



ANNUAL INFORMATION FORM

ASIAN MINERAL RESOURCES LIMITED

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

APRIL 27, 2012

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CAUTIONARY STATEMENT AND EXPLANATORY NOTES

Forward-Looking Information

Included in this Annual Information Form (“AIF”), and the documents incorporated by reference herein, are forward-looking statements with respect to Asian Mineral Resources Limited (“AMR” or the “Company”). Forward-looking statements include but are not limited to those with respect to the price of nickel and copper, the estimation of mineral resources and reserves, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of the Ban Phuc Project, success of exploration activities, permitting time lines, currency fluctuations, requirements for additional capital, government regulation of mining operations, international operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage, timing of the receipt of governmental and other regulatory approvals and the timing and possible outcome of pending litigation. In certain cases, forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes” or variations of such words and phrases (including negative variations, or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and uncertainties include, among others, the actual results of proposed exploration activities, conclusions of economic evaluations, changes in project parameters as plans continue to be refined, possible variations in grade and ore densities or recovery rates, failure of plant, equipment or processes to operate as anticipated, accidents, labour disputes or other risks of the mining industry, delays in obtaining government approvals (or failure to obtain them) or financing or in completion of development or construction activities, risks as to international operations, to prices of nickel and copper as well as those factors described in the following section entitled “Risk Factors and Uncertainties” in this Annual Information Form. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Other than as may be required by applicable laws, the Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Explanatory Notes

In this Annual Information Form, references to the “Company” or “AMR” include the subsidiaries of AMR unless the context otherwise requires. Unless otherwise stated or the context makes clear that information is being provided as of a later date, the information contained herein is at December 31, 2011 and all currency references are to Canadian dollars.

References to “US\$” and “United States dollars” are to the lawful currency of the United States of America, references to “A\$” and “Australian dollars” are to the lawful currency of Australia and references to “Dong” are to the lawful currency of Vietnam. On April 27, 2012, the noon rate of exchange for one Canadian dollar in United States dollars as reported by the Bank of Canada was \$1.00 = US\$1.0197. On April 27, 2012, the noon rate of exchange for one Australian dollar in United States

dollars as reported by the New York Reserve Bank was US\$1.00 = A\$.9761. On April 27, 2012, the noon rate of exchange for one Canadian dollar in Vietnamese Dong as reported by the Bank of Canada was \$1.00 = 21,276.5957 Dong.

RISK FACTORS AND UNCERTAINTIES

Due to the nature and current stage of development of the Company's business, the Company (which term includes its subsidiaries) is subject to various regulatory, financial, operational and other risks.

Mining industry

The exploration for and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of a mineral deposit may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the activities currently planned by the Company will result in profitable commercial mining operations. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices, which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot accurately be predicted, but in combination they could result in the Company not receiving an adequate return on invested capital.

The Company's activities are subject to all the hazards and risks normally encountered in the exploration for, and development and production of minerals, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability.

No production revenues; history of losses

To date, the Company has not recorded any revenues from mining operations nor has the Company commenced commercial production. There can be no assurance that significant additional losses will not occur in the near future or that the Company will be profitable in the future. The Company's operating expenses and capital expenditures may increase in subsequent years as the costs for consultants, personnel and equipment associated with advancing exploration, development and commercial production of its properties are incurred. The amounts and timing of expenditures will depend on the progress of ongoing exploration and development, the results of consultant's analysis and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners, the Company's acquisition of additional properties and other factors, many of which are beyond the Company's control.

The Company expects to continue to incur losses until such time as its Vietnamese Ban Phuc project ("Ban Phuc Project" or the "Project") begins commercial production and generates sufficient revenues to fund its continuing operations. No prediction can be made regarding the date on which the Project which is currently on a care and maintenance basis will be restarted or completed.

Economic extraction may not be commercially viable

Whether a mineral deposit will be commercially viable depends on a number of factors, including the particular attributes of a deposit, such as its size and grade; costs and efficiency of the recovery methods that can be employed; proximity to infrastructure; financing costs; and governmental regulations, including regulations relating to prices, taxes, royalties, infrastructure, land use, importing and exporting of commodities and environmental protection. The effect of these factors, either alone or in combination, cannot be accurately predicted and their impact may result in the Company not being able to economically extract minerals from any identified mineral resource.

Uncertainty of resource and reserve estimates

The figures presented for both mineral resources and mineral reserves in this document are only estimates. The estimating of mineral resources and mineral reserves is a subjective process and the accuracy of mineral resource and mineral reserve estimates is a function of the quantity and quality of available data, the accuracy of statistical computations, and the assumptions used and judgments made in interpreting available engineering and geological information. There is significant uncertainty in any mineral resource or reserve estimate and the actual deposits encountered and the economic viability of a deposit may differ materially from the Company's estimates.

Estimated mineral resources and mineral reserves may have to be re-estimated based on changes in mineral prices, further exploration or development activity or actual production experience. This could materially and adversely affect estimates of the volume or grade of mineralization, estimated recovery rates or other important factors that influence mineral resource or mineral reserve estimates. Market price fluctuations for metals, increased production costs or reduced recovery rates or other factors may render the Company's present reserves uneconomical or unprofitable to develop. A reduction in estimated reserves could require material write-downs in investment in the affected mining property and increased amortization, reclamation and closure charges.

Mineral resources are not mineral reserves and there is no assurance that any resource estimate will ultimately be reclassified as proven or probable reserves. Mineral resources which are not mineral reserves do not have demonstrated economic viability.

Uncertainty relating to inferred mineral resources

Inferred mineral resources cannot be converted into mineral reserves as the ability to assess geological continuity is not sufficient to demonstrate economic viability. Due to the uncertainty which may attach to inferred mineral resources, there is no assurance that inferred mineral resources will be upgraded to resources with sufficient geological continuity to constitute proven and probable mineral reserves as a result of continued exploration.

No Operating History

Assuming its completion, the Project has no operating history upon which to base estimates of future commercial viability. Many factors are involved in the determination of the economic viability of a deposit, including the achievement of satisfactory mineral reserve estimates, the level of estimated metallurgical recoveries, capital and operating cost estimates and the estimate of future commodity prices. Estimates of mineral resources and mineral reserves are, to a large extent, based upon the interpretation of geological data obtained from drillholes and other sampling techniques and feasibility studies. Capital and operating cost estimates are based on many factors, including the estimated mineral resources and mineral reserves, anticipated tonnage and grades of ore to be mined and processed, the configuration of

the deposit, ground and mining conditions, expected recovery rates from the deposit, comparable facility and equipment operating costs and anticipated environmental and regulatory compliance costs.

Each of these factors involves uncertainties and is subject to material changes. As a result, it is possible that the actual capital costs, operating costs and economic returns of a mine may differ from estimates and such differences could have a material adverse effect on the Company's business, financial condition, results of operations and prospects. There can also be no assurance that the Company will be able to complete the development of Ban Phuc on time, or at all, or on budget, due to, among other things, changes in the economics of the project, delays in receiving required consents, permits and licenses (including mining licences), the need to amend existing consents, permits and licences, changes in development plans, the delivery and installation of plant and equipment and cost overruns.

Additional funding requirements

The development and ongoing operation of any mine requires a substantial amount of capital prior to the commencement of production. Such capital requirements relate to the costs of, amongst other things, acquiring mining rights and properties, hiring employees and technical consultants, obtaining government permits, exploration and delineation drilling to determine the underground configuration of a deposit, designing and constructing the mine and processing facilities, purchasing and maintaining mining equipment and complying with financial assurance requirements established by various regulatory agencies for the future restoration and reclamation activities for each project. In the case of the Project, the Company will have further capital requirements. Further exploration and development by the Company will depend upon the Company's ability to obtain necessary permits and also financing through the joint venturing of projects, equity financing, debt financing or other means. There is no assurance that the Company will be successful in obtaining the required permits, financing or obtaining such financing on acceptable terms. Failure to obtain required financing on a timely basis or on acceptable terms could have a material adverse effect on the Company's financial conditions, results of operations and liquidity and could cause the Company to forfeit all of parts of its property and reduce or terminate its operations.

Political risk

The Company currently conducts all of its activities in Vietnam and is exposed to whatever risks and uncertainties exist or may come into effect in future. There can, for example, be no assurance that future political and economic conditions in Vietnam will not result in the government adopting policies respecting foreign ownership and development of interests in mineral resources which could be adverse to the Company's interests or profitability. Any such changes in policy could result in changes in laws affecting such matters as interests in assets, mining policies, monetary policies, taxation, rates of exchange, environmental protection, labour relations, repatriation of income and return of capital, which may affect both the Company's ability to undertake activities in respect of present and future properties in the manner currently contemplated. In particular, the current law on minerals allows the government to announce areas where mining activities are prohibited (or temporarily prohibited) for reasons of national defence, security, protection of historical or cultural sites, scenery or other public interests, subject only to providing fair and equitable treatment in respect of damage caused where mineral activities are being legally conducted therein.

Competition

The mining business is competitive in all of its phases. The Company competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources than the Company, in the search for and the acquisition of attractive mineral properties. The Company's ability to acquire properties in the future will depend not only on its ability to develop the Project, but

also in its ability to select and acquire other suitable producing properties or prospects for mineral exploration or development. There can be no assurance that the Company will be able to compete successfully with others in acquiring such properties or prospects.

Insurance and uninsured risks

The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to its mineral properties or production facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in development or mining, monetary losses and possible legal liability.

While the Company has obtained certain insurance to protect itself against the potential risks associated with its operations, the Company may not be able to maintain insurance to cover such risks at economically feasible premiums and such insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards which may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Government regulation

The Company's exploration and development activities are subject to various laws governing prospecting, mining, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local residents and other matters. Although the Company's planned activities will be carried out in accordance with all applicable rules and regulations, there can be no assurance that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail such planned activities with materially adverse impacts on financial performance and profitability.

The mineral rights and interests of the Company are subject to obtaining government approvals, licences and permits, land clearance being completed and land use rights being obtained. Such approvals, licences and permits and the completion of land clearance and obtaining of land use rights are, as a practical matter, subject to the discretion of the government or governmental officials. No assurance can be given that the Company will be successful in obtaining or maintaining any or all of the various approvals, licences and permits in full force and effect without modification or revocation. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from continuing or proceeding with planned activities.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Application of or amendments to current laws and regulations governing operations or more stringent implementation thereof could have a substantial adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mineral properties.

Commodity prices

The completion and success following completion of the Project will be dependent to a significant degree on the future price of nickel. Commodity prices are subject to significant fluctuation and are affected by a number of factors which are beyond the control of the Company. Such factors include, but are not limited to, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and other foreign currencies, global and regional supply and demand, and political and economic conditions. The price of nickel and other metals has fluctuated widely in recent years, and future price declines could cause any future development and commercial production to be impracticable. Depending on the price of nickel and other metals, projected cash flow from planned mining operations may not be sufficient and the Company could be forced to discontinue any development.

Furthermore, reserve calculations and life-of-mine plans using significantly lower nickel and other metal prices could result in material write-downs of the Company's investment in its mineral asset and increased amortization, reclamation and closure charges.

In addition to adversely affecting the Company's possible future reserve estimates and its financial condition, declining commodity prices may impact operations by requiring a reassessment of the feasibility of completing the Project. Such a reassessment may be the result of a management decision or may be required under any financing arrangements related to the Project. Even if completion of the Project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Commodity hedging

Currently the Company does not have a policy to hedge future commodity sales. If put into place, there is no assurance that a commodity hedging program designed to reduce the risk associated with fluctuations in commodity prices will be successful. Hedging may not protect adequately against declines in commodity prices. Although hedging may protect the Company from a decline in commodity prices, it may also prevent the Company from benefiting fully from price increases.

Currency risk

The Company's revenues are expected to be earned solely in US dollars while a substantial portion of its costs will be incurred in other currencies including Vietnamese dong. Future currency fluctuations may adversely affect the Company's financial position and operating results. The Company currently does not undertake hedging activities.

Title matters

No assurances can be given that governments will not revoke or significantly alter the conditions of the applicable authorizations of the Company and that such authorizations will not be challenged or impugned by third parties. While the Company has applied for rights to explore, develop or mine and may also do so in the future, there is no certainty that such rights will be granted or granted on terms satisfactory to the Company. In addition, the Company's rights may be affected by undetected defects.

Personnel

The Company is dependent on obtaining and retaining the services of management and skilled personnel. Failure to obtain such services or the loss of them could have a material adverse effect on the Company's operations. There can be no assurance that the required personnel will be available on suitable terms or that required exemptions from requirements to use Vietnamese nationals will be obtained.

Environmental risks and hazards

All phases of the Company's activities will be subject to environmental regulation mandating, among other things, the maintenance of air and water quality standards and land reclamation; and limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that future changes in environmental regulation will not adversely affect the Company's operations.

Enforceability of civil liabilities

Certain of the Company's directors and officers reside outside Canada. Substantially all of the assets of such persons are, and substantially all of the assets of the Company are, located outside Canada. It may not be possible for investors to effect service of process within Canada upon such persons and it may also not be possible to enforce against the Company and/or such persons judgements obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada.

Litigation risk

All industries, including the mining industry, are subject to legal claims, with and without merit. The Company may be involved from time to time in various routine legal proceedings, which include labour matters such as unfair termination claims, supplier matters and property issues incidental to its business. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding could have a material effect on financial position and results of operations.

Shareholders' interest in the Company may be diluted in the future

The Company will require additional funds for its planned activities. If the Company raises additional funding by issuing equity securities, such financing could substantially dilute the interests of its shareholders.

Sales of substantial amounts of the Company's common shares, or the availability of such common shares for sale, could adversely affect the prevailing market prices for the Company's securities. A decline in the market prices of the Company's securities could impair its ability to raise additional capital through the sale of new common shares should the Company desire to do so. The Company has previously completed private placements at prices per share which are lower than the current market price of the shares. Accordingly, a significant number of shareholders of the Company have an investment profit in the shares that they may seek to liquidate.

The market price for common shares cannot be assured

Securities markets have recently experienced high levels of price and volume volatility, and the market price of securities of many companies has experienced wide fluctuations which have not necessarily been related to operating performance, underlying asset values or prospects.

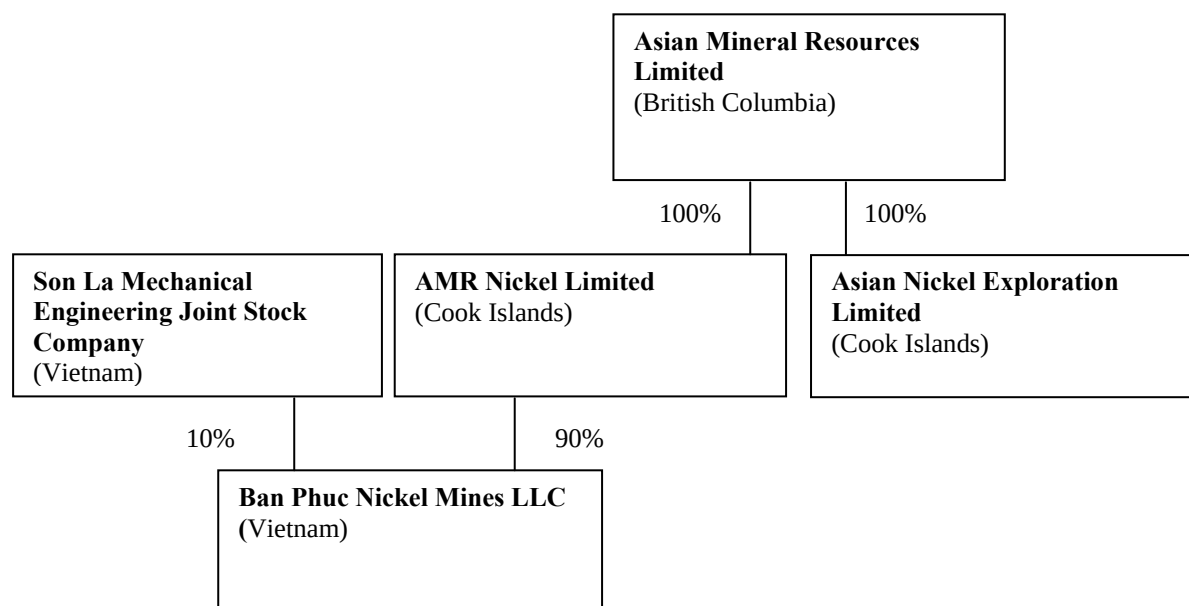
In the past, following periods of volatility in the market price of a company's securities, shareholders have instituted class action securities litigation against those companies. Such litigation, if instituted, could result in substantial costs and diversion of management attention and resources, which could significantly harm the Company's profitability and reputation.

NAME, ADDRESS AND INCORPORATION

Asian Mineral Resources Limited ("AMR" or the "**Company**") was originally incorporated pursuant to the *New Zealand Companies Act, 1993*. Effective December 31, 2004, it was continued as a British Columbia corporation under the *British Columbia Business Corporations Act*. The registered office is located at Suite 2100, 1075 Georgia Street West, Vancouver, British Columbia, Canada V6E 3G2. The Company has an office at Suite 2500, 120 Adelaide Street West, Toronto, Ontario M5H 1T1. The Company owns 100% of AMR Nickel Limited ("**AMRN**") and 100% of Asian Nickel Exploration Limited, both of which are incorporated pursuant to the laws of the Cook Islands. Through AMRN, the Company owns 90% of Ban Phuc Nickel Mines LLC ("**BPNM**"), a limited liability company established under the laws of the Socialist Republic of Vietnam ("**Vietnam**") in 1993.

INTERCORPORATE RELATIONSHIPS

BPNM was originally owned by AMRN as to 70% and by Mineral Development Company ("**Mideco**"), an agency of the Ministry of Heavy Industry of Vietnam, as to 30%. Mideco subsequently assigned a 10% interest to Son La Mechanical Engineering Company, a company owned by the People's Committee of the Province of Son La, which was privatized and renamed Son La Mechanical Engineering Joint Stock Company ("**Coxama**"). In mid-2006, AMRN acquired Mideco's 20% interest so as to increase its interest to the current 90% level. The current corporate structure is shown on the following table:



HISTORY OF THE BUSINESS

Since becoming a TSX Venture Exchange (“TSX-V”) listed entity in April 2004, the Company has focussed its efforts and cash resources on a project to develop the mineral resource located on what is now identified as the Ban Phuc Project Area located 160 km west of Hanoi in Son La Province, in north-western Vietnam. The Area is so designated in an investment certificate issued to BPNM in 2006 to replace the original foreign investment license granted in 1993. See “Investment Certificate” below. The mineralization in the Area includes disseminated low-grade Ni or NiCu mineralization in basin-shaped cumulate layers and veins of high-grade massive sulfides in metasedimentary wall rocks adjacent to ultramafic intrusions, with locally developed low-grade disseminated Cu-Ni mineralization marginal to the massive sulfide veins. Ausenco International Pty. Ltd. (“Ausenco”) prepared a Preliminary Assessment published in April 2005 which was a scoping level study containing concepts and preliminary cost and revenue estimates for a project to develop a mining and processing operation and all associated infrastructure based on the massive sulfide deposit, including: underground mining of 0.2 million tonnes per annum of massive sulfide ore; processing of 0.2 million tonnes per annum through a flotation concentrator; concentrate transport of up to 50,000 tonnes per annum; and associated utilities and infrastructure.

The Preliminary Assessment met the criteria defined in National Instrument 43-101 of the Ontario Securities Commission (NI 43-101) in that it included an economic evaluation using inferred mineral resources and advances made in the physical and economic definition of the Project. A decision to proceed with assessment of the Project on the basis of underground mining of massive sulfide ore only was made as part of the development of the Preliminary Assessment. Accordingly, the document contained a discussion of potential open-cut mining and of disseminated sulfide resources relevant to that decision.

The Company then commissioned the preparation by Ausenco of a feasibility study meeting NI 43-101 criteria published in November 2005 (the “**Ausenco Study**”) which supported the development of the massive sulfide resource having the essential attributes identified in the Preliminary Assessment. The Ausenco Study formed the basis of the documentation required for an application for a mining license for the Project. In 2007, a review of the Project was undertaken, with a focus on capital and operating costs and certain other matters, as described below. Following the issue of the mining license in December 2007, BPNM commenced development activities with the objective of achieving Project start-up in mid-2009. By September 2008 substantial progress had been made as described below under “2008 Project Development Activities”. Total expenditures to achieve this level of Project completion were US\$40 million.

In late September 2008 the Ban Phuc area received heavy rains associated with typhoon “Hagupit” causing significant mud slides which blocked access to parts of the site and damage to equipment. Subsequently, site access was restored and facilities and equipment were placed in a safe condition.

Effective October 1, 2008 development activities were suspended. In its press release dated September 26, 2008 announcing the suspension, the Company stated that it had been unable, as a result of a combination of factors, including current market conditions and uncertainties regarding Vietnamese government policies on nickel concentrate exports, export tariffs, royalties and taxes to obtain commitments to provide the financing required for Project completion so as to permit work to continue as scheduled. The Company went on to say that the suspension would be implemented in a manner designed to maximize the value of expenditures to date, maximize cash conservation, minimize the costs of Project completion on a delayed basis and provide the Company with a sufficient opportunity to resolve the various Vietnamese issues and to continue discussions and negotiations with potential providers of the required finance, including major shareholders.

Subsequently, the Project was placed on a care and maintenance basis and expenditures were reduced to preserve corporate functionality and existence.

During 2009 the Project's care and maintenance status continued. In January 2010 the Company received \$5.9 million proceeds of an equity financing which permitted it to undertake activities required to determine the basis and timing on which the Project could be restarted and completed and to perform some work on the Project. In January 2011 the Company received \$4,680,000 from the exercise of shareholder warrants.

During 2011 cash on hand at the beginning of the year was spent on corporate administrative expenditures and to perform some work on the Ban Phuc Project See "2011 Activities" below for a description of such work.

Pala Transaction

On March 1, 2012 the Company announced that it had entered into a Subscription Agreement with Pala Investments Holdings Limited ("Pala") whereby Pala would purchase for \$4,300,000 71,666,667 Units consisting of treasury common shares and warrants and that Pala would concurrently purchase from affiliates of Tecity Group 49,481,600 common shares at \$0.06 a share being an aggregate purchase price of \$2,968,896.

On April 4, 2012, the Company announced that the Subscription Agreement had been amended so that under the Amended Subscription Agreement Pala would purchase 108,333,333 Units for a total consideration of CDN\$6,500,000. Each Unit will consist of one common share of the Corporation and one-half of a common share purchase warrant ("Warrants") with each whole Warrant carrying the right to purchase one common share at an exercise price of \$0.10 for a period of five years commencing on the closing date of the transaction. The completion of the subscription for Units of AMR and the acquisition of the AMR shares pursuant to the Tecity share purchase agreements are each conditional on completion of the other. Following the completion of these transactions Pala would own 157,814,933 common shares representing 50.7% of the Corporation's outstanding share capital (57.7% on a fully diluted basis after giving effect to the full exercise of the Warrants).

Concurrent with the completion of these transactions, the Corporation and Pala will also enter into an Investor Rights Agreement pursuant to which Pala will have pre-emptive rights to subscribe for additional securities of the Corporation and the right to designate two board nominees provided Pala holds 10% or more of the outstanding shares of AMR.

Pala has also entered into:

- a Right of First Refusal Agreement with Malaysia Smelting Corporation Berhad ("MSC"), which is also a Tecity affiliate, whereby MSC has granted Pala a right of first refusal over MSC's shareholding in the Corporation (currently 31,297,661 shares representing 15.4% of the outstanding shares);
- a Voting and Support Agreement with MSC whereby MSC is unconditionally obligated to vote its shares in favour of the transaction provided for in the Amended Subscription Agreement and is prohibited from disposing of any of its shares or engaging in activities in furtherance of a transaction whereby a third party would acquire any shares of the Corporation; and

- a Voting and Support Agreement with Asian Lion Limited whereby Asian Lion is unconditionally obligated to vote its shares in favour of the transaction provided for in the Amended Subscription Agreement and is similarly prohibited from engaging in activities in furtherance of a third party transaction.

On April 16 Pala delivered a closing notice evidencing its intention to proceed with the purchase of the Units.

In conjunction with delivery of the notice, AMR appointed as board members Mr. James Askew, who previously served for several years as chairman and as a director of the Corporation, as well as Messrs Jan Castro and Michael Brown as Pala nominees. Mr. Castro is Chief Executive Officer of Pala Investments AG, exclusive investment advisor to Pala, and Mr. Brown is Senior Vice President of Pala Investments AG.

Pala is a multi-strategy investment company dedicated to investing in, and creating value across the mining sector in both developed and emerging markets. AMR has been advised by Pala that Mr. Valdimir Iorich is the ultimate beneficial owner of Pala. Mr. Iorich is a former director and chief executive officer of Mechel OAO, a major Russian mining and metals company listed on the New York Stock Exchange. Mr. Castro, stated following delivery of the notice, "after completing a detailed due diligence of AMR and the Ban Phuc Nickel/Copper Project, we are delighted to confirm this strategic investment and look forward to working with AMR and AMR's other shareholders to enhance shareholder value as the Ban Phuc Project progresses." Mr. Bill Howell, Chairman of AMR, stated, "on behalf of AMR, we are delighted to welcome Pala as a shareholder in the Company with representation on the AMR Board, as well as the return of Mr. James Askew to continue to support the advancement of the Ban Phuc Project. We firmly believe that Pala will be a valuable partner to AMR and is committed to assisting in securing all necessary resources for the development of the Ban Phuc Project."

The completion of the transaction is conditional upon, among other things, approval by the TSX-V, which has issued conditional approval, and shareholder approval which will be sought at a special meeting to be held on May 25, 2012. Pala is entitled to be paid a break fee of \$600,000 if AMR enters into a transaction with a third party or fails to obtain any of the required regulatory or shareholder approvals for the transaction.

THE BUSINESS

On April 19, 2004, the Company became listed on the TSX-V. The Company's principal business activity is the exploration and development of mineral property interests through its 90% ownership interest in BPNM, the joint venture enterprise originally established by AMRN and Mideco pursuant to a foreign investment license ("FIL") granted in 1993 and a Joint Venture Agreement and Charter entered into in January 1993 to explore for, develop and process nickel and copper ores in the area covered by the FIL.

After being granted the FIL, BPNM focused its efforts on the nickel-copper rich deposits in the FIL area. Drilling programs completed by BPNM in 1996 and 1997 further identified the extent of nickel and copper mineralization within the massive sulfide deposit. Comprehensive drilling done between February 1999 and February 2002 was financed by Falconbridge Limited. The resulting data led to a new interpretation of the structure and extent of the Ban Phuc intrusive. This resulted in updated resource estimates and further identified areas of significant nickel mineralization. Further drilling was done by BPNM in 2003 to evaluate the potential of open pit mining of a part of the nickel sulfide deposit. Mineralization of the open pit mine zone forms part of the previously reported total resource at Ban Phuc.

The Company then commissioned the Preliminary Assessment and the Ausenco Study which defined the scope of the Project to develop the massive sulfide resource.

2007 Project Review

Between the date of the Ausenco Study and the early part of 2007, significant changes occurred affecting a project of the type proposed to be undertaken by BPNM, including significant cost increases resulting in part from reduced availability of capital equipment, professional services, labour and consumables; and a significant decrease in availability of experienced and cost effective underground mining contractors willing to locate offshore. For the Ausenco Study, it had been assumed that most underground equipment would be supplied, operated and maintained by an independent mining contractor.

Australian Mine Design and Development Pty Ltd. (“AMDAD”) were retained to review and revise the underground mine design and provide updated development and operating cost estimates, including the cost of capital equipment over the life of the mine. Metplant Engineering Services Pty Ltd. (“Metplant”) were retained to provide process and engineering design, engineering procurement and construction management services, including the preparation of an updated capital cost estimate. Since no drilling had been done since 2005, the 2007 review adopted the mineral resource used for base case purposes in the Ausenco Study.

As a result of the review and also because of a judgment made following completion of the Ausenco Study that underground mining was the key Project driver a decision was made to commence underground development as early as practicable, in the third month of the Project, compared with the sixth month in the Ausenco Study so that (1) BPNM would supply all the equipment and would be responsible for training and supervising the underground mining workforce, (2) Project completion time would be 16 months, compared to 12 in the Ausenco Study, and (3) there would be a significant increase in estimated Project capital cost.

The results of the 2007 review are contained in the Technical Report published in September 2007 (“**2007 Technical Report**”).

Issue of Mining License

After complying with Vietnamese requirements for its issue, including those of the Ministry of Natural Resources (“**MONRE**”), the Mineral Reserve Evaluation Council, the Prime Minister’s Office and other government departments, BPNM was granted in December 2007 a mining license to exploit the massive sulfide resource for an 11-year period (including one year of mine development) subject to conditions including establishment of an environmental rehabilitation fund; obtaining a land use right certificate; and approval of mine design.

2008 Project Update

With Metplant’s assistance, a further update of Project scope and implementation was conducted in January 2008. As a result, it was decided to take advantage of the full 450,000 tonne per annum (“**tpa**”) nominal capacity of the previously purchased used ball mill by reconfiguring plant design so that the rest of the circuit would have the capacity to handle this tonnage. To meet mine production expectations of 300,000 tpa, the plant would be operated on reduced hours on a campaign basis. The plant modifications included larger pumps, a larger thickener and filter, an extra cyclone and a second concentrate surge tank and a one-month extension of the construction period. The benefits expected to be gained from these modifications included: the ability to do preventative maintenance between processing campaigns, thereby improving plant efficiencies without negatively impacting production; greater flexibility to

customize and optimize the circuit and/or reagent regimes for different ore types; the availability of the “spare” plant capacity for a low incremental capital cost which will allow a review of the economic cut off grade for marginal ore; and creating significant “spare” processing capacity to handle increased ore production.

Taking into account the previously estimated cost increase and a further review of capital costs, the total capital cost estimate for the Project was revised to US\$73.6 million (including a contingency allowance of US\$3.4 million).

2008 Project Development Activities

During the first nine months of 2008 substantial progress was made with Project development based on the updated scope. By September 30 the following elements had been completed:

- all permanent access roads to the plant and the mine
- relocation and compensation of all affected local residents and communities
- construction of the accommodation/camp and related facilities including 280 beds, dining, kitchen and laundry facilities (85% complete)
- the upper and lower mine portals
- the upper access to the ore body and the lower access (which will be the main haulage route) had been constructed for 600m between the lower portal and the ore body
- raise boring of the first ore pass designed to connect the upper mine with the main haulage level
- cross-cuts had intersected the ore body at two separate elevations with both intersections conforming to the location and width of ore zone predicted by the geological model
- the explosives magazine
- the construction office, underground workshop, stores and temporary administration offices
- rehabilitation of the ball mill ready for shipping from Australia
- 80% of all process equipment had been ordered and 75% paid for
- engineering and design for the process plant (90% completed)
- the civil contract had been awarded, the contractor mobilised and the concrete batch plant was operational
- most of the mining equipment required to start production had been purchased
- the pumping station and pipeline to service mining and provide make-up water (80% complete)
- the Project was connected by mobile and land telephone and by broadband internet through the national fibre optic network.

Subsequently, following the decision to suspend development and place the Project on a care and maintenance basis, the mine portals were sealed, the other structures were put into a safe condition and arrangements were made to store the mill and equipment items at the remote locations where they remain.

2009-2010 Activities

During 2009, the Project remained on a care and maintenance basis. Following completion of an equity financing in early January 2010, the Company focused on activities which could lead to a decision to restart and complete the Project. They include revised mine design and development schedule; a revised production plan and operating and capital costs; revisions to the LOM model; discussions with potential providers of finance required for completion; and on going discussions with the Vietnamese authorities regarding tax and other matters.

During 2010 total exploration expenditures were \$207,468 compared with \$42,154 in 2009. Additional drilling at the western part of the deposit at depth led to an increase of approximately 13,000t contained

nickel and 6,000t contained copper in the massive sulphide deposit at Ban Phuc. Likewise a program to test the integrity and continuity of the disseminated sulphide mineralisation adjacent to the massive resource resulted in a 55% increase in disseminated sulphide resources to 73,900t at a grade of 0.59% Ni.

During the year works were undertaken which would allow a quick re-commencement of development activities when the necessary financing has been obtained. The work focused on concrete foundations and support infrastructure, targeting early access for equipment installation. At year's end the crushing circuit foundations, concentrate storage and reagent storage facilities were complete and work on the fine ore storage and reclaim structure was well advanced. Additional civil works included the refurbishment to the mine and plant site drainage system which has been damaged in Typhoon Hagupit in 2008 and the establishment of reliable water supply to the accommodation camp. Maintenance of mine portal access ways and general road works continued. The mine water supply and magazine services were upgraded. A combination fan mounting/water ingress protection bunker was constructed on the surface of the western ore pass ventilation shaft. During the year a detailed project completion study was completed, key construction groups identified, and core construction tender packages updated.

2011 Activities

Works completed include:

- Construction of the run of mine gabion wall and embedded crusher feed bin arrangement;
- Concrete foundations, suspended storage slab and building erection for the fine ore reclaim facility;
- Foundations and equipment mounting arrangement for:
 - Air services and motor control centre;
 - Flotation circuit;
 - Concentrate and tailings thickening;
 - Reagents mixing and storage.
- Installation and commissioning of the three stage crushing circuit.

At year end the construction of the filter building foundation and suspended slab was well advanced. The import of equipment packages previously held in various offshore storage centres was completed with all equipment now being stored on site or elsewhere in Son La. Additional design work on the TSF and tailings disposal methodology was also completed. An underground mine training program for 32 local people was also conducted in 2011. The certified program, which included equipment, blasting and drilling operations was conducted over a six month period at the site and at Huu Nghi Vocational College in Quang Ninh Province.

Expenditures are summarised in the following table:

Project Development Expenditure 2011

Activity	2011
Process Plant Construction	\$956,090

Design & Engineering	\$145,242
Maintenance & Operations	\$36,616
Community Projects	\$27,166
Equipment Import & Freight	\$153,770
Mining (Explosives Storage & Operator Training)	\$45,021
Resource/Reserve (Includes Metallurgical Testwork)	\$22,195
Total	\$1,381,100

BPNM Funding

Until mid-2006, the Company was responsible for providing 70% of BPNM's funding requirements which it did through a combination of equity contributions and loans. Since that time, the Company has been responsible for providing 90% of such requirements and has also made advances on Coxama's behalf for its 10% funding requirements.

The advances to December 31, 2010 are evidenced by loan agreements whereby interest on the original principal amounts is being capitalized until repayment begins; repayment will be made out of initial Project earnings following repayment of any Project debt; the loans are secured on BPNM's assets; and Coxama is obligated to repay its indebtedness to the Company out of loan repayments by BPNM. At December 31, 2010, BPNM had borrowed US\$67.9 million from the Company and Coxama plus capitalized interest of US\$3.8 million.

The loan agreements to which AMRN is a party (AMRN having been funded for this purpose by the Company) have been registered with the State Bank of Vietnam as a condition of being entitled to repatriate principal and interest from Vietnam.

During 2011 further advances were made to fund the expenditures described above and administrative costs.

Financing

The Company has financed its investment in the Project and its other activities through a series of equity financings. During 2007, \$38.2 million was raised in a series of transactions with private investors. During 2008, a further \$21.3 million was raised through a combination of the exercise of previously issued warrants and the purchase of common shares by Jinchuan Group Ltd., with whom BPNM has an off-take contract covering 100% of production from the Project. In 2009, under a non-brokered private placement, 11,718,637 common shares were issued at \$0.09 per share, raising \$1.1 million.

In early January, 2010 the Company completed a non-brokered private placement of 59,000,000 units at \$0.10 a unit for gross proceeds of \$5.9 million. Each unit consisted of one common share and one warrant to purchase a common share for \$0.15 until January 7, 2011. The purchasers included Malaysia Smelting Corporation Berhad ("**MSC**") and its affiliates (who are members of the Singapore-based TeCity Group) and Asian Lion Limited.

In January 2011 members of the TeCity Group and other shareholders exercised their warrants for total proceeds of \$4,860,000. As a result, MSC and such affiliates now own 39.81% of the Company's common shares.

Although no financing transactions were completed during 2011 the Company recently announced the Pala Transaction as described above.

Exploration

Following the issue of the mining license, BPNM re-filed applications for exploration licenses in the Ta Khoa, Ta Hoc and Hung Ngai areas totalling 97 km². The conditions of the license include:

- review by MONRE of revised work programmes for each area applied for
- MONRE departmental review and recommendation to the Minister
- Ministerial approval and signing subject to the required bonding being put in place.

Doing Business in Vietnam

Vietnam shares borders with China, Laos and Cambodia, and has a population of approximately 87 million people. The country is divided into sixty-four provinces and city administrations. Its main urban centres are the northern city of Hanoi, which is the capital, and the southern city of Ho Chi Minh City, which is the largest centre of economic activity.

Vietnam is a member of various international organizations including the World Trade Organization and the Association of Southeast Asian Nations.

Legislation

The legislative framework is a multi-tiered hierarchical system. The National Assembly (which is the equivalent of a parliament in other countries) enacts “laws”. The Government, which comprises the prime minister, three deputy prime ministers and ministers, constitutes the executive of the National Assembly. It issues “decrees”, usually containing detailed implementation of National Assembly laws but sometimes by way of initiating legislation. The Ministries issue “circulars” usually by way of implementing decrees. Historically, although increasingly rarely, the Standing Committee of the National Assembly issues legal instruments called “ordinances”. The National Assembly and the Government may issue “resolutions” which also have the force of law.

Effective July 1, 2006, Vietnam enacted a Law on Enterprises (“EL”) providing for the establishment, management, organization and operation of various types of enterprise, including limited liability companies (“LLCs”) carrying on business in all economic sectors. The EL contains protections for enterprises and their owners, for equality before the law, ownership of assets and investment capital and other rights and interests, and protection against expropriation other than in the national interest and then only upon payment of market value compensation. The EL sets out the rights and obligations of enterprises and contains provisions for establishment and registration of enterprises in the various categories identified by the EL. The EL contains specific provisions applicable to each category of enterprise. For LLCs, these provisions deal with capital contributions and transfers; members’ rights and obligations; organization and management, including the establishment and operation of members’ councils; and authorized representatives and directors general.

Effective July 1, 2006, Vietnam also enacted an Investment Law (“IL”) to regulate business investments, investors’ rights and obligations and state administration of investment activities in Vietnam. The IL replaced previous legislation, including the 1996 Law on Foreign Investment to which BPNM was previously subject. The IL permits investment in all sectors not prohibited by law and contains

protections for investors similar to those contained in the EL; permits the remittance abroad of profits, loan principal and interest, investment liquidation proceeds and other amounts; provides for continued enjoyment of certain benefits notwithstanding changes in law; and permits offshore dispute resolution procedures. The IL sets out procedures for the registration of investments and the issue of investment certificates.

The EL and the IL have been supplemented by decrees which deal, among other things, with re-registration of enterprises, such as BPNM, to which investment licenses were issued under the predecessor legislation. In consultation with the Vietnamese authorities, it was determined that BPNM should re-register under the new legislation and, in doing so, adopt a revised charter and joint venture agreement to replace the existing charter and joint venture agreement, and whose provisions would better reflect and be consistent with the 90%-10% ownership structure of BPNM which became effective in mid-2006. See “**Investment Certificate**” below.

Land

Under the Land Law, land is the property of the people as a whole and is managed by the Government on their behalf. Instead of title, an individual or organization is granted a right to use land, evidenced by a certificate of land use right issued by the Government which stipulates the purposes for which the land may be used and the duration of that permitted use. During the term of the land use right and depending on its nature, whether derived from ‘allocation’ or ‘lease’, the land user may transfer, lease, mortgage or bequeath the land use right within the limits set out in the certificate and the Land Law.

A foreign invested enterprise such as BPNM must procure a land use right from the land administration department of the provincial people’s committee.

Under the Land Law, a lease is required to prospect or explore land (unless the rights of other users of the same land are not affected); and is also required in order to conduct mineral extraction or processing that affects the surface or ground layers of the land. A land lease for the period stated in the relevant certificate of land use right, which typically is a period not to exceed 50 years. Subject to the terms of the applicable investment certificate, buildings constructed by a foreign investor on leased land and other improvements to the leased land may be owned by that foreign investor. Users of land for mining activities must carry out measures to protect the environment and must rehabilitate the land (and must deposit a fund with a licensed bank in Vietnam as security for the rehabilitation of land) following completion of mining activities.

Mining Law

Vietnamese mineral resources are owned by the Vietnamese people and managed on their behalf by the State. Mining is governed by the Constitution of Vietnam, the 1996 Law on Minerals (as amended with effect from 1 October 2005), Decree 160 of the Government dated 27 December 2005 and Circular 1 of the Ministry of Natural Resources and Environment dated 23 January 2006 (collectively the “1996 Law”) which recognizes and provides for mineral prospecting, mineral exploration and mineral mining and processing activities. The 1996 Law was replaced effective July 1, 2011 with a new Law on Minerals (“2011 Law”) adopted in November 2010. It will be implemented by a decree providing detailed guidelines for implementation of a number of articles of the 2011 Law and a decree regulating auctions of mineral mining rights of which drafts have been published.

Under the 1996 Law exploration licenses were granted for an initial period not exceeding 24 months which may be extended for a period or periods of up to a further 24 months on certain conditions including partial area relinquishment. Mineral mining licenses are granted for a period not to exceed 30

years plus an extension of up to 20 years. Royalties are payable based on production and selling price. The issue of prospecting permits and exploration, mining and processing licenses falls mainly under the jurisdiction of MONRE. Other ministries have specified responsibilities and the Mineral Reserve Evaluation Council (under MONRE) has the responsibility for assisting in evaluating and approving reserves for feasibility study purposes.

Under the 2011 Law and its yet to be implemented Decrees:

- exploration licenses will be granted for up to 4 years plus a similar renewal period to entities having equity of not less than 50% of their proposed exploration budget;
- the concept is introduced of areas for which there will be an auction of mineral rights and areas for which no such auction will be required
- a mining right fee will be payable by entities to which mining licenses are granted in future and also by existing mining license holders based on remaining reserves.

Pending clarification regarding various matters and finalization and implementation of the Decrees, the Company is not in a position to properly evaluate the implications of the 2011 Law and the Decrees for its activities at Ban Phuc and elsewhere in Vietnam.

Mineral Exports

Under its Investment Certificate BPNM is permitted to exploit, process, transport and export nickel-copper ore and sell all mineral products of the Project without being subject to export license or other specific conditions. The Mineral Law likewise does not contain any restrictions on export. However, the Vietnamese government has adopted a Master Plan whereby restrictions may be placed on the export of certain minerals pursuant to that Plan. The terms of a circular dated June 18, 2008 issued by the Ministry of Industry and Trade to “guide” the export of minerals provides that minerals may be exported only if they meet certain conditions and standards. The circular provides that nickel concentrates produced in Son La province may be exported only until the end of 2013 and then only if the Ni content is $\geq 9.5\%$. Since these restrictions were incompatible with the absence of any restrictions in the Investment Certificate or the Minerals Law and the fact that an eleven-year mining license was issued in December 2007 with full knowledge that BPNM intended to export nickel concentrates. In May 2009 the Ministry of Trade and Industry granted BPNM the right to export nickel concentrates produced from the Ban Phuc mine for a period of five years commencing with first production of concentrates (at that time planned so that the five year period would be completed by the end of 2015) from the mine.

Taxation

Vietnamese taxes are imposed and administered through a combination of laws, decrees, circulars and other regulations issued by various government, provincial and municipal agencies. Taxes include corporate income tax (CIT), value added tax (VAT), import and export taxes, technology transfer taxes, foreign contractor tax, royalties, personal income tax and other withholding taxes.

Prior to June 2008 the corporation income tax rate was 28%. At that time the rate for all companies except those involved in prospecting and exploring for and producing certain ‘rare and precious’ minerals was reduced to 25%. For companies producing ‘rare and precious minerals’ the rate was increased to somewhere between 32 and 50% ‘depending upon each specific project and business establishment’. The Government has provided detailed regulations and guidelines for the implementation of this article under Decree 124/2008/ND-CP dated 11 December 2008 in which the definition for “rare and precious minerals” includes platinum, gold, silver, tin, wolfram, antimony, gemstone, rare earth. The Company believes that nickel does not fall within such definition of ‘rare and precious minerals’ and thus will be subjected to a tax rate of 25%

In January, 2008 the Vietnamese government announced that it was increasing the royalty rates on nickel, copper and cobalt mineral products from 5% to 7%.

BPNM is entitled under its Investment Certificate to the corporate tax relief described below under “Investment Certificate” and is protected until December 31, 2013 from any increase in royalty rate on nickel concentrates above 4%.

Export Tariff

Prior to December 2006 no tariff was imposed on the export of nickel concentrates from Vietnam. Since that time the Ministry of Finance (“**MOF**”) has issued four decisions on the subject culminating in Decision No. 35 dated June 6, 2008 whereby all mineral products of the type proposed to be exported by BPNM are subject to a 20% export tariff. In issuing these decisions the MOF expressed the view that it was implementing approved government policy regarding mineral exports. Since these tariffs apply to a wide range of minerals, representations have been made to the authorities both at the diplomatic and industry levels. BPNM has supported and participated in these efforts.

Currency and Repatriation of Funds

As a Vietnamese entity, BPNM must deal with other Vietnamese entities exclusively in Dong but may denominate transactions in US Dollars.

Foreign invested enterprises and representative offices are required to open a bank account in a foreign currency (usually in U.S. dollars) with a licensed credit institution in Vietnam, through which payment of all income and expenditures are made. The approval of the State Bank of Vietnam is required in order for such enterprises and offices to maintain bank accounts outside Vietnam.

For the purposes of investment, the transfer of capital and remittances overseas and the conversion of foreign currency are done at rates published by commercial banks at the time of the transaction. If certain legal criteria are met, foreign entities can convert Dong to a foreign currency at banks without specific approvals of the State Bank of Vietnam. Conversion is at the rate set by commercial banks.

The IL permits foreign investors such as AMRN to transfer abroad profits derived from licensed business operations; payments received as a result of the transfer of technology or services; the principal and interest on any foreign currency loans; invested capital; and other sums of money and assets legally owned by them, subject to meeting certain legal requirements, such as payment of all taxes.

Labour Relations

The Provincial Federation of Labour is required to establish a trade union at business enterprises within six months of the commencement of operations, although in practice it may take longer. A temporary trade union with a period of activity of 12 months (which can be extended) may be established. Enterprises must recognize a validly organized trade union and provide favourable conditions for its operation. This is effectively an enterprise union established for the representation of all workers in only one enterprise rather than a branch of a union representing all workers in a particular industry.

A foreign invested enterprise must negotiate a collective labour agreement if so requested by the trade union at the enterprise. Such agreement may only be signed when more than 50% of the employees agree to its provisions. The collective labour agreement will cover such matters as wages for different categories of employees and working conditions. A copy of the collective labour agreement must be filed with the local labour office within ten days from the signing date and it will come into effect from the

date agreed by the parties and stated in the agreement or from the signing date where no such consent is made.

Negotiation of the required BPNM agreement was in process when Project suspension occurred. It will be completed and ratified following resumption of development activities.

Investment Certificate

AMRN and Coxama are parties to a Charter and a Joint Venture Agreement, each dated June 12, 2007, (replacing the original 1993 Charter and Joint Venture Agreement) whereby:

- the parties are obligated to contribute, by way of charter capital and loans in proportion to their participating interests in BPNM, all amounts required for Project and other purposes which are not provided by third party loans;
- unless otherwise permitted and agreed, 30% of participant contributions are to be made as charter capital contributions;
- AMRN may, but is not required to, lend Coxama funds necessary to meet its contribution obligations;
- the contribution obligations include provision of working capital during the start-up period of production from the initial Ban Phuc project;
- each party has a first refusal right on the sale of the other's interest and is not required to consent to a third party sale except to an entity having adequate financial and other resources who is acceptable to the Vietnamese governmental authorities;
- BPNM is managed by a Members' Council comprised of three AMRN representatives, including a Chairman, and one Coxama representative;
- except as required by applicable law, all decisions are to be made by resolutions voted on affirmatively by Members representing at least 75% of the charter capital of BPNM;
- BPNM is to have a General Director nominated by AMRN and one or more Deputy General Directors, of whom one is to be Coxama's nominee;
- the General Director is responsible for managing the day-to-day business and the Deputies are to have the powers assigned to them by the Council;
- profits are allocated based on participating interests; and
- disputes are to be arbitrated in Singapore in accordance with Singapore law.

The Charter and Joint Venture Agreement became effective on July 30, 2007 upon the issue of a new Investment Certificate which replaced the FIL, as amended on various dates.

The Investment Certificate as amended and restated on October 10, 2008 contains provisions related to BPNM's status, capital and scope of business as an enterprise and provisions which are Project specific. Within the first category, the Investment Certificate confirms the existence and status of BPNM as a limited liability company headquartered at Muong Khoa commune, Bac Yen District, Son La Province with a charter capital that has been contributed 90% by AMRN and 10% by Coxama and carrying on, for an indeterminate period, the business of exploring for, mining and processing nickel-copper ore at Ban Phuc mine. Project-specific provisions include:

- Project targets which are implementation of business and exploration activities on the Ban Phuc Project Area and other Project activities; implementation of feasibility studies on targeted areas within Ban Phuc Project Area to exploit copper, nickel, cobalt and associated minerals; development of ore deposits to exploit copper, nickel, cobalt and the associated minerals within the Ban Phuc Project Area; and exploiting, processing, transporting and exporting nickel-copper ore and selling all mining products of the Project.

- Project scale: the granted Project Area of 150 km² (reduced from the original 600 km² by statutory relinquishments) at Ban Phuc mine area, Muong Khoa Commune, Bac Yen District, Son La Province
- Operation period of 50 years from January 29, 1993.
- Project Schedule: BPNM will import machinery and equipment for project development and mine construction and will implement nickel ore mining and processing activities on the massive sulfide orebody; construction of the plant is to be completed during a period of 1 to 2 years; the mining period will be in accordance with the approved reserves and the granted mining license; and BPNM will implement detailed exploration and feasibility studies for disseminated sulfide ore and other ore prospects within the licensed area, together with mining of the massive sulfide ore.
- The Project benefits from incentives whose scope was clarified in an amendment to the Investment Certificate, as follows:
 - corporate income tax rate of 15% until December 31, 2013 (20 years after the FIL issue date), after which the rate will be in accordance with the regulations;
 - an exemption from corporate tax until the earlier to occur of the date which is four years after BPNM begins to make profits and December 31, 2013;
 - a 50% reduction in corporate tax for the period beginning with the end of the exemption period and ending on December 31, 2013;
 - import tax exemption for all machinery and equipment imported for the Project, land rental fee reduction and other relevant incentives will be applied in accordance with regulation.

BAN PHUC PROJECT

As described above, Project development has gone through stages resulting in what is currently a partially completed mine and production facility having care and maintenance status. The current focus is on those activities which could lead to a decision to restart and complete the Project. They include revised mine design and development schedule; revised production plan and operating and capital costs; improvements to the LOM model; discussions with potential providers of debt and equity financing; and discussions with the Vietnamese authorities.

The following disclosure regarding the Project reflects the current situation whereby these activities are ongoing but not completed. It is anticipated that definitive updated disclosure will be made at such time or times as the Company is in a position to do so.

1. PROJECT DESCRIPTION AND LOCATION

The Project is located within the Ban Phuc Project Area designated in BPNM's Investment Certificate, approximately 160 kilometres west of Hanoi near Ban Phuc Village in Son La Province, in north-west Vietnam, at latitude 21.19° longitude 104.33°. The nearest towns are Hat Lot, approximately 30 km to the northwest, and Bac Yen, approximately 25 km to the east. The nearest major population centre is the provincial capital Son La located approximately 55 km to the northwest.

Ownership

Tenure

BPNM is a limited liability company under Vietnamese law owned by:

- AMRN, a wholly owned subsidiary of the Company – as to 90%, and
- Coxama – as to 10%.

In January 1993 BPNM was granted a Foreign Investment License (“FIL”) with an initial term of 20 years, authorizing the establishment of BPNM to explore for, develop and process nickel and copper ores from what was a 600 km² area but has now been reduced to 150 km² as a result of statutory relinquishments, and setting tax and royalty rates. As described above, the FIL was replaced in 2007 with an Investment Certificate which incorporates the benefits of the FIL. See “Investment Certificate” above.

Land

BPNM holds a certificate of land use on 100.07 ha for its activities for the period ending February 17, 2018 on which the rent has been prepaid in full by way of a credit against amounts previously paid as compensation to other land users.

Environmental Liabilities

There are no environmental liabilities known at present.

As required by law and committed under the approved Environmental Impact Assessment Report (“EIAR”), BPNM will provide an environmental bond prior to commencement of production. The bond is refundable after BPNM completes the environmental recovery plan as committed in the EIAR upon its closure of the mine.

Licenses and Permits

Mining and Exploration Licenses

As described above, BPNM has received a mining license for the Project and has applied for exploration licenses covering 97 km² of the Ban Phuc Project Area. As disclosed by the Company in its press release dated March 4, 2012 the Ban Phuc Project was the subject of a Report dated October 6, 2011 made by the General Department of Geology and Minerals Vietnam (“**GDGMV**”). The Report identified a number of matters requiring remediation and requested of BPNM that it undertake a number of actions including speeding up mine construction and submitting to the Ministry of Natural Resources and Environment (“**MONRE**”) an explanation for the delay in mine construction schedule.

In its response dated November 7, 2011 to GDGMV, BPNM reminded the Ministry that prior to the 2008 recession it had invested US\$66.7 million in the Project; that construction activities had been pursued in a robust manner following issue of its mining license until unforeseen circumstances affecting similar projects worldwide forced the Project to be placed on a status whereby expenditures were restricted to those required to ensure that it could be restarted and completed; and that Project viability had been adversely affected by subsequently adopted Vietnamese taxation policies. The Report went on to list further work on the Project to September 30, 2011 by which date total investment was US\$73.8 million. BPNM's response concluded by requesting of GDGMV and MONRE that they understand and approve

the reasons for the delay and that efforts were being made to speed up the mine construction schedule and put the mine into production.

By its letter dated February 14, 2012 GDGMV advised BPNM that, based on BPNM's Report and a further site visit on February 1, 2012, it was requesting BPNM to promptly invest in construction of facilities to ensure adherence to the mine construction schedule whereby completion is to occur by December 31, 2012 and that, should BPNM fail to do so, it would recommend to MONRE that BPNM's mining license be revoked.

AMR and BPNM are engaging MONRE and the other relevant Vietnamese authorities in further discussions based among other things on the significance for the Project of the Pala Transaction which, among other things, will provide an immediate cash infusion of \$6.5 million.

Other Permits and Licenses

The Project requires a number of licenses typical of such projects for its development and operation. Most of these have already been obtained. The others are expected to be obtained by the required dates.

2. ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

Topography/Access/Climate

The Ban Phuc Project Area is located within rugged terrain of the mountainous areas in the north-west of Vietnam. The steep-sided Da River Valley traverses the region in a general south-easterly direction. On the northern side, steep mountainous country rises to about 1,200m near Hong Ngai. On the south side of the Da River similar mountainous country rises to 1,520m.

The topography in the Area ranges between steeply sloping hills and narrow valleys with few flat areas. The area is mountainous and contains areas of relatively degraded forest and localized deciduous forest. Large areas of grassland, bamboo and other secondary vegetation are also present, particularly on the lower slopes and valleys.

Access

Access to the Project site is good. The junction for the provincial highway to Son La lies within 35 km by paved road. From Son La, access to Hanoi and the port at Hai Phong is by national highway No. 6. Alternate light vehicle access via Son Tay, Thanh Son, Phu Yen, Bac Yen and Ta Khoa along highway No. 37 provides a shorter travelling time from Hanoi on fair to good paved roads.

A helipad will be constructed at the accommodation camp site for medical evacuations and other emergencies.

The nearest towns are Hat Lot, on highway No. 37 approximately 30 km to the northwest and Bac Yen, approximately 25 km to the east on highway No. 37. The nearest major population centre is the provincial capital Son La approximately 55 km to the northwest.

Apart from Ban Phuc and Ban Khoa villages, which are adjacent to the Project, the villages of Ban Pot, Ban Pho and Ban Trang are within a few kilometres of the site.

Climate

Areas north of the 18th parallel in Vietnam essentially have two seasons: a dry season (winter) and wet (summer) season. Winter is cool and lasts from October to March with persistent drizzling rain occurring during February and March. Hot monsoonal summers occur between April and September with occasional typhoon events.

Project Infrastructure

Power

A 35 kV power transmission line runs from the Gia Phu sub-station, some 37 km from the Project, to within 1 km of the Project. This line has recently been upgraded to a capacity of 9 MVA which will be adequate to supply the Project needs. Connection to this supply will be provided by the provincial authorities under a power purchase agreement which will be signed once construction recommences. Power will be delivered to the site from 6.6 kV incomers from the power authority's high voltage ("HV") switchroom.

The main substation at the site will include HV distribution to the other site substations and step down transformers for supply of lower voltage HV power (1 kV) and low voltage ("LV") three phase power (380 V). Other substations will be located at the underground haulage and access portals, and at the camp. Each substation will incorporate breakers for HV and LV power, step-down transformer(s), motor control centres for three phase AC motors and distribution panels for single phase AC consumers and for control and instrumentation supplies.

For transmission within the plant site and other on-site infrastructure, insulated power cables will be run preferentially in cable tray on racks or below ground. Overhead conductors will transmit power to consumers too distant from substations for the use of insulated cable, i.e. the mine portals and camp. Other minor consumers remote from substations will be powered by local diesel generator sets.

Water

The process water will come from three sources; from the tailings storage facility recovered from the pumping of the tailings and supplemented by rain falling within the catchment area; from water collected in the plant-site run-off dam from rain and water discharged from the underground rains; from a special purpose borefield comprising at least two bores located within the immediate environs of the project.

Most of the required process water is expected to come from the tailings storage facility catchment. Raw water for the plant and other industrial requirements will also be sourced from the borefield. A separate bore will provide water for the camp and drinking water will be provided by a reverse osmosis treatment plant or in bottles or purpose made containers.

Fuel

Diesel storage tanks, located within a bunded area, will be situated adjacent to each mine portal, the emergency power station and for light vehicles. The light vehicle fuel facility will be located adjacent to the warehouse; a 98 m³ storage tank will provide about 30 days storage capacity for diesel. The dispensing facilities will include a metered dispensing bowser and areas drained to oil traps for vehicle refuelling. Diesel will be delivered to each tank directly by the diesel supply contractor.

Tailings Storage Facility

The Project is expected to produce approximately 290,000 tonnes per annum of tailings over the approximately five year life of mine. The tailings storage facility has been designed to hold one million tonnes of tailings and to be capable of being expanded up to a maximum of four million tonnes.

It will be located in Suoi Dam Valley approximately 2.5 kms by road or 1 km in a straight line northeast of the plant.

3. GEOLOGICAL SETTING

Regional Geology

The Ban Phuc Project Area lies in the Song Da rift, which is a broad northwest trending corridor of deep continental rifting between the Indo-China Plate and the South China Plate (see Figure 3.1 below). This feature acted as both a rift and collision zone between the South China Continental Plate to the northeast and the Indochina Plate to the southwest and is recognized as a rare case of where faulting has extended the entire thickness of the continental crust to the base of the lithosphere.

Within this faulted corridor, in the Ta Khoa region, an anticline of Devonian limestones and terrigenous sediments is overlain by an unusual Permian-Triassic komatiite-basalt suite. The Devonian sequence is intruded by numerous ultramafic intrusions of compositions ranging from high-Mg gabbro, pyroxenite, and peridotite to dunite. The intrusions are interpreted as sub-volcanic dykes and sills representing feeders for the overlying volcanic suite.

Many of the intrusives have associated sulfide mineralization. The Ban Phuc deposit is emplaced close to the axial zone of the Ta Khoa anticline and is the only intrusive to date to have a quantified Ni-Cu sulfide resource.

The geotectonic setting is strongly analogous to that displayed by some major Ni- Cu deposits such as Norilsk and Jinchuan. Both of these are located on major breaks between lithospheric plates, associated with deep, mantle-tapping structures which allow the rapid ascent of mantle melts favoured for Ni-Cu sulfide segregation. At Norilsk in particular, the orebodies are associated with sub-volcanic intrusive bodies which represent feeders for extrusive flood basalts higher up in the sequence.

Figure 3.1



Local Geology

The Ban Phuc ultramafic intrusion is one of the larger of such bodies in the district outcropping over an area of roughly a quarter of a square kilometre. The Ban Phuc ultramafic is exposed in a window comprising a basement metamorphic complex of Devonian age metasedimentary and metavolcanic rocks. The basement includes a variety of rock types including: phyllite, metaquartzite, sericite schist, muscovite-biotite schist and intercalated crystalline marble overlain by a thin unit of limestone.

Besides the Ban Phuc ultramafic body, Devonian age rocks exposed in the Ta Khoa window are intruded by numerous small bodies (about 70 have been mapped at 1:100,000 scale) of ultramafic to gabbroic (werhlite) composition plus granite and granite pegmatite. Twenty-eight are of ultramafic composition. The intrusions are lensoid and up to about 3.5 km in length; generally they are parallel to bedding in the host metasediments. Both metasediments and intrusives have undergone tilting and folding, possibly during a Triassic orogeny.

The ultramafic-mafic intrusives are considered to be Triassic in age, although some are postulated to be lower to mid-Palaeozoic. At least some of the Triassic volcanics are understood to be extrusive equivalents of the ultramafic-mafic intrusives.

Deposit Geology

The Ban Phuc intrusion is one of the larger ultramafic bodies in the region with dimensions of 940m by 220 - 420m, an outcrop area encompassing 0.25 km² and, a preserved depth of up to 470m below surface. The intrusion is elongate with a north-westerly trend corresponding to the strike of the Devonian metasedimentary host rocks.

It has intruded along the trend of a discontinuous unit of crystalline limestone. At its wider north-western edge, only the flat lying base is preserved. The intrusion narrows and deepens to the southeast where it has an oval cross-section dipping steeply northeast and roughly concordant with the enveloping metasediments. A locally discordant contact with metasediments confirms the body is intrusive and not extrusive as in nickel deposits of the komatiite type.

Concave layering is defined by low-grade nickel-enriched sulfide layers which are conformable with the base and walls of the intrusion. In the wider basal zone preserved at the north-western end of the intrusion these are flat lying with only minor convexity, but in the south-eastern section the layers are tightly oppressed and strongly concave, extending up the footwall and hangingwalls of the intrusion. There is evidence in bedding attitudes along strike to the southeast of the intrusion for a synformal structure, suggesting that the strongly concave layering may arise from folding, with the ultramafic originally having formed a thinner sill roughly conformable with the sediments and now occupying the fold axis. The presence of cumulate sulfides along the base and walls of the intrusion indicate that it is upright, though folding, if it has occurred, is isoclinal and the hangingwall is overturned.

Massive sulfide mineralization occurs in a major shear controlled vein structure in hornfels host rock along the southern margin of the Ban Phuc intrusion. The vein is approximately 730m in length, with an inverted triangular form in plan, to at least 450m below surface with an average width of 1.26m. It has a northwesterly strike of 280° - 310° and a steep dip of 70° - 90° to the northeast, rarely to the southwest. This vein cuts lithological layering in metasediments at a low angle but appears conformable in section. Offshoots and bifurcations are minor and the vein is largely a singular structure.

4. MINERALIZATION

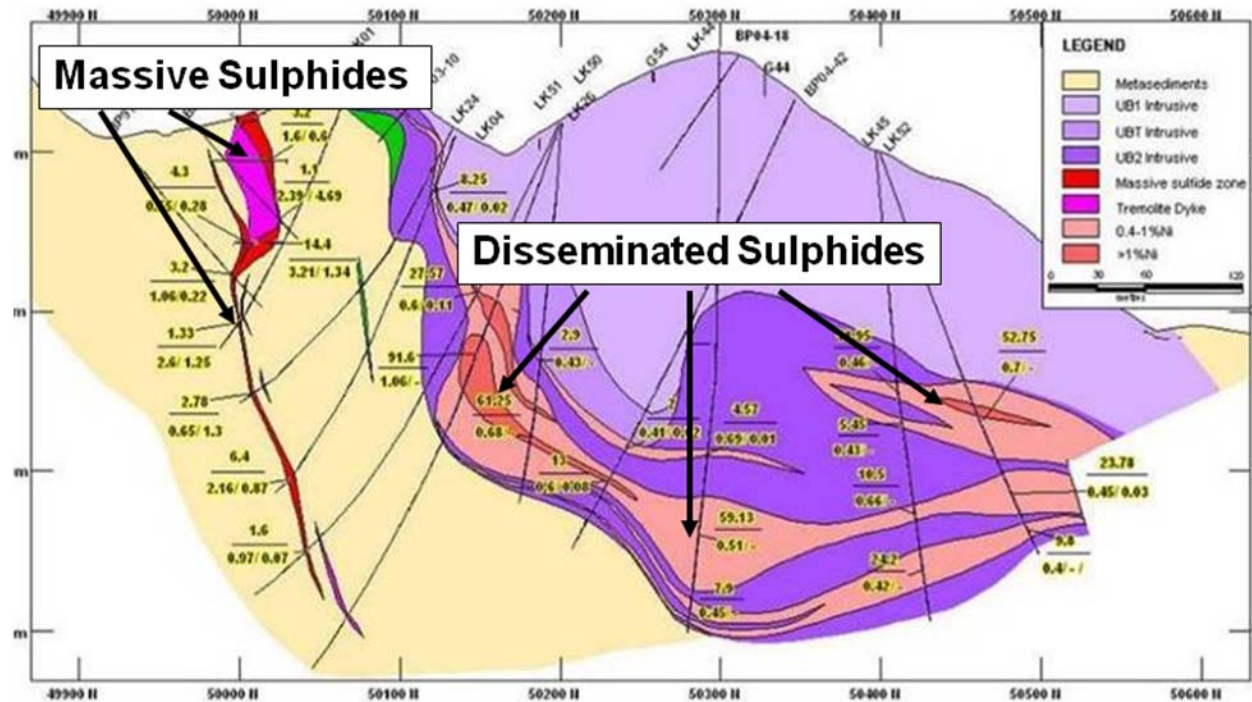
The Ban Phuc nickel deposit comprises two separate styles of mineralization:

- Low-tonnage medium-grade massive sulfide veins (“MSV”), and
- High-tonnage low-grade disseminated mineralization (“DISS”).

The MSV consists of an east-west trending zone of pentlandite, chalcopyrite enriched pyrrhotite sulfides. The zone is approximately 730m long and is currently interpreted as having a vertical extent of 420m. The MSV varies from 0.5m to 15m in horizontal thickness.

Figure 4.1 is a schematic cross-section through the Ban Phuc deposit showing the relative locations of the domains.

Figure 4.1



Massive Sulfide Mineralization

Massive sulfide type mineralization contains a number of minerals as follows (relative percentages are given in parentheses): pyrrhotite (70%), pentlandite (10%), chalcopyrite (5%), magnetite (4%), pyrite (3%), violarite (2.5%), siderite, ilmenite, sphalerite, galena (<1%), non-opaques (5%). Pyrrhotite occurs in 1 – 3 mm grains with fine exsolutions of pentlandite. Pentlandite occurs in granular masses with a grain size of 0.06 – 2 mm, and as fine inclusions in pyrrhotite.

Chalcopyrite forms irregular grain aggregates up to 3 mm in size and inclusions in pyrrhotite.

Disseminated Sulfide Mineralization

Disseminated sulfide type mineralization occurs in the tremolite-altered dikes, schists and hornfels and forms a halo around the MSV type mineralization. It can vary from nothing to several metres in extent. The sulfides occur as veinlets, stringers, and disseminations. Percentages are as follows: pyrrhotite (25%); chalcopyrite (30%); violarite and pentlandite (15%); pyrite (10%); ilmenite, niccolite, galena, sphalerite, valerite (20%).

There are significant differences between the massive and disseminated types of mineralization, particularly in regard to the amount of pyrrhotite. There are more supergene varieties of nickel sulfides (e.g. violarite, millerite) in the disseminated mineralization.

Low Grade Disseminated Type Sulfides in Dunite

Low grade disseminated sulfides are present in the dunite within the Ban Phuc intrusive body. Grades in the range 0.5 to 1.0% Ni are common; higher grades (i.e. 2 to 15m at +2% Ni) appear to be localized.

Minor chalcopyrite is also present in this type of mineralization. Nickel is present in both sulfide and silicate forms with the sulfide type being dominant.

The disseminated mineralization is hosted within two ultramafic units. The base of these units is the UB2 which hosts the majority of the mineralization. A serpentinized olivine, pyroxene rich ultramafic (UB1), containing limited mineralization sits on top of this unit. The margin between these two units is blurred in places and a third geological descriptor has been used to describe a transition zone between the two units (UBT). This transition zone also contains significant mineralization. The Ultramafic units strike on a general trend of 295 degrees, although to the east of 50,050 E (local grid) they are truncated by a large structural feature.

Oxidized Type Mineralization

Oxidization of massive and disseminated types of mineralization has occurred near surface, typically to depths of 10 to 40m; nickel has been solubilized and leached while copper has been altered to malachite and other oxides. The distribution of supergene nickel sulfides such as violarite and millerite is presently poorly understood.

5. HISTORY, EXPLORATION AND DRILLING

Initial work in the Ta Khoa region by Vietnamese and Chinese geologists focused on areas of known copper mineralization: Van Sai in 1959-61; Na Lui 1959-60; Ban Bo 1959-60; Na Ka in 1960-62; and Ban Phuc in 1959-63. Follow-up reconnaissance work in 1961-1964 delineated several new zones of nickel (with or without copper) in nine areas and copper (without nickel) in an additional five areas. Prior to 2003, 154 holes were drilled for 18,741m. There are also 169 adits, cross-cuts, drives and channels, totalling 5,107m.

Most nickel mineralization (with or without copper) is both spatially and temporally associated with ultramafic intrusions including:

- disseminated low-grade nickel or nickel-copper mineralization in basin shaped cumulate layers (locally multiple), often near the base and walls of ultramafic intrusions, e.g. Ban Phuc, Ban Khoa; and
- veins of high-grade massive Ni-Cu sulfide in metasedimentary wall rocks adjacent to ultramafic intrusions, with locally developed low-grade disseminated Cu-Ni mineralization marginal to the massive sulfide veins, e.g. Ban Phuc, Ban Trang, and Ban Mong.

All drilling since 1996 has been performed by InterGeo, a Vietnamese government-owned company.

1996 Drilling Program

BPNM completed an 11-hole drilling program in December 1996 for a total of 1,220m with the primary objectives of establishing continuity of mineralization within the previously identified massive sulfide body, and to further investigate Ni-Cu mineralization within the intrusive.

1997 Drilling Program

BPNM completed a 16-hole program in 1997 for a total of 2,574m. These holes were directed at both the disseminated and the massive sulfide zones.

1999 - 2002 Falconbridge Program

Falconbridge Limited (“**Falconbridge**”) financed exploration work from February 1999 to February 2002 which included a 4,100 line-kilometre magnetic-electromagnetic helicopter-borne survey and five grid controlled magnetic/University of Toronto Electromagnetic (“**UTEM**”) surveys, totalling 175 line-kilometres on the Ban Phuc, Ban Tang, Hong Ngai, Ban Nguon, and Ban Mong prospects. Based primarily on electromagnetic anomalies, especially UTEM conductors, some of which are closely associated with distinct magnetic features, 16 targets were defined and designated for diamond drilling. Prospecting work done in conjunction with the geophysical program located new areas hosting significant nickel mineralization.

The Falconbridge work included two drilling programs. The first was undertaken in the 2000 - 2001 field season and the second in the 2001 - 2002 field season. In the first program 16 holes were drilled totalling 3,800m. Two holes were drilled on Hong Ngai grid, three on Ban Tang, two on Ban Nguon, and eleven on the Ban Phuc grid. Three of the holes on the Ban Phuc grid were drilled into the 2.6 km long Kingsnake anomaly. In the second program a 13-hole, 4,100m program was completed. One additional hole was drilled at Ban Trang, two were drilled to test an anomaly north of the Ban Phuc intrusive and the rest were drilled into the Kingsnake zone.

2003 BPNM Drilling Program

In 2003, BPNM completed the first stage of work designed to evaluate the potential of open-pit mining a part of the Ban Phuc nickel sulfide deposit. This program comprised 12 drill holes totalling 1,150m, designed to test the cumulate (or disseminated) mineralization within one of the two potentially open-pittable zones. Additionally, three holes were deepened to intersect the massive sulfide zone below the bottom level of the proposed pit.

Drilling in the target area penetrated intervals of cumulate mineralization, assaying between 0.55% and 0.88% nickel, and narrower higher grade zones of up to 1.13% nickel and 0.18% copper. All three of the deepened holes intersected economic massive sulphide mineralization over significant and consistent widths.

The Falconbridge programs and the BPNM 2003 drilling programs employed a Boart Longyear 38 and an equivalent Russian rig. Holes were cored from surface (mostly HQ) with recoveries generally exceeding 80% in the oxidized zone and generally over 95% in fresh rock. All drill core was quartered with a diamond saw for sampling purposes.

2004 BPNM Drilling Program

In 2004, 28 holes were completed for 2,834m for Phase 1; 43 holes for 10,840m for Phase 2 and the initial stage of Phase 3; and five holes for 1,205m for the remainder of Phase 3.

Core recovery for the 2004 program was good with an overall average of 97.4% (weighted by interval). Recovery of 99.1% was achieved in the massive sulfide and 98.2% in the olivine rich partly serpentinized dunite (“**UB2**”) (chief host for disseminated mineralization). Recovery of 98.0% was achieved in UB2 intervals in excess of 0.4% nickel.

Available information, including field checks, indicate that the Ban Phuc area was surveyed between 1959 and 1962 with all drill collars being tied into a surveyed grid and levelled. Similar detailed surveying was carried out underground.

Before the 1996 drill program, BPNM established a surveyed levelled grid marked with concrete survey points at 10m intervals on 50m spaced lines. A new baseline was positioned on the same bearing and as close as possible to the original Vietnamese baseline. However, no reliable survey points from the old grid could be found. During the BPNM survey, a number of old drill pads, pits, trenches and adit portals were located and tied to the new grid. This, together with the matching of topographic points, indicates a very close correlation between the two grids. However, drill collars could not always be found on pads and no survey pegs were found at adit portals which have, in some cases, collapsed. Hence, positional errors of up to five metres may exist in some of the oldest data.

Drill hole deviation in the vertical plane was recorded during the Vietnamese drilling.

This data shows considerable flattening in some holes at deeper levels but no deviation in the horizontal plane is recorded. Therefore, the position of deeper holes must be regarded with suspicion. This does not affect the bulk of resources but is an important consideration when attempting to predict the existence or continuity of the massive sulfide zone at depth.

The site grid established by BPNM is specific to the Project. It has been used for geology and underground mining purposes. The Vietnamese national grid VN2,000 is used for all other purposes.

2008 Drilling

During late 2007 and the first half of 2008 BPNM conducted a diamond drilling program within the mining license area whose primary objectives were:

- In-fill drilling of MSV reserves to improve confidence for material to be mined during the first 1-2 years of production by determining the continuity, geometry and grade distribution of this material. This was carried out by underground drilling from the existing adits supplemented by surface drilling to test the deeper areas
- Development of the disseminated nickel resource – testing a zone adjacent to the MSV to determine whether a higher grade section(s) exists in mineable dimensions

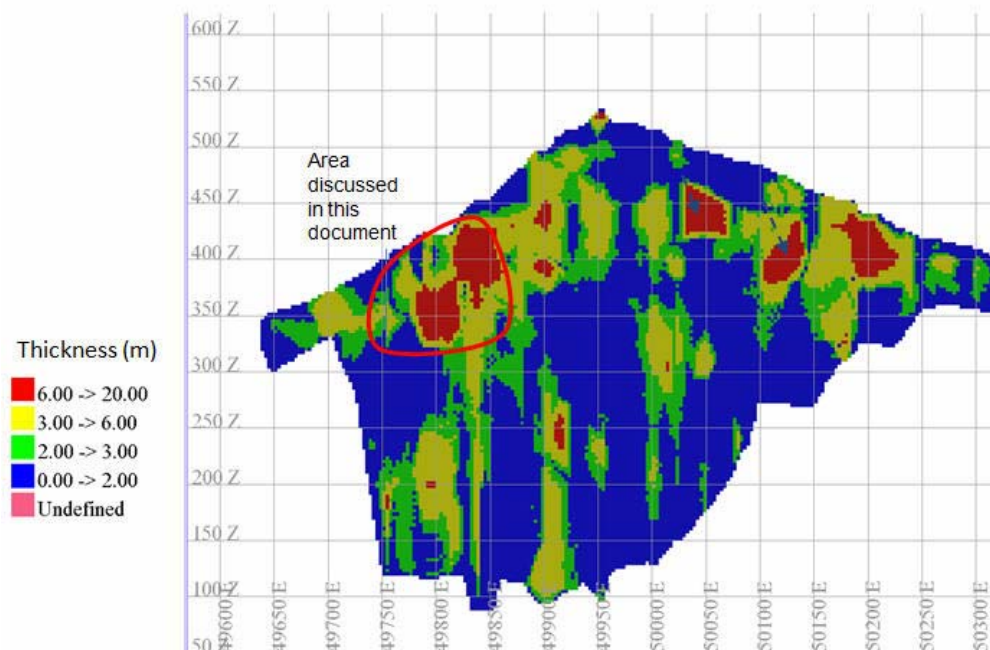
Massive Sulphide Reserve Confirmation

Under this portion of the program:

- 53 ‘in-fill’ holes were drilled from the adits for a total of 1,889m
- A detailed analysis of the in-fill drilling over a 100m x 25m section of strike adjacent to adit 301 (which contains close to 10% of the resource) was completed and compared with the original geological model. The results indicate that:
 - small changes in the geometry of the mineralised areas can be expected, having the potential to result in a modest loss in tonnage.
 - previous estimates for total metal content may be understated as a number of higher grade drill intersections have been recognized, although it is not possible to quantify this until a revised resource has been calculated.

Figure 5.1

Long Section looking north showing widths of massive sulphide reserves



- Key results from the drilling along adit 301 include the following:

Hole ID	From (m)	To (m)	Intercept Width (m)	True Width (m)	Ni %	Cu %	Co %
BP301-4	16.60	23.20	6.6	4.2	3.5	1.4	0.1
BP301-5	22.00	24.50	2.5	2.0	6.8	1.9	0.2
BP301-6	46.90	52.50	5.6	3.0	6.6	1.7	0.2
BP301-18	48.30	54.70	6.4	2.2	5.8	1.7	0.2
BP301-18A	34.35	36.95	2.6	2.6	6.7	2.3	0.2
BP301-19	16.00	17.90	1.9	1.3	6.9	0.6	0.2
	21.40	26.00	4.6	3.1	5.2	1.8	0.1
	33.90	35.10	1.2	0.8	4.2	1.0	0.1
BP301-23	32.30	44.40	12.1	7.1	4.4	1.6	0.1
BP301-24	12.00	26.50	14.5	13.9	1.9	0.5	0.1
BP301-25	25.65	31.00	4.8	3.8	3.6	1.5	0.1
	34.60	48.40	13.8	10.9	4.2	1.9	0.1
BP301-28	8.30	12.00	3.7	3.3	1.8	0.9	0.0
	18.76	23.00	4.2	3.9	5.8	1.5	0.2
BP301-30	24.00	31.50	7.5	7.4	3.9	1.7	0.1

Disseminated Sulphide Resource Evaluation

Under this portion of the program drilling of the disseminated resource lying within the mining license area and below the base of oxidation was begun and results were obtained from 10 holes drilled from surface. The target area extends over a strike of 150m and drilling to date has confirmed the presence of a zone with elevated grades as reported in the table below:

Hole ID	From (m)	To (m)	Intercept (m)	True Width (m)	Ni %	Cu %
BP07-01	70.00	78.00	8.00	4.59	0.95	0.22
BP07-02	58.10	66.45	8.35	4.79	0.76	0.67
BP07-02	74.00	82.00	8.00	4.59	0.84	0.34
BP07-03	89.90	101.00	11.10	6.37	0.93	0.08
BP07-04	52.96	55.90	2.94	1.69	2.50	0.76
BP08-01	163.75	164.90	1.15	0.74	6.68	2.31
BP08-02	187.85	195.90	8.05	4.62	1.79	0.57
BP08-03	154.40	160.00	5.55	5.00	0.68	0.54
BP08-05	165.30	180.00	14.7	8.10	0.57	0.06
BP08-09	82.00	107.20	25.2	20.0	1.33	0.20
BP08-12	61.40	82.00	20.6	16.9	1.01	0.46

These results indicate the presence of a zone of >0.7% nickel. .

6. SAMPLE PREPARATION, ANALYSES AND SECURITY

For information regarding sample preparation and analysis and security regarding all sampling and analysis conducted during the period ending December 31, 2007 reference is made to the disclosure made in the 2008 AIF and the 2007 Technical Report which includes references to the use of Genalysis Laboratory Services Pty of Perth, Western Australia and the Brisbane, Queensland facility of ALS-Chemex.

During 2008 minor changes were made to standard and fine blank selection as older runs have become unavailable and new reference materials have been created. These are still sourced from the same industry recognized suppliers. New selections of standards were expanded to include materials that are also certified for multi-element analysis and for PGE analysis. There has also been a recent change in primary laboratory. Whereas previously Genalysis Western Australia performed the role of primary laboratory and ALS Chemex performed the role of umpire laboratory, in April 2008 this was reversed, principally to ensure an acceptable timeframe for analysis and data delivery, while retaining the same 4 acid “total” digest and ICP analysis method, and the continued use of two internationally accredited ISO certified laboratories.

7. MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES

2007 Technical Report Estimates

As previously stated, the 2007 Technical Report incorporated resource and reserve estimates based on a geological model developed using drilling done up to 2004. Table 7.1 contains a summary of the MSV resource based on the methodology described and disclosed.

MSV Mineral Resource Estimate

Ordinary kriging was used to estimate grades and density into a block model for the MSV resource. The MSV resource is constrained to blocks that are clipped by hangingwall and footwall wire-framed surfaces. MSV intervals were defined on the basis of both geological and grade criteria using an approximate minimum of one metre horizontal width.

In addition to estimates for Ni, Cu and Co, sulfur content was also estimated to help characterize the nickel mineralization. Domains 1 (footwall), 2 (MSV) and 3 (hangingwall) were used in the modelling process for the MSV model. A hangingwall splay of the main MSV mineralization has been interpreted in the region between 49,825m E and 49,800m E.

Grades in the hangingwall (HW) and footwall (FW) domains were estimated to provide data for mine dilution. Block model dimensions are 12.5m by 0.5m by 12.5m and grades were estimated using 0.5m composites.

For each block there are estimates or assigned or interpreted values for:

- Ni%, Cu%, Co%, S%, Fe%, Mg% and SG (for each of MSV, FW/HW sediment portions) with Ni, Cu, Co and Fe derived from estimates of accumulation divided by SG;
- Oxide Code:
 - 1 = oxide (corresponding to logged codes 2, 3, 4 and 5);
 - 2 = primary (corresponding to logged code 0 and 1), allocated on a block centroid in / out basis relative to an oxide surface;
- Lithological Fraction: is the fraction of each block occupied by geological domains (FW, MSV, HW). A lithology code was also applied on the basis of the block fraction.

Confidence categorization was primarily on the basis of proximity to drilling data points. Measured Resources result from a 30m by 15m by 30m search (X, Y, Z, respectively, minimum of twelve 0.5m composites). Indicated Resources resulted from a 60m by 30m by 60 m search (minimum of ten 0.5m composites). Inferred estimates resulted from a 100m by 50m by 100m search (minimum of six data).

Resources initially classified as Measured or Indicated were re-classified as Inferred if the data informing those blocks was from only one drill hole.

Variogram parameters are provided in Table 7.1. Mg was estimated using an inverse distance squared methodology.

Table 7.1 - Variogram Parameters Used for MSV Estimation

Parameter	Model	Gamma	Searches (metres)			Plunge	Azimuth
			X	Y	Z		
SG*Co	NUG	0.1					
	EXP	0.36	21	2	20	35	270
	SPH	0.51	52	56	95	35	270
	SPH	0.03	155	150	150	35	270
SG*Cu	NUG	0.1					
	EXP	0.56	10	3.5	9	35	270
	SPH	0.26	70	4	66	35	270
	SPH	0.08	160	84	125	35	270
SG*Fe	NUG	0.06					
	SPH	0.02	3.5	3.5	21	35	270
	SPH	0.73	62	3.5	31	35	270
	EXP	0.19	125	91	68	35	270
SG*Ni	NUG	0.1					
	SPH	0.29	8	2	2	35	270
	EXP	0.47	32	4	31	35	270
	SPH	0.14	334	444	185	35	270
SG	NUG	0.1					
	SPH	0.3	2	2.5	2	35	270
	EXP	0.5	3	8.5	31	35	270
	EXP	0.1	188	288	109	35	270
SG*S	NUG	0.1					
	EXP	0.48	21	2	21	35	270
	SPH	0.38	98	54	85	35	270
	SPH	0.04	270	229	96	35	270

NUG – Nugget; SPH – Spherical; EXP - Exponential

Grades were derived by dividing the estimated accumulations by density, except for Mg which was directly estimated. Accumulations of Co, Cu, Fe, Ni, S and SG for diluent material in the hangingwall and footwall were estimated using inverse distance squared weighting. Mg was directly estimated.

The estimates assumed sulfide flotation processing methodology and therefore excluded oxide and transition mineralization likely to have poor metallurgical recovery.

Excluded estimates may result from two criteria; first, blocks were excluded if they occurred above an oxidation surface that is typically 25 to 50m below the natural surface; second, blocks were excluded if they have low ratios of sulfur to nickel that suggest the presence of significant non-sulfide nickel. This occurs for blocks with a sulphur to nickel ratio of less than 1:2. It was noted that pre-2004 sampling was not routinely analysed for sulfur and, therefore, interpolated sulfur grades in the block model are subject to uncertainty in some areas.

Reported cut-off grades were based on a preliminary assessment of mining and processing costs and anticipated recoveries based on only limited metallurgical testwork.

Table 7.2 contains a summary of the MSV resource based on the above methodology.

Table 7.2- Summary of MSV Resources, 2005

Total MSV with Ni/S ≤ 2 (Potentially Recoverable by Flotation), 0.4% Ni Cut-off Grade										
Category	Tonnes	Ni%	Cu%	Co%	S%	Fe%	Mg%	Ni Metal	Cu Metal	Co Metal
Measured	608,089	2.66	1.09	0.09	14.99	28.95	3.10	16,193	6,628	559
Indicated	621,615	2.88	1.16	0.09	15.16	30.02	2.73	17,896	7,217	572
Inferred	258,328	2.43	1.16	0.09	15.89	27.56	3.01	6,264	2,994	225
Meas & Ind	1,229,704	2.77	1.13	0.09	15.08	29.49	2.91	34,087	13,846	1,131

Mineral Resources that are not mineral reserves do not have demonstrated economic viability.

The Qualified Person for NI 43-101 compliance with regard to the mineral resource estimation disclosed above is Philip L Hellman, FAIG Ph.D of Hellman and Schofield Pty Ltd.

Disseminated Mineral Resource Estimate

Subsequent to making the disclosure regarding the disseminated mineral resource contained in the February 2005 Preliminary Assessment, the interpretation of the resource was replaced by a new interpretation in which it is domained into two podiform type zones both of which still require considerable drilling to confirm their shape and continuity.

Hellman and Schofield Pty Ltd completed a revised disseminated resource estimate using the revised geological interpretation using cut-off grades for Ni varying between 0.25% and 0.40%. The results in Table 7.3 are classified on the basis of confidence in the nickel estimates. For the 0.40% Ni cut-off grade which was the only one reported in 2005, the comparable tonnages of nickel for Indicated and Inferred were 73,116 and 45,881, respectively.

Table 7.3- Summary of Disseminated Resources, 2005

Category	Cut-off grade (Ni%)	Tonnes	Nickel (%)	Sulfur (%)	Ni Metal (t)
Indicated	0.25	25,937,071	0.40	0.48	103,748
	0.30	20,998,928	0.43	0.51	90,295
	0.35	14,328,270	0.48	0.58	68,728
	0.40	8,655,834	0.55	0.68	47,434
Inferred	0.25	22,065,879	0.38	0.39	84,292
	0.30	18,495,233	0.40	0.41	74,351
	0.35	12,389,084	0.44	0.45	54,388
	0.40	6,514,827	0.50	0.51	32,509

Mineral Resources that are not mineral reserves do not have demonstrated economic viability.

The Qualified Person for NI 43-101 compliance with regard to the mineral resource estimation disclosed above is Philip L Hellman, FAIG Ph.D of Hellman and Schofield Pty Ltd.

A critical issue for the disseminated resource is the lack of sulfur data for holes drilled before 2003 since the sulfur level largely controls what can be regarded as a resource suitable for processing by flotation methods. From preliminary metallurgical work in 2004, it was considered unlikely that mineralization

with a high nickel to sulphur (Ni/S) ratio could be recovered economically using flotation. Accordingly, the disseminated estimates in Table 7.3 were reported on the basis of estimated blocks with Ni/S $\leq$ "2". Only one-third to one-quarter of the resources quoted had sufficient sulfur information to support the quoted confidence categorization.

MSV Mineral Reserve Estimate

The reserve forms part of the mineral resource with adjustments for mining dilution and recovery appropriate for the proposed mining method of short-hole open stoping.

Reserve Standard

Ore recovery and dilution are dependent on the mining methods used. The mining methods chosen for Ban Phuc are:

- uphole retreat benching without fill, and
- benching with dry fill.

These mining methods and the reasons for their selection are discussed in the following Section 9.

Table 7.4 shows the ore dilution and recovery figures applied to uphole retreat benching. General mining recovery allows for ore lost in circumstances such as on the floor of the lowest lift, in the corners of the development sills, on top of pillars and unplanned pillars.

Table 7.4 - Dilution and Recovery Assumptions for Uphole Retreat Benching in Lens 1

Item	Unit	Development	Uphole Retreat in Good Ground	Uphole Retreat in Poor Ground
Total Dilution Skin Thickness	m	0.2	0.8	1.5
Fill and Other Dilution	%	0%	0%	0%
General Mining Recovery	%	95%	90%	80%

Table 7.5 shows the dilution and recovery figures applied to benching with fill. The wall control allowed by benching with fill is reflected in a lower expected wall falloff, however mucking off a fill floor will incur dilution in the order of 7%.

Table 7.5 - Dilution and Recovery Estimates for Benching with Fill in Lens 1

Item	Unit	Development	Uphole Retreat in Good Ground	Uphole Retreat in Poor Ground
Total Dilution Skin Thickness	m	0.2	0.6	1.5
Fill and Other Dilution	%	0%	7%	0%
General Mining Recovery	%	95%	90%	90%

Other Reserve Parameters

Process recovery test work has been conducted on a range of feed grades to establish grade recovery relationships and on samples from a range of locations through the deposit including near surface samples to test the impact of possible partial oxidation, capital and operating costs for mining, processing, utilities, infrastructure and concentrate transport have been estimated to a feasibility study standard.

Reserves definition was based on a nickel price of US\$4.00/lb and a copper price of US\$1.00/lb with assumed base case deductions for concentrate pricing terms from W.H. Cunningham & Associates.

Reserve Categories

The mining reserve used for the mine schedule is based on the Hellman & Schofield 2005 geological model in which the MSV was divided into Measured, Indicated and Inferred categories depending on the geological confidence level of a particular area. Measured Resource has converted to Proven Reserves and Indicated Resources to Probable Reserves.

No extraordinary risk factors were identified to warrant downgrading of the reserve categories in the resource to reserve conversion.

Mineral Reserves

Table 7.6- MSV Mineral Reserve Estimate

Category	Unit	Total
Proven	Mt	0.47
	%Ni	2.6
	%Cu	1.0
	%Co	0.09
Probable	Mt	0.54
	%Ni	2.2
	%Cu	0.9
	%Co	0.07
Total (Proven and Probable)	Mt	1.01
	%Ni	2.4
	%Cu	1.0
	%Co	0.08

The above Mineral Reserves are included in the Mineral Resources in Table 7.2.

The Qualified Person for NI 43-101 compliance with regard to the mineral reserve estimation disclosed above is John Wyche B.E (Min), BComm, MAusIMM (CP), MMICA of Australian Mine Design and Development Proprietary Limited.

2009 Mineral Resource Update

In late 2007 BPNM initiated a drilling program with two primary objectives; to determine the continuity, geometry and grade distribution of the MSV orebody in the zones planned to be mined in the first 1-2 years, and to determine whether a zone of 'high grade' disseminated sulphides could be delineated for consideration as inclusion in the mine plan as a source of additional feed to the plant.

Although the drilling begun in 2007 and completed in 2008 was done primarily to improve confidence in the geometry and mineral grades to be expected during the first 1-2 years of production, the results were also used to produce an updated mineral resource estimate.

The following tables summarise the revised resource estimate completed in February, 2009:

Table 7.7 – Revised Summary of Resources, 2009

Total MSV with Ni/S <= 2 (potentially recoverable), 0.4% Ni COG. SULPHIDE ZONE										
Category	Tonnes	Ni%	Cu%	Co%	S%	Fe%	Mg%	Ni Metal (t)	Cu Metal (t)	Co Metal (t)
1	748,859	2.801	1.12	0.083	13.13	29.01	3.69	20,976	8,372	622
2	433,672	2.39	1.12	0.074	13.49	23.84	2.40	10,369	4,840	321
3	266,960	2.46	1.06	0.081	13.71	28.18	2.80	6,567	2,816	216
1+2	1,182,531	2.65	1.12	0.080	13.26	27.11	3.22	31,337	13,209	946
1-3	1,449,491	2.62	1.11	0.080	13.34	27.31	3.14	37,904	16,031	1160

Total MSV with Ni/S <= 2 (potentially recoverable), 0.4% Ni COG. OXIDE ZONE										
Category	Tonnes	Ni%	Cu%	Co%	S%	Fe%	Mg%	Ni Metal (t)	Cu Metal (t)	Co Metal (t)
1								0	0	0
2	85,745	1.46	1.74	0.044	7.07	28.11	4.10	1,254	1,495	38
3	79,701	2.09	1.06	0.066	11.39	26,11	3.05	1,663	844	53
1+2	85,745	1.46	1.74	0.044	7.07	28.11	4.10	1,254	1,495	38
1-3	165,446	1.76	1.41	0.055	9.15	27.15	3.60	2,917	2,339	91

Total MSV with Ni/S <= 2 (potentially recoverable), 0.4% Ni COG. OXIDE + SULPHIDE ZONE										
Category	Tonnes	Ni%	Cu%	Co%	S%	Fe%	Mg%	Ni Metal (t)	Cu Metal (t)	Co Metal (t)
1	748,859	2.801	1.12	0.083	13.13	29.01	3.69	20,976	8,372	622
2	519,418	2.24	1.22	0.069	12.43	24.55	2.68	11,625	6,337	358
3	346,660	2.37	1.06	0.077	13.18	27.70	2.85	8,230	3,661	267
1+2	1,268,277	2.57	1.16	0.077	12.84	27.18	3.28	32,595	14,712	977
1-3	1,614,937	2.53	1.14	0.077	12.91	27.29	3.19	40,826	18,362	1244

Notes:

1. Some intercepts logged as oxidised have sulphur assays suggestive of a sulphide status with total sulphur values as high as 19.6%. This material is tabulated separately and assigned a lower confidence level pending further work.
2. Categories 1, 2 and 3 are the normal equivalents of Measured, Indicated and Inferred resources categories provided no material issues exist relating to the underlying data and its interpretation.
3. Simon Mottram, B. Sc (Applied Geology) Member of the Australian Institute of Mining and Metallurgy, is the Qualified Person for NI43-101 compliance purposes regarding accuracy and representivity of matters such as QA/QC, geological interpretation and quality of sampling.
4. Based on and subject to Note 3, Dr. Philip L. Hellman, FAIG PhD of Hellman & Schofield Pty. Ltd. is the Qualified Person for the purpose of the estimates in the above tables.
5. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

The following table compares in summary form the 2009 resource estimates set out in Table 7.7 with the estimates done in 2005 by Hellman & Schofield Pty Ltd. set out in Tables 7.2 and 7.3.

Table 7.8 – Comparative Change in Metal Content between the 2005 Resource Estimate and the 2009 Resource Estimate

Category	Ni	Cu	Co
Category 1/Measured	+22.8%	+ 20.8%	+ 10.0%
Category 2/Indicated	-4.6	+5.9	-15.8
Category 3/Inferred	+ 1.2	+ 8.3	- 8.9

Notes:

1. The numbers shown are percentage increases/decreases between the 2009 and 2005 estimates.
2. See Notes to Table 7.4 regarding the basis on which the presentation is made.

2010 Mineral Resource and Reserves Update

In June 2010 the Company announced that the contained nickel in the massive sulphide deposit at Ban Phuc in the Measured and Indicated categories had increased by approximately 13,000 tonnes (40%) over the February 2009 estimate. In making the announcement the Company stated that “The increase is principally the result of drilling designed to test and better define the western section of the deposit at depth with the majority of this new resource reporting to the Indicated category. In addition, data derived from underground stope definition drilling and channel sampling of new massive sulphide exposures in underground development (reported in October, 2009) resulted in a significant movement of resources from Inferred into the Indicated category adding further to the confidence in the resource. Together these changes produced an increase in the Measured and Indicated Mineral Resource of approximately 13,000t of contained Ni and 6,000t of contained Cu. The remaining inventory of the Inferred Mineral Resource has reduced by approximately 5,000t of Ni and 3,000t of contained Cu in comparison with the previous (February 2009) estimate.”

The following Table 7.9 summarizes the new resources estimate:

Ban Phuc Massive Sulphide Resource Estimate							
<i>Using a cut off of 0.40% nickel</i>							
Category	Tonnes (000’)	Ni (%)	Cu (%)	Co (%)	Nickel (t)	Copper (t)	Cobalt (t)
Measured	730	2.78	1.16	0.07	20,385	8,481	528
Indicated	960	2.60	1.22	0.06	24,943	11,662	537
Meas + Ind	1,690	2.68	1.19	0.06	45,328	20,143	1,064
Inferred	170	1.94	0.80	0.03	3,303	1,361	55

The Qualified Person for the new estimate and National Instrument 43-101 compliance is Dr Bielin Shi, Member of the Australasian Institute of Mining and Metallurgy (MAusIMM), of CSA Global – Perth, Australia. Dr. Shi has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration, and to the activity he is undertaking, to act as a Qualified Person as defined by NI 43-101. Dr Shi consents to the inclusion of such information in this news release in the form and context in which it appears.

In July, 2010 the Company announced an increase in the disseminated sulphide resources at Ban Phuc whereby the contained nickel in the Measured and Indicated categories increased to 73,900t Ni in 12.4 MT at a grade of 0.59% Ni (Table 7.10), being an increase of 55% over the previous figures. The increase, as set out in the following table, was stated to be the result of a concerted drill program designed

to test the integrity and continuity of the disseminated mineralisation which lies in close proximity to the massive resource.

Table 7.10 - Ban Phuc – Disseminated Sulphide Resource Estimate Using a cut-off of 0.40% nickel					
Category	Tonnes (000')	Ni%	Cu%	Nickel (t)	Copper (t)
Measured	2,230	0.63	0.08	14,100	1,800
Indicated	10,245	0.58	0.04	59,800	3,900
Measured + Indicated	12,476	0.59	0.05	73,900	5,700
Inferred	7,415	0.56	0.01	41,700	700

The Qualified Person for the new estimate and National Instrument 43-101 compliance is Dr Bielin Shi, Member of the Australasian Institute of Mining and Metallurgy (MAusIMM), of CSA Global – Perth, Australia. Dr. Shi has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration, and to the activity he is undertaking, to act as a Qualified Person as defined by NI 43-101. Dr. Shi consents to the inclusion of such information in this news release in the form and context in which it appears.

The July announcement stated that “Within the disseminated resource lies an area of 'select disseminated' adjacent to the massive sulphide resource and readily accessible from the underground infrastructure needed to mine the massive sulphide resource. This zone offers potential for bulk mining methods which could provide supplemental feed to take advantage of spare capacity in the current Ban Phuc plant design. Preliminary metallurgical test work has confirmed that Ban Phuc disseminated material can be blended with the massive sulphide and processed via the existing flowsheet without negatively impacting on recovery or the saleability of the concentrate.”

The “Select” disseminated resource, which is a subset of the new Disseminated Resources as shown above in Table 7.10, is shown in the following Table 7.11.

Table 7.11 - Ban Phuc – “Select” Disseminated Resource Estimate Using a cut-off of 0.40% nickel					
Category	Tonnes (000')	Ni%	Cu%	Nickel (t)	Copper (t)
Measured	1,552	0.62	0.10	10,100	2,100
Indicated	579	0.51	0.02	3,100	100
Measured + Indicated	2,131	0.59	0.08	13,100	2,100

On August 6, 2010 the Company announced an increase in the massive sulfide reserves at Ban Phuc whereby estimated nickel in proven and probable reserves increased to 36,000 tonnes, being an increase of 12,000 tonnes over the previously reported estimate and estimated contained copper had increased by 6,000 tonnes to 16,000 tonnes as shown in the following table

Table 7.12

Ban Phuc – Massive Sulphide Reserves. Using a cut-off of 0.75% nickel equivalent.							
Category	Tonnes (MT)	Ni (%)	Cu (%)	Co (%)	Contained Nickel (000't)	Contained Copper (000't)	Contained Cobalt (000't)
Proven	0.71	2.4	1.0	0.06	17	7	0.4
Probable	0.91	2.1	1.0	0.04	19	9	0.4
Total	1.62	2.2	1.0	0.05	36	16	0.8

Notes 7.12:

1. *The stated Mineral Reserve for the Ban Phuc project comprises of Massive Sulphide mineralization only.*
2. *The stated Mineral Reserves have been prepared in accordance with Canada's National Instrument 43-101 Standards of Disclosure for Mineral Projects and are classified in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum's " CIM Definition Standards- For Mineral Resources and Mineral Reserves". Mineral Reserves estimates reflect the Company's reasonable expectation that all necessary permits and approvals will be obtained and maintained. Mining dilution and mining recovery have been applied in estimating the Mineral Reserves.*
3. *The July 2010 Reserve estimate was prepared by Chris Desoe, BE (Mining), Member of the Australasian Institute of Mining and Metallurgy (M. AuslMM), Member of Mineral Industry Consultants Association, of Australian Mine Design and Development Pty Ltd (AMDAD). Mr. Desoe is a "Qualified Person" as defined by Canada's National Instrument 43-101.*
4. *The July 2010 reserves are based on the recently updated June 9, 2010 Resource estimates prepared by Dr. Bielin Shi, M.AuslMM, of CSA Global Pert, Australia.*
5. *The cut-off grade for the calculation of Mineral Reserves is clearly defined in Table 7.12.*
6. *The July 2010 Mineral Reserves were estimated using a Nickel price of US\$9.1/lb, Copper price of US\$3.0/lb, and Cobalt price of US\$20/lb.*
7. *Operating cost estimated were derived from the same assumptions described in the 2007 Technical Report updated to reflect current conditions and lie within the range envisaged in the sensitivity analysis reported in the 2007 Technical report.*
8. *The annual ore production estimate remains unchanged at between 300,000t as identified in the 2009 AIF.*
9. *Calculation of the July 2010 Reserve estimate includes Vietnamese Government Royalties of 4% to the end of 2012, and 10% beyond 2012.*
10. *Calculation of the July 2010 Reserve estimate includes the Vietnamese Government Export Tariff of 20%.*
11. *Item 19(m) of Form 43-101F1: The Nickel equivalent cut-off grade used in the calculation of the July 2010 Mineral Reserves is calculated based on metal prices stated in Item 6, such that an economically even cut-off value is applied despite variations in the ratio between the 3 payable metals- Ni/Cu/Co.*
12. *For more detailed information regarding the Ban Phuc massive sulphide deposit, mining, processing and design considerations (except those in item 13) for the calculation of the July 2010 reserves in Table 7.12 see: Ban Phuc Project Technical report (NI 43-101)-August 2007, that can also be found as www.sedar.com.*
13. *Changes in mine design parameters used in calculation of the July 2010 Reserves that differ from Ban Phuc Project Technical report (NI 43-101) – August 2007 comprise of an updated geotechnical study concluding that the level spacing could be increased from 15m to 20m, and a westerly repositioning of the lower access decline to more evenly access reserves at depth.*
14. *Numbers may not add due to rounding.*

The August 6, 2010 press release went on to state that, as a result of these announced increases total Ban Phuc resources were now as set out in the following Table 7.13:

Table 7.13

Ban Phuc – Total Resource Estimate. Using a cut-off of 0.40% nickel.							
Category	Tonnes (000')	Ni (%)	Cu (%)	Co (%)	Contained Nickel (t)	Contained Copper (t)	Contained Cobalt (t)
Measured and Indicated							
Massive sulphides	1,691	2.68	1.19	0.06	45,328	20,143	1,064
Disseminated sulphides	12,476	0.59	0.05	0.01	73,900	5,700	1,000
Massive + Disseminated	14,167	0.84	0.19	0.02	119,228	25,843	2,064
Inferred							
Massive sulphide	170	1.94	0.81	0.03	3,303	1,361	55
Disseminated sulphides	7,415	0.56	0.01	0.00	41,700	700	100
Massive + Disseminated	7,585	0.59	0.03	0.00	45,003	2,061	155

Notes to Table 7.13

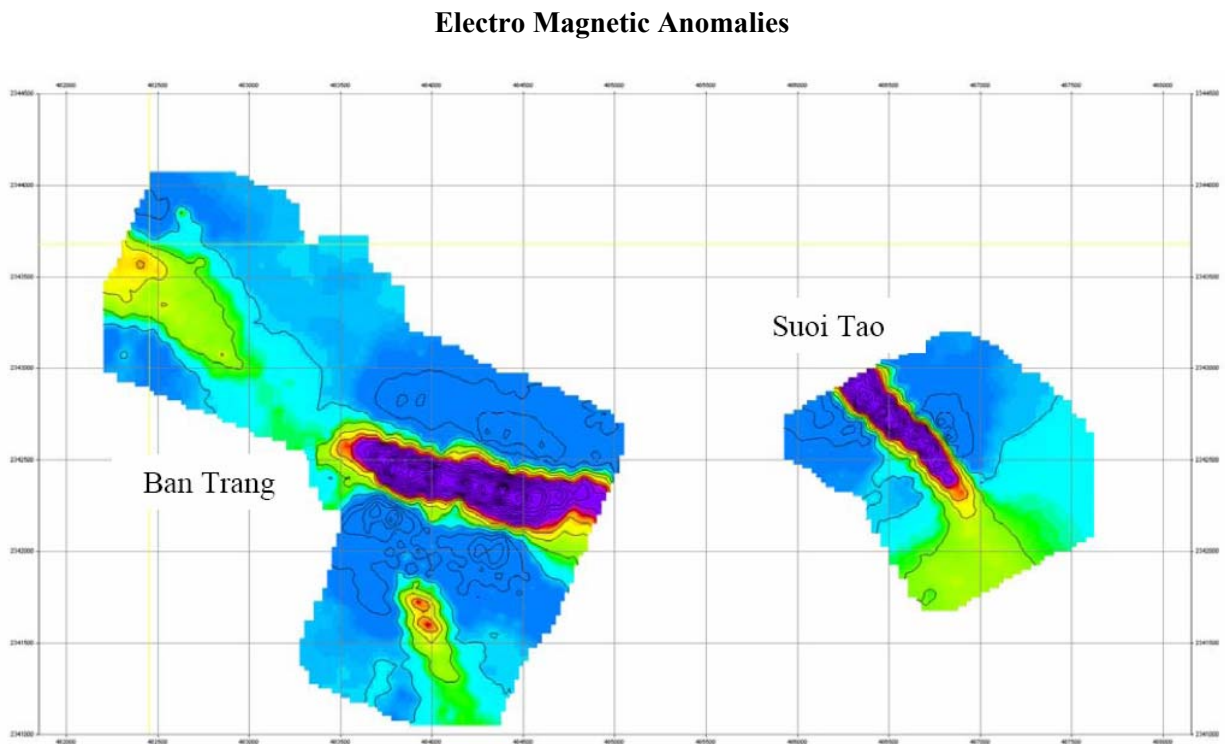
1. The stated Mineral Resources for the Ban Phuc project comprises of both massive Sulphide and Disseminated Sulphide mineralization. They are clearly defined individually in Table 7.13.
2. 100% of the Massive Sulphide measured and indicated resource inventory has been used in the calculation and preparation of the Mineral Reserves presented in Table 7.13. 'Mineral Reserves are included in Mineral Resources.
3. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. This comprises of all Disseminated Resources and all Inferred Resources in Table 7.13.
4. The stated Mineral Resources have been prepared in accordance with Canada's National Instrument 43-101 Standards of Disclosure for Mineral Projects and are classified in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum's "CIM Definition Standards- For Mineral Resources and Mineral Reserves".
5. The June 2010 Resource estimates were prepared by Dr. Bielin Shi, M.AuslMM, of CSA Global- Perth, Australia. Mr. Shi is a "Qualified Person" as defined by Canada's National Instrument 43-101.
6. The cut-off grade for the calculation of Mineral Reserves is clearly defined in Table 7.13.
7. Inferred Mineral Resources are not included in the calculation of Mineral Reserves described in Table 7.13.
8. For more detailed information regarding the Ban Phuc massive sulphide deposit, mining, processing and design considerations (except those in item 13) for the calculation of the July 2010 reserves in Table 7.12 see: Ban Phuc Project Technical report (NI 43-101)-August 2007, that can also be found as www.sedar.com
9. Numbers may not add due to rounding.

8. EXPLORATION

During 2008 exploration activities in the areas adjacent to the mine had as their primary focus the completion of a series of Fixed Loop Electro Magnetic surveys before the wet season. Overall, 1097 stations were acquired for a total of 52 line km of data (7 fixed loops and 49 survey lines) over 4 prospect areas. Preliminary assessment of the data identified five anomalies as follows:

- **Adit 7** (approximately 1km east of Ban Phuc) – one deep, moderate-weak conductor
- **Suoi Tao** (approximately 6km east of Ban Phuc) – two conductors, one strong and one moderate
- **BanTrang** (approximately 3km SE of Ban Phuc) – one strong conductor
- **Co Muong** (approximately 4km SE of Ban Phuc) – one weak conductor

Figure 8.1



Drilling of these anomalies commenced, with two holes completed in Ban Trang, intersecting an un-mineralized graphitic horizon; and two holes completed at Suoi Tao intersecting Ni/Cu/PGE disseminated mineralization in an ultramafic sill, for a peak result of 6m at 0.7% Ni, 0.5% Cu, 0.6 g/t PGE.

At the Ban Mong prospect drilling commenced at the end of 2009 to test continuity and orientation of the differentiated ultramafic intrusion below its outcrop, and to better understand the geology and mineralization in preparation for a ground EM survey in 2010.

The 2009 drilling program of 5 shallow holes with total length of 204m indicated the high PGE bearing massive sulphide pods along the ultramafic – mafic dyke of 600m long.

Table 2 : Significant assays of core samples of the drilling program at Ban Mong in 2009.

Hole ID	From (m)	To (m)	Intersection (m)	Ni (%)	Cu (%)	Co (%)	PGE g/t
BM09-01	9.85	10.10	0.25	3.32	0.54	0.10	2.32
BM09-02	28.85	29.10	0.25	0.79	0.25	0.04	
BM09-02	55.40	55.70	0.30	0.47	0.80	0.01	5.85

2010 Drilling and Exploration

The 2010 diamond drilling program at Ban Phuc aimed to increase the understanding of the western extension of the massive sulphide vein. Five deep drill holes with total length of 1587m were completed in March. The MSV was shown to be down plunging to the west, therefore it is not exposed on the surface and shallow drill holes have not intersected mineralization on this part of the vein. These holes were designed to intercept at a greater depth along the strike and used DHEM surveying to locate MSV relating conductors. Two holes of the program, BP09-01 and BP10-02 intersected MSV which confirmed the west extension to increase the total measured and indicated resources of MSV resources to 1.69

million tonnes of ore and inferred by 0.17 million tonnes with a cut-off grade of 0.4%Ni. The DHEM data also indicate the conductor relating to the down plunge west extension of MSV.

Table 1 : Significant assays of core samples of the drilling program in the period from late 2009 to March 2010 at Ban Phuc.

Hole_ID	From (m)	To (m)	Intersection (m)	Ni (%)	Cu (%)	Co (%)	PGE g/t
BP09-01	200.10	200.38	0.28	0.89	0.61	0.03	
BP09-01	202.00	202.25	0.25	0.45	0.04	0.02	
BP09-01	223.85	226.10	2.25	3.93	7.25	0.48	0.31
BP10-02	226.00	227.00	1.00	1.29	0.73	0.12	

Surface geophysical surveys by conventional FLTEM were completed at Ban Mong, Ban Khoa and Ban Khang from late February to early April 2010. At the Ban Mong prospect the survey indicated a 200m long EM anomaly which coincided with the locations of MSV outcrops along the creek. At Ban Khoa the survey determined two EM anomalies, the 350m long BK1 anomaly is considered as the extension of the King Snake EM anomaly relating to King Snake MSV which was defined in the 2000-2001 period. Two EM anomalies, 900m long and 400m long are located near the Ban Khang ultramafic intrusion. These EM anomalies are considered as good targets for follow up drilling.

2011 Exploration

Exploration activities in 2011 were aimed at obtaining more information to be added to existing data which will be submitted in due course to MONRE. Activities consisted of soil sampling on known prospects, and mapping and prospecting work within BPNMs investment certificate area. While samples analysed by Niton RXF in the field were indicative in certain cases of mineralisation formal laboratory analysis will be required prior to the release of any results. However the work did disclose a number of targets for follow up exploration. No drilling was done during 2011.

9. MINE DEVELOPMENT

The activities undertaken during the first nine months of 2008 as described above under “2008 Project Development Activities” had the objective of constructing a mine and processing plant conforming to their descriptions in the 2007 Technical Report and in the Company’s 2008 AIF. At the appropriate time the Company expects to review the content of the Project in light of the 2009 and 2010 revised MSV reserve estimates and other considerations related to start-up date, production rate, Project life, capital and operating costs and the Vietnamese fiscal regime, following which the required revisions are expected to be incorporated in a revised technical report which will form the basis for a decision regarding Project completion.

Accordingly, the following disclosure is subject to modification to reflect the contents of such a revised technical report and should be read in that context.

Mining Methods

The mining methods currently proposed for the Project mine are designed to cope with the orebody characteristics, as well as achieving:

- high ore recovery to maximize high value product from a relatively small orebody;
- ore production rates in the order of 220,000 tpa to 250,000 tpa;

- low mining costs;
- minimal out-of-ore development; and,
- safe mining conditions.

To achieve these objectives it is proposed that the following methods will be applied over different parts of the orebody:

- uphole retreat benching without fill.
- benching with dry fill (waste).

Entry methods such as shrink stoping were not considered due to concerns with safety of the miners and increased risks with reliability and continuity of production. The deposit has been broken up into mining districts to enable multiple areas to be worked at the same time, giving flexibility to production.

Uphole Retreat Benching

This method is a top-down method using uphole drilling and working from a blind heading back to an access crosscut. The production rate achieved by this method depends largely upon the width of the orebody with wide areas yielding higher tonnes per metre of strike, so mucking in between firings will be more continuous. Narrow areas may yield only enough ore for part of a shift, after which charging and firing would need to be undertaken again.

Benching With Fill

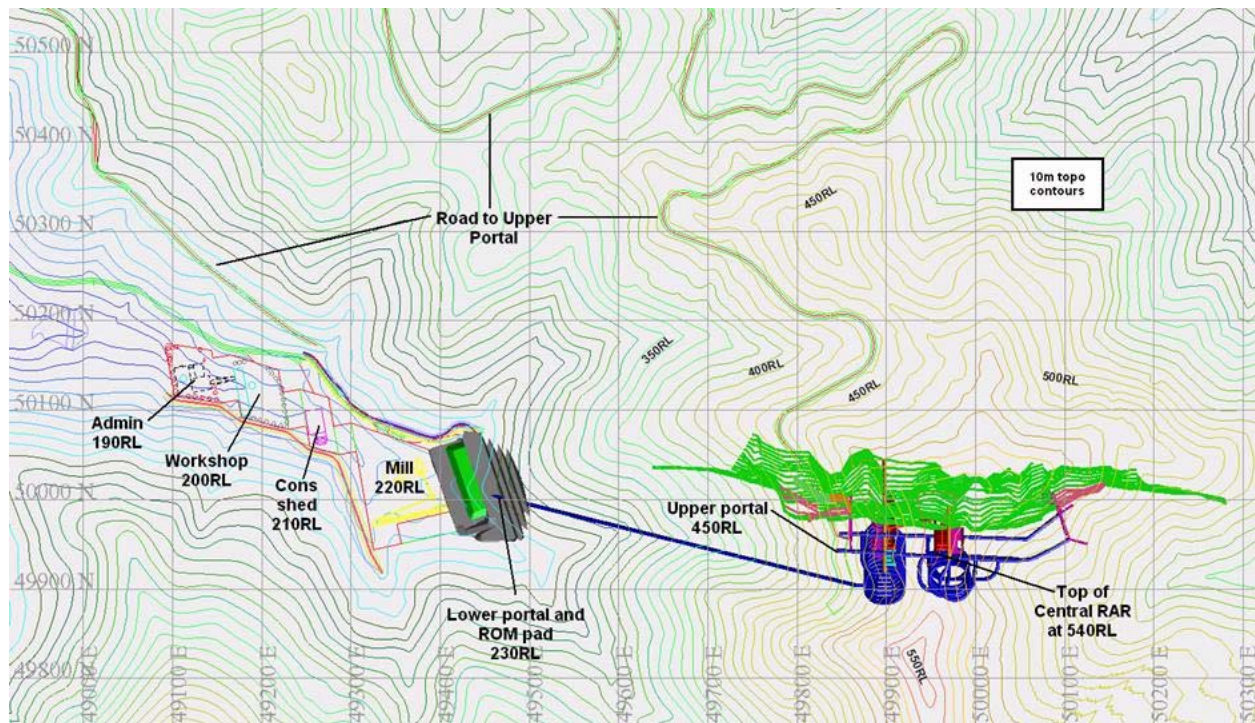
Benching with dry fill is a bottom-up method that controls the open span dimensions by using dry fill as a passive wall support. The dry fill allows higher orebody extraction by avoiding the need for planned pillars although there is a cost incurred in placing the fill. This is why the method has been reserved for the wide, high-value areas where the average orebody width of the benching areas is 9.2m.

Mine Layout

The general layout of the mine is shown on the Figure below. Access to the underground will be via two portals which have already been completed. The portals are approximately 230m apart and an internal access decline/ramp will be excavated to connect the two and provide access for the extraction of ore between these horizons. Several vertical raises will be excavated to assist in the provision of ventilation and to allow transfer of the ore from the upper mine direct to the main haulage level where it will be loaded into truck and transported direct to the process plant.

The lower portal, which provides access to the main haulage ramp into the mine is located near the process plant area at 235 relative level (“**RL**”).

The upper portal is at 450 RL. Footwall drives located on 450 RL and 300 RL will connect the various declines and vertical openings to enable the ore handling and ventilation systems to function effectively.



Lower Portal

Facilities on the run-of mine (“**ROM**”) stockpile pad will include the mine air compressors and possibly a water header tank and sub-station. An important detail in the final portal area will be the water management structures. Water flowing out of the portal will be collected in a drain and diverted to the dirty water system and not allowed to run across the ROM pad. Water runoff from the surrounding hills and gullies will also be diverted using drains and sloped berms to keep the ROM pad free from erosion.

The completed ROM pad will hold from 15,000 to 25,000 t of ore depending on the extent and height of the pile. Around 80,000 m³ of material will need to be cut from the hillside to form the wall of the ROM pad, of which 65,000 m³ will be used as fill to build the pads up. Thus, a reasonable sized pad should be available for setting up facilities before mining commences.

Upper Portal

The already completed upper portal will be used to access early development sites in the mine. Initially, it will be separate from the main workings so it needs to be set up as an independent work site. It was considered easier to install a services trench to carry an electrical cable and water pipe up to the site rather than locate another generator on the hillside. Facilities at the temporary upper portal will include an area for storage of waste generated from mining the waste drives. As the upper portal site is remote it is not practical to remove the waste to the tailings storage facility (“**TSF**”) or other areas. Also, much of the waste is required for backfilling the benches at a later date, and on an area which has been identified for use as a waste (mullock) stockpile.

Process Plant Description

The process plant will produce a bulk nickel concentrate with copper and will comprise the following unit processes:

- crushing
- crushed ore storage, reclaim and mill feed
- grinding
- flotation
- concentrate thickening, filtration, storage and load-out
- tailing thickening, pumping and return water
- reagent storage, mixing and distribution
- utilities.

For a detailed description of the various elements of the plant, reference is made to the 2007 Technical Report at Section 21.2.2.

While the process plant as constructed will be capable of processing 450,000 tpa, it will be operated on a campaign basis to conform to the ore production schedule target when it is finally selected.

Project Capital and Operating Cost Estimates

As described above, substantial capital expenditures were made in 2008 on Project development based on a capital cost estimate of US\$73.6 million. An estimate of the amount required for Project completion will be made at the appropriate time based on revised timing, production rate and Project life and other considerations. Operating cost estimates will also be revised appropriately.

Environmental Rehabilitation

Post closure rehabilitation requirements and on site water management provisions will be formulated in consultation and in agreement with Vietnamese government agencies, including MONRE. A key aspect of rehabilitation will be the final post mine land use as well as rehabilitation concepts for the TSF.

This process will require the development of detailed rehabilitation designs and management plans prior to implementation. Limited rehabilitation trials will be carried out over the life of mine to refine and confirm rehabilitation designs and performance. The rehabilitation concepts have been incorporated in the project Environmental Management Plan. BPNM will prepare a preliminary mine closure plan (“PMCP”) once the mining life of the deposit has been exhausted. The PMCP will incorporate findings from previously carried out rehabilitation trials conducted at the project. No firm estimate of rehabilitation costs can be provided pending completion of the process described above.

Concentrate Production and Sales

BPNM and Jinchuan Group Ltd. are parties to an Off-Take Agreement dated April 28, 2008 whereby Jinchuan has agreed to purchase 100% of the nickel concentrates to be produced during the life of mine of the initial Project (being an estimated 20,000 tonnes). Jinchuan has certain refusal rights to buy additional concentrates.

Economic Analysis

The 2007 Technical Report contained a base case model based on capital and operating cost estimates and other assumptions whose details are disclosed in the 2008 AIF.

Exploration

BPNM has filed with the Vietnamese authorities applications for exploration licenses covering 97 km² of the Ban Phuc Project Area .

DESCRIPTION OF CAPITAL STRUCTURE

Authorized and Issued Share Capital

The Company is authorized to issue an unlimited number of common shares (“Common Shares”) without par value, having the rights, privileges, restrictions and conditions summarized below. As at April 20, 2012, 202,934,435 Common Shares are issued and outstanding.

Common Shares

The holders of Common Shares are entitled to receive notice of, and to exercise one vote per share at, every meeting of shareholders of the Company, to receive such dividends as the board of directors declares and to share equally in the assets of the Company remaining upon the liquidation of the Company after the creditors of the Company have been satisfied.

The Company has granted options to purchase an aggregate of 1,380,000 Common Shares expiring at various dates between November 26, 2012 and July 28, 2014 and exercisable at various prices between \$0.11 and \$2.00 per share. On a fully diluted basis, therefore, the Company has 204,314,435 Common Shares outstanding. In addition the Company is obligated under the Amended Subscription Agreement described under "**Pala Transaction**" to issue 108,333,333 common shares and 54,166,667 warrants. After giving effect to the transaction provided for in such Agreement the Company would have 311,267,768 common shares outstanding (366,814,435 on a fully diluted basis.)

MARKET FOR SECURITIES

The Common Shares are quoted for trading on the TSX Venture Exchange (the “TSX-V”) under the trading symbol “ASN”.

The following table sets forth the sale prices per share and volumes of the Common Shares traded on the TSX-V for each month during 2011 and for the first three and a half months of 2012.

Month	\$ High	\$ Low	\$ Closing	Total Volume
January 2011	0.20	0.14	0.17	489,900
February 2011	0.19	0.16	0.18	983,400
March 2011	0.20	0.16	0.17	3,729,400
April 2011	0.18	0.16	0.16	219,500
May 2011	0.17	0.14	0.15	116,800
June 2011	0.13	0.11	0.12	233,700
July 2011	0.13	0.12	0.13	24,000
August 2011	0.13	0.12	0.13	49,300
September 2011	0.13	0.08	0.08	747,000
October 2011	0.08	0.08	0.08	23,000
November 2011	0.08	0.06	0.08	50,000
December 2011	0.09	0.03	0.09	158,600
January 2012	0.09	0.05	0.07	153,500

Month	\$ High	\$ Low	\$ Closing	Total Volume
February 2012	0.08	0.05	0.05	550,500
March 2012	0.08	0.05	0.06	16,300
April 1 to 15, 2012	0.06	0.06	0.06	10,000

DIVIDENDS

The Company has not paid any dividends on the Common Shares. The Board of Directors has not yet adopted a dividend policy that would apply if, as and when the Company is in a position to pay dividends.

The Company is limited in its ability to pay dividends on the Common Shares by generally applicable restrictions under corporate law referred to as “solvency tests”.

PRIOR SALES

None

DIRECTORS AND OFFICERS

Name, Province/State and Country of Residence and Year first became a Director (or n/a if not a director)	Position or Office with the Company and Principal Occupation During Five Preceding Years	Number (and Percentage) of Common Shares Beneficially Owned, Directly or Indirectly, or over which control or direction is exercised as of April 27 2012 ⁽¹⁾
James Askew ⁽²⁾ Director since April 18, 2012	Director During the previous five years Mr. Askew served as an executive officer and director of several mining and resource corporations. He is currently a director of Ivanhoe Australia Limited (ASX, TSX:IVA), Evolution Mining Limited (ASX:EVN), Golden Star Resources Ltd. (NYSE Amex:GSS, TSX:GSC, GSE:GSR) and OceanaGold Corporation (TSX:OGC), of which he is Chairman of the Board.	7,324,504 (3.61%)
Michael Brown ⁽³⁾ Director since April 18, 2012	Director Mr. Brown is a Senior Vice-President of Pala Investments AG. He is currently a director of Sierra Rutile Ltd (AIM:SRX) and Dumas Contracting Ltd. Prior to joining Pala, Mr. Brown was the Chief Operating Officer of De Beers Consolidated Mines Ltd, where he was responsible to the Board for all operations in South Africa, including production at five separate mines, the planning and execution of construction projects, strategic business development and health, safety and environmental control.	Nil
Christopher Castle ⁽⁴⁾ Nelson, New Zealand Director since 2000	Interim President & CEO and Director During the previous five years, Mr.	426,718 (0.21%)

Name, Province/State and Country of Residence and Year first became a Director (or n/a if not a director)	Position or Office with the Company and Principal Occupation During Five Preceding Years	Number (and Percentage) of Common Shares Beneficially Owned, Directly or Indirectly, or over which control or direction is exercised as of April 27 2012 ⁽¹⁾
	Castle has served as Managing Director and Chief Executive Officer of Widespread Portfolios Limited, a New Zealand investment company	
Jan Castro ⁽²⁾ Director since April 18, 2012	Director Mr. Castro is Chief Executive Officer of Pala Investments AG, which he founded in July 2006. He is currently a director of Alacer Gold Corporation (TSX:ASR, ASX:AQG), Nevada Copper Corp (TSX:NCU), Churchill Mining PLC (AIM:CHL), Elemental Minerals Limited (ASX, TSX:ELM) and Sierra Rutile Ltd (AIM:SRX), of which he is Chairman of the Board. He is also a director of Gemcom Software International Inc., a private company. Prior to establishing Pala, Mr. Castro was Senior Vice President-Investments and Corporate Affairs for Mechel OAO, a major Russian mining and metals company listed on the New York Stock Exchange (NYSE:MTL), where his primary responsibilities covered mergers and acquisitions, non-core asset disposals, and investor and public relations.	
William Howell HoChi Min City Vietnam Director since November 2009	Chairman of the Board and Director Exploration Director of Triple Plate Junction plc since January 2004	Nil
Robin Widdup ⁽⁶⁾	Director During the previous five years Mr. Widdup has been Managing Director of Lion Manager the entity responsible for providing investment advice to Lion Selection Group Ltd. An NSX listed Mining Investment Company and two unlisted funds, African Lion and Asian Lion. He is currently a Director of Lion Selection Group.	23,283,622 (11.5%) ⁽⁴⁾

Notes:

- (1) The information as to Shares beneficially owned by each director, not being within the knowledge of the Company, has been furnished by each director.
- (2) Served previously as a director from December, 2004 until July 9, 2010.
- (3) Member of the Audit Committee.
- (4) Served as a director of the Company prior to its continuance as a British Columbia corporation effective December 31, 2004.
- (5) Served as a director of the Company prior to its continuance as a British Columbia corporation effective December 31, 2004.
- (6) Held jointly by Lion Selection Group Ltd. and by Asian Lion Limited, which is 63% owned by Lion Selection Group Ltd.

Term of Office

Each director remains in office until the next annual shareholders' meeting or until his or her successor is duly elected, unless his office is earlier vacated in accordance with the by-laws of the Company and/or any other applicable law.

Voting Securities

As at the date of this AIF, directors and senior officer of the Company, as set out above, as a group beneficially own, directly or indirectly, or exercise control or direction over Common Shares representing approximately 15.29% of the issued and outstanding shares.

CONFLICTS OF INTEREST

While none of the Company's officers or directors has any conflict of interest, it is possible that conflicts could arise by virtue of the fact that some of the directors are engaged and will continue to be engaged in various capacities with other corporations in the mining industry. If, as and when such conflicts arise, they will be dealt with in accordance with the relevant provisions of the *British Columbia Business Corporations Act* and other applicable law.

LEGAL PROCEEDINGS

A company controlled by a former director and officer whose services were made available by it to BPNM, AMRN and the Company claims to be entitled to a bonus of an amount equal to 0.25% of AMRN's 70% share of net smelter return and/or net product sales revenue from production from Ban Phuc or any other target within the originally granted 600 km² Foreign Investment License Area. The Company has advised the claimant that it does not recognize the claim as being valid. Otherwise, the Company is unaware of any legal proceedings or possible legal proceedings to which the Company is a party or to which any of its property is the subject.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director or senior officer of the Company, no person or company who owns of record or, to the knowledge of the Company, owns beneficially, directly or indirectly, more than 10% of any class of voting securities of the Company, and no associate or affiliate of any of the foregoing has had any material interest, direct or indirect, in any transaction since the commencement of the Company's completed financial year or in any proposed transaction which has materially affected or will materially affect the Company or any of its affiliates.

TRANSFER AGENTS AND REGISTRARS

The registrar and transfer agent for the Common Shares is Computershare Investor Services Inc., 510 Burrard Street, 3rd Floor, Vancouver, British Columbia V6C 3B9.

MATERIAL CONTRACTS

The Company has not entered into any material contracts outside the ordinary course of business.

NAMES AND INTERESTS OF EXPERTS

The following persons and companies have prepared or certified a statement, report or valuation described or included in a filing, or referred to in a filing, made by the Company under National Instrument 51-102, *Continuous Disclosure Obligations* during, or relating to, the financial year of the Company ended December 31, 2011:

- Dr. Bielin Shi, Member of the Australasian Institute of Mining and Metallurgy (MAusIMM), of CSA Global – Perth, Australia
- S. J. Mottram, B.Sc (Applied Geology) Member of the Australian Institute of Mining and Metallurgy
- KPMG LLP (“KPMG”) are the auditors of the Company and have audited the annual consolidated financial statements for the year ended December 31, 2010. KPMG have confirmed that they are independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

To the knowledge of the Company, after reasonable enquiry, none of the foregoing persons beneficially owns, directly or indirectly, or exercises control or direction over any outstanding securities or other property of the Company or its associates or affiliates.

ADDITIONAL INFORMATION

When the securities of the Company are in the course of a distribution pursuant to a short form prospectus, or a preliminary short-form prospectus has been filed in respect of a distribution of its securities, the Company will provide to any person, upon request to the Secretary of the Company, the following:

- (a) one copy of this AIF, together with one copy of any document, or the pertinent pages of any document, incorporated by reference in this AIF;
- (b) one copy of the comparative audited financial statements for 2010, together with the accompanying report of the auditor and one copy of all audited and interim financial statements for periods ending on or after December 31, 2011;
- (c) one copy of the information circular in respect of the annual general and special meeting of shareholders held on July 6, 2011;
- (d) one copy of any other documents that are incorporated by reference into any such preliminary short form prospectus or short form prospectus which are not required to be provided under (a) to (c) above.

Additional information, including directors’ and officers’ remuneration and indebtedness, principal holders of the Common Shares, options to purchase securities and interests of insiders in material transactions, where applicable, are contained in the information circular for the July 6, 2011 meeting.

Additional financial information is provided in the comparative financial statements and management’s discussion and analysis for the fiscal year ended December 31, 2010 and quarters ended March 31, 2011, June 30, 2011 and September 30, 2011. A copy of any of the above-referenced documents may be

obtained upon request from the Secretary of the Company. In addition, all of the above referenced documents and additional information relating to the Company may be found on the SEDAR website at www.sedar.com.

AUDIT COMMITTEE INFORMATION as Required by Form 52-110F2

AUDIT COMMITTEE CHARTER

The Board of Directors of the Company adopted an Audit Committee charter on December 9, 2005. The Audit Committee Charter is set out in full in Schedule “A” of the Management Information Circular for the Annual and Special Meeting of Common Shareholders held on July 6, 2011.

COMPOSITION OF THE AUDIT COMMITTEE

The members of the Audit Committee are, William Howell and Robin Widdup, each of whom is financially literate for the purposes of applicable legislation. Each of them is independent for the purposes of such legislation.

Mr. Howell is currently exploration director of Triple Plate Junction plc and has held senior executive management positions in major corporations including BHP (now BHP-Billiton) and Newmont Mining Corporation. He is a Fellow of the Australasian Institute of Mining and Metallurgy. .

Mr. Widdup is currently Managing Director of Lion Manager a role which he has held since founding Lion Selection Group in 1997. The Lion Manager provides investment advice to Lion Selection Group, Asian Lion Fund, African Lion Fund, African Lion 2 Fund and African Lion 3 Fund.

AUDIT COMMITTEE OVERSIGHT

At no time since the commencement of the Company’s most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

RELIANCE ON CERTAIN EXEMPTIONS

The issuer relies on the exemption provided below.

PRE-APPROVAL POLICIES AND PROCEDURES

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of the instrument, the engagement of non-audit services is considered by the Board and, where applicable, by the Audit Committee, on a case-by-case basis.

EXTERNAL AUDITOR SERVICE FEES (BY CATEGORY)

KPMG has been the Company’s auditor since January 2005. Fees payable to KPMG for the year ended December 31, 2010 and the year ended December 31, 2009 were:

Audit Fees

Fees	2010	2009
Audit Fees	\$67,000	\$75,000
Audit Related Fees	Nil	Nil
Tax Fees	\$4,500	\$5,250
All Other Fees	Nil	Nil

EXEMPTION

Asian Mineral Resources Limited relies upon section 6.1 of Multilateral Instrument 52-110 *Audit Committees*, which exempts TSX-V issuers from the requirements of Part 5 (*Reporting Obligations*).