

ASIAN MINERAL RESOURCES LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS (Cdn. dollars, in accordance with Canadian GAAP)

QUARTER ENDED MARCH 31, 2010

The following discussion of the operating results and financial position of Asian Mineral Resources Limited should be read in conjunction with the Company's unaudited consolidated financial statements and related notes for the quarter ended March 31, 2010. Amounts are in Canadian dollars unless otherwise stated. References to "the Company", "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 section contains forward-looking statements that involve risks and uncertainties. The Company's actual results may differ materially from those discussed in forward-looking statements as a result of various factors, including those described under "Forward-Looking Information" and "Risk Factors."

Forward-Looking Information

This management discussion and analysis ("**MD&A**") contains certain forward-looking statements and information relating to the Company that are based on the beliefs of its management as well as assumptions made by, and information currently available to, the Company. When used in this document, the words "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. Such forward-looking statements relate to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued exploration of the Company's exploration property. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievement of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

This MD&A has been prepared as of May 26, 2010 with reference to National Instrument 51-102 "Continuous Disclosure Obligations" of the Canadian Securities Administrators.

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 LLC ("**BPNM**"), a limited liability company established in 1993 under the laws of the Socialist Republic of Vietnam, pursuant to a Foreign Investment License ("**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 the 600 km² area designated in the FIL 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 ("**Coxama**"), a company owned by the People's Committee of the Province of Son

La, which was recently privatized and renamed Son La Mechanical Engineering Joint Stock Company. In mid-2006, AMRN acquired Mideco's 20% interest so as to increase its interest to 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.

We have focussed our efforts and resources on the development of the Ban Phuc nickel-copper resource located on a portion of what is now designated in the investment certificate as a 150 km² project area. The Ban Phuc resource includes a high grade massive sulphide deposit and a large lower grade disseminated sulphide deposit. Based on a November 2005 study, a decision was made to develop the massive sulphide deposit as a project involving underground mining and processing of 200,000 tonnes per annum of massive sulphide ore to produce an estimated 20,000 tons of nickel over a five-year life of mine. In December 2007, BPNM was granted an 11-year mining license for the Project following which project development activities commenced with the objective of achieving start-up by mid-2009. By September 2008 substantial progress had been made as described in our 2009 AIF.

Total expenditures to achieve this level of project completion were US\$40.2 million. In late September, 2008 the Ban Phuc area received heavy rains associated with typhoon "Hagupit" causing significant mud slides which blocked access to parts of the site and damage to equipment. Subsequently, site access was restored and facilities and equipment were placed in a safe condition.

Effective October 1, 2008, project development activities were suspended. Following the decision to suspend development and place the Project on a care and maintenance basis, the mine portals were sealed, the other structures were put into a safe condition and arrangements were made to store the mill and equipment items at the remote locations where they remain.

During 2009 the Project's care and maintenance status continued. In January 2010 the Company received \$5.9 million proceeds of an equity financing which permitted it to begin undertaking activities required to determine the basis and timing on which the Project could be restarted and completed. Reference is made to our AIF and our MD&A for the year ended December 31, 2009, both of which are available on SEDAR at www.sedar.com.

THE QUARTER IN REVIEW

In early January, 2010 the Company completed the non-brokered private placement of 59,000,000 Units at \$0.10 a unit for gross proceeds of \$5.9 million. Each unit consisted of one common share and one warrant to purchase a common share for \$0.15 until January 7, 2011. The exercise of the warrants in full would provide a further \$8.9 million. The purchasers included Malaysia Smelting Corporation Berhad ("MSC") and its affiliates and Asian Lion Limited ("Asian Lion"). As a result, MSC and such affiliates (who are members of the Singapore-based TeCity Group) now own 29.6% of the Company's common shares and Asian Lion holds 13.6%. To accommodate the placement disinterested shareholders approved a one-time waiver of the Company's Shareholder Rights Plan.

Following completion of the financing, the Company focused on activities which could lead to a decision to restart and complete the Project. They include revised mine design and development schedule; a revised production plan and operating and capital costs; revisions to the LOM model; discussions with

potential providers of finance required for completion; and ongoing discussions with the Vietnamese authorities regarding tax and other matters.

SUBSEQUENT EVENTS

Subsequent to March 31, 2010:

- on April 26 the Company published and filed its audited financial statements for the year ended December 31, 2009 and related MD&A and its 2010 AIF
- at a meeting held on May 17, 2010, the Board of Directors selected Friday July 9, 2010 as the date for the next annual meeting of shareholders

SELECTED QUARTERLY INFORMATION

The following table sets out selected financial information for and as of the end of the quarterly periods as shown in the table. Information for the quarter ended March 31, 2010 is derived from management-prepared unaudited financial statements of the Company.

Summary of Quarterly Results

	March 31 2010	Dec. 31, 2009	Sept 30, 2009	June 30, 2009	March 31, 2009	Dec. 31, 2008	Sept. 30, 2008	June 30, 2008
Revenues	\$739	\$38	\$1,351	\$520	\$2,595	\$20,456	\$161,130	\$100,266
Net Loss	\$1,116,403	\$1,016,575	\$1,269,978	\$1,428,839	\$843,560	\$2,999,124	\$2,895,179	\$3,746,972
Loss per share (non- diluted)	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.03	\$0.03	\$0.04
Loss per share (diluted)	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.03	\$0.03	\$0.04
Total Assets	\$51,242,750	\$47,280,455	\$47,274,023	\$48,886,900	\$50,200,153	\$52,934,869	\$55,443,021	\$56,676,912

RESULTS OF OPERATIONS

Expenses

Operating expenses (excluding exploration expenditure, stock option expense and depreciation) were \$961,408 for the quarter ended March 31, 2010 in line with \$967,038 for the same 2009 quarter.

Cash Flows

Cash used in operating activities decreased from \$1.8 million for the quarter ended March 31, 2009 to \$1.1 million in the first quarter of 2010 representing primarily changes to the non-cash operating working capital year over year. Cash used in the purchase of property, plant and equipment decreased in the 2010 quarter with the Ban Phuc project remaining on care and maintenance. Cash provided by financing during the 2010 quarter was \$5.3 million (with \$600,000 cash received in advance during December 2009), from the issue of 59 million units at \$0.10 per unit. Each unit comprised of one common share and one common share purchase warrant exercisable at \$0.15 until January 7, 2011.

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

	Quarter to March 31, 2010	Quarter to March 31, 2009	Year ended December 31, 2009
Expensed exploration and development costs	\$110,740	\$(115,938)	\$42,154
Expensed research and development costs (net of depreciation)	nil	nil	nil
Building, plant, machinery, motor vehicles (net of depreciation)	\$2,404,705	\$2,642,406	\$2,465,053
Furniture and office equipment, licenses and franchises	\$210,954	\$299,649	\$227,113
Construction in progress	\$39,569,992	\$38,590,154	\$39,569,992
Expensed research and development costs	nil	nil	nil

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2010, the Company had cash and cash equivalents of \$5.6 million (March 31, 2009 - \$2.8 million).

The Company's principal objectives for the remainder of 2010 are:

- to maintain the care and maintenance status of the Ban Phuc Project while continuing the activities required for a restart decision and its implementation
- to continue discussions with the Vietnamese government authorities regarding the policy issues critical to successful Project funding and completion
- to conduct limited exploration activities to the extent there are available funds for this purpose
- to obtain additional equity funding to enable the Company to achieve these objectives.

The Company does not have sufficient financial resources to complete its objectives and fund its operations and, accordingly, will be required to obtain additional financing in order to achieve these objectives. The amount, nature and timing of such financing will depend on a number of variables and there can be no assurance of its availability on acceptable terms.

SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("**Canadian GAAP**"). 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 by virtue of its status as a Variable Interest Entity in accordance with Canadian Institute of Chartered Accountants ("**CICA**") Accounting Guideline 15 ("**ACG 15**"), which was adopted effective January 1, 2005.

Stock-based compensation

The Company grants stock options in accordance with TSX-V policies, as described in note 6(d) to the financial statements. Effective January 1, 2004, the Company adopted the fair value method of accounting for all stock-based transactions as required under the recommendations of CICA with respect to stock-based compensation. The Company adopted the fair value method to ensure that, as a TSX-V listed company and Canadian incorporated reporting issuer, it was conforming with Canadian reporting requirements.

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 amortized 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 contributed surplus related to the measurement date fair value of options exercised is transferred to share capital. The Company did not grant any stock options nor were any stock options exercised during the first quarter of either 2010 or 2009.

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, there is no asset retirement obligation.

Exploration costs

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. During the first quarter of 2010 there was a modest expenditure of \$110,740 (2009: (\$115,938)). There was an over accrual for exploration costs in December 2008, resulting in a recovery of exploration expenses in the first quarter of 2009.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Future accounting policies:

- 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. The Company is in the process of evaluating the requirements of the new standards.

Section 1582 replaces Section 1581 and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to International Financial Reporting Standards (“IFRS”) 3 – Business Combinations. This 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, establishes standards for the preparation of consolidated financial statements. 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 Financial Statements and applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011.

- International Financial Reporting Standards (IFRS):

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 it interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition 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. In July 2008, the Canadian Securities Administrators announced that early adoption will be allowed in 2009 subject to seeking exemptive relief. The Company is currently assessing the financial reporting impact of the transition to IFRS and the changeover date.

TRANSACTIONS WITH RELATED PARTIES

During the quarter ended March 31, 2010, the Company paid (or accrued) directors’ fees of \$55,356 (2009 - \$40,570) and net consulting fees of \$59,701 (2009 - \$67,237).

As at March 31, 2010, \$61,121 in directors' fees (2009 - \$193,700) and \$36,567 in consulting fees (2009 - \$67,237) were unpaid.

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.

Nature of mineral exploration and mining

At the present time the Company does not hold any interest in a mining property in production. The Company's viability and potential success lie in its ability to develop, exploit and generate revenue from mineral deposits. The exploration and development of mineral deposits involve significant financial risk over a significant period of time, which even a combination of careful evaluation, experience and knowledge may not eliminate. While discovery of a mine may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a site. It is impossible to ensure that the current or proposed exploration programs on exploration properties in which the Company has an interest will result in a profitable commercial mining operation.

The operations of the Company are subject to all of the hazards and risks normally incident to exploration and development of mineral properties, any of which could result in damage to life and property, environmental damage and possible legal liability for any and all damage. The activities of the Company may be subject to prolonged disruptions due to weather conditions depending on the location of the operations in which the Company has interests. Hazards, such as unusual or unexpected formation, rock bursts, pressure, cave-ins, flooding or other conditions may be encountered in the drilling and removal of material. While the Company may obtain insurance against certain risks in such amounts as it considers adequate, the nature of these risks are such that liabilities could exceed policy limits or could be excluded from coverage. There are also risks against which the Company cannot insure or against which it may elect not to insure. The potential costs which could be associated with any liabilities not covered by insurance or in excess of insurance coverage or associated with compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, adversely affecting the future earnings and competitive position of the Company and, potentially, its financial position.

Whether a mineral deposit will be commercially viable depends on a number of factors, including the particular attributes of the deposit, such as size and grade, proximity to infrastructure, financing costs and governmental regulations, including regulations relating to prices, taxes, royalties, infrastructure, land use, importing and exporting and environmental protection. The effect of these factors cannot be accurately predicted, but in combination they may result in the Company not receiving an adequate return on invested capital.

Fluctuating Prices

Factors beyond the control of the Company may affect the marketability of nickel, copper, cobalt, gold or any other minerals discovered. Commodity prices fluctuate widely and are affected by numerous factors beyond the Company's control whose effect cannot accurately be predicted.

Permits and Licenses

The operations of the Company will require licenses and permits from various governmental authorities, which have been applied for and/or will be applied for at the proper time. There can, however, be no assurance that the Company will be able to obtain all necessary licenses and permits required to carry out exploration, development and mining operations at its projects.

Competition

The mineral exploration and mining business is competitive in all 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 acquisition of attractive mineral properties. The ability of the Company to acquire properties in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable properties or prospects for mineral exploration. There can be no assurance that the Company will continue to be able to compete successfully with its competitors in acquiring such properties or prospects.

Environmental Regulation

The operations of the Company are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions or various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of future operations.

Estimates of mineral resources may not be realized

The mineral resource estimates published from time to time by the Company with respect to its properties are estimates only and no assurance can be given that any particular level of recovery of minerals will in fact be realized or that an identified resource will ever qualify as a commercially mineable (or viable) deposit which can be legally and economically exploited. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material. Production can be affected by such factors as permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations, inaccurate or incorrect geologic, metallurgical or engineering work, and work interruptions, among other things. Short-term factors, such as the need for orderly development of deposits or the processing of new or different grades, may have an adverse effect on mining operations or the results of operations. There can be no assurance that minerals recovered in small-scale laboratory tests will be duplicated in large-scale tests under on-site conditions or in production scale operations. Material changes in resources, grades, stripping ratios or recovery rates may affect the economic viability of projects. The estimated resources described herein should not be interpreted as assurances of mine life or of the profitability of future operations. The Company has engaged expert independent technical consultants to advise it with

respect to mineral resources and project engineering, among other things. The Company believes that those experts are competent and that they have earned out their work in accordance with all internationally recognized industry standards. However, if the work conducted by those experts is ultimately found to be incorrect or inadequate in any material respect, the Company may experience delays and increased costs in developing its properties.

Dependence on key personnel

The Company is dependent on the services of its senior management, including Robert P. Thomson, its President and Chief Executive Officer, and Robert Guest, General Manager of BPNM, and a small number of other skilled and experienced employees and consultants. The loss of any such individuals could have a material adverse effect on the Company's operations.

Limited financial resources

The existing financial resources of the Company are not sufficient to bring any of its properties into commercial production. In particular, the Company will need to obtain additional financing from external sources in order to fund the development of the Ban Phuc Nickel Project. There is no assurance that the Company will be able to obtain such financing on favourable terms, or at all. Failure to obtain financing could result in delay or indefinite postponement of further exploration and development of the Company's properties.

Health and safety matters

The Company's development and exploration projects are affected by various laws and regulations, including those which cover health and safety matters. Existing legislation and regulations are subject to change, the impacts of which are difficult to measure. It is the policy of the Company to maintain safe working conditions at all its work sites, comply with health and safety legislation, maintain equipment and premises in safe condition and ensure that all employees are trained and comply with safety procedures.

Currency risk

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

FINANCIAL INSTRUMENTS

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

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

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company has offices in Canada and Vietnam and hold 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 and Vietnamese dong could have an effect on the Company's results of operations, financial position or cash flows.

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

DISCLOSURE CONTROLS

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

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

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com.

SHARE DATA

As at May 26, 2010, the Company has 171,734,435 common shares outstanding, as well as (a) options to purchase an aggregate of 4,460,000 common shares expiring at various dates between September 7, 2011 and July 28, 2014 and exercisable at various prices between \$0.10 and \$2.00 per share and (b) warrants to purchase 59,000,000 shares expiring on January 7, 2011 exercisable at \$0.15 per share. On a fully diluted basis, therefore, the Company has 235,194,435 common shares outstanding.