ASIAN MINERAL RESOURCES LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Expressed in Canadian dollars, in accordance with IFRS)

YEAR ENDED DECEMBER 31, 2012

The following discussion of the operating results and financial position of Asian Mineral Resources Limited should be read in conjunction with the Company's audited consolidated financial statements and related notes for the fiscal year ended December 31, 2012, which have been prepared in accordance with International Financial Reporting Standards (IFRS) and the Annual Information Form. Both documents were prepared by management and are available on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com. Amounts are in Canadian dollars unless otherwise stated. References to "the Company", "AMR", "we", "our" and "us" means Asian Mineral Resources Ltd., its predecessors and consolidated subsidiaries, or any one or more of them, as the context requires.

This MD&A has been prepared as of April 22, 2013 with reference to National Instrument 51-102 "Continuous Disclosure Obligations" of the Canadian Securities Administrators.

Forward-Looking Information

This management discussion and analysis ("**MD&A**") contains "forward-looking information" which may include, but is not limited to, statements with respect to the future financial or operating performance of the Company, its subsidiaries, its affiliates, its projects, future metal prices, the estimation of mineral reserves and mineral resources, the realization of mineral reserve and resource estimates, the timing and amount of estimated future production, revenues, margins, costs of production, estimates of initial capital, sustaining capital, operating and exploration expenditures, costs and timing of the development of deposits, costs and timing of future exploration, requirements for additional capital, foreign exchange risks, governmental regulation of mining operations and exploration operations, timing and receipt of approvals, consents and permits under applicable mineral legislation, environmental risks, title disputes or claims, limitations of insurance coverage and regulatory matters. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "targets", "aims", "anticipates" or "believes" or variations (including negative variations) of such words and phrases, or may be identified by statements to the effect that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved.

Forward-looking statements involve known and unknown risks, uncertainties and a variety of material factors, many of which are beyond the Company's control which may cause the actual results, performance or achievements of AMR, its subsidiaries and affiliated companies to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Readers are cautioned that forward-looking statements may not be appropriate for other purposes than outlined in this document. Such factors include, among others, future metal prices; general business, economic, competitive, political and social uncertainties; the actual results of current exploration and development activities; conclusions of economic evaluations and studies; fluctuations in the value of the U.S. dollar relative to the local currencies in the jurisdictions of the Company's key projects; changes in project parameters as plans continue to be refined; possible variations of ore grade or projected recovery rates; accidents, labour disputes or slow-downs and other risks of the mining industry; climatic conditions; political instability, insurrection or war, civil unrest or armed assault; labour force availability and turnover; delays in obtaining financing or governmental approvals or in the completion of exploration and development activities; as well as those factors referred to in the section entitled "Risks and Uncertainties" section of the MD&A. The reader is also cautioned that the foregoing list of factors is not exhausted of the factors that may affect the Company's forward-looking statements.

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 to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this document and, except as required by applicable law, the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. 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.

In addition, please note that statements relating to "reserves" or "resources" are deemed to be forward-looking information as they involve the implied assessment, based on certain estimates and assumptions, that the resources and reserves described can be profitably mined in the future.

BUSINESS

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 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 LLP ("**BPNM**"), a limited liability company established in 1993 under the laws of the Socialist Republic of Vietnam pursuant to a Foreign Investment Licence ("**FIL**") and a related Joint Venture Agreement and Charter whereby AMRN and Mineral Development Company ("**Mideco**"), an agency of the Ministry of Heavy Industry of Vietnam, formed BPNM to jointly explore and develop what was originally a 600 km^2 area designated in the FIL and is now 150 km^2 in Son La Province in north west Vietnam. Ownership of BPNM was originally held by AMRN as to 70% and by Mideco as to 30%. Mideco subsequently assigned a 10% interest in BPNM to Son La Mechanical Engineering Company, a company 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 its current 90%.

The FIL was replaced in 2006 by an investment certificate issued under a new Law on Enterprises which provides for the establishment, management, organization and operation of various types of business enterprise carrying on business in all economic sectors in Vietnam and an Investment Law which replaced the legislation under which the FIL was granted. Concurrently, the Joint Venture Agreement and Charter were amended to conform with the new legislation and the revised ownership of BPNM. Development of the Project is in its advanced stages, with underground and surface infrastructure near completion and commencement of production expected mid-year 2013.

The Company's main product is nickel concentrate and pursuant to the off-take agreement the principal market is China. The Company expects that nickel concentrate will be loaded into modified sea containers at the Project Site and transported by trucks to the Hai Phong harbour for shipment to the Jinchuan smelter in China.

Effective July 1, 2011 Vietnam adopted a new Mining Law which is in process of being implemented by various decrees. The new Law introduced a mandatory auction requirement for all mining areas except those which are delineated as not subject to auction. The auction requirement is the subject of a number of directives and a Decree which became effective on April 25, 2012, setting out the criteria for areas which may be exempted from the auction requirement for new exploration licences. BPNM is in process of determining the steps to be taken so that it can apply for exploration licences on the basis that the Ban Phuc areas are exempt from the auction process requirements. BPNM is also in process of determining the application of the new Law and its implementing decrees to its other activities.

THE YEAR IN REVIEW

Financing Transactions

Pala Investments Limited (Pala) private placement

On May 25, 2012 Pala purchased 108,333,333 Units of the Company for $6.5 million. Each Unit consisted of one common share and one-half of a common share purchase warrant (Warrant), with each whole Warrant carrying the right to purchase one common share at an exercise price of $0.10 for 60 months. Pala concurrently purchased 49,481,600 common shares of the Company from affiliates of the TeCity Group. As a result Pala owned 157,814,933 common shares of the Company, representing 50.7% of the Company's outstanding share capital (57.7% on a fully diluted basis after giving effect to the full exercise of the Warrants) as at the closing of the transaction. Concurrent with the completion of these transactions, the Company and Pala entered into an Investor Rights Agreement pursuant to which Pala has pre-emptive rights to subscribe for additional securities of the Company and the right to designate two board nominees provided Pala holds 10% or more of the outstanding shares of AMR. Pala is also a party to a Right of First Refusal Agreement with Malaysia Smelting Company Berhad (MSC), which is also a TeCity affiliate, whereby MSC has granted Pala a right of first refusal over MSC's shareholding in the Company.

Melior Resources Inc (Melior) private placement

On June 29, 2012 Melior purchased 47,272,727 Common shares of the Company for $5.2 million. At the time of the private placement, Pala was a significant shareholder of Melior, owning 43.9% of its share capital on an undiluted basis.

Pala and Lion Selection Group Limited (Lion) private placement

On December 18, 2012, the Company completed a private placement offering of 150,000,000 Common Shares and 16,666,666 Common Shares to Pala and Lion, respectively, each at $0.06 per Common Share for gross proceeds of $10,000,000.

Board and Management

Messrs. Choo Mun Keong and Lai Fook Hoy resigned as Chairman and Chief Executive Officer, respectively, effective March 2, 2012. Messrs. Christopher Castle and William Howell were appointed as Interim President and Chief Financial Officer and non-executive Chairman, respectively, effective the same date.

On April 18, 2012 Messrs. Choo Mun Keong and Lai Fook Hoi resigned as directors of the Company. Effective that same date the Company appointed as board members Mr. James Askew, who previously served for several years as a director of the Company, as well as Messrs. Jan Castro and Michael Brown, as Pala nominees.

Effective May 2, 2012 Mr. Castro was appointed as Non-Executive Chairman of the Board to replace Mr. Bill Howell, who continued as a non-executive director of the Company until July 10, 2012 when he ceased to be a director. As well Mr. Brown was appointed as interim Chief Executive Officer and President to replace Mr. Chris Castle, who remained as a non-executive director of the Company.

Effective October 1, 2012 the Company appointed Mr. Simon Booth as President and Chief Executive Officer. Mr. Booth replaced Mr. Michael Brown, who continued as a Non-Executive Director of the Company. Mr. Booth had been General Manager of Operations for the Ban Phuc Nickel Project, overseeing all aspects of the construction and operations of the project since August 2012. Prior to this he gained experience with major mining groups, including Newmont, Normandy Mining, Xstrata, Rio Tinto and Crew Gold, having been involved in strategic planning, exploration, construction, and underground and surface mine operations.

On November 10, 2012 the Company strengthened its site management team with the addition of Mr. Iain Cox as Manager Mining. Mr. Cox is a very experienced mining engineer, particularly in narrow vein mining, with extensive international experience.

BAN PHUC PROJECT UPDATE

Development progress accelerated during 2012 at the Ban Phuc Project, with significant construction and development work having been carried out, including:

- Installation of concentrate and tailings thickeners, primary rougher and scavenger flotation cells, installation of the concentrate dewatering filter, construction of tankage for the process operations, installation of pumps and erection of buildings for the flotation and concentrate filtration plants were all completed. Mechanical equipment in the Flotation building commenced installation. The In Stream Analyser ISA was installed in the Flotation building. Mill foundations were completed in preparation for the Ball Mill delivery and installation. The Ball Mill departed Australia on the way to Ban Phuc Nickel mine on December 24, 2012. Tenders for the remaining process plant structural steel and mechanical steel work had been issued.

- At year's end construction of the tailings storage facility and associated run-off spillway were progressing well and on target for completion scheduled for late May 2013.

- Land use rights had been obtained for properties which are key to mine development, including the areas which house the project pump stations and pipelines and also an area to store top soils associated with construction of the tailings storage facility.

- The commissioning of Aurecon (Vietnam) Co. Ltd to assist with power and electrical design work for the processing plant and project site. Installation of the primary 35Kv power supply line commenced.

- The supply of equipment for the plant area Low Voltage Motor Control Centers was awarded to Schneider Electric Vietnam.

- The completion of a community suspension bridge as part of the Company's social responsibility plan. The bridge will improve transportation and safety needs of the residents in the Ban Phuc project area. The bridge opening ceremony held on July 25 was attended by a number of officials from the Province and Municipality.

- During August 2012, the region was impacted by tropical storm Kai-Tak. This was estimated as a 1 in 200 year rain event. The run-off and drainage precautions the Company has adopted following the 2008 typhoon meant that disruption to construction was minimal. The Company was able to assist with emergency relief and repairs to affected families.

- The completion of a conceptual study for a smelting operation conducted by Runge, which indicated that construction of a smelter would produce attractive economics for the Ban Phuc Nickel Project. Detailed engineering and feasibility study are expected to be undertaken in 2013.

Development activities have continued and the Company anticipates commencing project production in mid-2013. Additional funding is needed to complete development and see Ban Phuc through the commissioning phase. At the date of this report, the Company has cash balance of approximately $18 million. It is anticipated that an additional $16 million will be required until the Company becomes cash-flow positive, which is expected to occur in early 2014.

The Company has retained an Australian mining contactor to ensure efficient commencement of mining at Ban Phuc. The mining contractor has mobilized the first shipment of equipment and personnel to the Ban Phuc site. Due to the existing underground infrastructure already in place at the Project, mining will immediately focus on production of nickel ore ready for commissioning of the process plant. AMR is currently in negotiations with the mining contractor to agree definitive terms for the provision of mining services in respect of the period from May 2013.

Subsequent Event

On March 28, 2013, the Company completed a shareholder rights offering for aggregate gross proceeds of $12.5 million. The Company issued 250,000,000 common shares pursuant to the rights offering, of which 161,237,768 shares were issued pursuant to the exercise of the basic subscription privilege and additional subscription privilege and the remaining 88,762,232 shares were issued to our controlling shareholder Pala Investments Limited pursuant to a negotiated standby commitment.

BAN PHUC RESERVES AND RESOURCES

A full summary of the mineral resources for MSV and Disseminated Mineralization estimated as of February 15, 2013 are shown in the following tables:

Ban Phuc MSV Mineral Resource Estimate Grade Tonnage Reported above a Cut off of 0.40% Nickel										
Category	**Tonnes (Mt)**	**Ni Grade (%)**	**Cu Grade (%)**	**Co Grade (%)**	**S Grade (%)**	**MgO Grade (%)**	**Fe Grade (%)**	**Nickel (000't)**	**Copper (000't)**	**Cobalt (000't)**
Measured	0.73	2.78	1.16	0.07	13.53	4.39	26.09	20	8	1
Indicated	0.96	2.60	1.22	0.06	12.94	2.04	25.01	25	12	1
Measured + Indicated	1.69	2.68	1.19	0.06	13.20	3.06	25.48	45	20	1
Inferred	0.17	1.94	0.80	0.03	10.04	6.76	20.27	3	1	0

Mineral Resource estimate results from Ban Phuc MSV Deposit. The mineral resource was estimated within constraining wireframe solids based on a nominal lower cut-off grade of 0.4% Ni. Ordinary kriging wth high grade treatment.

Ban Phuc Disseminated Mineralization Resources Estimate Grade Tonnage Reported above a Cut off of 0.90% Nickel										
Category	**Tonnes (Mt)**	**Ni Grade (%)**	**Cu Grade (%)**	**Co Grade (%)**	**S Grade (%)**	**MgO Grade (%)**	**Fe Grade (%)**	**Nickel (000't)**	**Copper (000't)**	**Cobalt (000't)**
Measured	0.2	1.05	0.15	0.01	1.14	15.83	3.75	2.1	0.3	0.0
Indicated	0.7	1.23	0.14	0.02	0.53	21.69	5.58	8.4	1.0	0.1
Measured + Indicated	0.9	1.19	0.14	0.02	0.67	20.37	5.17	10.5	1.3	0.1
Inferred	0.4	1.14	0.04	0.00	0.09	5.93	1.66	4.4	0.2	0.0

Mineral Resource estimate results for Ban Phuc Disseminated Mineralization Deposit. The resource is quoted from blocks above the specified cut-off grade of 0.9% Ni.

Notes:

1. Mineral Resources that are not Mineral Reserves do not have a demonstrated viability.
2. The stated Mineral Resources have been prepared in accordance with Canada's National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (NI 43-101) and are classified in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum's (CIM) "CIM Definition Standards – For Mineral Resources and Mineral Reserves."
3. Dr. Bielin Shi of CSA Global Pty Ltd, who is independent of AMR and is a "qualified person" within the meaning of NI 43-101 has reviewed and accepts responsibility for the stated Mineral Resource estimates in the form and context in which they appear. Dr. Shi is not aware of any environmental, permitting, legal, title, taxation, socio-economic, marketing or political issues what would materially affect the stated Mineral Resource estimates.

4. For more detailed information regarding the Ban Phuc MSV deposit, DISS deposit, key assumptions, parameters, sampling, analytical methods, quality assurance program, geology, geological controls and mineralization see: the Company's NI 43-101 Technical Report dated February 5, 2013 (as amended February 15, 2013) available at www.sedar.com.

The Ban Phuc mineral reserve estimate as of February 15, 2013 is shown in the following table:

Item	Mt	Ni grade %	Cu grade %	Co grade %
Proven Mineral Reserves	0.7	2.4	1.0	0.06
Probable Mineral Reserves	0.9	2.1	1.0	0.04
Total Mineral Reserves	1.6	2.2	1.0	0.05

Notes:

1. The stated Mineral Reserve comprises MSV mineralization only.
2. Mr. John Wyche of Australian Mine Design and Development Pty Ltd, who is independent of AMR and is a "qualified person" within the meaning of NI 43-01 has reviewed and accepts responsibility for the stated Mineral Reserve estimate in the form and context in which it appears. Mr. Wyche is not aware of any environmental, permitting, legal, title, taxation, socio-economic, marketing or political issues that would materially affect the states Mineral Reserve estimate.
3. The stated Mineral Reserve estimate has been prepared in accordance with NI 43-101 and is classified in accordance with CIM's "CIM Definition Standards – For Mineral Resources and Mineral Reserves".
4. The stated Mineral Reserve estimate using a nickel price of US$21,310/t, copper price of US$8,419/t and cobalt price of US$34,000/t.
5. The annual ore production estimate is 360,000 tpa.
6. The states Mineral Reserve estimate includes Vietnamese government royalties of 10% and export tariffs of 20% for nickel and cobalt and 30% for copper.
7. For more detailed information regarding the Ban Phuc MSV deposit key assumptions, parameters sampling, analytical methods, quality assurance program, geology, geological controls and mineralization see the Technical Report available at www.sedar.com.
8. Reserves are a subset of Mineral Resources and are not additive.

FINANCIAL SUMMARY

Selected Annual Information

	2012	2011	2010(1)
Total Revenues (interest income)	$ 59,096	$ 36,101	$ 1,866
Net Loss	$4,797,745	$3,186,271	$4,450,157
Loss per common share (non-diluted)	$0.02	$0.02	$0.03
Loss per common share (diluted)	$0.02	$0.02	$0.03
Total Assets	$38,314,955	$20,498,809	$18,420,031
Total Long term financial liabilities	$215,600	$215,600	Nil

(1) Loss and Total Assets for this year have been restated to reflect an adjustment to the carrying value of the Company's principal asset.

Additional Disclosure for Venture Issuers Without Significant Revenue (all figures relate to the Ban Phuc Property)

	2012	2011	2010(1)
Expensed exploration costs	$71,522	$7,483	$207,142
Expensed research and development costs (net of depreciation)	Nil	Nil	Nil
Building, plant, machinery, motor vehicles (net of depreciation)	$1,352,764	$1,439,759	$1,102,449
Furniture and office equipment, licences and franchises	$78,503	$56,525	$66,389
Construction in progress	$18,935,014	$14,210,077	$13,233,056

(1) Assets for this year have been restated to reflect an adjustment to the carrying value of the Company's principal asset.

Results of Operations for the Year Ended December 31, 2012

For the year and quarter ended December 31, 2012, AMR incurred a net loss of $4,797,745 or $0.02 (fully diluted, $0.02) per share and $2,031,589 or $0.02 (fully diluted, $0.02) per share, respectively. The net loss for the year ended December 13, 2012 was higher reflecting increased activity in Vietnam, at the Hanoi and the Ban Phuc project offices, following re-commencement of development activities at the project.

Vietnam office expenses increased from $2.05 million in 2011 to $3.61 million in 2012. The Vietnam costs are composed of many elements, the largest component being salary expense which increased 93% from $1.17 million in 2011 to $2.25 million in 2012, as the average number of employees increased from 59 in 2011 to 151 in 2012. The rise in salaries also represents a more skilled workforce in 2012. Vietnam consulting fees of $349,052 included $106,000 in placement fees incurred on the hiring of senior employees, $83,000 related to proposed financing transactions, and $79,000 for software support. Vietnam travel expenses increased to $125,343 from $50,909 representing business travel to consult with suppliers and motor vehicle expenses for employees shuttling between the Ban Phuc site and the Hanoi office. Equipment storage costs reduced to $29,923 in 2012 from $62,313 in 2011 as most of the mining related equipment purchased in 2008 and placed in storage overseas, were transported to Vietnam and the mine site. Legal, licences and permits in the amount of $101,480 in 2012 (2011:nil) represent professional legal and consulting fees incurred in obtaining various licences and permits required in re-commencing development at the Ban Phuc project, including amended mining and investment licences, environmental impact assessment and environmental rehabilitation and reclamation permit, and water use and water discharge permits. Emphasis in 2011 on community projects resulted in the expenditures of $124,034 to build a suspension bridge, to repair internal community roads and to support the local community kindergarten class. During 2012 these activities were scaled back, focussing on completion of construction of the suspension bridge and continued aid to the kindergarten class. For 2012 the community projects were in credit balance in the amount of $23,010 reflecting a 2011 year-end over accrual related to the completion of the suspension bridge in the amount of $27,500. In 2012 the Company incurred costs of $128,394 (2011: nil) for health, safety and environment comprised of $53,600 for SOS monthly medical staffing and membership, $35,000 for first aid stations at the minesite and $20,200 for safety consumables. General Vietnam office expenses increased in 2012 to $249,366 from $126,679 in the previous year reflecting the increased level of activity at both the Hanoi and camp offices, particularly as it relates to stationary, utilities and visas for expatriate employees.

The Company office and administrative expense decreased to $384,655 from $651,373 primarily due to a reduction in consulting fees to directors fulfilling the roles of interim CEO and Chairman.

Other comprehensive income for the year resulted from movements in the US dollar relative to the Canadian dollar as applied to the translation of the Company's Vietnamese subsidiary whose functional currency is the US dollar. The US dollar : Canadian dollar exchange rate moved to 0.995 at December 31, 2012 from 1.017 at December 31, 2011 and 0.995 at December 31, 2010. This resulted in other comprehensive loss of $58,183 in 2012 compared with income of $118,995 in 2011.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2012, the Company had on hand cash and cash equivalents of $15.27 million (2011 $2.73 million).

Cash used in operating activities increased to $3.37 million in 2012 from $2.78 million 2011 reflecting a $1.6 million increase in the current year's loss, offset by $627,136 increase in changes in non-cash working capital and a $390,692 increase in items not involving cash, particularly share based payments and foreign currency translation.

Investment activities, specifically the purchase of property, plant and equipment at the Ban Phuc development project resulted in a net use of funds of $4.86 million in 2012 (2011 - $0.97 million. Purchases included $48,800 for building, $34,600 for furniture and office equipment, and $4.8 million for construction in progress. Construction in progress includes $1,642,000 incurred with regard to the tailings storage facility design and construction; $779,000 for the low voltage motor control centres; $451,000 with regard to electrical works design and materials; $559,000 in earthworks, roads drainage, equipment hire and fuel; $351,000 for ball mill liners foundation and modelling; $395,000 in building construction for the flotation grinding and filtration areas; $198,000 for independent supervision consultants; $191,000 in the fabrication and surface treatment of concentration tanks; $69,000 for the mine night time lighting system and materials.

Financing levels increased substantially in 2012 to $20.8 million from $4.68 million in 2011. The company completed three private placements during 2012. On May 25, 2012, 108,333,333 units were issued at $0.06 per unit, for net proceeds of $5,784,588. Each unit consists of one common share and one half warrant to purchase a common share. On June 29, 2012, 47,272,727 common shares were issued at $0.11 per share for net proceeds of $5,080,071. On December 18, 2012, 166,666,666 common shares were used at $0.06 per share for net proceeds of $9,916,351.

Subsequent to year-end on March 28, 2013, the Company completed a shareholder rights offering for gross proceeds of $12.5 million. These funds along with the cash resources at December 31, 2012, in part, will be utilized in the continued development activities at the Ban Phuc project and for general administrative expenditures.

Capital expenditure and sustaining capital required in 2013 to complete the mine development are expected to be approximately $37 million. In addition on the basis of management forecasts and budgets, construction and mine related salaries and operating costs expected to be incurred before production commences are estimated to be $9 million. During the first five months of production, while mining and processing are refined, the Company anticipates a net cash outflow of approximately $7 million. The Company will utilize current cash reserves, in part, to cover these costs, but in addition will require a further approximately $16 million in funding. Negotiations for a project debt financing are proceeding at the date of this report, in order to meet the cash shortfall anticipated in the second half of 2013. There is a risk that these cash requirements will be higher than estimated dependent upon, among other items, the prevailing commodity prices, mining related costs and the Company's ability to meet development, mining and processing targets. Any external project debt financing would take these risks into consideration. While the Company is negotiating to obtain bank project financing, there is no assurance such loan will be forthcoming, in which case alternative financing would be required or failing that, a scale back of the Ban Phuc development would need to be undertaken.

Additional 2013 costs, including Canadian corporate activities, Vietnam office and support, exploration expenditures and costs related to a debt financing in 2013 are expected to be approximately $8 million and it is anticipated that these expenditures will be funded by current cash reserves and operating cash flows, if available.

Summary of Quarterly Results

	Dec 31, 2012	Sept 30, 2012	June 30, 2012	Mar 31, 2012	Dec 31, 2011	Sept 30, 2011(1)	June 30, 2011(1)	March 31, 2011(1)
Revenues	$23,226	$28,796	$2,021	$5,053	$8,423	$8,790	$11,202	$7,686
Net Loss	$2,031,589	$1,299,723	$793,791	$672,642	$1,196,418	$791,888	$787,405	$649,295
Loss per share (non-diluted)	$0.02	$0.00	$0.00	$0.00	$0.01	$0.00	$0.01	$0.00
Loss per share (diluted)	$0.02	$0.00	$0.00	$0.00	$0.01	$0.00	$0.01	$0.00
Total Assets	$38,314,955	$29,462,184	$30,945,743	$19,040,882	$20,498,809	$21,390,400	$20,778,550	$21,782,226

(1) Loss and Total Assets for these periods have been restated to reflect an adjustment to the carrying value of the Company's principal asset.

The restated loss and total asset amounts disclosed above for March, June and September 2011 reflect a refinement to the impairment and impairment reversal originally booked in January 1, 2010 and December 31, 2010 respectively; and associated changes to depreciation and other comprehensive income.

Results of Operations for the three months ended December 31, 2012

For the quarter ended December 31, 2012, the Company incurred a loss of $2,031,589 or $0.02 (fully diluted, $0.02) per share as compared to a loss of $1,196,418 or $0.01 (fully diluted, $0.01) per share in the December 31, 2011 quarter. The increase in net loss during the period reflects the build up in employees and activities at the Hanoi and Ban Phuc project offices, following re-commencement of development activities at the project.

Vietnam office expenses increased from $770,423 in 2011 fourth quarter to $1,708,886 in 2012. The largest component of these costs was salary expense which increased 252% from $295,520 in 2011 fourth quarter to $1,037,651 in the same 2012 period, reflecting a sharp increase in the number and skill level of the employees. Vietnam consulting fees of $173,876 in the fourth quarter included $43,000 in recruitment fees and $83,000 in fees related to potential financing. Vietnam travel expenses for the fourth quarter increased to $68,666 in 2012 from $15,472 in

2011, related to increased employee travel between the Hanoi office and the Ban Phuc project site, as well as employee travel related to purchase of supplies. Legal, licences and permits in the amount of $101,480 in the three months ended December 31, 2012 (2011:nil) represent professional legal and consultant fees associated with the submission of requests for new or amended permits and licences related to the move to mining and production at Ban Phuc. During the 2012 fourth quarter $640 was spent supporting the local school kindergarten program, while in the same 2011 period, the Company expensed $122,571 in community project costs, most of which related to the construction of a suspension bridge supporting local travel between the two banks of the Muong Khoa river, repair of internal community roads and support of the local kindergarten class. In the quarter ended December 31, 2012 health, safety and environment costs totalled $128,397 (2011:nil). The expenditures comprised $53,600 for SOS monthly medical staffing and membership, $54,000 for equipment at camp first aid stations and $20,200 for safety consumables. General office expenses increased in the 2012 fourth quarter to $100,872 from $34,414 in the previous year reflecting the increased activity and staffing at the Vietnam offices.

SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

In the application of the group's accounting policies, which are described in Note 3 of the Notes to the Consolidated Financial Statements, management is required to make judgments, estimates, and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

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

The following are the critical judgments that management has made in the process of applying the group's accounting policies and that have the most significant effect on the amounts recognized in the Financial Statements:

Basis of presentation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards. The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, AMR Nickel and Asian Nickel Exploration Limited and its 90% owned BPNML joint venture which is fully consolidated. The Company's presentation currency is Canadian dollars. The functional currency of AMR and its subsidiaries AMR Nickel Limited and Asian Nickel Exploration Limited is the Canadian dollar, while the U.S dollar is the functional currency of its subsidiary BPNM.

Going Concern

Management has determined that the Company will be able to continue as a going concern for the foreseeable future and realize its assets and discharge its liabilities and commitments in the normal course of business, and therefore, these financial statements have been prepared on a going concern basis and do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current operations, including exploration programs, will result in profitable mining operations. The recoverability of the carrying value of exploration and development properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose of its interest on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

The Company has incurred significant losses and negative cash flow from operations. The cumulative deficit was $82.2 million at December 31, 2012. The Company needs to raise substantial funds to complete development of the Ban Phuc mine. Whether the Company will attain profitability and positive cash flow is uncertain and depends on numerous factors including but not limited to production level, production cost, ore grade, metallurgy, and nickel price. The factors indicate the existence of a substantial uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern.

Asset Impairment

Non-financial assets including property, plant and equipment and evaluation assets are assessed at each reporting date to determine whether there are any indicators that the carrying amounts of these assets are impaired or may require a reversal of impairment.

To determine fair value, management assesses the recoverable amount of the assets using the net present value of expected future cash flows. The assessment of fair values requires the use of judgments and assumptions for estimated recoverable production, long term commodity prices, discount rates, rehabilitation costs, future capital requirements and operating performance. Changes in any of these judgments or assumptions could result in a significant difference between the carrying amount and fair value of these assets.

Provision for rehabilitation costs

The Group is required to decommission, rehabilitate and restore mines and processing sites at the end of their producing lives to a condition acceptable to the relevant authorities. The provision has been calculated taking into account the estimated future obligations including the costs of dismantling and removal of facilities, restoration and monitoring of the affected areas. The provision for future restoration costs is the best estimate of the expenditure required to settle the restoration obligation at the reporting date.

At December 31, 2011, there is a provision for rehabilitation of $215,600 (2011: 215,600).

Ore reserve estimates

Estimates of recoverable quantities of reserves include assumptions on commodity prices, exchange rates, discount rates and production costs for future cashflows. It also involves assessment and judgment of difficult geological models. The economic, geological and technical factors used to estimate ore reserves may change from period to period. Changes in ore reserves affect the carrying values of mine properties, property, plant and equipment and the provision for rehabilitation assets. Ore reserves are integral to the amount of depreciation and amortization that will be charged to the Consolidated Statement of Operations and Comprehensive Loss.

Share-based compensation

The Company has a share option plan, under which the fair value of all share-based awards is estimated using the Black-Scholes Option-Pricing Model at the grant date and amortized over the vesting periods. An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services similar to those performed by a direct employee, including directors of the Company. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest.

Upon the exercise of the share purchase options, consideration paid together with the amount previously recognized in the share-based payment reserve is recorded as an increase to share capital. Charges for share purchase options that are forfeited before vesting are reversed from the share-based payments reserves. For those share purchase options that expire or are forfeited after vesting, the amount previously recorded in share-based payments reserve is transferred to deficit.

During the year, the Company recorded share-based compensation expense of $256,279 compared with $4,540 in 2011. During the year forfeiture and expiry of options resulted in $724,367 (2011: $545,450) being transferred from Share based payment reserve to Deficit.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements at December 31, 2012.

Future Accounting Policies

The following accounting standards, which may be relevant to the Company have been introduced or revised by the IASB:

(a) Consolidation

In May 2011, the IASB issued IFRS 10 – *Consolidation Financial Statements* (IFRS 10), which superseded SIC 12 - *Consolidation – Special Purpose Entities* and the requirements relating to consolidated financial statements in IAS 27 – *Consolidated and Separate Financial Statements*. IFRS 10 is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. IFRS 10 establishes control as the basis for an investor to consolidate its investees and defines control as an investor's power over an investee with exposure, or rights, to variable returns from the investee and the ability to affect the investor's returns through its power over the investee.

In addition, the IASB issued IFRS 12 – *Disclosure of Interest in Other Entities* (IFRS 12), which combines and enhances the disclosure requirements for the Company's subsidiaries and associates. The requirements of IFRS 12 include enhanced reporting of the nature of risks associated with the Company's interests in other entities, and the effects of those interests on the company's consolidation financial statements. IFRS 12 is also effective for annual periods beginning on or after January 1, 2013, with early adoption permitted.

The Company does not anticipate the application of IFRS 10 and IFRS 12 to have a significant impact on its consolidated financial statements.

(b) Financial Statements

The IASB intends to replace IAS 39 – *Financial Instruments: Recognition and Measurement* (IAS39) in its entirety with IFRS 9 - *Financial Instruments* (IFRS 9) in three main phases. IFRS 9 will be the new standard for the financial reporting of financial instruments that is principles–based and less complex than IAS 39. In November 2009 and October 2010, phase 1 of IFRS 9 was issued and amended, which addressed the classification and measurement of the financial assets and financial liabilities. IFRS 9 requires that all financial assets be classified as subsequently measured at amortized cost or at fair value based on the Company's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. Financial liabilities are classified as subsequently measured at amortized cost except for financial liabilities classified as at fair value through profit and loss, financial guarantees and certain other exemptions. In response to delays to the completion of the remaining phases of the project, on December 16, 2011, the IASB issued amendments to IFRS 9, which deferred the mandatory effective date of IFRS 9 from January 1, 2013, to annual periods beginning on or after January 1, 2015. The amendments also provided relief from the requirement to restate comparative financial statements for the effects of applying IFRS 9.

The Company is currently evaluating the impact the final standard is expected to have on its consolidated financial statements.

(c) Fair Value Measurement

In May 2011, the IASB issued IFRS 13 – *Fair Value Measurement* (IFRS 13) as a single source of guidance for all fair value measurements required by IFRS to reduce the complexity and improve consistency across its application. The standard provides a definition of fair value and guidance on how to measure fair value as well as a requirement for enhanced disclosures. IFRS 13 requires that when using a valuation technique to measure fair value, the use of relevant observable Inputs should be maximized while unobservable Inputs should be minimized. IFRS 13 is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted.

The Company does not anticipate the application of IFRS 13 to have a significant impact on its consolidated financial statements.

(d) Joint Arrangements

In May 2011, the IASB issued IFRS 11 – *Joint arrangements* (IFRS 11), which supersedes IAS 31 - *Interest in Joint Ventures* and SIC 13 – Jointly Controlled Entities – *Non-Monetary Contributions by Venturers*. IFRS 11 is effective for annual periods beginning on or after January 1, 2013 with earlier adoption permitted. Under IFRS 11, joint arrangement are classified as joint operations or joint ventures based on the rights and obligations of the parties to the joint arrangements. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (joint venturers) have rights to the net assets of the arrangement. IFRS 11 requires that a joint operator recognize its portion of assets, liabilities, revenues and expenses of a joint arrangement, while a joint venturer recognizes its investment in a joint arrangement using the equity method.

The Company does not anticipate this amendment to have a significant impact on its consolidated financial statements.

TRANSACTIONS WITH RELATED PARTIES

Directors

During 2012, the Company paid (or accrued) directors' fees of $47,700 (2011 - $205,103) and consulting fees of $95,600 (2011 - $316,714). At December 31, 2012, there were no directors' and consulting fees accrued and unpaid, whereas in 2011 $92,386 was outstanding. The following amounts were paid or accrued during the year:

- Choo Mun Keong, former Executive Chairman of the Board, $33,528 for 2012 (2011 - $247,437) for director fees and other managerial, corporate and financial advisory services provided to the Company.
- Lai Fook Hoy, former interim President and CEO and a director, $ 47,507 for 2012 (2011 - $180,631) for director fees and other managerial, corporate and financial advisory services provided to the Company.
- Christopher D. Castle, former interim President and CEO and a director of the Company, $13,591 for 2012 (2011 - $37,500) for director fees and other managerial, corporate and financial advisory services provided to the Company.
- William Howell, a director of the Company, $43,052 for 2012 (2011 - $28,125) for director fees and other managerial, corporate and financial advisory services provided to the Company.
- Robin Widdup, a director of the Company, $5,625 for 2012 (2011 - $28,125) for director fees.

In July 2012, the Company granted share options to its directors pursuant to the terms of the Company's share option plan in lieu of cash-based director fees for the March 1, 2012 to June 30, 2013 time period. The options issued in consideration of services in 2012, vested on July 18, 2012, September 30, 2012 and December 31, 2012, while options issued in respect of 2013 services will vest on March 31, 2013 and June 30, 2013 and are subject to continued appointment as a director. The share options were granted as follows:

Director	Number of options
Jan Castro	1,545,956
Michael Brown	1,413,177*
Chris Castle	1,128,431
Robin Widdup	938,603
Jim Askew	906,965

* Michael Brown forfeited 379,659 options on relinquishing the interim CEO position on October 1, 2012, as a result he has 1,033,518 share options at December 31, 2012.

Key management

Key management personnel payments for salary paid to the Company officers during 2012 was \$242,638. In addition these officers were granted 2,600,000 share options pursuant to the terms of the Company's share option plan. The options vest in four equal instalments on the last day of each quarter in 2013.

Pala Investment Limited

During 2012 Pala Investment Limited (Pala) became a controlling shareholder of the Company.

On May 25, 2012, Pala purchased 108,333,333 units of the Company for gross proceeds of \$6,500,000. Each unit consisted of one common share and one half of one common share purchase warrant which entitles Pala to purchase one common share at a price of \$0.10 until May 25, 2017. Concurrently with this private placement, Pala purchased 49,481,600 AMR shares from the previous controlling shareholder. Following these transactions two Pala nominees were appointed to the Company's board of directors.

On June 29, 2012 Melior Resources Inc, a company controlled by Pala, purchased 47,272,727 shares of the Company by way of private placement.

On December 18, 2012 Pala purchased 150,000,000 common shares of the Company under a private placement.

On December 20, 2012 Pala announced that they had purchased 25,891,581 shares of the Company by way of a share purchase agreement with a third party.

As a result of these 2012 transactions, at December 31, 2012 Pala owned and controlled, directly or indirectly 380,979,241 shares of the Company and 54,166,667 warrants to purchase AMR shares, representing 72.5% of the issued and outstanding common shares of the Company on an undiluted basis and 75.1% on a partially diluted basis.

Subsequent to year-end, on March 28, 2013 Pala purchased 158,845,081 common shares of the Company pursuant to the excise of it basic subscription privilege in full under the Company's rights offering. In addition Pala purchased 88,762,232 common share of the Company pursuant to a standby commitment provided as part of the rights offering. Subsequent to these purchases Pala owned and controlled, directly or indirectly 617,086,554 common shares of the Company representing 79.6% of the issued and outstanding shares of the Company on an undiluted basis, or 80.9% on a partially diluted basis.

RISK FACTORS

Because of the nature of its business, the operations of the Company are subject to a number of risks, including the following, any one or all of which could have a material adverse effect on the Company and its business:

Dependence on the Ban Phuc Nickel Project

AMR is primarily focused on the development of the Project. AMR does not own any significant assets other than those related to AMR's ownership interest in the Project which is AMR's only mineral property and represents AMR's only immediate potential for future generation of revenues. Unless AMR acquires additional property interests, any adverse developments affecting the Project could have a material adverse effect upon AMR and would materially and adversely affect the potential mineral resource production, profitability, financial performance and results of operations of AMR.

Mine Life

Based on the Project's estimated mineral resources and mineral reserves, the estimated life of the mine is approximately five (5) years. A failure to acquire new mineral properties or expand the Project's mineral resources and mineral reserves will affect the long-term sustainability and potential profitability of AMR.

Project Delay

There are significant risks that the development and completion of construction of a mine on the Project could be delayed due to circumstances beyond the Company's control. AMR has no control over the third parties' management, labour force, supply chain and supply of construction materials and equipment and there can be no assurance that the Project will be completed on time, on budget or according to specifications. There can be no assurance that the required construction supplies will be readily available and delivered on time to the construction site. Such supplies may be sourced from additional third parties, which may be affected by factors beyond AMR's control. Additionally, changes to government regulations, contractual and/or union disputes, labour stoppages, workplace accidents, delay in shipment of materials and unseasonable weather patterns and conditions may hinder the construction timeline and progress. It is possible that issues with the design, specifications and/or physical location of the facilities of the Project may arise during construction due to unforeseen engineering, physical, geological and/or economic circumstances. Government and building code regulations may change requiring substantial revision to the design plan and specifications. The resolution of these issues may require the additional assistance and cost of experts, additional financing, a change to the construction plan, design, specifications, layouts and/or locations. Any such changes will delay the overall construction of the Project and will increase (possibly significantly) the costs associated therewith. Since the Project will not earn income during construction, longer construction times translate directly into higher costs of construction. Further, the delay, cost and alterations required may potentially adversely affect the timeline and the expected output.

Additionally, the Company will need to obtain further debt or equity financing from external sources in order to fund the balance of the development of the Project, conduct exploration activities and fund other expenses. There is no assurance that the Company will be able to obtain debt or equity financing on favourable terms, or at all. Further, any debt financing may impose restrictive covenants on AMR and its business, which could prevent AMR from taking advantage of business opportunities because of any limitation that may be placed on it from any future debt financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration, development, or production on the Project

Risk of the Revocation of Licences and Permits, including from any further Project Delay

The development of the Project has already been delayed for several years from the initial expected start of production and AMR has only recently been granted an extension to extend the production commencement date for the Project to June 30, 2013. Failure of AMR to complete the construction of the Project and commence production by June 30, 2013, or any failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications, including for exploration permits and exploitation or mining licences, and tenure, could result in loss, reduction or expropriation of entitlements, the imposition of additional local or foreign parties as joint venture partners with carried or other interests or enforcement actions against us, 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. Furthermore, no assurance can be given 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 production or development. Amendments to current laws and regulations governing operations and activities or mining and milling or more stringent implementation thereof could have a material adverse impact on us.

The occurrence of these various factors and uncertainties cannot be predicted and any of them could have an adverse effect on our operations or profitability.

Certain permits, licence and other regulatory approvals required for the operation of the Project are outstanding

AMR's current operations are, and our future operations will be, subject to licences, regulations and approvals from Vietnamese governmental authorities for exploration, development, construction, operation, production, marketing, pricing, transportation, storage of waste rock, water use, taxation, environmental and health and safety matters. AMR cannot guarantee that licences or amendments to existing licences applied for will be granted or, if granted, will not be subject to possibly onerous conditions.

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.

Any changes to exploitation or mining licences, regulations and approvals, or their availability to AMR may adversely affect our assets, plans, targets and projections. In order to complete construction and commence operation of the Project, a number of significant outstanding permits are required, including an amendment of BPNM's Mining Licence to increase throughput of ore from 200,000 tpa to 360,000 tpa and land use rights for storage of waste rock. AMR is currently progressing through the application process for the amendment to its Mining Licence and environmental reports, however, there can be no assurance that the amended licence will ultimately be issued or approval of the amended reports be obtain, and there remain significant risks that the issuance of such licences and approvals, which will have a material adverse effect on our cash flows and financial condition. There can also be no assurance that as part of the amendment to the Mining Licence, the Vietnamese government will not request additional concessions from us, including financial stability and royalty provisions. Further, the current government is different from the government that originally granted AMR its mining licence and AMR does not have a history of commercial dealing with the current administration. In addition, AMR currently has no exploration licence to enable it to carry out any exploration activities on our 150 km^2 Ta Khoa Concession (as defined herein). Until such exploration licence is obtained, we will not be in a position to conduct exploration activities and expand our existing resources and reserves. Failure to expand resources and reserves will affect the long-term sustainability of AMR and its ability to replenish depleting resources.

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.

Sales of substantial amounts of the 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.

AMR may incur substantial costs in pursuing future capital requirements, including investment banking fees, legal fees, accounting fees, securities law compliance fees, printing and distribution expenses and other costs. The ability to obtain needed financing may be impaired by such factors as the capital markets (both generally and in the nickel industry in particular), the location of the Project in Vietnam and the price of nickel on the commodities markets (which will impact the amount of asset-based financing available) and/or the loss of key management personnel. Further, if the price of nickel on the commodities markets decreases, then potential revenues from the Project will likely decrease and such decreased revenues may increase the requirements for capital. If AMR is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion, forfeit its interest in some or all of its properties, incur financial penalties or reduce or terminate its operations.

The Company has entered into an off-take agreement with a single customer for all of the production from the Project.

In April 2008, BPNM entered into the Off-Take Agreement for all of the concentrate production from the Project from the currently defined resources. Jinchuan is a large Chinese enterprise, but there are no guarantees that Jinchuan will ultimately be able to purchase the nickel concentrate produced by the Project. The Off-Take Agreement also granted Jinchuan a first refusal option on additional nickel concentrates that BPNM may produce from new projects other than the Project. As such, AMR's total number of customers will for the immediate future remain limited and expose AMR to counterparty risks associated with the financial condition of Jinchuan. As a result of this reliance on a small number of customers, AMR could be subject to adverse consequences if Jinchuan breaches its purchase commitments. The failure of Jinchuan to purchase the nickel concentrate from the Project in accordance with the terms of the Off-Take Agreement could result in a loss of revenue if AMR is unable to sell the product from the Project to other purchasers. AMR cannot guarantee that it would be able to sell its product in the spot market or that the spot market price will be competitive to those prices that it would be expected to obtain under the Off-Take Agreement. If AMR is unable to satisfy conditions in the Off-Take Agreement or secure binding contracts with other customers, AMR's results of operations and financial condition, could be materially adversely affected.

Increase in Capital Costs for the Project

The February 15 NI 43-101 Technical Report estimates that the total capital expenditures from January 1, 2013 to the end of June 2013 required for the construction of the plant and commencement of production are currently estimated to be US$34.66 million. There can be no assurance that such capital costs for the Project will not exceed such amount. A significant increase in the capital costs of the Project would have a material adverse effect on our ability to complete the Project and our financial condition.

AMR may not meet its production targets or its cost estimates

The development of the Project is premised on current and projected production and capital as well as operating cost estimates. Ability to meet nickel production levels is also dependent in part on the successful development of mines and/or expansion of mining operations in the future which rely on the accuracy of predicted factors including capital and operating costs, metallurgical recoveries, reserve estimates, and future iron ore prices, as well as accurate feasibility studies, acquisition of land and surface rights and issuance of necessary permits/approvals. Actual production and costs may vary from the estimates for a variety of reasons such as estimates of grade, tonnage, dilution and metallurgical and other characteristics of the iron ore varying in the actual ore mined, revisions to mine plans, risks and hazards associated with mining, adverse weather conditions, unexpected labour shortages or strikes, equipment failures and other interruptions in production capabilities. Production costs may also be affected by increased stripping costs, increases in level of ore impurities, labour costs, raw material costs, inflation and fluctuations in currency exchange rates. Failure to achieve production targets or cost estimates could have a material adverse impact on AMR's sales, profitability, cash flow and overall financial performance.

Mining operations are vulnerable to supply chain disruptions

AMR's current and future operations could be adversely affected by shortages of, as well as lead times to deliver, strategic spares, critical consumables and mining equipment. In the past, other mining companies have experienced shortages in critical consumables, particularly as production capacity in the global mining industry has expanded in response to increased demand for commodities, and it has experienced increased delivery times for these items. Shortages of strategic spares, critical consumables or mining equipment, could in the future, result in production delays and productions shortfalls, and increases in prices could result in an increase in both operating costs and the capital expenditure to maintain and develop mining operations.

AMR and other nickel mining companies, have influence over manufacturers and suppliers of these items. In certain cases, there may be only limited suppliers for certain strategic spares, critical consumables or mining equipment who command superior bargaining power relative to AMR, or it could at times face limited supply or increased lead time in the delivery of such items.

If AMR experiences shortages, or increased lead times in delivery of strategic spares, critical consumables or mining equipment, its results of operations and financial condition could be adversely affected.

Political Risk and Economic Instability

AMR's exploration, development and operation activities occur in Vietnam. As such, AMR may be affected by possible political or economic instability in Vietnam. 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. The risks include, but are not limited to, terrorism, military repression, fluctuations in currency exchange rates and high rates of inflation. Changes in resource development or investment policies or shifts in political attitude in Vietnam may prevent or hinder AMR's business activities and render the Project unprofitable by preventing or impeding future property exploration, development or mining. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, restrictions on repatriation of earnings, royalties and duties, income taxes, nationalization of property or businesses, expropriation of property, maintenance claims, environmental legislation, land use, land claims of local people, water use and mine safety. The laws on foregoing investment and mining are still evolving in Vietnam and it is not known how they will evolve. 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 defense, 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. The effect of these factors cannot be accurately predicted.

Vietnamese tax laws are open to interpretation and, with respect to mining and refining, there are no clear precedents to properly guide AMR's tax policies

Management of AMR considers that AMR has made adequate provision for tax liabilities to the Vietnamese national, provincial and local authorities based on correspondence with such authorities and on external advice received. However, because Vietnam's tax laws, especially with respect to mining and refining are evolving and open to interpretation, there is a risk that material additional and/or back-dated taxes and penalties may be levied on AMR, which could adversely impact its results of operations and financial condition of AMR.

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure.

Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. AMR's inability to secure adequate water and power resources, as well as other events such as unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect AMR's operations, financial condition and results of operations.

AMR is dependent on outside parties for the conduct of its business

AMR has relied upon consultants, engineers and other service providers and intends to rely on these parties for development, construction, and operating expertise. Substantial expenditures are required to construct mines to establish mineral reserves through drilling, to carry out environmental and social impact assessments, to develop metallurgical processes to extract metal from ore and, in the case of new exploration, to develop the exploration and plant infrastructure at any particular site. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on the Project.

AMR intends to rely on the services of mining contractors in order to bring the Project into production and will be dependent on the availability of such mining contractors. Increased demand for and cost of contract mining services and equipment could cause project costs to increase materially and could have a material adverse effect on the Project.

Exchange rates

The profitability of AMR may decrease when affected by fluctuations in the foreign currency exchange rates between the United States dollar, the Canadian dollar, the Australian dollar and the Vietnamese dong. Exchange rate fluctuations affect the costs of development activities that AMR incurs in United States dollars, Australian dollars and Vietnamese dong. AMR does not currently take any steps to hedge against currency fluctuations.

Certain directors and officers may have conflicts of interest.

Certain of the directors and officers of AMR are engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies, including activities involving mining and mineral exploration, and, as a result of these and other activities, such directors and officers of AMR may become subject to conflicts of interest. The BCBCA provides that in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided under the BCBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA.

Illiquid market for AMR's securities

AMR shares are highly illiquid and cannot be easily sold in the market without significant risk of a loss in value. Further contributing to AMR's illiquidity, is the fact that a small group of shareholders currently hold over 88% of its Common Shares. There can be no assurance that an active market for AMR's securities will develop. In addition, the market price of the securities of AMR at any given point in time may not accurately reflect the long-term value of AMR. Furthermore, responding to any events or circumstances resulting from the risk factors described herein could result in substantial costs and divert management's attention and resources.

Significant Shareholder

At the date of this report, Pala has control over AMR and its interests may conflict with those of other shareholders. Pala owns, directly or indirectly, 617,086,554 Common Shares, including the 47,272,727 Common Shares owned by Melior, representing approximately 79.6% of the issued and outstanding Common Shares on a non-diluted basis, plus 54,166,667 Common Share purchase warrants, which if exercised, would bring Pala's ownership interest in the Company to 86.6% on a partially-diluted basis. Pala has a significant influence in any matter coming before a vote of shareholders and Pala alone will be in a position to prevent approval of certain matters requiring shareholder approval. Investors should be aware that votes in respect of the Common Shares may be significantly influenced by a small group of insiders as detailed in the table below. Pala is also able to effect certain fundamental changes to AMR in accordance with the BCBCA because it is able to, on its own, meet the applicable 66 2/3% voting threshold for shareholder approval to effect such changes.

Shareholder	Number of Common Shares(1)	Percentage of Common Shares Outstanding
Pala Investments Limited(2)	617,086,554	79.6%
Lion Selection Group Limited(3)	39,950,288	5.15%
Malaysia Smelting Corporation Berhad(4)	31,297,661	4.04%
Total	**688,334,503**	**88.79%**

Notes:

(1) Based on information posted on SEDI as of April 22, 2013.

(2) Of the 617,086,554 Common Shares, 47,272,727 Common Shares are held by Melior, a company of which Pala owns greater than 50%, and as a consequence Pala is deemed to also control the 42,272,727 Common Shares held by Melior.

(3) Of the 39,950,288 Common Shares, 16,666,666 are held by Lion Selection Group Limited and 23,283,622 are held by its affiliate Asian Lion Limited, an entity which is 63% owned by Lion Selection Group Limited.

(4) Pala has a right of first refusal to purchase the Common Shares held by MSC, which if exercised would bring Pala's ownership to 648,384,215 Common Shares, representing approximately 83.6% on a non-diluted basis and 84.7% on a partially diluted basis, if it exercises its 54,166,667 Common Share purchase warrants.

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 the Project begins commercial production and generates sufficient revenues to fund its continuing operations.

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 licences (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.

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 LOM 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.

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.

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 judgments 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.

The market price for Common Shares cannot be assured

The market price of a publicly traded stock is affected by many variables, some of which are not directly related to the success of AMR. In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered to be junior companies, has experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that such fluctuations will not affect the price of AMR's securities in the future.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, advances on subscriptions - restricted cash, accounts receivable, and accounts payable and accrued liabilities. The fair values of these financial instruments are not materially different from their carrying values.

It is management's opinion that the Company is not exposed to significant interest or credit risk arising from these financial instruments. The Company mitigates its risk by holding its short-term investments with large financial institutions.

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company has offices in Canada and Vietnam and holds cash in Canadian, United States, and Australian dollars and in Vietnamese Dong.

A significant change in the currency exchange rates between the Canadian dollar relative to the US dollar, the Australian dollar and Vietnamese Dong could have an effect on the Company's results of operations, financial position or cash flows.

With regards to liquidity risk, the Company has in place a planning and budgeting process to aid in determining the funds required to support normal operating requirements on an ongoing basis, including capital development and exploration expenditures. Discussions about going concern are included in Note 1, Nature of operations and going concern, in the annual financial statements.

DISCLOSURE CONTROLS

In connection with Exemption Orders issued in November, 2007, and revised in December, 2008, by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis.

In contrast to the certificates under National Instrument ('NI') 52-109 (Certification of disclosure in an Issuer's Annual and Interim Filings), the Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting as defined in NI 52-109.

ADDITIONAL INFORMATION

Additional information relating to the Company, including the Annual Information Form dated April 22, 2013 and the Asian Mineral Resources Limited NI 43-101 Technical Report dated February 5, 2013 (as amended February 15, 2013), is available on SEDAR at www.sedar.com.

SHARE DATA

As at April 22, 2013, the Company had 775,207,161 common shares outstanding, as well as (a) options outstanding to purchase an aggregate of 11,903,473 common shares expiring at various dates between July 1, 2014 and February 15, 2018 and exercisable at various prices between \$0.10 and \$0.11 per share and 54,166,667 share purchase warrants outstanding, exercisable at \$0.10 per share expiring May 25, 2017. On a fully diluted basis, the Company has 841,277,301 common shares outstanding.