

Consolidated Financial Statements  
(Expressed in Canadian dollars)

## **ASIAN MINERAL RESOURCES LIMITED**

Three month period ended March 31, 2010 and 2009

(Unaudited)

*These financial statements have not been reviewed by the Company's auditors*

# ASIAN MINERAL RESOURCES LIMITED

Consolidated Balance Sheets  
(Expressed in Canadian dollars)

March 31, 2010 and 2009

	March 31 2010 (unaudited)	December 31 2009 (audited)	March 31 2009 (unaudited)
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 5,623,036	\$ 903,679	\$ 2,769,103
Advances on subscriptions	-	601,767	-
Accounts receivable and prepayments	361,919	398,953	2,323,851
Materials and supplies inventory (note 3)	1,207,557	1,249,311	1,710,402
	<u>7,192,512</u>	<u>3,153,710</u>	<u>6,803,356</u>
Property, plant and equipment (note 4)	42,185,651	42,262,158	41,532,210
Mineral property interest (note 5)	1,864,587	1,864,587	1,864,587
	<u>\$ 51,242,750</u>	<u>\$ 47,280,455</u>	<u>\$ 50,200,153</u>

## Liabilities and Shareholders' Equity

Current liabilities:			
Accounts payable and accrued liabilities	\$ 1,390,291	\$ 1,595,826	\$ 2,868,149
Shareholders' equity:			
Share capital (note 6)	90,369,106	84,527,821	83,381,227
Contributed surplus	2,982,156	2,937,441	2,617,785
Advances on subscriptions	-	601,767	-
Deficit	(43,498,803)	(42,382,400)	(38,667,008)
	<u>49,852,459</u>	<u>45,684,629</u>	<u>47,332,004</u>
	<u>\$ 51,242,750</u>	<u>\$ 47,280,455</u>	<u>\$ 50,200,153</u>

Nature of operations and going concern (note 1)  
Commitments and contingencies (note 13)  
Subsequent event

See accompanying notes to consolidated financial statements.

Approved on behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

# ASIAN MINERAL RESOURCES LIMITED

Consolidated Statements of Operations, Comprehensive Loss and Deficit  
(Expressed in Canadian dollars)

Three month period ended March 31, 2010 and 2009

	Three months ended March 31 2010	Three months ended March 31 2009
Expenses:		
Amortization and depreciation	\$ 79,515	\$ 249,125
Directors fees (note 8(b))	55,357	40,570
Exploration	110,740	(115,938)
Legal, audit and accounting	16,069	1,336
Listing and filing fees	4,002	12,223
Office and administration	109,156	151,189
Stock based compensation (note 6(d))	44,715	137,422
Travel and conferences	89,128	4,970
Vietnam office expenses (note 7)	608,181	507,625
Loss before the following	1,116,863	988,522
Other income (expenses):		
Interest income	739	2,595
Foreign exchange gain (loss)	(279)	142,367
	460	144,962
Loss and comprehensive loss for period	1,116,403	843,560
Deficit, beginning of period	42,382,400	37,823,448
Deficit, end of period	\$ 43,498,803	\$ 38,667,008
Basic and diluted loss per share	\$ 0.01	\$ 0.01
Weighted average number of common shares outstanding	167,612,895	100,180,162

See accompanying notes to consolidated financial statements.

# ASIAN MINERAL RESOURCES LIMITED

Consolidated Statements of Cash flows  
(Expressed in Canadian dollars)

Three month period ended March 31, 2010 and 2009

	Three months ended March 31 2010	Three months ended March 31 2009
Cash provided by (used in):		
Operations:		
Loss for the year	\$ (1,116,403)	\$ (843,560)
Items not involving cash		
Stock based compensation	44,715	137,422
Depreciation	79,515	249,125
Changes in non-cash operating working capital		
Accounts receivable and prepayments	37,034	675,537
Materials and supplies inventory	41,754	
Accounts payable and accrued liabilities	(205,535)	(2,028,578)
	(1,118,920)	(1,810,054)
Investments:		
Purchase of property, plant and equipment	(3,008)	(531,531)
Financing:		
Issuance of common shares and warrants, net of issue costs (note 6(c))	5,239,518	-
Increase/(Decrease) in cash and cash equivalents	4,117,590	(2,341,585)
Cash and cash equivalents, beginning of period	1,505,446	5,110,688
Cash and cash equivalents, end of period	\$ 5,623,036	\$ 2,769,103
Supplemental information:		
Interest received	\$ 739	\$ 2,595

See accompanying notes to consolidated financial statements.

# ASIAN MINERAL RESOURCES LIMITED

Notes to Consolidated Financial Statements  
(Expressed in Canadian dollars, unless otherwise stated)

Three month period ended March 31, 2010 and 2009

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## 1. Nature of operations and going concern:

Asian Mineral Resources Limited (the Company) is incorporated under the laws of the Province of British Columbia by a certificate of continuance as of December 31, 2004, having previously been incorporated and registered under the New Zealand Companies Act 1993. On April 19, 2004, the Company became listed on the TSX-Venture Exchange (TSX-V). The Company's principal business activity is the exploration and development of mineral property interests. Its principal mineral property interest, held through a joint venture, is in the Ban Phuc Project Area located 160 km west of Hanoi in Son La Province, in northwestern Vietnam.

The Company completed a definitive feasibility study in November 2005, updated in 2007, which supported mine development within a portion of the Ban Phuc Project Area. On December 17, 2007, the Company received a mining license to develop and mine the Ban Phuc deposit from the Vietnamese Ministry of Natural Resources and Environment. Project development commenced in late 2007, with production initially anticipated to commence in the second quarter of 2009. On October 1, 2008 the Company suspended project development activities at Ban Phuc and subsequently placed the project on care and maintenance for reasons including the inability to obtain financing for project completion.

As at March 31, 2010 the Company has cash and cash equivalents of \$5.6 million. This will be used to pay outstanding commitments and care and maintenance activities at the Ban Phuc development site and to fund administrative costs at the Toronto and Hanoi offices, where a core group of employees have been retained. These funds are expected to be sufficient for ongoing activities through 2010. Additional funds will be required to re-commence development at the Ban Phuc project.

These financial statements are prepared on the basis that the Company will continue as a going concern. Management recognizes that additional financing will be needed to finance completion of construction of the Ban Phuc Nickel Mine, however, there can be no assurance that the Company will obtain such additional financing and/or achieve profitability or positive cash flows. Furthermore, failure to continue as a going concern would require that the Company's assets and liabilities be restated on a liquidation basis which would differ significantly from the going concern basis.

## 2. Significant accounting policies:

### (a) Basis of presentation:

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The consolidated financial statements include the accounts of the Company, and its wholly owned subsidiaries, AMR Nickel Limited and Asian Nickel Exploration Limited and its 90%-owned investment in the Ban Phuc Nickel Mines Limited Liability Company (BPNM) joint venture, which is controlled by the Company. All material inter-company balances and transactions have been eliminated upon consolidation.

### (b) Cash and cash equivalents:

Cash and cash equivalents consist of cash and highly liquid investments, having maturity dates of three months or less from the date of acquisition, that are readily convertible to known amounts of cash.

# ASIAN MINERAL RESOURCES LIMITED

Notes to Consolidated Financial Statements  
(Expressed in Canadian dollars, unless otherwise stated)

Three month period ended March 31, 2010 and 2009

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## 2. Significant accounting policies (continued):

(c) Prepayments:

Prepayments to suppliers and contractors are based on the contract progress, with payments made during the stages of works.

(d) Materials and supplies inventory:

Materials and supplies inventory consists of consumables used in development activities, such as explosives, fuel and spare parts which are valued at the lower of average cost and replacement cost and, where appropriate, less a provision for obsolescence.

(e) Property, plant and equipment:

Property, plant and equipment are used in the Company's exploration and site activities and are recorded at cost less accumulated depreciation. Depreciation from exploration activities is included in exploration expense and depreciation from site activities is included in operating expenses. Depreciation is recorded at various rates over the estimated useful lives of the related property, plant and equipment as follows:

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Building, plant, machinery, motor vehicles	14% - 25%, straight-line
Furniture and office equipment	11% - 33%, straight-line
Licenses and franchises	11% - 33%, straight-line

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Construction in progress represents the cost of plant and mines which are under construction. No depreciation is provided for construction in progress during the period of construction.

The Company reviews and evaluates the carrying value of its development property for impairment when events or circumstances indicate that the carrying amounts may not be recoverable. If the total estimated future cash flows on an undiscounted basis for mining properties are less than the carrying amounts of the assets, an impairment loss is measured and assets are written down to fair value, which is normally the discounted value of future cash flows, with a provision being charged to earnings. Future cash flows are estimated based on estimated future recoverable mine production, expected sales price of metal, production levels, cash costs of production, capital and reclamation costs, all of which are based on life of mine plans. Future recoverable mining production is determined from proven and probable reserves and measured and indicated mineral resources after taking into account estimated dilution and recoveries during mining and the accountable amount of metal to be recovered after ore processing, smelting and refining. Assumptions underlying future cash flow estimates are subject to risks and uncertainties. It is possible that changes in estimates could occur which would affect the expected recoverability of the Company's investment in mineral properties.

# ASIAN MINERAL RESOURCES LIMITED

Notes to Consolidated Financial Statements  
(Expressed in Canadian dollars, unless otherwise stated)

Three month period ended March 31, 2010 and 2009

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## 2. Significant accounting policies (continued):

### (f) Mineral property interests:

Exploration expenses incurred prior to determination of the feasibility of mining operations and issuance of a mining license are expensed as incurred. Mineral property acquisition costs and exploration and development expenditures incurred subsequent to the determination of the feasibility of mining operations and issuance of a mining license are deferred until the property to which they relate is placed into production, sold, allowed to lapse or abandoned. Mineral property acquisition costs include the cash consideration and the fair market value of common shares, based on the trading price of the shares, issued for mineral property interests, pursuant to the terms of the agreement. These costs will be amortized over the estimated life of the property following commencement of commercial production, or written off if the property is sold, allowed to lapse or abandoned or when an impairment of value has occurred.

### (g) Share capital:

The Company records proceeds from share issuances net of issue costs. Shares issued for consideration other than cash are valued at the quoted price on the date the agreement to issue the shares was reached and announced for business combinations and the date of issuance for other non-monetary transactions.

### (h) Stock-based compensation:

The Company has a stock option plan as described in note 6(d). The Company records all stock-based compensation using the fair value method.

Under the fair value method, stock-based payments are measured at the fair value of the consideration received or the fair value of the equity instruments issued, whichever is more reliably measurable and are charged to operations over the vesting period. The offset to the recorded cost is to contributed surplus. Consideration received on the exercise of stock options is recorded as share capital and the related contributed surplus is transferred to share capital.

### (i) Income taxes:

The Company uses the asset and liability method of accounting for income taxes. Under this method, future income tax assets and liabilities are computed based on differences between the carrying amounts of assets and liabilities on the balance sheet and their corresponding tax values, generally using the substantively enacted income tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in operations in the period that includes the date of substantive enactment.

Future income tax assets also result from unused loss carry forwards and other deductions. Future tax assets are recognized to the extent that they are considered more likely than not to be realized. The valuation of future income tax assets is adjusted, if necessary, by the use of a valuation allowance to reflect the estimated realizable amount.

# ASIAN MINERAL RESOURCES LIMITED

Notes to Consolidated Financial Statements  
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Three month period ended March 31, 2010 and 2009

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## 2. Significant accounting policies (continued):

### (j) Foreign currency translation:

The Company's foreign operations are integrated. Monetary assets and liabilities of the Company denominated in a foreign currency and its integrated foreign subsidiaries are translated into Canadian dollars at exchange rates in effect at the balance sheet date. Non-monetary assets and liabilities are translated at historical exchange rates unless such items are carried at market, in which case they are translated at the exchange rates in effect on the balance sheet date. Revenue and expenses, except depreciation, are translated using the average quarterly exchange rate. Depreciation is translated at the same exchange rate as the assets to which it relates. Foreign currency gains and losses are recorded in the statement of operations as incurred.

### (k) Loss per share:

Basic loss per share is calculated by dividing the loss available to common shareholders by the weighted average number of common shares outstanding during the period. For all periods presented, loss available to common shareholders equals the reported loss.

Diluted loss per share is calculated using the treasury stock method. Under the treasury stock method, the weighted average number of common shares issued and outstanding used for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive stock options and warrants are used to repurchase common shares at the average market price during the period. For all periods presented, diluted loss per share is the same as basic loss per share since the effect of the outstanding options (note 6(d)) and warrants (note 6(e)) would be anti-dilutive.

### (l) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as at the balance sheet date, and the amounts of revenue and expenses during the reporting period. Significant areas requiring the use of management estimates include the determination of the recoverability of mineral property interests, reclamation obligations, valuation allowance for future income taxes and the assumptions used in the stock-based compensation calculations. Actual results could differ from those estimates.

### (m) Asset retirement obligations:

The Company recognizes statutory, contractual or other legal obligations related to the retirement of tangible long-lived assets when such obligations are incurred, if a reasonable estimate of fair value can be made. These obligations are measured initially at fair value and the resulting costs are capitalized to the carrying value of the related asset. In subsequent periods, the liability is adjusted for any changes in the amount or timing and for the discounting of the underlying future cash flows. The capitalized asset retirement cost is amortized to operations over the life of the asset. At March 31, 2010, the Company has no asset retirement obligation.

# ASIAN MINERAL RESOURCES LIMITED

Notes to Consolidated Financial Statements  
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Three month period ended March 31, 2010 and 2009

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## 2. Significant accounting policies (continued):

### (n) Segment disclosures:

The Company operates in a single segment, being the exploration and development of its mineral property within the geographic areas disclosed in note 9.

### (o) Financial instruments:

The Company's financial instruments are comprised of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities. Financial instruments are measured and classified as follows:

- Held-for-trading financial assets and liabilities are initially measured at fair value and subsequent changes in fair value are recognized in the statements of operations. Cash and cash equivalents are designated as held-for-trading;
- Available-for-sale financial assets are initially measured at fair value, plus any transaction costs, and subsequent changes in fair value are recognized in other comprehensive income until the instrument is derecognized or impaired at which time the amounts would be recorded in the statement of operations. The Company does not hold any available-for-sale financial assets.
- Held-to-maturity investments, loans and receivables, or other financial liabilities - all of which are initially measured at fair value plus any transaction costs and subsequently measured at amortized cost using the effective interest method, less any impairment. Accounts receivable are classified as loans and receivables and accounts payable and accrued liabilities are classified as other financial liabilities. The Company does not hold any held-to-maturity investments.
- Derivatives embedded in other financial instruments or non-financial contracts (the host instrument) are treated as separate derivatives with fair value changes recognized in the statement of operations when their economic characteristics and risks are not clearly and closely related to those of the host instrument, and the combined instrument or contract is not held for trading. No reportable embedded derivatives were identified in a review of the Company's contracts.

In accordance with this standard, financial instruments have been classified as follows:

- Cash and cash equivalents are classified as held-for-trading and are marked-to-market through net income at each period end.
- Accounts receivable are classified as loans and receivables and are measured at amortized cost.
- Accounts payable are classified as other financial liabilities and are measured at amortized cost.

# ASIAN MINERAL RESOURCES LIMITED

Notes to Consolidated Financial Statements  
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Three month period ended March 31, 2010 and 2009

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## 2. Significant accounting policies (continued):

(p) Future accounting policies:

(i) Business combinations:

The CICA issued three new accounting standards in January 2009: Section 1582, *Business Combinations*, Section 1601, *Consolidated Financial Statements*, and Section 1602, *Non-Controlling Interests*. These new standards will be effective for fiscal years beginning on or after January 1, 2011.

Section 1582 replaces Section 151 and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to International Financial Reporting Standards (IFRS) 3, *Business Combinations*. The Section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Sections 1601 and 1602 together replace Section 1600, *Consolidated Financial Statements*. Section 1601, establishes standards for preparation of consolidated financial statements. Section 1601 applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS IAS 27, *Consolidated and Separate Statements*, and applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011.

(ii) International Financial Reporting Standards:

In 2006, the Canadian Accounting Standards Board (AcSB) published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly accountable companies to use IFRS, replacing Canadian GAAP. This date is for interim and annual financial statements relating to fiscal year beginning on or after January 1, 2011. The adoption date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. We are currently assessing the financial reporting impact of the transition to IFRS.

## 3. Materials and supplies inventory:

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	2010	2009
Materials and supplies inventory	\$ 1,207,557	\$ 1,710,402

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Materials and supplies inventory consists of consumables used in development activities, such as explosives, fuel and spare parts.

# ASIAN MINERAL RESOURCES LIMITED

Notes to Consolidated Financial Statements  
(Expressed in Canadian dollars, unless otherwise stated)

Three month period ended March 31, 2010 and 2009

## 4. Property, plant and equipment:

March 31, 2010	Cost	Accumulated depreciation	Net book value
Building, plant, machinery, motor vehicles	\$ 3,161,589	\$ 756,884	\$ 2,404,705
Construction in progress	39,569,992	-	39,569,992
Furniture and office equipment, licenses and franchises	433,770	222,816	210,954
	<u>\$ 43,165,351</u>	<u>\$ 979,700</u>	<u>\$ 42,185,651</u>

  

March 31, 2009	Cost	Accumulated depreciation	Net book value
Building, plant, machinery, motor vehicles	\$ 3,338,172	\$ 695,765	\$ 2,642,407
Construction in progress	38,590,154	-	38,590,154
Furniture and office equipment, licenses and franchises	510,010	210,361	299,649
	<u>\$ 42,438,336</u>	<u>\$ 906,126</u>	<u>\$ 41,532,210</u>

In October 2008, the Company suspended project activities at Ban Phuc due to an inability to raise financing to continue development given market conditions at the time. The project has remained on a care and maintenance program since that time. In light of the lack of activity at Ban Phuc during the year, and the Company's inability, as yet, to obtain relief on the Vietnamese government's 20% tariff on exports, an impairment test was performed in accordance with CICA Handbook Section 3063, *Impairment of Long-Lived Assets*, as at December 31, 2009. There are a number of significant judgments and assumptions in the mine plan and in the assessment of whether an impairment exists. These judgments included the existence of mineral reserves and resources, the recoverable amount of such reserves and resources, the costs that would be incurred to extract the mineralized material and process the concentrate, as well as the ability of the Company to raise the necessary financing to complete the development project and commence production. Critical assumptions included the use of a nickel price of \$8.20 per pound and the application of a 20% tariff on the export of concentrates. On the basis of such analysis, the Ban Phuc cash flows on an undiscounted basis exceed the carrying amount of the asset, therefore no impairment charge is required at this time. This assessment involves uncertainty and the outcome could differ in the near term due to changes in conditions which could result in a material change to the carrying amount of Ban Phuc related long-lived assets.

# ASIAN MINERAL RESOURCES LIMITED

Notes to Consolidated Financial Statements  
(Expressed in Canadian dollars, unless otherwise stated)

Three month period ended March 31, 2010 and 2009

## 5. Mineral property interest:

	2010	2009
Ban Phuc Project Area	\$ 1,864,587	\$ 1,864,587

The Company's mineral property interest is in the Ban Phuc Project Area in Vietnam. The mining license for Ban Phuc was received on December 17, 2007 and development activities commenced immediately thereafter. On October 1, 2008 the Company suspended project activities at Ban Phuc and subsequently the project was placed on a care and maintenance program. The Company has been unable to obtain the financing required to bring the project to completion as a result of combination of factors, including current market conditions, the market price of nickel, and uncertainties with regards to Vietnamese government policies on nickel concentrates, export tariffs, royalties and taxes.

## 6. Share capital:

### (a) Authorized:

The Company's share capital consists of an unlimited number of common shares without par value.

### (b) Issued and outstanding:

	Number of shares	Amount
Balance, December 31, 2008	100,180,162	\$ 83,381,227
Issued during the year:		
Shares issued under private placement (note 6(c))	11,718,637	1,054,677
Shares issued to directors	835,636	91,920
Balance, December 31, 2009	112,734,435	84,527,824
Issued during the year:		
Shares issued under private placement (note 6(c))	59,000,000	5,841,282
Balance, March 31, 2010	171,734,435	\$ 90,369,106

### (c) Private placements:

- (i) On January 7, 2010, the Company completed a non-brokered private placement of 59,000,000 units of the Company at a price of \$0.10 per unit for gross proceeds of \$5,900,000. Each unit comprises one common share and one common share purchase warrant exercisable at \$0.15 until January 7, 2011. The securities issued are subject to a hold period expiring May 7, 2010. Legal and regulatory costs associated with the issue totaled \$58,718.
- (ii) In June 2009, the Company issued 11,718,637 common shares at a \$0.09 per share price, for gross proceeds of \$1,054,677.

# ASIAN MINERAL RESOURCES LIMITED

Notes to Consolidated Financial Statements  
(Expressed in Canadian dollars, unless otherwise stated)

Three month period ended March 31, 2010 and 2009

## 6. Share capital (continued):

### (d) Share purchase options:

The Company grants share purchase options pursuant to the policies of the TSX-Venture Exchange with respect to eligible persons, exercise price, maximum term, vesting, maximum options per person and termination of eligible person status. The purpose of the share purchase options is to retain and motivate management, staff, consultants and other qualified individuals by providing them with the opportunity, through share purchase options, to acquire a proprietary interest in the Company and benefit from its growth.

During the period ended March 31, 2010, \$44,715 (2009 - \$137,422), representing the fair value of all options granted and vested, was recorded as stock-based compensation. For share options granted during the period ended March 31, 2010, the compensation expense was estimated using the Black-Scholes option pricing model assuming a range of risk free interest rates of 2.27% to 2.43% (2009 - 2.67% to 3.27%), and a range of expected volatilities of 116% to 118% (2009 - 87% to 97%), an expected dividend rate of nil and an expected life of four years (2009 – two to three years).

The continuity of outstanding share purchase options for the period ended March 31, 2010 is as follows:

Expiry dates	Exercise prices	Balance December 31, 2009	Granted	Exercised	Expired/cancelled	Balance March 31, 2010
September 7, 2011	\$0.50	120,000	-	-	-	120,000
February 8, 2012	\$1.40	240,000	-	-	-	240,000
March 27, 2012	\$1.80	450,000	-	-	-	450,000
November 26, 2012	\$2.00	540,000	-	-	-	540,000
January 22, 2013	\$1.55	200,000	-	-	-	200,000
February 11, 2013	\$1.40	150,000	-	-	-	150,000
April 7, 2013	\$1.55	200,000	-	-	-	200,000
July 1, 2014	\$0.11	1,450,000	-	-	-	1,450,000
July 28, 2014	\$0.11	1,110,000	-	-	-	1,110,000
		4,460,000	-	-	-	4,460,000
Weighted average exercise price		\$0.76	-	-	-	\$0.76
Weighted average remaining life (years)		3.73	-	-	-	3.48

# ASIAN MINERAL RESOURCES LIMITED

Notes to Consolidated Financial Statements  
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Three month period ended March 31, 2010 and 2009

## 6. Share capital (continued):

### (d) Share purchase options (continued):

The continuity of outstanding share purchase options for period ended March 31, 2009 is as follows:

Expiry dates	Exercise prices	Balance December 31, 2008	Granted	Exercised	Expired/ cancelled	Balance March 31, 2009
April 19, 2009	\$0.33	150,000	-	-	-	150,000
June 30, 2011	\$0.50	25,000	-	-	-	25,000
September 7, 2011	\$0.50	120,000	-	-	-	120,000
January 15, 2012	\$1.10	350,000	-	-	-	350,000
February 8, 2012	\$1.40	240,000	-	-	-	240,000
March 27, 2012	\$1.80	450,000	-	-	-	450,000
May 15, 2012	\$2.05	500,000	-	-	-	500,000
November 26, 2012	\$2.00	1,480,000	-	-	(100,000)	1,380,000
January 23, 2013	\$1.55	200,000	-	-	-	200,000
February 11, 2013	\$1.40	150,000	-	-	-	150,000
April 7, 2013	\$1.55	200,000	-	-	-	200,000
May 1, 2013	\$1.38	25,000	-	-	(25,000)	-
May 29, 2013	\$1.50	60,000	-	-	(60,000)	-
December 9, 2013	\$0.10	500,000	-	-	(500,000)	-
		4,450,000	-	-	(685,000)	3,765,000
Weighted average exercise price		\$1.49	-	-	\$0.55	\$1.66
Weighted average remaining life (years)		3.70	-	-	4.48	3.22

As at March 31, 2010, 2,970,000 (2009 - 2,072,000) share purchase options were exercisable. These options have a weighted average exercise price of \$1.00 (2009 - \$1.63). Vesting of the options are at the discretion of the Board, in certain cases. In previous year, the Company granted options which vest either (i) immediately, (ii) over two years or (iii) on the achievement of significant milestones.

### (e) Share purchase warrants:

There is no outstanding share purchase warrants for the period ended March 31, 2010.

The continuity of outstanding share purchase warrants for the period ended March 31, 2009 is as follows:

Expiry dates	Exercise prices	Balance December 31, 2008	Granted	Exercised	Expired/ cancelled	Balance March 31, 2009
August 14, 2009	\$3.25	704,225	-	-	-	704,225
October 16, 2009	\$2.50	3,499,999	-	-	-	3,499,999
		4,204,224	-	-	-	4,204,224
Weighted average exercise price		\$2.63	-	-	-	\$2.63
Weighted average remaining life (years)		0.76	-	-	-	0.52

# ASIAN MINERAL RESOURCES LIMITED

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## 7. Vietnamese office expenses:

	2010	2009
Salary costs	\$ 418,231	\$ 424,245
Consulting fees	70,763	-
Travel expense	33,460	19,896
Office expenses	24,794	13,484
Storage costs	18,468	-
Insurance	15,704	14,066
Rent	12,052	41,605
Other	14,708	(5,671)
	\$ 608,180	\$ 507,625

Other Vietnamese office expenses include freight charges, consumables, tools/spare parts and small construction activities.

## 8. Related party transactions:

### (a) Balances receivable and payable:

The amounts due to related parties included in accounts payable and accrued liabilities and the amounts due from related parties included in accounts receivable are non interest bearing, unsecured and due on demand, and comprise the following:

	2010	2009
Due to directors	\$ 61,121	\$ 193,670

### (b) Related party transactions:

A summary of the amounts charged to the Company by officers, directors and by companies controlled by directors is as follows:

	2009	2009
Consulting fees (included in office and administration)	\$ 59,701	\$ 34,728
Directors fees	55,357	40,570
	\$ 115,058	\$ 75,298

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## 9. Segmented information:

The Company considers that it operates in a single reportable operating segment, being the exploration and development of mineral properties. Geographical information is as follows:

March 31, 2010	Canada	Vietnam	Other	Total
Revenue (interest income)	\$ 739	\$ -	\$ -	\$ 739
Loss for the year <sup>1</sup>	1,874,935	(1,480,050)	721,515	1,116,400
Assets	5,503,548	43,987,038	1,865,654	51,242,750

  

March 31, 2009	Canada	Vietnam	Other	Total
Revenue (interest income)	\$ 2,595	\$ -	\$ -	\$ 2,595
Loss for the period	(378,398)	(460,410)	(4,752)	(843,560)
Assets	2,679,636	45,654,512	1,866,005	50,200,153

Included in the loss for the year are foreign exchange gains (losses) that eliminate upon consolidation.

## 10. Financial instruments:

### (a) Credit risk:

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company is subject to credit risk on the cash balances at the bank, its short-term bank guaranteed investment certificates and accounts receivable. The investments are with Schedule 1 banks or equivalent, with the majority of its cash held in Canadian based banking institutions, authorized under the Bank Act to accept deposits, which may be eligible for deposit insurance provided by the Canadian Deposit Insurance Corporation. The accounts receivable consist of sales tax due from the Vietnamese government of \$10,715, insurance claim of \$204,619 and other receivables of \$39,435 which are not considered past due.

### (b) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. 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 its capital development and exploration expenditures. As at March 31, 2010, the Company had a cash and cash equivalent balance of \$5.6 million (2009 - \$2.8 million) to settle accounts payable and accrued liabilities of \$1.4 million (2009 - \$2.9 million). Accounts payable and accrued liabilities are due within the current operating period. See note 1, Nature of operations and going concern, in which there is a discussion of going concern.

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## 10. Financial instruments (continued):

### (c) Market risk:

The Company's primary market risk is in the areas of metal prices and foreign exchange risk on financial instruments in other than Canadian dollars. At March 31, 2010, the Company had no hedging agreements in place with respect to metal prices or exchange rates.

### (i) Currency risk:

The Company is exposed to the financial risks related to the fluctuation of foreign exchange rates. The Company has offices in Canada and Vietnam and holds cash in Canadian, United States and Vietnamese currencies in line with forecasted expenditures. A significant change in the currency exchange rates between the Canadian dollar relative to the US dollar, Vietnamese dong and Australian dollar could have an effect on the Company's results of operations, financial position or cash flows.

At March 31, 2010, the Company is exposed to currency risk through the following assets and liabilities denominated in US dollars:

	2010	2009
Cash and cash equivalents	US\$ 2,661,332	US\$ 1,177,460
Accounts receivable	294,061	1,111,685
Accounts payable and accrued liabilities	(828,275)	(875,827)
	US\$ (2,127,118)	US\$ 1,413,318
Canadian dollar equivalent (period end)	\$ (2,160,827)	\$ 1,781,120

A 10% change in the Canadian dollar against the US dollar at March 31, 2010 would result in a change of \$216,083 (2009 - \$178,112) to net income.

At March 31, 2010, the Company is exposed to currency risk through the following assets and liabilities denominated in Vietnamese dong:

	2010	2009
Cash and cash equivalents	VND 163,928,335	VND 704,862,730
Accounts receivable	2,438,785,548	10,898,820,130
Accounts payable and accrued liabilities	(1,420,560,000)	(4,473,519,822)
	VND 1,182,153,883	VND 7,130,163,038
Canadian dollar equivalent (period end)	\$ 62,654	\$ 506,242

A 10% change in the Canadian dollar against the Vietnamese dong at March 31, 2010 would result in a change of \$6,265 (2009 - \$50,624) to net income.

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## 10. Financial instruments (continued):

### (c) Market risk (continued):

#### (i) Currency risk (continued):

At March 31, 2010, the Company is exposed to currency risk through the following assets and liabilities denominated in Australian dollars:

	2010		2009	
Cash and cash equivalents	A\$	121,045	A\$	-
Accounts payable and accrued liabilities		-		(815,737)
	A\$	121,045	A\$	(815,737)
Canadian dollar equivalent (period end)	\$	112,715	\$	(711,812)

A 10% change in the Canadian dollar against the Australian dollar at March 31, 2010 would result in a change of \$11,272 (2009 - \$71,181) to net income.

#### (ii) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's cash and cash equivalents attract interest at floating rates and have maturities of 90 days or less. The interest is typical of Canadian banking rates, which are at present low, however the Company's conservative investment strategy mitigates the risk of deterioration to the capital. A change of 100 basis points in the interest rate would not be material to the financial statements.

### (d) Fair value:

All financial instruments measured at fair value are categorized into one of three hierarchy levels, described below, for disclosure purposes. Each level is based on the transparency of the inputs used to measure the fair values of assets and liabilities:

- Level 1 - Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets and liabilities;
- Level 2 - Values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability; and
- Level 3 - Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

The carrying values of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities approximate their respective fair values due to the short-term nature of these instruments.

Cash and cash equivalents are classified as held-for-trading and are measured at fair value on a recurring basis. The fair value of cash and cash equivalents is categorized in Level 1.

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## **11. Capital management:**

The Company manages its capital structure and makes adjustment to it, in order to have the funds available to support its exploration, development and activities. The adequacy of the capital structure is assessed on an ongoing basis and adjusted as necessary after taking into consideration the Company's strategy, the metals markets, the mining industry, economic condition and the associated risks. The Company has considered utilizing debt for development of its mineral assets, however it has no debt at this time and any decision to incur debt would be dependent on market conditions. The Company's capital management approach is reviewed on an ongoing basis. The Company is not subject to externally imposed capital requirements.

## **12. Commitments and contingencies:**

The Company is disputing the right of a former director and a company controlled by him to a 0.25% gross royalty on the Company's share of smelter proceeds or other sale of product (less royalties), derived from the BPNM joint venture. The outcome of this dispute is undeterminable.

The Company is required to lodge an environmental bond of US \$215,700, with the Provincial Government's Protection Fund escrow account. This amount will be paid in 10 installments, with the initial payment due 30 days prior to the commencement of mining operations. The environmental bond is refundable once the rehabilitation, as stipulated, is completed upon the closure of the mine.