

Amur Minerals

Kubuk drilling could redefine Kun-Manie

Kubuk drilling

Metals & mining

Amur has started its 2013 drill programme at the Kun-Manie Ni-Cu project, focusing on a 2.5km-long deposit called Kubuk. Geophysical and trenching (past results = c 50m horizontal length grading 0.63% Ni and 0.16% Cu) studies suggest all the hallmarks of a strongly mineralised region of the exploration licence; and one that could materially change the size and shape of Kun-Manie's mine plan. Coupled with Amur inching towards a successful resolution to its mining licence, and investors could well see Kun-Manie's true value becoming unlocked.

Year end	Revenue (US\$m)	PBT* (US\$m)	EPS* (c)	DPS (c)	P/E (x)	Yield (%)
12/10	0.0	(1.9)	(1.0)	0.0	N/A	N/A
12/11	0.0	(2.9)	(1.2)	0.0	N/A	N/A
12/12e	0.0	(2.8)	(0.8)	0.0	N/A	N/A
12/13e	0.0	(2.9)	(0.8)	0.0	N/A	N/A

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

Amur's announcement of 24 May 2013 stated that Rosnedra (the Russian state mining authority) has calculated a one-off conversion price for a mining licence for subsoil use at Kun-Manie of \$818k. This is an important step forward in an approval process that has seen little traction over the past two years. Indeed, Amur is now close to seeing Rosnedra draft its mining licence terms and conditions, and seeing its submission to the Presidential Commission on Strategic Projects for final approval. This commission meets twice yearly (its last was in April 2013). A second meeting is anticipated during the upcoming autumn/winter.

Amur's geochemical and geophysical exploration has resulted in positive drill results. This, as well as increasing assay grades and advances in its metallurgical testing (all of which suggest a positive resource upgrade is achievable) has shown that the 2007 SRK PFS (which stated a post-tax NPV₁₀ of \$84m at \$7.50/lb Ni) can no longer be viewed as an accurate indication of the project's true worth.

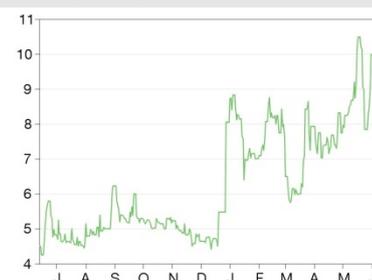
13 June 2013

Price **8.83p**
Market cap **£31m**

US\$1.6/£1

Shares in issue 353.2m
 Free float 69%
 Code AMC
 Primary exchange AIM
 Other exchanges N/A

Share price performance



Business description

Amur Minerals is an exploration and development company focused on base metal projects located in Russia's far east.

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