ASIAN MINERAL RESOURCES LIMITED

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

YEAR ENDED DECEMBER 31, 2015

The following discussion of the operating results and financial position of Asian Mineral Resources Limited (the "Company" or "AMR") should be read in conjunction with the Company's audited consolidated financial statements and related notes for the fiscal year ended December 31, 2015, which have been prepared in accordance with International Financial Reporting Standards (IFRS) which 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 29, 2016 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 was completed in mid-2013 and commercial production was reached in November 2013.

In late 2010, the Vietnamese Government passed a new law, the Mineral Law 2010. Decree 15 of the law included a new statutory fee titled "mining rights grant fee". The Mineral Law 2010 provided the fee to be determined based on price, reserve, quality and type of the relevant mineral; however, until late 2013, both the Mineral Law 2010 and the Decree 15 did not specify the formula for calculation and thus there was no basis to estimate the fee payable. In November 2013, the Vietnamese Government issued Decree 203 which outlined the formula to calculate the mining rights grant fee and on that basis the Company estimated the cost of the fee and recognized a provision of $4.6 million in its 2013 consolidated financial statements. On 6 February 2015, the Company received Decision No. 288/QD-BTNMT issued by the Ministry of Natural Resources and Environment ("MONRE") to amend the contents specified in the Mineral Mining License. In the Decision, the mining rights grant fee was fixed at $2.9 million and is payable in annual installments over the three years from 2015 to 2017.

In July 2014, the Company's subsidiary, BPNM was awarded a mineral exploration license ("Exploration License") and commenced an exploration programme which provides for the exploration of nickel-copper mineralization over a significant area around its operating Ban Phuc nickel mine in Son La, Vietnam. Highlights of the Exploration License are:

- Provides BPNM with exclusive rights to explore within 49.7 km2 of Son La province, Vietnam.
- Immediate focus on targeted extensions to the currently operating Ban Phuc mine.
- Encompasses multiple high-priority targets already identified and well understood by BPNM through its surface exploration programme.
- Following successful exploration, allows BPNM to apply for and obtain additional mining licences with no auction requirements (subject to positive feasibility study and EIA).

2015 Annual Highlights

- Continued ongoing safety performance exceeding annual targeted 25% Improvement in LTIFR. (1 LTI Reported in 2015)
- No reportable environmental incidents
- All mined capital development completed ahead of schedule in 2015
- Tailings dam construction completed for full current life of mine
- Exceeded target mine production rate by 17%, averaging 37,090 per month (target 31,682
- tonnes per month) for a total of 445,075 tonnes for 2015
- Tonnes milled of 447,746
- Produced 8,607 tonnes of nickel contained metal in concentrate
- Produced 4,011 tonnes of copper contained metal in concentrate
- Net Sale revenues of $74,753,199 after $18,192,097 export tax
- Received US$6.4 million in June and July for VAT refund for period from November 2013 to June 2015
- Full repayment of the outstanding term loan facility US$16 million and full repayment of working capital facility US$2.7 million, both facilities with LienViet Post Bank of Vietnam
- Kingsnake geological mapping and trenching identifies 1.2km mineralized zone at surface with surface EM identifying the presence of EM conductors at depth.

Outlook for 2016

- Continued focus on ongoing improvement in operational safety performance
- Continue to define and implement key operational cost reduction strategies in current low commodity price cycle
- Continue to evaluate opportunities to extend mine life
- Increased focus on exploration at both Kingsnake and Ban Chang as our two priority exploration targets.

THE YEAR IN REVIEW

Financing Transactions

Project financing loan

The US$3.0 million revolving working capital credit facility, which was to expire in December 2014, was continued for the period from June 2015 to June 2016. Both loan facilities are secured by the assets of BPNM and a corporate guarantee by the Company.

During the year ended December 31, 2015, BPNM repaid the full term loan outstanding of US$16 million, along with US$2.7 million of the working capital facility, reducing the term loan balance and the working capital facility balance to nil.

Subsequent to quarter end, an unexpected delay in BPNM's nickel concentrate shipping schedule to Tianjin port, coupled with a further decline in the nickel price, resulted in a temporary tightness in working capital. Pala Investments ("**Pala**"), AMR's majority shareholder, agreed to provide a short-term bridging facility to the Company in amount of US$2.1 million. The loan was utilized in early October 2015. The facility which was subject to an interest rate of 15% per annum and an arrangement fee of US$105,000 was secured by ordinary shares of AMR Nickel Limited which is 100% owned by the Company, and a guarantee of the Company. AMR Nickel Limited owns a 90% interest in BPNM. This loan was fully repaid in November 2015.

The Company is currently debt free.

BAN PHUC MINE OPERATIONS

For the year ended December 31, 2015 the Ban Phuc Nickel mine average monthly target production of 31,682 tonnes of ore was exceeded by 17%, averaging 37,090 tonnes, for a total of 447,746 tonnes milled for the year. The operation achieved 16 shipments during the year totaling 86,286 dry metric tonnes of nickel concentrate sold.

The mine produced 445,075 tonnes of ore plus waste for the year, higher than earlier budgeted mining plans, with improved overall project returns. The Ban Phuc mining license was successfully amended to allow for these increased excavation rates.

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 43-101 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.

PRODUCTION RESULTS

	2015	2014
Ore Mined (tonnes)	445,075	421,762
Ore Milled (tonnes)	447,746	422,456
Ni Concentrate Produced (dmt)	88,795	71,511
Average Ni grade (%)	2.20	1.90
Ni recovery (%)	87.4	85.2
Ni concentrate grade (%)	9.7	9.6
Ni contained metal in concentrate (tonnes)	8,607	6,854
Ni payable metal in concentrate (tonnes)	6,025	4,853
Average Cu grade (%)	0.95	0.88
Cu recovery (%)	94.6	92.9
Cu concentrate grade (%)	4.5	4.8
Cu contained metal in concentrate (tonnes)	4,011	3,439
Cu payable metal in concentrate (tonnes)	2,006	1,753

FINANCIAL SUMMARY

Selected Quarterly Information

	2015	2014	2013	2012
Sale Revenues	$74,753,199	$87,818,927	$9,156,036	$0
Interest Income	$43,948	$1,911	$74,133	$59,096
Net Income/(Loss)	($47,207,779)	$6,505,019	($10,807,985)	($4,797,745)
Income/(Loss) per common share (non-diluted)	$(0.06)	$0.01	($0.02)	($0.02)
Income/(Loss) per common share (diluted)	$(0.06)	$0.01	($0.02)	($0.02)
Total Assets	$29,281,822	$74,919,826	$73,177,413	$38,314,955
Total Long term financial liabilities	$1,899,824	$11,931,314	$22,044,880	$215,600

KEY OPERATING INFORMATION – BAN PHUC MINE

	2015	2014	2013
Payable Nickel Produced (tonnes)	6,025	4,853	817
Payable Copper Produced (tonnes)	2,006	1,753	335
Ni Concentrate Sold (dmt)	86,286	71,195	9,717
Average Cash cost per Ni payable produced tonne (1)	$7,927	$6,689	$11,353
Total production costs per Ni metal payable tonne (2)	$15,549	$15,104	$17,889

(1) Cash costs net of by-products per payable Ni concentrate tonne include mining, processing, transportation, selling costs and direct overhead, net of Cu and Co credits. In the period copper by-products were US$9,576,502 for 4,011 tonnes of metal and cobalt by-products were US$2,095,878 for 277 tonnes of metal.

(2) Total production costs per Ni tonne metal payable contained in concentrate include mining, processing, transportation, selling costs, direct overhead, depreciation and amortization at the operation sites.

Additional Disclosure for Venture Issuers (all figures relate to the Ban Phuc Property)

	2015	2014	2013
Expensed exploration costs	$1,279,721	$1,204,589	$107,728
Expensed research and development costs (net of depreciation)	Nil	Nil	Nil
Building, infrastructure, plant, machinery, motor vehicles (net of depreciation)	$8,958,020	$42,580,386	$52,084,589
Furniture and office equipment, licences and franchises (net of depreciation/amortization)	$1,392,873	$2,340,415	$4,566,404
Construction in progress	$0	$2,298,855	$559,345

Results of Operations for the Year Ended December 31, 2015

For the year ended December 31, 2015 and 2014, AMR incurred a net loss of $47,207,779 or ($0.06) (fully diluted $0.06) per share and a net income $6,505,019 or $0.01 (fully diluted $0.01) per share, respectively.

During the preparation of the current year financial statements, the Company determined that the foreign currency translation of the Company's subsidiary that holds the Ban Phuc Nickel Mine had been incorrectly calculated for the year ended December 31, 2014. The correction of this error in depreciation and amortization expenses, resulted in a decrease to net income of $3,400,000 and an offsetting increase to other comprehensive income for the year ended December 31, 2014, of which $3,060,000 related to the net income attributable to shareholders and $340,000 related to net income attributable to non-controlling interest. The correction of this error resulted in an increase to deficit of $3,060,000 million as at December 31, 2014 offset by a corresponding increase to currency translation reserve. The adjustment had no impact on non-controlling interest as at December 31, 2014.

The detailed operating results of the years ended December 31, 2015 and 2014 as follows:

	2015	2014
Revenue	$74,753,199	$ 87,818,927
Costs of sales		
Production costs:		
Mining production costs	(26,007,189)	(21,268,338)
Processing costs	(6,444,974)	(5,923,993)
Other production costs	(5,449,913)	(5,964,102)
Depreciation and amortization	(28,690,807)	(30,845,635)
Other	(373,780)	614,070
Impairment loss	(26,553,100)	-
Royalty	(7,081,672)	(4,488,365)
Concentrate transport and logistics	(9,852,875)	(7,711,117)
Operating income/(loss)	(35,701,111)	12,231,447
General administrative expenses:		
Salaries, wages and benefits	(3,451,633)	(2,792,648)
Taxes & fees	(2,607,833)	(1,433,797)
Professional and regulatory	(903,219)	(700,808)
Insurance	(647,865)	(478,367)
Travel	(374,197)	(247,102)
Other	(947,401)	(636,560)
Exploration	(1,279,721)	(1,204,589)
Finance income	43,948	1,911
Finance expenses	(1,009,252)	(1,634,468)
Other expense	(329,495)	-
Income/(Loss) for the period	$ (47,207,779)	$ 3,105,019

The Company's 2015 revenues of $74.8 million were comprised of 16 shipments of nickel concentrate sales with 86,286 dry metric tonnes ("dmt") sold, while 2014 revenues of $87.8 million were comprised of 14 shipments of nickel concentrate sales with 74,739 dmt sold. The decrease in sales resulted from decline in the nickel price. The average nickel price for 2015 and 2014 were $14,749 (US$10,656) and $19,623 (US$16,915) respectively.

The US dollar: Canadian dollar exchange rate increased to 1.3841 at December 31, 2015 from 1.1601 at December 31, 2014. The significant fluctuation of US dollar: Canadian dollar exchange rate in 2015 led to an increase in 2015 revenues and expenses in Canadian dollar.

Production costs:

- Mining production costs increased 22% to $26.0 million in 2015 from $21.3 million in 2014, reflecting the weakening Canadian exchange rate. In U.S. dollar terms there was a 4% decrease in these costs in the amount of US$0.9 million. The decrease represented primarily a reduction in mining contractor, Mancala, manpower hours as BPNM's mining team handled more activities and demobilized some of Mancala's hired equipment.
- Processing costs were 8.8% higher, rising to $6.4 million in 2015 from $5.9 million in 2014, again, reflecting the weakening Canadian dollar. Processing costs in U.S. dollar terms reduced by 3% year-on-year, reducing to US$5.0 million in 2015 from US$5.2 million in 2014.

- Other production costs include maintenance, health and safety, environment, logistics and site administration costs. Positive results from a cost cutting programme include (i) a reduced number of expatriate employees; (ii) open bidding to select suppliers resulted in quality products at lower prices and (iii) implementation of limitations in consumable/fuel/spare parts. These cost cutting practices led to the reduction in other production costs to $5.4 million in 2015 from $6.0 million in 2014.
- Depreciation and amortization expenses are calculated utilizing (i) straight-line method for building, machinery, motor vehicles, infrastructure, office furniture and equipment, licenses and franchises; and (ii) unit of production (UoD) based on actual ore mined in the month and remaining mineral reserve for plant and mine development Depreciation and amortization expense decreased $2.1 million to $28.7 million in 2015 from $30.8 million in 2014 mainly reflecting: (i) higher amortization of mine development costs of $5.6 million due to an increase of $4.6 million in mine development in 2015 (ii) higher depreciation of TSF stage 2 which was transferred from CIP to fixed assets and was depreciated from June 2015 of $1.6 million; and (iii) an adjustment of $8.1 million related to the asset impairment.

The royalty payable to the Vietnamese Government is calculated at 10% of either (i) the value of nickel concentrate sale price less export tax, processing, bagging, road freight, customs and warehouse costs; or (ii) exploited ore quantity converted from sold nickel concentrate quantity and the royalty taxable minimum price (“minimum price”) of VND1,660,000/ore tonne. Whichever method generates higher tax payable amount is applied. In 2015, the price realized for nickel concentrate decreased and the sales price less export tax, processing, bagging, road freight, customs and warehouse costs was lower than VND1,660,000/ore tonne, therefore the Company applied the minimum price. Royalty expense is recorded when revenue from the sale of nickel concentrate is recognized. Nickel concentrate sales in 2015 was 86,286 dmt, higher than 71,195 dmt in 2014, which resulted in royalty expense in 2015 of $7.1 million compared with $4.5 million in the previous year.

Concentrate transport and logistics costs comprise in-land and sea freight costs related to the quantity of nickel concentrate sold. The Company had 16 shipments in 2015 of 86,286 dmt, compared to 14 shipments in 2014 of 71,195 dmt. In 2015, sea freight costs were $0.2 million lower than 2014, while road freight, product sampling and analysis costs were $2.3 million higher, therefore, concentrate transport and logistics costs increased to $9.8 million in 2015 from $7.7 million in 2014.

General administrative expenses:

- Salaries, wages and benefits costs increased to $3.5 million in 2015 from $2.8 million in 2014 primarily reflecting an accrued performance bonus payable to the CEO and the CFO for 2015 totalling $0.5 million. The CEO and CFO have agreed to receive common shares of the Company in lieu of cash in payment of this bonus.
- Taxes and fees include foreign contractor withholding tax (“FCT”), environment protection fees (“EPT”) and amortized mining licensed grant fee (“MLGF”). EPT were calculated and MLGF were amortized based on actual ore mined during the year. The increase of $1.2 million in 2015 mainly represented (i) additional 2013-2014 EPF of US$0.6 million, following a tax audit during 2015 due to different calculation method applied by the Company before the tax audit; and (ii) higher ore mined exploited in 2015.
- Professional, regulatory and other fees increased by $0.2 million to $0.9 million in 2015 from $0.7 million in 2014 mainly represented by management fee paid to Pala in 2015 but not incurred in 2014.

- Travel costs increased to $0.4 million in 2015 from $0.2 million in 2014 reflecting more international business trips by senior officers in 2015.

Exploration costs slightly increased to $1.3 million in 2015 from $1.2 million in 2014.

Net financial expenses decreased to $1.0 million in 2015 from $1.6 million in 2014, due to the fully repaid bank term loan and working capital line by mid-2015, therefore interest expense reduced to $0.9 million in 2015 from $1.4 million in 2014.

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 increased to 1.3841 at December 31, 2015 from 1.1601 at December 31, 2014. The movement between years was significant and resulted in other comprehensive income of $13.1 million in 2015 compared with income of $5.1 million in 2014.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2015, the Company had on hand cash and cash equivalents of $5.7 million (December 31, 2014: $5.0 million).

Cash generated by operating activities increased $7.3 million to $25.3 million in 2015 from $18.0 million in 2014, reflecting a change of $50.3 million in net income/loss year on year. This is, offset by $25.4 million increase in items not involving cash, and $32.2 million increase in changes in non-cash working capital. The $25.4 million increase in items not involving cash mainly comprise i) the $26.6 million impairment, ii) $1.6 million in provision for devaluation of inventory and iii) a $2.1 million decrease in depreciation and amortization.

The $32.2 million increase in changes in non-cash working capital relate to: i) a $22.2 million increase in the change in accounts receivable and prepaid expenses ii) an $12.7 million increase to the change in accounts payable and accrued liabilities offset by iii) a $1.6 million decrease in inventory devaluation. The $22.2 million increase in the change to accounts receivable and prepaid expenses reflects: (i) $9.7 million of 2014 trade receivables received in 2015; (ii) $6.9 million of 2014 refundable VAT refunded in 2015; and (iii) an increase of $3.5 million in refundable export tariff in 2015 due to low prices. The $11.1 million change in accounts payable and accrued liabilities is mainly comprised of: (i) $5.1 million change in taxes and fees payable; (ii) $1.4 million change in trade payables; (iii) $0.2 million change in payables to the customer; and (iv) $2.1 million change in other liabilities.

Cash used in investment activities of $7.6 million mainly included $6.6 million for mine development which was completed in 2015 (2014: $13.8 million in mine development and $0.6 million in TSF stage 2).

Cash used in financing activities was $18.5 million in 2015 in comparison with $3.3 million in 2014. In 2015 the Company repaid in full the Ban Phuc project loan of US$16.0 million, and the working capital facility in the amount of US$2.7 million.

The Company had the following contractual obligations at December 31, 2015:

	Payment due by period		
	Total	Less than 1 year	1 – 3 years
Purchase obligations	$6,132,995	$6,132,995	$-
Other obligations (taxes and fees)	11,345,558	10,141,048	1,204,510
Total	$17,478,553	$16,274,043	$1,204,510

Summary of Quarterly Results

	Dec 31, 2015	Sep 30, 2015	Jun 30, 2015	Mar 31, 2015	Dec 31, 2014	Sep 30, 2014	Jun 30, 2014	Mar 31, 2014	Dec 31, 2013
Concentrate Sold (dmt)	29,873	14,050	21,489	20,874	22,852	18,820	16,274	13,249	9,717
Sale revenues	$22,064,379	$10,356,112	$20,498,526	$21,834,182	$27,832,825	$23,569,721	$21,082,872	$15,333,509	$9,156,036
Interest income	$5,200	$8,113	$30,442	$193	$317	$353	$442	$799	$703
Other income	$0	$0	$0	$0	$(35,142)	$35,142	$0	$0	$0
Royalty	$2,654,845	$1,307,106	$1,284,405	$1,835,316	$(545,329)	$2,046,033	$1,551,005	$1,436,656	$1,424,438
Production costs	$45,881,671	$11,230,152	$18,159,474	$18,248,466	$23,482,195	$14,912,606	$11,878,791	$13,114,406	$5,491,766
Concentrate transport &logistics	$3,129,053	$2,142,649	$2,262,188	$2,318,985	$2,534,278	$1,758,856	$1,855,448	$1,562,535	$985,835
General & administrative expenses	$3,321,824	$2, 143,195	$1,618,823	$1,848,306	$1,811,978	$1,487,500	$1,344,126	$1,645,679	$(1,873,658)
Exploration	$231,541	$607,141	$284,833	$156,206	$716,599	$230,025	$117,977	$139,989	$(163,690)
Net Income/ (Loss)	$(33,623,504)	$(7,415,611)	$(3,309,734)	$(2,858,930)	$(638,590)	$2,838,547	$3,865,914	$(2,960,852)	$2,632,191
Income (Loss) per share (non-diluted)	$(0.06)	$(0.01)	$0.00	$0.00	$0.00	$0.00	$0.01	$(0.00)	$0.00
Income (Loss) per share (diluted)	$(0.06)	$(0.01)	$0.00	$0.00	$0.00	$0.00	$0.01	$(0.00)	$0.00
Total Assets	$29,281,822	$39,502,220	$64,233,860	$74,928,390	$74,919,826	$76,668,832	$76,929,889	$73,901,030	$73,177,413

Results of Operations for the three months ended December 31, 2015

During the three months ended December 31, 2015, the Company achieved five exported shipments of 29,873 dmt, with nickel concentrate sales of $22.1 million.

The following variances result when comparing operations for the three month period ended December 31, 2015, with the same period of the prior year. The US dollar: Canadian dollar exchange rate increased to 1.3841 at December 31, 2015 from 1.1601 at December 31, 2014. The significant fluctuation of US dollar: Canadian dollar exchange rate in 2015 led to an increase in Q4 2015 revenues and expenses in Canadian dollar.

Revenues: The increase in exported shipments quantity in Q4 2015 resulted from an unexpected delay in BPNM's nickel concentrate shipping schedule to Tianjin port in Q3 2015. This produced inventory, along with the high inventory balance carried forward from Q3 were sold, the Company achieved five exported shipments of 29,873 dmt (2014: four exported shipments of 22,852 dmt). Although in Q4 2015, the exported shipments quantity was higher than the same quarter in 2014, the revenue value was lower due to deep decline in the nickel price in 2015. This resulted in nickel concentrate sales of $27.4 million during the 2015 fourth quarter (2014: $33.3 million) before deducting export tax of $5.3 million (2014: $5.5 million), leading to net sales revenues of $22.1 million (2014: $27.8 million).

Production costs include mining, processing, maintenance and other production direct costs. Production costs increased $22.4 million in Q4 2015 compares to Q4 2014. This increase mainly represented the impairment adjustment for the Company’s property, plant and equipment of $26.6 million recognized in Q4 2015.

At December 31, 2015, the Company tested the recoverability of BPNM, given the aforementioned indicator of impairment, by estimating the recoverable amount of the BPNM cash-generating unit via a discounted cash flow model. The Company estimated future operating and capital costs, production grades and recoveries and considered published metal price forecasts. Due to the sensitivity of the recoverable amounts to the various factors mentioned and specifically long-term metal prices as well as unforeseen factors, any significant change in the key assumptions and inputs could result in additional impairment charges in future periods.

The key assumptions used in the impairment model included the following:

- Life of mine of approximately one year;
- Forecasted Nickel price of US$9,000 to US$11,000 per tonne;
- Average Nickel grades of 2.20%;
- Average Nickel recovery of 86%; and
- Risk-adjusted project specific discount rate of 16%.

At December 31, 2015, the carrying value of the BPNM cash-generating unit was $39.7 million, which was greater than its estimated recoverable amount calculated on a discounted cash flow basis of $13.1 million, which included $2.7 million of working capital. The Company considers use of its internal discounted cash flow economic models as a proxy for the calculation of value-in-use. Based on the above assessment, at December 31, 2015, the Company recorded an impairment charge related to the BPNM mine of $26.6 million.

Royalties: A royalty payable to the Vietnamese Government is calculated at 10% of either (i) the value of nickel concentrate sale price less export tax, processing, bagging, road freight, customs and warehouse costs and shipped nickel concentrate quantity; or (ii) exploited ore quantity converted from shipped nickel concentrate quantity and the royalty taxable minimum price ("minimum price") of VND1,660,000/ore tonne. Whichever method generates higher tax payable amount is applied. In 2015, the price realized for nickel concentrate decreased and the sales price less export tax, processing, bagging, road freight, customs and warehouse costs was lower than VND1,660,000/ore tonne, therefore the Company applied the minimum price. Royalty expense is recorded when revenue from the sale of nickel concentrate is recognized. In the fourth quarter of 2015 royalty expenses were $2.7 million (2014: $(0.5 million)). The 2014 royalty was recalculated based on the January 22, 2015 Decision 1010 issued by Ministry of Finance with regard to the deduction of processing and bagging costs resulting in a reduction of $2.4 million for the period from November 2013 to December 2014. This reduction was netted off with $1.9 million tax incurred in quarter 4, 2014 leading to a net result of $(0.5 million).

Concentrate transport and logistics costs comprise in-land and sea freight costs of sold nickel concentrate. The costs increased of $0.6 million in the 4th quarter 2015 due to 29,873 dmt concentrate was sold, while in the same quarter in 2014, 22,852 dmt concentrate was sold.

General and administrative expenses (GAE) comprised: salaries, wages and benefit, taxes and fees, professional and regulatory, insurance, travel and other administrative expenses. GAE increased $1.5 million to $3.3 million in Q4 2015 from $1.8 million in the same quarter 2014. The increase was caused by: (i) environment protection fee (EPF) increased $1.2 million, in which $0.7 million was additional 2014 EPF after the tax audit result in late 2015 and $0.5 million additional 2015 EPF which was recognized based on the 2014 tax audit basis; (ii) mining rights grant fee recognized in 4th quarter but for the whole year, the increase of $0.2 million due to ore mined quantity in 2015 was higher than 2014; (iii) professional fees increased $0.1 million for management fee in Q4 2015; and (iv) travel costs of BPNM management increased by $0.2 million in 4th quarter 2015 relating to international business trips of senior officers.

Exploration costs in quarter 4, 2015 reflect a completion of exploration activities (geophysical survey, drilling programme) in Ban Phuc, King Snake and Ban Khoa communes which are around the current mine area, commencing in July 2014 once the exploration license was secured.

Net Income: The Company incurred losses of $33.6 million or $(0.06) (fully diluted, $(0.06)) in the 2015 fourth quarter compared with loss of $0.6 million or $0.00 (fully diluted, $0.00) per share in the same 2014 quarter.

SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

In the application of the group's accounting policies, which are described in Note 4 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 BPNM 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.

As at December 31, 2015, the Company has cash and cash equivalents of $5.7 million and working capital of $2.4 million. During the year ended December 31, 2015, the Company realized a net loss of $47.2 million and has an accumulated deficit of $131.7 million. The Company incurred significant losses and negative cash flow from operations in the years prior to 2015. Whether the Company will maintain 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 material uncertainty that casts significant doubt about the Company's ability to continue as a going concern.

In the last quarter 2015, an unexpected delay in BPNM's nickel concentrate shipping schedule to Tianjin port, coupled with a further decline in the nickel price, resulted in temporary tightness in working capital. Pala Investments ("**Pala**"), AMR's majority shareholder, agreed to extend a short-term bridging facility in amount of US$2.1 million. Drawdown on the facility was made in early October 2015 with full repayment in November 2015.

The Company has fully repaid this facility and is currently debt free with no security held over assets.

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.

Asset Impairment

The Company's property, plant and equipment was assessed at December 31, 2015 to determine indicators to prove the carrying amounts of these assets are impaired, an impairment of $26.6 million was recognized.

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 Company 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 estimate agreed with the expenditure required to settle the restoration obligation at the reporting date.

At December 31, 2015, there is a provision for rehabilitation of $444,219 (2014: $399,072).

Ore reserve estimates

Estimates of recoverable quantities of reserves include assumptions on commodity prices, exchange rates, discount rates and production costs for future cash flows. 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 2015, there was $104,673 share-based compensation expense compared with $428,168 in 2014. There was $106,061 in the forfeiture and expiry of options during the year 2015 (2014: $310,116) and these amounts were 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, 2015.

Future Accounting Policies

A number of new standards, amendments to standards and interpretations, are not yet effective for the year ended December 31, 2015. The following pronouncements are those that the Company considers most significant and are not intended to be a complete list of new pronouncements that may affect the financial statements.

IFRS 9, *Financial Instruments ("IFRS 9")*

IFRS 9 will replace the multiple classification and measurement models in IAS 39, *Financial Instruments: Recognition and Measurement*, with a single model that has only two classification categories: amortized cost and fair value. The new standard also requires a single impairment method to be used, provides additional guidance on the classification and measurement of financial liabilities, and provides a new general hedge accounting standard.

The mandatory effective date has been set for January 1, 2018, however early adoption of the new standard is permitted. The Company does not intend to early adopt IFRS 9. The Company is currently evaluating the impact of IFRS 9 on its consolidated financial statements.

IFRS 15, *Revenue from Contracts with Customers ("IFRS 15")*

IFRS 15 is effective for fiscal years commencing on or after January 1, 2018 and will replace IAS 18, *Revenue* and a number of revenue related standards and interpretations. IFRS 15 contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have also been introduced, which may affect the amount and/or timing of revenue recognized.

The Company intends to adopt IFRS 15 in its consolidated financial statements for the annual period beginning on January 1, 2018. The Company is currently evaluating the impact of IFRS 15 on its consolidated financial statements.

IFRS 16, *Leases ("IFRS 16")*

On January 13, 2016, the IASB published a new standard, IFRS 16, eliminating the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Under the new standard, a lease becomes an on-balance sheet liability that attracts interest, together with a new right-of-use asset. In addition, lessees will recognize a front-loaded pattern of expense for most leases, even when cash rentals are constant. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with earlier adoption permitted. The Company is currently evaluating the impact of IFRS 16 on its consolidated financial statements.

There are other new standards, amendments to standards and interpretations that have been published and are not yet effective. The Company believes they will have no material impact on its consolidated financial statements.

TRANSACTIONS WITH RELATED PARTIES

Directors

Directors fees recognized in 2015 totalled $124,919 (2014: $4,167).

Key management

Salary paid to key management persons in 2015 totalled $1,724,844 (2014: $753,586). In October 2015, the Company entered into share compensation agreements with each of its CEO and CFO, to pay both officers' 2015 annual performance bonus' in the form of common shares of AMR in lieu of cash payment. These common shares vested and were issued in April 2016.

The Company granted common shares options to its CEO (5,000,000 share options) and its CFO (2,000,000 share options) pursuant to its 2007 Stock Option Plan. The Options, which vested during 2015, are exercisable at $0.05 per share, expire on October 1, 2020.

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 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.

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 and disposed of 11,500,000. Subsequent to these purchases and sales Pala owned and controlled, directly or indirectly 569,813,827 common shares of the Company.

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 Ban Phuc mine. AMR does not own any significant assets other than those related to AMR's ownership interest in the mine 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 mine 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, as of December 2015, is approximately five (5) years. A failure to acquire new mineral properties or expand the mine's mineral resources and mineral reserves will affect the long-term sustainability and potential profitability of AMR.

Risk of the Revocation of Licences and Permits

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 licenses, 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.

Additional funding 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.

AMR may not meet its production targets or its cost estimates

The ability of the Ban Phuc mine to meet nickel production levels is 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 currently uses the services of a western mining contractor for ongoing production at Ban Phuc. Increased demand for and cost of contract mining services and equipment could cause project costs to increase 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 569,813,827 Common Shares, representing approximately 73.1% 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 74.9% 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	569,813,827	73.1%
Melior Resource Inc	47,272,727	6.1%
Lion Selection Group Limited(2)	39,950,288	5.1%
Malaysia Smelting Corporation Berhad(3)	31,297,661	4.0%
Total	**688,334,503**	**88.3%**

Notes:

(1) Based on information posted on SEDI as of April 29, 2016.

(2) 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 controlled by Lion Selection Group Limited.

(3) Pala has a right of first refusal to purchase the Common Shares held by MSC, which if exercised would bring Pala's ownership to 601,111,488 Common Shares, representing approximately 77.1% on a non-diluted basis and 78.6% 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.

Limited production revenues; history of losses

To date, the Company has only limited production revenue from mining operations, as commercial production at Ban Phuc commenced late in 2013. 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.

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.

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, development and operating 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 Project's success will be dependent to a large 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 continued operations. Such a reassessment may be the result of a management decision or may be required under any financing arrangements related to the Project.

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, accounts receivable, trade and other payables, and the project financing loan. The fair values of these financial instruments are not materially different from their carrying values.

In respect of credit risk on its bank accounts and investments. Credit risk on bank accounts and short term investments is limited through maintaining the Company's balances with high credit financial institutions. During the year ended December 31, 2015, BPNM repaid US$16 million of full outstanding term loan and US$2.7 million working capital facility. As of December 31, 2015, the term loan balance and working capital facility balance is nil.

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.

Nickel prices have historically fluctuated significantly and are affected by numerous factors outside the Company's control, including but not limited to, industrial and retail demand forward sales by producers and speculators, levels of worldwide production and short-term changes in supply. The Company has not engaged in any hedging activities.

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 August 11, 2014 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 29, 2016, the Company had 788,920,842 common shares outstanding, as well as (a) options outstanding to purchase an aggregate of 22,698,284 common shares expiring at various dates between July 17, 2017 and October 1, 2020 and exercisable at various prices between $0.05 and $0.10 per share and (b) 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 865,785,793 common shares outstanding.