Russian Federation is currently subject to sanctions imposed by various countries, prolonging and tightening of which could have an impact on the Group's operations. This has an impact on negotiations with the proposed buyer on Kun-Maine, as detailed in the Chairman's Statement. The recent sanctions target Russian banking institutions, select Russian companies and numerous individuals associated with mineral and industrial activities. To this point, AO Kun-Manie has functioned on an unhindered basis. The sanctions and orders have, however, impacted the Company's activities.

The interest in the Australian iron ore operation was liquidated in July 2021 upon the unanimous vote of the Board.

Mitigation: The Company utilises its Moscow based legal representatives of Bryan Cave Leighton Paisner to continuously monitor the situation regarding sanctions and conduct 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 and Australia.

Mitigation: The Company utilises its Moscow legal team of Bryan Cave Leighton Paisner to monitor changes to the Russian 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.

Interest revenues from the payments by NRR to the group are taxable.

Mitigation: The Company continually assesses the tax regime and utilises 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. During late 2021 and early 2022, the Company contracted PKF and BDO to establish the final taxation amounts related to the sale of its iron ore holdings.

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 approximately 320 kilometers from the Baikal Amur rail line to the project site. The Company's position is that they will have to fund and construct the 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. The TEO Project includes the construction of the access road into the initial capital expenditures.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the financial statements and have, as required by the AIM Rules of the London Stock Exchange, elected to prepare the group financial statements in accordance with International Accounting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC")" in order to give a true and fair view of the state of affairs of the Group and of its profit or loss for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with International Accounting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC")", subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping records that are sufficient to show and explain the Group's transactions and will, at any time, enable the financial position of the Group to be determined with reasonable accuracy. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps to prevent and detect fraud and other irregularities and for the preparation of any additional information accompanying the financial statements that may be required by law or regulation.

Website publication
The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the British Virgin Islands 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.

Mr R Young
Director
29 June 2022

Dear Shareholders,

I am pleased to present this report on behalf of the Remuneration Committee and to report on progress made by the Committee during the year. Throughout 2021 the Committee has focused on how best to align reward with results and specifically how to incentivise our people to act like business owners.

Remuneration Policy and Aims of the Remuneration Committee

Our overall aim is to align employee remuneration with the successful delivery of long-term shareholder value. We have adopted three key principles to enable us to achieve this goal:
- to offer competitive salary packages that attract, retain and motivate highly-skilled individuals;
- to align remuneration packages with performance related metrics that mirror our long-term business strategy; and
- to encourage accountability in the workplace and link reward with success.

The Group currently operates the following remuneration framework:
- Annual salary and associated benefits such as paid holiday.

The Remuneration Committee consists of myself with one other independent Non- Executive Director, Robert Schafer. The Committee aims to meet at least once each year and its key responsibilities include reviewing the performance of senior staff, setting their remuneration and determining the payment of bonuses.

The Chief Executive Officer and Westend Corporate acting as Chief Financial Officer are invited to attend meetings of the Committee, but no Director is involved in any decisions relating to their own remuneration. None of the Committee has any personal financial interest (other than as shareholders), conflicts of interests arising from cross-directorships, or day-to-day involvement in running the business.

Terms of reference

The terms of reference of the Remuneration Committee are set out below.

Determine and agree with the Board the Company's overall remuneration policy and monitor the efficacy of the policy on an ongoing basis:
- dtermine and agree with the Board the remuneration of the Executive Director and senior management;
- determine the objectives and headline targets for any performance-related bonus or incentive schemes;
- monitor, review and approve the remuneration framework for other senior employees; and
- review and approve any termination payment such that these are appropriate for both the individual and the Company.

Directors Remuneration			**2021**			**2020**
	Salaries US$'000	**Fees US$'000**	**Total US$'000**	**Salaries US$'000**	**Fees US$'000**	**Total US$'000**
Executive Directors						
Robin Young	318	-	**318**	316	-	**316**
Adam Habib	243	-	**243**	153	-	**153**
Non-Executive Directors						
Robert Schafer	-	58	**58**	-	58	**58**
Brian Savage	-	-	**-**	-	172	**172**
Paul Gazzard	-	76	**76**	-	56	**56**
Lou Naumovski	-	-	**-**	-	25	**25**
Tom Bowens	-	50	**50**	-	50	**50**
	561	**184**	**745**	**469**	**361**	**830**

Details of Directors' holdings in share options can be found at Note 23 to the financial statements.

The year ahead

We believe that remuneration throughout the business is structured appropriately to incentivise performance, rewarding behaviour in the spirit of ownership throughout the organisation. This will undergo ongoing review as the business evolves, in order to ensure that our employees and executives are remunerated optimally in the interests of the Company.

The Committee and I remain focused on ensuring that reward at the Company continues to be closely aligned with the delivery of long-term shareholder value.

Mr T Bowens
Chair of the Remuneration Committee

AUDIT COMMITTEE REPORT

Dear Shareholders,

I am pleased to present this report on behalf of the Audit Committee and to report on progress made by the Committee during the year.

Aims of the Audit Committee

Our overall aim is to assist the Board in discharging its duties regarding the financial statements, to ensure that a robust framework of accounting policies is in place and enacted, and to oversee the maintenance of proper internal financial controls.

The Audit Committee consists of myself as the Chairman together with the non-executive Chairman Robert Schafer. The Committee aims to meet at least twice each year and its key responsibilities include monitoring the integrity of the Group's financial reporting. The Chief Executive Officer and Westend Corporate acting as CFO are invited to attend meetings of the Committee.

Key responsibilities

The Audit Committee is committed to:

- maintaining the integrity of the financial statements of the Company and reviewing any significant reporting matters they contain;
- reviewing the Annual Report and Accounts and other financial reports and maintaining the accuracy and fairness of the Company's financial statements including through ensuring compliance with applicable accounting standards and the AIM Rules;
- monitoring external auditors' independence, including the scope and extent of non-audit services provision;
- reviewing the adequacy and effectiveness of the internal control environment and risk management systems; and
- overseeing the relationship with and the remuneration of the external auditor, reviewing their performance and advising the Board members on their appointment.

The Audit Committee met two times in 2021 and the external auditors were present during each of these meetings.

Activities of the Audit Committee during the year

On behalf of the Board, the Audit Committee has closely monitored the maintenance of internal controls and risk management during the year. Key financial risks are reported during each Audit Committee meeting, including developments and progress made towards mitigating these risks.

The Committee received reports from the CFO throughout the year and was satisfied with the effectiveness of internal controls and risk mitigation. It supports recommendations made by the CFO and is satisfied with the actions taken and plans in place by management for further improvement.

External audit

The Audit Committee considers various areas when reviewing the appointment of an external auditor including their performance in conducting the audit and its scope, terms of engagement including remuneration and their independence and objectivity.

BDO have been appointed as external auditor since 2011. The Audit Committee has confirmed it is satisfied with BDO's knowledge of the Company and its effectiveness as external auditor. As such the Audit Committee has recommended the reappointment of BDO to the Board. There will be a resolution to this effect at the forthcoming Annual General Meeting.

The year ahead

The Committee and I remain focused on ensuring that the standard of the Group's financial reporting is maintained moving forward, and that the robust framework of internal controls and systems in place is both maintained and regularly reviewed for improvement. The Committee will also continue to closely monitor the financial risks faced by the business and progress made towards mitigating these.

Mr P Gazzard
Chair of the Audit Committee
29 June 2022

The Directors present their annual report and the audited financial statements for the year ended 31 December 2021.

Principal activities

The Group's principal activity during the year was that of mineral exploration and development of its Kun-Manie project. The Company liquidated is holdings in its Australian based iron ore interests. 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 set out on page 33.

No ordinary dividends were paid (2020: US$nil). The Directors do not recommend payment of a final dividend (2020: US$nil).

Directors

The Directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr R Schafer
Mr R Young
Mr P Gazzard
Mr T Bowens

Details of Directors' remuneration and other interests are detailed in note 23.

Listing

The Company's ordinary shares have been traded on the AIM market of the London Stock Exchange since 15 March 2006. SP Angel Corporate Finance LLP is the Company's Nominated Adviser and Broker. The share price at 31 December 2021 was 1.7p.

Donations

The Group has not made any charitable or political donations during the year (2020: US$nil).

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 24. The key operating risks affecting the Group are set out on pages 15-18.

Auditors

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.

Statement of disclosure to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the Company's auditors are unaware. Additionally, the Directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditors are aware of that information.

Going Concern

The Group operates as a natural resource exploration and development group. To date, it has not earned any revenues and is considered to be in the final stages of exploration and evaluation activities of its Kun-Manie project.

The Directors have reviewed the Group's cash flow forecast for the period to 30 June 2023 and believe the Group has sufficient cash resources to cover planned and committed expenditures over the period. As a result of the sale of Carlo Holdings Limited in the year, the Group received a cash injection of US$6 million and has retained a large portion of the proceeds to date.

The Group plans to sell its wholly owned subsidiary Kun-Maine and if sold, the Group will use the proceeds of sale to pay dividends while maintaining sufficient funds to acquire another project via an RTO. Should an RTO not be completed, the Company will enter into suspension and after six months in suspension the Company will be delisted. In anticipation of a sale, the board are examining projects of interest as a part of its strategy.

The Board are continuing the assess suitable offers to purchase Kun-Manie, however, should a sale not go forward, the Directors have forecast a scenario where the Kun-Maine project is advanced, and per the requirements to maintain the license, develop a mine plan. The Board are confident that they have sufficient funds to take the TEO forward and to produce a mine plan. However, substantial funds would need to be raised in order to fully support preproduction and construction of the mine, outside of the going concern forecast period.

The biggest risk with taking the Kun-Maine project forward is the Company's ability to still operate within Russia in light of Russia's SMO and the sanctions put in place by the rest of the world. To date, the Company has still been able to control its subsidiary and operations, however, the Board understands that further restrictions and sanctions could make operating and raising sufficient capital from financial institutions in Russia difficult.

Additionally, the Directors are confident that funding will be raised when required, however they understand that their ability to do this is not completely within in their control.

Under either scenario outlined above, the Directors are confident that throughout the going concern forecast period the Group will have sufficient funds to meet obligations as they fall due, and thus, the Directors continue to prepare the financial statements on a going concern basis.

Approved by the Board of Directors and signed on behalf of the Board by:

Mr R Schafer
Director
29 June 2022

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's affairs as at 31 December 2021 and of the Group's loss for the year then ended; and
- the Group financial statements have been properly prepared in accordance with International Accounting Standards as issued by the International Accounting Standards Board ("IASB").

We have audited the financial statements of Amur Minerals Corporation (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2021 which comprise the Consolidated statement of financial position, the Consolidated income statement, the Consolidated statement of comprehensive income, the Consolidated statement of changes in equity, the Consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Accounting Standards as issued by the IASB.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Given the judgements made by the Directors, and the significance of this area, we have determined going concern to be a key area of focus for the audit. Our evaluation of the Directors' assessment of the Group's and the Parent Company's ability to continue to adopt the going concern basis of accounting and response to the key audit matter is included in the "Key Audit Matters" section below.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

Coverage[1]	100% (2020: 100%) of Group loss before tax 99% (2020: 99%) of Group total assets		
Key audit matters		2021	2020
	1. Going concern	✓	✓
	2. Classification and carrying value of non-current assets classified as held for sale	✓	x
	3. Carrying value of Exploration and Evaluation assets	x	✓
	As the Exploration and Evaluation assets are now classified as held for sale this is not considered to be a KAM for the current financial year. The carrying value of the non-current assets classified as held for sale is covered under KAM 2.		
Materiality	*Group financial statements as a whole* $437,000 (2020: $453,000) based on 1.4% (2020: 1.4%) of Total assets		

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

The Group's principal operating location is in Russia, being the Kun-Manie exploration project owned by its subsidiary ZAO Kun-Manie. Together with the Parent Company and a fellow subsidiary, Carlo Holdings Limited (which was disposed in the year), these represent the significant components of the Group and were subjected to full scope audits.

The remaining component of the Group was considered non-significant and was principally subject to analytical review procedures, completed by the Group audit team.

The audits of each of the components were performed in the United Kingdom. All of the audits were conducted by the Group audit team.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the

[1] These are areas which have been subject to a full scope audit by the group engagement team

engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter		How the scope of our audit addressed the key audit matter
Going Concern *Refer to note 2.3 of the financial statements*	The Directors are required to consider whether the Group can continue to operate as a going concern for a period of no less than twelve months from the date of approval of the financial statements. As at 31 December 2021 the Group had cash of $6.7m and no debt. As the Group is not yet generating revenue, there is a risk that the Group may be in a position where existing cash reserves are depleted in the future. In assessing whether this risk is likely to materialise, as part of their going concern assessment, the Directors prepare cash flow forecasts. There is significant judgement applied in preparing these forecasts and the disclosures in the Group's financial statements. We therefore identified the audit of the Directors' going concern assessment as a key audit matter.	Our evaluation of the Directors' assessment of the Group's ability to continue to adopt the going concern basis of accounting included the following procedures: • we considered whether the assumptions and inputs in the cash flow forecast prepared by the Directors were in line with our understanding of the Group's operations and other information obtained by us during the course of the audit; • we corroborated the December 2021 and May 2022 cash positions by reference to supporting documentation; • we challenged the forecast expenditure by comparing it to historical run rate. We confirmed that contractually committed amounts were included; • we reviewed the appropriateness of the Directors' sensitised cash flows, including a scenario where the sale of Kun-Manie did not occur, and assessed the impact of reasonably possible changes to costs and mitigating factors available to the Group; • we evaluated the effects of economic sanctions on Russia and their potential impact on the business and forecasts prepared by the Directors; • we tested the integrity and arithmetic accuracy of the cash flow forecast model prepared by the Directors; and • we reviewed and considered the adequacy of the going concern disclosure within the financial statements in light of the Directors' going concern assessment, including their forecasts, and our understanding of the business obtained throughout the audit. **Key observations:** See 'Conclusions relating to going concern' section above
Classification and carrying value of non-current assets classified as held for sale *Refer to Note 3, Note 6 and*	At 31 December 2021, the Group held exploration and evaluation assets of $23.7m, related to the Kun-Manie mineral exploration licence. As detailed in Note 14, as at 31 December 2021, the IFRS 5 *Non-current assets held for sale and discontinued operations*	Our specific audit testing in this regard included: • we assessed the classification of the Kun-Manie exploration and evaluation assets as an asset held for sale against the requirements of the relevant accounting standard, including consideration of the status of proposed

<table>
<tr>
<td>Note 14 to the financial statements</td>
<td>criteria were met and the Kun-Manie operation was classified as held for sale and measured at the lower of its carrying value and fair value less cost to sell. The determination of the IFRS 5 held for sale criteria and the fair value less cost to sell required the Directors to exercise significant judgement.

Because of the judgement involved in this, we considered this to be a key audit matter.</td>
<td>sale of the assets and that it is considered to be highly probable;
• we reviewed the Kun-Manie licence agreements to confirm its validity, key terms, and verified changes in the year to supporting documentation, to confirm that the licence was still controlled by the Group;
• we reviewed the Share Purchase Agreement agreed with the purchaser in May 2022 (Note 27). Although the transaction was declined by the shareholders of the Parent Company, we verified that the consideration supported the value of the exploration and evaluation assets;
• we considered the impact of the Russia-Ukraine conflict and subsequent international economic sanctions imposed on the Russian Federation and assessed Management's conclusion that this was a non-adjusting post balance sheet event under IAS 10 Events after the Reporting Period; and
• we assessed the adequacy of the related disclosure within the financial statements against the requirements of the accounting standards.

Key observations:

We found that the judgements made by the Directors, in assessing the classification and measurement of the Kun-Manie exploration and evaluation assets as assets held for sale, to be appropriate and in accordance with the requirements of the applicable accounting standards.</td>
</tr>
</table>

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements	
	2021	2020
Materiality	$437,000	$453,000
Basis for determining materiality	1.4% of Total assets	1.4% of Total assets
Rationale for the benchmark applied	We determined that an asset-based measure is appropriate as the Group's principal value relates to the Kun-Manie mine which is classified as a Non-current asset held for sale, and therefore the asset base is considered to be a key financial metric for users of the financial statements.	
Performance materiality	$327,000	$339,000
Basis for determining performance materiality	75% of materiality was considered a reasonable basis, taking into consideration: • the expected value of misstatements was likely to be low based on past experience; and • there are few accounts which are subject to estimation.	

Component materiality

We set materiality for each component of the Group based on a percentage of between 52% and 78% (2020: 44% and 66%) of Group materiality dependent on the size and our assessment of risk of that component. Component materiality ranged from $230,000 to $340,000 (2020: $200,000 to $300,000). In the audit of each component, we further applied performance materiality levels of 75% of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of $8,000 (2020: $8,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Directors

As explained more fully in the statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

In preparing the financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory framework applicable to the Group and the industry in which it operates and considered the significant laws and regulations to be those relating to the financial reporting framework, BVI Companies Act, tax legislation and environmental regulations in Russia;
- we held discussions with management and the Board to consider any known or suspected instances of non-compliance with laws and regulations or fraud identified by them;
- we reviewed minutes from board meetings of those charged with governance to identify any instances of non-compliance with laws and regulations;
- we assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur through management override of controls;
- we responded to the risk of management override of control by identifying and testing any large or unusual (those with key risk characteristics) journal entries made in the year;
- we reviewed estimates and judgements applied by Management in the financial statements to assess their appropriateness and the existence of any systematic bias (refer to Key Audit Matters above); and
- we communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent Company's members, as a body in accordance with the terms of our engagement letter. Our audit work has been undertaken so that we might state to the Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP, Chartered Accountants
London, UK
29 June 2022
BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Notes	2021 US$'000	2020 US$'000
Non-current assets			
Intangible Assets	5	-	23,542
Property, plant and equipment	6	-	452
Financial assets at fair value through profit and loss	7	-	5,255
Total non-current assets		**-**	**29,249**
Current assets			
Inventories	8	-	207
Trade and other receivables	9	109	158
Cash and cash equivalents		6,682	2,790
Total current assets		**6,791**	**3,155**
Non-current assets classified as held for sale	13	24,447	-
Total assets		**31,238**	**32,404**
Current liabilities			
Trade and other payables	11	968	913
Total current liabilities		**968**	**913**
Non-current liabilities			
Rehabilitation provision		-	141
Total non-current liabilities		**-**	**141**
Liabilities directly associated with non-current assets classified as held for sale	13	159	-
Total liabilities		**1,127**	**1,054**
Net assets		**30,111**	**31,350**
Equity			
Share capital	16	80,449	80,449
Share premium		4,278	4,278
Foreign currency translation reserve	15	(17,612)	(17,474)
Share options reserve	15	512	577
Retained deficit	15	(37,516)	(36,480)
Total equity		**30,111**	**31,350**

The financial statements were approved by the Board of directors and authorised for issue on 29 June 2022 and were signed on its behalf by:

Mr R Young
Director

The accompanying notes on pages 37-64 form an integral part of these financial statements.

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 US$'000	2020 US$'000
Administrative Expenses		(1,790)	(3,083)
Operating loss	**18**	**(1,790)**	**(3,083)**
Finance Income	**19**	-	205
Finance costs	**20**	-	(104)
Gain on revaluation of assets held at fair value through profit and loss*	**7**	-	423
Loss on early redemption		-	(109)
Loss before taxation		**(1,790)**	**(2,668)**
Tax Expense	**21**	-	-
Loss for the year from continuing operations		**(1,790)**	**(2,668)**
Profit from discontinued operations – assets sold	**14**	956	-
Loss from discontinued operations – assets held for sale	**13**	(372)	-
Loss for the year		**(1,206)**	**(2,668)**
Loss attributable to:			
- Owners of the parent		(1,206)	(2,668)
Loss per share (cents) from continuing operations attributable to owners of the Parent – Basic & Diluted	**22**	(0.13)	(0.25)
Earnings per share (cents) from discontinued operations attributable to owners of the Parent – Basic & Diluted	**22**	0.04	-

**Assets held at fair value were disposed of in the period and have been included in discontinued operation for the year ended 31 December 2021*

The accompanying notes on pages 37-64 form an integral part of these financial statement

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 **US$'000**	2020 US$'000
Loss for the year	**(1,206)**	**(2,668)**
Other comprehensive loss **Items that may be classified to profit or loss:**		
Exchange differences on translation of foreign operations	(138)	(4,123)
Total other comprehensive loss for the year	**(138)**	**(4,123)**
Total comprehensive loss for the year attributable to: - **Owners of the parent**	**(1,344)**	**(6,791)**

The accompanying notes on pages 37-64 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2021

	Notes	Share Capital US$'000	Share Premium US$'000	Foreign Currency Translation Reserve US$'000	Share Options Reserve US$'000	Retained Deficit US$'000	Total Equity US$'000
Balance at 1 January 2020		**69,510**	**4,790**	**(13,351)**	**1,136**	**(34,948)**	**27,137**
Year ended 31 December 2020:							
Loss for the year		-	-	-	-	(2,668)	(2,668)
Other comprehensive loss							
Exchange differences on translation of foreign operations		-	-	(4,123)	-	-	(4,123)
Total comprehensive loss for the year		**-**	**-**	**(4,123)**	**-**	**(2,668)**	**(6,791)**
Issue of share capital	**16**	10,063	(512)	-	-	-	9,551
Conversion warrants	**16**	876	-	-	-	-	876
Options charge for the year	**17**	-	-	-	577	-	577
Options expired	**17**	-	-	-	(1,136)	1,136	-
Balance at 31 December 2020		**80,449**	**4,278**	**(17,474)**	**577**	**(36,480)**	**31,350**
Balance at 1 January 2021		**80,449**	**4,278**	**(17,474)**	**577**	**(36,480)**	**31,350**
Year ended 31 December 2021:							
Loss for the year		**-**	**-**	**-**	**-**	**(1,206)**	**(1,206)**
Other comprehensive loss							
Exchange differences on translation of foreign operations		**-**	**-**	**(138)**	**-**	**-**	**(138)**
Total comprehensive loss for the year		**-**	**-**	**(138)**	**-**	**(1,206)**	**(1,344)**
Issue of share capital	**16**	**-**	**-**	**-**	**-**	**-**	**-**
Conversion warrants	**16**	**-**	**-**	**-**	**-**	**-**	**-**
Options charge for the year	**17**	**-**	**-**	**-**	**105**	**-**	**105**
Options expired	**17**	**-**	**-**	**-**	**(170)**	**170**	**-**
Balance at 31 December 2021		**80,449**	**4,278**	**(17,612)**	**512**	**(37,516)**	**30,111**

The accompanying notes on pages 37-64 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
AS AT 31 DECEMBER 2021

	2021		2020	
	US$'000	US$'000	US$'000	US$'000
Cash flows from operating activities				
Payments to suppliers and employees		(1,833)		(2,196)
Net cash outflow used in operating activities		**(1,833)**		**(2,196)**
Cash flow from investing activities				
Payments for exploration expenditure	(426)		(564)	
Loans granted	-		(4,658)	
Sale of investments	6,137		-	
Interest received	327		43	
Net cash generated from/(used in) investing activities		**6,038**		**(5,179)**
Cash flow from financing activities				
Cash received on issue of shares, net of issue costs	-		10,005	
Issue of convertible loans, net of issue costs	-		607	
Repayment of convertible loans	-		(720)	
Net cash generated from financing activities		**-**		**9,892**
Net Increase in cash and cash equivalents		**4,205**		**2,517**
Cash and cash equivalents at beginning of year		2,790		398
Exchange differences on cash and cash equivalents		(313)		(125)
Cash and cash equivalents at end of year		**6,682**		**2,790**

The accompanying notes on pages 37-64 form an integral part of these financial statements.

1. General Information

Amur Minerals Corporation is incorporated under the British Virgin Islands Business Companies Act 2004. The registered office is Kingston Chambers, P.O. Box 173, Road Town, Tortola, British Virgin Islands.

The Company and its subsidiaries (“Group”) locates, evaluates, acquires, explores and develops mineral properties and projects with its primary asset being located in the Russian Far East.

The Company is also the 100% owner of Irosta Trading Limited (“Irosta”), an investment holding company incorporated and registered in Cyprus. Irosta holds 100% of the shares in AO Kun-Manie (“Kun-Manie”), an exploration and mining company incorporated and registered in Russia, which holds the Group’s mineral licences. The Company also sold its wholly owned subsidiary Carlo Holdings Limited during the year.

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

The Group's principal asset is the Kun-Manie production licence, which was issued in May 2015. The licence is valid until 1 July 2035 and allows the Company’s subsidiary, AO Kun-Manie, to recover all revenues from 100% (less metal extraction royalties) 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. This includes the potential sale of the asset.

2. Significant Accounting Policies

2.1 Basis of Preparation

These financial statements have been prepared under the historical cost convention, except for the valuation of derivative financial instruments, on the basis of a going concern and in accordance with International Accounting Standards as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”)”.

The financial statements are presented in thousands of United States Dollars.

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 accordance with International Accounting Standards as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) 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 note 3.

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.

2.2 Changes in accounting policies and disclosures

A number of new and amended standards and interpretations issued by IASB have become effective for the first time for financial periods beginning on (or after) 1 January 2021 and have been applied by the Group in these financial statements. None of these new and amended standards and interpretations had a significant effect on the Group because they are either not relevant to the Group’s activities or require accounting which is consistent with the Group’s current accounting policies.

New standards, amendments and interpretations that are not yet effective and have not been early adopted

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods and which have not been adopted early. None of these are expected to have a significant effect on the Group, in particular:

Standard	Impact on initial application	Effective date
IFRS 16	Leases: Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
IFRS 3	Business Combinations (Amendment – Reference to the Conceptual Framework)	1 January 2022
IFRS 16 (Amendments)	Property, plant, and equipment	*1 January 2022
IAS 1 (Amendments)	Classification of Liabilities as Current or Non-Current.	1 January 2022
Annual improvements	2018-2020 Cycle	1 January 2022
IAS 37 (Amendments)	Provisions, contingent liabilities and contingent assets	*1 January 2022
IAS 8 (Amendments)	Accounting estimates	1 January 2023
IAS 12	Income Taxes (Amendment – Deferred Tax related to Assets and Liabilities arising from a Single Transaction)	1 January 2023

* *Subject to endorsement*

2.3 Going Concern

The Group operates as a natural resource exploration and development group. To date, it has not earned any revenues and is considered to be in the final stages of exploration and evaluation activities of its Kun-Manie project.

The Directors have reviewed the Group's cash flow forecast for the period to 30 June 2023 and believe the Group has sufficient cash resources to cover planned and committed expenditures over the period. As a result of the sale of Carlo Holdings Limited in the year, the Group received a cash injection of US$6 million and has retained a large portion of the proceeds to date.

The Group plans to sell its wholly owned subsidiary Kun-Maine and if sold, the Group will use the proceeds of sale to pay dividends while maintaining sufficient funds to acquire another project via an RTO. Should an RTO not be completed, the Company will enter into suspension and after six months in suspension the Company will be delisted. In anticipation of a sale, the board are examining projects of interest as a part of its strategy.

The Board are continuing the assess suitable offers to purchase Kun-Manie, however, should a sale not go forward, the Directors have forecast a scenario where the Kun-Maine project is advanced, and per the requirements to maintain the license, develop a mine plan. The Board are confident that they have sufficient funds to take the TEO forward and to produce a mine plan, and in a worse-case scenario mitigating actions within the Directors' control could be taken to reduce overheads if required. However, substantial funds would need to be raised in order to fully support preproduction and construction of the mine, outside of the going concern period.

The biggest risk with taking the Kun-Maine project forward is the Company's ability to still operate within Russia in light of Russia's SMO and the sanctions put in place by the rest of the world. To date, the Company has still been able to control its subsidiary and operations, however, the Board understands that further restrictions and sanctions could make operating and raising sufficient capital from financial institutions in Russia difficult or impossible.

Additionally, the Directors are confident that funding will be raised when required, however they understand that their ability to do this is not completely within in their control.

Under both scenarios outlined above the Directors are confident that throughout the going concern forecast period the Group will have sufficient funds to meet obligations as they fall due and thus the Directors continue to prepare the financial statements on a going concern basis.

2.4 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.

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.

Accounting policies of other subsidiaries are consistent with those applied by the Company and the Group.

2.5 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 statements are presented in US Dollars (US$), which is the Group's presentation currency and is the functional and presentation currency of the Company. The functional currency of the Group's operating subsidiary is the Russian Rouble (RUB).

The exchange rate on 31 December 2021 was US$1:RUB 74.84 (2020: US$1:RUB 74.35), with the average rates applied to transactions during the year of US$1:RUB 73.66 (2019: US$1:RUB 72.27).

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 the Group's subsidiaries that have functional currency different from the Group's presentation currency are translated into the presentation currency at rates approximating to those ruling when the transactions took place. All assets and liabilities of these subsidiaries are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening equity and reserves at opening/historic rates and the results at actual rates are recognised in other comprehensive income and accumulated in the foreign currency translation 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 income statement as part of the profit or loss on disposal.

2.6 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 (Westend Corporate) 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.

2.7 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 expenses as well as administrative costs closely associated with finding specific mineral resources such as remuneration of employees directly involved in evaluating technical feasibility or depreciation of property, plant and equipment used for the evaluation and exploration works.

If an exploration project is successful and the project is determined to be commercially viable (which is when a bankable feasibility study is obtained, and sufficient project finance is in place) 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 *'Exploration for and evaluation of mineral resources'* 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:

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

2.8 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

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

Office and computer equipment	3 to 8 years
Operating equipment	5 to 7 years
Vehicles and machinery	2 years

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

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash generating units). Prior impairments are reviewed for possible reversal at each reporting date.

2.9 Inventory

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.

2.10 Cash and cash equivalents

Cash and cash equivalents are carried at cost and include all highly liquid investments with a maturity of three months or less.

2.11 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

<u>Short-term leases and leases of low-value assets</u>
The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of equipment that are considered of low value (i.e., below $5,000). Lease payments on short-term leases and leases of low-value assets are recognized as occupancy expense on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The right of use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right of use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate; or

- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or

- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Right of use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right of use asset reflects that the Group expects to exercise a purchase option, the related right of use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right of use assets are presented as a separate line in the statement of financial position.

The Group applies IAS 36 Impairment of Assets to determine whether a right of use asset is impaired.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right of use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

2.12 Financial Instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are only offset and the net amount reported in the consolidated statement of financial position and income statement when there is a currently enforceable legal right to offset the recognised amounts and the Group intends to settle on a net basis or realise the asset and liability simultaneously.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Debt instruments are classified as financial assets measured at fair value through other comprehensive income where the financial assets are held within the company’s business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument measured at fair value through other comprehensive income is recognised initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognised through other comprehensive income are directly transferred to profit or loss when the debt instrument is derecognised.

Financial assets
All Group's recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets
Financial assets that meet the following conditions are measured subsequently at amortised cost using the effective interest rate method:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The company classifies the following financial assets at fair value through profit or loss (FVPL):

- debt instruments that do not qualify for measurement at either amortised cost (see above) or FVOCI;
- equity investments that are held for trading; and
- equity investments for which the entity has not elected to recognise fair value gains and losses through OCI.

Information about the methods and assumptions used in determining fair value is provided in note 7. For information about the methods and assumptions used in determining fair value refer to note 7.

The Group does not hold any financial assets that meet conditions for subsequent recognition at fair value through other comprehensive income (“FVTOCI”).

Impairment of financial assets
The Group does not hold any material financial assets subject to the expected credit loss model as defined within IFRS 9 *"Financial Instruments"*, except for cash. As such it does not calculate a loss allowance for the expected credit losses on financial assets that are measured at amortised cost.

Derecognition of financial assets
The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of

the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities
The classification of financial liabilities at initial recognition depends on the purpose for which the financial liability was issued and its characteristics. All purchases of financial liabilities are recorded on trade date, being the date on which the Group becomes party to the contractual requirements of the financial liability. Unless otherwise indicated the carrying amounts of the Group's financial liabilities approximate to their fair values.

The Group's financial liabilities consist of financial liabilities measured at amortised cost and financial liabilities at fair value through profit or loss.

Financial liabilities measured subsequently at amortised cost
Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method. The Group's financial liabilities measured at amortised cost comprise convertible loan notes, trade and other payables, and accruals.

The effective interest method is a method of calculating the amortised cost of a financial asset/liability and of allocating interest income/expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts/payments through the expected life of the financial asset/liability or, where appropriate, a shorter period.

Convertible loan notes
On issue of a convertible loan, the fair value of the liability component is determined by discounting the contractual future cash flows using a market rate for a non-convertible instrument with similar terms. This value is carried as a liability on the amortised cost basis unless is designated as a Fair Value Through Profit and Loss ("FVTPL") at inception.

Financial instruments designated as FVTPL are classified in this category irrevocably at inception and are derecognised when extinguished. They are initially measured at fair value and transaction costs directly attributable to their acquisition are recognised immediately in profit or loss. Subsequent changes in fair values are recognised in the income statement with profit or loss.

Equity instruments are instruments that evidence a residual interest in the assets of an entity after deducting all of its liabilities. Therefore, when the initial carrying amount of a compound financial instrument is allocated to its equity and liability components, the equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. The value of any derivative features (such as a call option) embedded in the compound financial instrument other than the equity component (such as an equity conversion option) is included in the liability component.

Management designated the convertible loan note with Plena Global Opportunities as a FVTPL financial instrument. In arriving to its fair value, management used the best available market data and have applied judgement in arriving to the present value of future cash flows. After determining the fair value at inception, management have allocated the residual value to the equity component. Upon early settlement in 2021, the financial liability caused a fair value loss which was recognised as a "Fair value movements on derivative financial instruments and loans" in the statement of comprehensive income in the prior year.

Derecognition of financial liabilities
A financial liability (in whole or in part) is derecognised when the Group has extinguished its contractual obligations, it expires or is cancelled. Any gain or loss on derecognition is taken to the income statement.

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 7). The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

- 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); and

- 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.

2.13 Equity Instruments

Financial instruments issued by the Company 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.

Equity instruments issued by the Company are recorded at the proceeds received. Costs which are directly attributable to the issue of new shares, net of any taxes, are set off against share premium.

2.14 Share based payments

Where equity settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the consolidated statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

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 at the date the entity obtains the goods or the counterparty renders the service.

Fair value is measured using 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.

2.15 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax
Current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Company and its subsidiaries operate. 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
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.

2.16 Assets classified as held for sale

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying value and fair value less costs to sell. An impairment loss is recognised for any subsequent write-down of the asset to fair value less costs to sell.

2.17 Discontinued Operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

• represents a separate major line of business or geographic area of operations; or

• is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or

• is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the profit or loss arising from this operation is presented on a separate line on the face of the SOCI.

3. Critical accounting estimates 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:

Critical judgements

Recoverability of the exploration and evaluation assets included within non-current asset classified as held for sale

The most significant judgement 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;

(a) The projects viability, including resource estimates, future processing capacity, the forward market and longer term price outlook for nickel, in accordance with IFRS 6.

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.

In February 2019 the Group announced the results of an independently audited Pre-feasibility study on the Kun-Manie nickel- copper sulphide project. The study looked at two possible production scenarios, with the first being a toll smelt and the second option being the production of a low-grade matte. The study produced economic results on each production scenario of:

- Toll smelt – NPV post tax of US$614.5 million using long-term nickel price of US$8 per pound and a discount rate of 10% with free post-tax cashflow of US$2,041 million. Initial capital expenditure of US$570.4 million.
- Low-grade matte – NPV post tax of US$987.4 million using long-term nickel price of US$8 per pound and a discount rate of 10% with free post-tax cashflow of US$2,980 million. Initial capital expenditure of US$695.0 million.

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.

(b) The assets potential sale value. As at 31 December 2021 management determined that Kun-Maine met the criteria as an available for sale financial asset in accordance with IFRS 5. At the time of classification, management undertook an exercise to determine the fair value of the assets of Kun-Maine being the lower of its carrying value and fair value less costs to sell. This is based on the value of offers received to purchase Kun-Maine being in excess of the net book value of the asset. The Directors do not consider the assets of Kun-Maine to be impaired.

In conclusion, management have determined that the value of exploration and evaluation assets included within non-current assets classified as held for sale, valued under the IFRS 6 and IFRS 5 criteria is supportable and not subject to impairment.

Key sources of estimation uncertainty

Share-based payments
The Company makes equity-settled share-based payments to certain directors, employees, advisers and funding providers.

Equity-settled share-based payments are measured at the fair value of the services received, unless the fair value cannot be estimated reliably in which case they are measured 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. These inputs are considered to be key sources of estimation in the opinion of management. This is discussed further in note 17.

Valuation of convertible loan receivable
The Group purchased convertible loan notes from Nathan River Resources in the prior year which had a value at cost of US$5,093,000 as at 31 December 2020. The instrument was held by Carlo Holdings Ltd which was sold during the year. At the date of sale, the instrument was revalued at a cost of US$4,748,000. In accordance with IFRS 9, the instrument is measured at fair value through profit and loss and management are required to undertake a valuation exercise at the period end to determine the instrument's fair value as at that date. In doing so, the Directors considered the movement in various inputs between the inception of the loan and the period end, such as the risk free rate, volatility and corporate bond yields. These inputs are considered to be key sources of estimation in the opinion of management. At the date of sale, the Directors concluded that the fair value of the convertible loan note had decreased by US$345,000 and a fair value loss was recognised in the discontinued operations loss for the year (note 14).

4. Segmental reporting

The Group has two reportable segments being Kun-Manie which is involved in the exploration for minerals within the Kun-Manie licence areas in Russia. The Group's non-current assets are located 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 and discontinued operations by reportable segment.

Reportable Information as at December 2021:	Amur US$'000	Kun-Manie US$'000	Total US$'000
Administrative expenses	(1,790)	-	**(1,790)**
Finance income	-	-	**-**
Operating loss	(1,790)	-	**(1,790)**
Profit/(loss) from discontinued operations	956	(372)	**584**
Loss for the year	**(834)**	**(372)**	**(1,206)**
Current Assets			
Non-current assets classified as held for sale	-	24,447	**24,447**
Trade and other receivables	109	-	**109**
Cash and cash equivalents	6,682	-	**6,682**
Non-Current Assets			
Intangible Assets	-	-	**-**
Segment assets	**6,791**	**24,447**	**31,238**
Current Liabilities			
Trade and other payables	(968)	-	**(968)**
Liabilities directly associated with non-current assets classified as held for sale	-	(159)	**(159)**
Segment liabilities	**(968)**	**(159)**	**(1,127)**
Segment net assets	**5,823**	**24,288**	**30,111**

Reportable information as at 31 December 2020:

	Amur US$'000	Kun-Manie US$'000	Total US$'000
Administrative expenses	(2,742)	(341)	(3,083)
Finance income	205	-	205
Finance expense	(104)	-	(104)
Fair value movements on derivative financial instruments	-	-	-
Loss on loan modification	(109)	-	(109)
Gain on revaluation of assets held at fair value through profit and loss	423	-	423
Loss for the year	(2,327)	(341)	(2,668)

	Amur	Kun-Manie	Total
	US$'000	US$'000	US$'000
Non-current assets			
Inventories	-	207	207
Trade and other receivables	121	37	158
Cash and cash equivalents	2,652	138	2,790
Segment assets	8,028	24,376	32,404
Trade and other payables	(865)	(48)	(913)
Rehabilitation provision	-	(141)	(141)
Segment liabilities	(865)	(189)	(1,054)
Segment net assets	7,163	24,187	31,350

5. Exploration and evaluation assets

Cost and carrying amount	**US$'000**
At 1 January 2020	26,227
Additions	1,155
Foreign currency adjustments	(3,840)
At 31 December 2020	23,542
Additions	703
Impairments	(8)
Transfer to assets available for sale (note 13)	(24,110)
Foreign currency adjustments	(127)
At 31 December 2021	-

Exploration and evaluation assets relate to the Group's mineral exploration license, Kun-Manie and include the following costs capitalised during the year:

- Wages and salaries of US$191,000 (2020: US$244,000).
- Depreciation of US$276,000 (2020: US$504,000).

Total accumulated depreciation capitalised on exploration and evaluation assets amounted to US$2.9 million at the year end, or which US$0.28 million was capitalised in the year.

6. Property, plant and equipment

	Office and computer equipment US$'000	Operating Equipment US$'000	Vehicles and Machinery US$'000	Total US$'000
Cost				
At 1 January 2020	58	1,620	3,339	**5,017**
Additions	-	-	(23)	**(23)**
Foreign Currency Adjustments	(9)	(268)	(554)	**(831)**
At December 2020	49	1,352	2,762	**4,163**
Foreign currency adjustments	-	-	(25)	**(25)**
Non-current assets held for sale (note 13)	(49)	(1,352)	(2,737)	**(4,138)**
At 31 December 2021	-	-	-	**-**
Accumulated Depreciation				
At 1 January 2020	33	1,512	2,318	**3,863**
Charge for the year	6	18	486	**510**
Disposals	-	-	(23)	**(23)**
Foreign currency adjustments	(5)	(250)	(384)	**(639)**
At 31 December 2020	34	1,280	2,397	**3,711**
Charge for the year	-	-	277	**277**
Foreign currency adjustments	-	-	(23)	**(23)**
Non-current assets held for sale (note 13)	(34)	(1,280)	(2,651)	**(3,965)**
At 31 December 2021	-	-	-	**-**
Carrying Amount				
At 1 January 2020	25	108	1,021	**1,154**
At December 2020	15	72	365	**452**
At December 2021	-	-	-	**-**

7. Financial assets at fair value through profit and loss

	2021 US$'000	2020 US$'000
Convertible loan notes receivable	-	5,093
Convertible loan note interest receivable	-	162
	-	5,255

The movement in the asset is analysed as follows:

	US$'000
At 1 January 2020	-
Principal loaned	4,670
Interest income charged	205
Interest payments received	(43)
FV gain on revaluation	423
At 31 December 2020	5,255
Interest income charged	327
Interest payments received	(326)
FV loss on revaluation* (note 14)	(345)
Transfer to assets available for sale (note 14)	(4,911)
At 31 December 2021	-

**The FV loss has been included in discontinued operation for the year ended 31 December 2021*

In 2020, the Group acquired convertible loan notes of US$4,670,000 from Nathan River Resources ("the issuer", "NRR"). The loan notes are owned by Carlo Holdings Limited, a subsidiary of Amur Minerals Corporation.

The loan notes carry an interest rate of 14%, of which US$327,000 was charged in the year. Other key terms of the convertible loan notes are as follows:

- Date of maturity of July 2023.
- Conversion price is equal to A/B, where A means the AUD equivalent of the total initial aggregate principal amount of the Notes issued on the Issue Date; and B means the number of Ordinary shares equal to 19% of the Ordinary Shares in NRR as at the issue date.
- The asset is secured by way of an equitable mortgage over the issuer's secured property, being all of the Issuer's present and future interest in or under any marketable securities, its intercompany loan receivables and all of the issuer's additional rights.
- Covenants attached to the asset are as follows:
  - the issuer must provide a report in relation to the implementation status of the project plan on a quarterly basis; and
  - upon request, the issuer must provide evidence of the net operating cash flow conditions, which must be in a net positive position over any 6 month period.

On 3 July 2021, Carlo Holdings Ltd was sold and upon sale the convertible loan notes were revalued to US$4,911,000, inclusive of US$163,000 interest receivable, recognizing a fair value loss in the Consolidated Income Statement of US$345,000. Refer to note 14 for details of the sale and resulting gain on sale.

On this date management undertook a valuation exercise to determine the fair value of the instrument in line with the requirements of IFRS 9 and the fair value hierarchy per IFRS 13:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

NRR is a private company and quoted prices were unavailable for use in the valuation exercise. However, Level 2 inputs were observable from comparable companies who operate in similar jurisdictions and within the iron-ore market.

The table below shows the input ranges for the assumptions used in the valuation model:

Volatility	30.88 – 33.27%
Vega	0.03 – 0.06
Change in share price of comparable companies	21.38%
Strike price of comparable options	23.695 – 29.619
Change in base rate	0.107%
Interest yield	14.45%

The key estimates and judgements applied by management during this exercise have been detailed in note 3.

8. Inventories

	2021 US$'000	2020 US$'000
Other materials and supplies	30	123
Fuel	60	84
Transfer to assets available for sale (note 13)	(90)	-
	-	207

9. Other receivables

	2021 US$'000	2020 US$'000
VAT recoverable	-	5
Prepayments	118	153
Other debtors	18	-
Transfer to assets available for sale (note 13)	(27)	-
	109	158

Prepayments represent prepayment and annual fees paid in advance under the normal course of business.

10. Financial assets – credit risk

The principal financials assets of the Group are bank balances. The credit risk on liquid funds is limited because the counterparties are banks with credit ratings assigned by international credit rating agencies.

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

	Carrying Value		Maximum Exposure	
	2021	**2020**	**2021**	**2020**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Cash and cash equivalents	6,682	2,790	6,682	2,790

11. Trade and other payables

	2021	**2020**
	US$'000	**US$'000**
Trade payables	101	306
Accruals	667	606
Other payables	247	1
Transfer to assets available for sale (note 13)	(47)	-
	968	913

12. Financial liabilities – liquidity risk

The Group has to date funded 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 to ensure that the sufficient funds are available to meet the Group's commitments. The review consists of considering the liquidity of local markets, projecting cash flows and the level of liquid assets to meet these commitments. Management raises additional capital financing when the review indicates this to be necessary.

At the reporting date all Group's financial liabilities had the contractual maturities of 1 month or less (2020: 1 month or less).

13. Available for sale financial asset

On 9th May 2022 the Directors announced that they had made a formal plan to sell the Group's 100% interest in AO Kun-Manie ("AO KM") and have signed a binding sale and purchase agreement with a third party for a total consideration of US$105 million. The Directors have determined that as at 31 December 2021 AO KM should be classified as an asset held for sale in accordance with IFRS 5.

As such, the subsidiary's assets have been transferred to assets classified as held for sale. The Directors undertook an impairment assessment of the disposal group's assets in accordance with IFRS 5 and concluded that the asset's fair value less costs to sell was in excess of their carrying value. As such, no impairment has been recognised.

The financial performance and cash flow information presented is for the year ended 31 December 2021.

	2021 **US$'000**	**2020** **US$'000**
Administration expenses	(367)	-
Loss before tax from discontinued operations	**(367)**	-
Taxation	(5)	-
Loss from discontinued operations	**(372)**	-
Net cash flows used in operating activities	(261)	-
Net cash flows from financing activities	-	-
Net cash flows from investment activities	(426)	-
Net decrease in cash used in disposal group	**(687)**	-

The following assets were reclassified as held for sale in relation to the discontinued operation as at 31 December 2021:

	2021 **US$'000**	**2020** **US$'000**
Plant and machinery	173	-
Exploration	24,110	-
Cash	47	-
Inventory	90	-
Trade and other debtors	27	-
Total assets of disposal group held for sale	**24,447**	-

The following liabilities were reclassified as held for sale in relation to the discontinued operation as at 31 December 2021:

	2021 US$'000	2020 US$'000
Provisions	112	-
Accruals	46	-
Other payables	1	-
Total assets of disposal group held for sale	**159**	**-**

14. Disposal of subsidiary

On 3 July 2021, Amur sold its wholly owned subsidiary Carlo Holdings Limited ("CHL") to Hamilton Investments Pte. Ltd for total cash consideration of US$6,137,019. The Group derecognized the assets and liabilities of CHL as at this date and recognized a profit on the sale of its subsidiary of US$915,000 which can be further broken down as follows:

	US$'000
Cash consideration	5,892
FV of net assets at date of sale:	
Financial assets at fair value through profit and loss	(4,911)
Deferred tax	(66)
Gain on sale of subsidiary	915

Included in the net assets of CHL was a loan owing to Amur of $5,448,000 which was settled in full upon sale. CHL recorded a profit for the period to 3 July 2021 of US$41,000 which has been included in discontinued operations.

The financial performance and cash flow information presented is for the year ended 31 December 2021.

	2021 US$'000	2020 US$'000
Administration expenses	(7)	-
Finance income	327	-
Fair value loss	(345)	-
Gain on sale of subsidiary	915	
Profit before tax from discontinued operations	**890**	-
Taxation	66	-
Profit from discontinued operations	**956**	-
Net cash flows used in operating activities	(7)	-
Net cash flows from financing activities	-	-
Net cash flows generated from investment activities	6,464	-
Net decrease in cash generated from disposal group	**6,458**	-

15. Reserves

Group reserves comprise the following:

Share capital
Amounts subscribed for share capital at proceeds received (note 16).

Share premium
Share premium 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, presently utilised for share issue costs.

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 Dollars and the long-term monetary items forming part of the Group's net investment in the overseas operations.

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 *'Share-based payment'.*

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

16. Share Capital

	2021	2020
Ordinary share capital	**Number**	**Number**
Authorised		
Ordinary shares of no par value	2,000,000,000	2,000,000,000

	2021	2020
Issued and fully paid	**US$'000**	**US$'000**
1,379,872,315 (2020: 1,379,872,315) ordinary shares of no par value	80,449	80,449

Reconciliation of movements during the year:		**Number**	**US$'000**
At 1 January 2020		845,441,101	69,510
Service providers	(a), (b)	15,516,969	422
Cash issue	(c), (d), (e)	471,190,469	9,641
Conversion of loan notes	(f)	47,723,776	876
At 31 December 2020		1,379,872,315	80,449
Service providers		-	-
Cash issue		-	-
Conversion of warrants		-	-
At 31 December 2021		1,379,872,315	80,449

(a) On 25 August 2020 the Company issued 6,671,429 Ordinary Shares to a Company in which A Habib is a Director in settlement of outstanding fees, totaling US$151,775.

(b) During the year the Company issued 8,845,540 new Ordinary Shares to certain directors and senior management in settlement for their outstanding fees in the amount of US$270,231, measured at the fair value of the services received.

(c) On 16 April 2020, the Company raised US$870,252 through the subscription of 75,000,000 ordinary shares of no par value of the Company at a price of 1 pence per share.

(d) On 27 May 2020, the Company raised US$632,800 through the subscription of 47,619,048 ordinary shares of no par value of the Company at a price of 1 pence per share.

(e) On 25 August 2020, the Company raised US$8.14m before expenses through the subscription of 348,571,421 ordinary shares of no par value of the Company at a price of 1.75 pence per share.

(f) Between July and September 2020, the Company issued 47,723,776 new Ordinary Shares to Plena Global Opportunities LLC in respect of the conversion of warrants, raising US$875,693.

17. Share-based payment transactions

Options granted

	2021	2020	2021 (pence)	2020 (pence)
Outstanding at 1 January	55,619,260	6,912,000	1.84	26.25
Granted	-	55,619,260	-	1.84
Expired	(25,619,260)	(6,912,000)	1.95	26.25
Outstanding at 31 December	30,000,000	55,619,260	1.75	1.84
Vested	7,500,000	25,619,260	1.75	1.95
Exercisable at 31 December	30,000,000	25,619,260	1.75	1.95

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

25,619,260 options expired in the year resulting in a charge to retained earnings of $170,000.

The table below shows the input ranges for the assumptions used in the valuation models:

13th February 2020 issue	
Fair value at grant date	1.2p
Exercise price	1.95p
Share price at grant date	1.85p
Annual share price volatility (weighted average)	85%
Risk free rate	0.5%
Expected life	5 years

3rd April 2020 issue;	
Fair value at grant date	0.5p
Exercise price	1.75p
Share price at grant date	1.1p
Annual share price volatility (weighted average)	85%
Risk free rate	0.5%
Expected life	3 years

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

A charge of US$105,527 has been recognised in loss for the year in respect of these options.

18. Operating loss

	2021 US$'000	2020 US$'000
Operating loss for the year is stated after charging/(credited):		
Employee costs, including Directors' fees	745	1,480
Share options expense	105	485
Legal fees	267	215
Consultancy	142	337
Net foreign exchange gains/(losses)	2	(6)
Fees payable to the Company's auditors for the audit and audit related services of the Group's financial statements	103	109
Fees payable to the Company's auditors for non-audit services	-	35
Depreciation of property, plant and equipment	-	5

The average number of employees for the Group for the period to 31 December 2021 was 32 (2020: 32 employees).

19. Finance income

	2021 US$'000	2020 US$'000
Interest received on convertible loan notes	327	205
Transfer to discontinued operations (note 14)	(327)	-
	-	205

20. Finance costs

	2021 US$'000	2020 US$'000
Effective interest on convertible loan notes	-	13
Other finance costs expensed	-	91
	-	104

21. Tax expense

	Continuing Operations	
	2021 US$'000	2020 US$'000
Current tax - BVI corporation tax	-	-
Current tax - Russian corporation tax	5	-
Current tax - UK corporation tax	(66)	-
Transfer to discontinued operations (note 13)	(5)	-
Transfer to discontinued operations (note 14)	66	-
	-	-

The charge for the year can be reconciled to the loss per the income statement as follows:

	2021 US$'000	2020 US$'000
Loss for the year	**(1,206)**	(2,668)
Net income tax credit included in discontinued operations	**(61)**	**-**
Loss before income tax	**(1,267)**	**(2,668)**
Expected tax charge based on the BVI corporation tax rate of 0%	**-**	-
Expenses not deductible in determining taxable profit	**375**	545
Income not taxable	**(66)**	(119)
Effect of overseas tax rates	**(309)**	(426)
Tax charge for the year	**-**	-

During the exploration and development stages, the Group will accumulate tax losses which may be carried forward. At the reporting date, the subsidiary in Russia had unrecognised tax losses carried forward of:

	2021 US$'000	2020 US$'000
Tax losses carried forward	20,313	18,068
Potential deferred tax impact at the standard rate of corporation tax in Russia of 20%	4,063	3,614

On 23 May 2016, certain tax incentives for regional investment projects in excess of US$5 million were introduced in Russia. Although assessed on project by project basis, this could reduce the Group's future regional profit tax to between 0% - 10% for the first 10 years of production.

22. Loss per share

Basic and diluted loss per share is calculated and set out below. The effects of warrants and share options outstanding at the year ends are anti-dilutive and the total of 64.3 million (2020: 90.1 million) of potential ordinary shares have therefore been excluded from the following calculations:

	2021	2020
Number of shares		
Weighted average number of ordinary shares used in the calculation of basic earnings per share	1,379,872,315	1,071,175,000

	2021 US$'000	2020 US$'000
Earnings		
Net loss for the year from continued operations attributable to equity shareholders	(1,790)	(2,688)
Loss per share for continuing operations (expressed in cents)		
Basic and diluted loss per share	(0.13)	(0.25)

	2021	2020
Earnings	**US$'000**	**US$'000**
Net pofit for the year from discontinued operations attributable to equity shareholders	584	-
Earnings per share for continuing operations (expressed in cents)		
Basic and diluted earnings per share	0.04	-

23. Directors' remuneration

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

Directors Remuneration			**2021**			**2020**
	Salaries US$'000	**Fees US$'000**	**Total US$'000**	**Salaries US$'000**	**Fees US$'000**	**Total US$'000**
Executive Directors						
Robin Young	318	-	**318**	316	-	**316**
Adam Habib	243	-	**243**	153	-	**153**
Non-Executive Directors						
Robert Schafer	-	58	**58**	-	58	**58**
Brian Savage	-	-	**-**	-	172	**172**
Paul Gazzard	-	76	**76**	-	56	**56**
Lou Naumovski	-	-	**-**	-	25	**25**
Tom Bowens	-	50	**50**	-	50	**50**
	561	**184**	**745**	**469**	**361**	**830**

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:

Shares held	**Robin Young**	**Robert Schafer**	**Paul Gazzard**	**Tom Bowens**
At 31 December 2020	6,369,318	3,167,507	2,758,680	8,745,280
At 31 December 2021	6,369,318	3,167,507	2,758,680	8,745,280

Options held Exercise price	Exercise dates	Robin Young	Robert Schafer	Paul Gazzard	Tom Bowens
£0.0175 (US$0.02)	03.04.20- 03.04.23	3,900,000	5,800,000	-	5,800,000
Options expired / lapsed		-	-	-	-
At 31 December 2021		3,900,000	5,800,000	-	5,800,000

US$ exercise prices are shown for indicative purposes only, calculated at 31 December 2021 exchange rates.

24. Financial and capital risk management

The Group is exposed to risks that arise from its use of financial instruments and capital management.

The main purpose of financial instruments is to raise and utilise finance in the Group's operations.

The main risks arising from the Group's financial instruments are credit risk (note 10), liquidity risk (note 12), interest risk, and currency risk.

The Directors review and agree policies for managing these risks and these are summarised below.

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 2021 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 2020.

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 with variable interest rates 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 priorconsent.

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.

Management reviews its currency risk exposure periodically and hedges part of its exposure to Pound Sterling by buying and holding on Pound Sterling deposits. The Group also hold Roubles in order to cover a proportion of anticipated Rouble expenditures. As at 31 December 2021 the Group had on deposit approximately US$1,309,516 in Pound Sterling (2020: US$2,350,000) and US$15,190 in Rouble (2020: US$32,000) 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:

	Foreign Currency		Total
	US Dollar 2021 US$'000	Russian Rouble 2021 US$'000	2021 US$'000
Currency of net monetary assets			
US Dollar	5,354	45	5,399
Pound Sterling	1,316	-	1,316
Russian Rouble	12	2	14
At 31 December	6,682	47	6,729

The Group's gross assets and liabilities held in Pound Sterling and Russian Rouble have been Included in non-current assets classified as held for sale and liabilities directly associated with non-current assets classified as held for sale as at 31 December 2021. See notes 13 and 14.

	Foreign Currency		Total
	US Dollar 2020 US$'000	Russian Rouble 2020 US$'000	2020 US$'000
Currency of net monetary assets			
US Dollar	51	118	169
Pound Sterling	2,288	-	2,288
Russian Rouble	13	20	33
At 31 December	2,352	138	2,490

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.

	2021 US$'000	2020 US$'000
Pound Sterling 10% weakening against US Dollar	**132**	235
Pound Sterling 10% strengthening against US Dollar	**(132)**	(235)
Pound Sterling 20% weakening against US Dollar	**263**	464
Pound Sterling 20% strengthening against US Dollar	**(263)**	(464)

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 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.

Capital risk
The Group's objectives when managing capital (i.e. share capital, share premium and retained deficit) and loans/debt 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 and Russian necessary study work 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.

25. Commitments

The Group did not have any commitments as at 31 December 2020 and 31 December 2021.

Short-term lease commitments
The Group leases two offices in Russia under non-cancellable lease agreements. The leases are short-term in nature and the minimum non-cancellable payments at the reporting date were as follows:

	2021 US$'000	2020 US$'000
Short-term lease commitments		
Less than 1 year	-	18

26. Contingent liabilities

During the period a claim was brought against the Company equating to US$2.3m. Management disagrees with the basis of the claim and are defending their position. As the claim is subject to substantial uncertainties, the Directors have obtained external legal advice in respect of the matter. A liability has not been recognised as of 31 December 2021 as the Directors do not consider it probable that the Company will make a material payment in respect of this claim.

27. Related party transactions

Remuneration of key management personnel
The remuneration of key management personnel, who are considered to be the Directors and senior management, is set out below in aggregate for each of the categories specified in IAS 24 *'Related Party Disclosures'*.

	2021 US$'000	2020 US$'000
Short-term employee benefits (note 23)	830	1,218
Share based payments	55	270
	885	**1,488**

The fees of US$318,000 (2020: US$316,000) in respect of Robin Young's execute services are paid to Western Services Engineering Inc., a company of which he is also a director and a shareholder. US$nil was outstanding at the reporting date (2020: US$239,217).

There were no other related party transactions in the current or preceding years.

28. Events after the reporting date

On 28 January 2022, Plena Global Opportunities LLC elected to convert 3,000,000 warrants, at the warrant exercise price of 1.43 pence per share providing the Company £42,900.

On 3 February 2022, Axis Capital Marketing, LTD elected to convert 5,000,000 warrants, at the warrant exercise price of 2.12 pence per share providing the Company £106,000.

On 11 February 2022, Axis Capital Marketing, elected to convert 5,000,000 warrants, at the warrant exercise price of 2.12 pence per share providing the Company £106,000.

On 23 February 2022, the Russian Federation began its 'special military operation' in Ukraine triggering the implementation of a series of sanctions with the Russian Federation subsequently enacting a series of currency control measures.

On 9 May 2022, the Group received an offer to be approved by shareholders at a General Meeting (scheduled for 25 May 2022) for the sale of 100% of its interest in Irosta's wholly owned subsidiary, AO Kun-Manie. For a total consideration of US$105 million, Stanmix Holding Limited will purchase AO KM and the benefit of all amounts owed by AO KM to Amur under intra-group loans.

On 25 May 2022, the shareholders declined to approve the 9 May 2022 Share Purchase Agreement.

On 7 June 2022, the Company issued an RNS stating the results of the TEO Project by the State Committee on Reserves ("GKZ") which had been compiled by mining experts Oreoll and the GKZ.