ASIAN MINERAL RESOURCES LIMITED

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

YEAR ENDED DECEMBER 31, 2018

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, 2018, which have been prepared in accordance with International Financial Reporting Standards (IFRS), 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, 2019 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 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; 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 owned, until July 17, 2018, 100% of AMR Nickel Limited ("**AMRN**"), which was incorporated pursuant to the laws of the Cook Islands. Through AMRN, the Company owned 90% of Ban Phuc Nickel Mines LLP ("**BPNM**"), a limited liability company which developed the Ban Phuc nickel mine.

The Ban Phuc operation mined over 0.976 million tonnes of ore over a 3.5 year mine life, producing 20,988 tonnes of nickel and 10,245 tonnes of copper in concentrate. There were 220,262 dmt of concentrate in 42 shipments with gross revenues of US $212.7 million. In total, 11.9 kms of decline and lateral development were completed. The operation successfully employed local workers, where at its peak, there was a 94% national workforce. The mine was placed on care and maintenance in October 2016, reflecting lower commodity prices and the short reserve life.

Following a strategic review in late 2017 and early 2018, the Company determined that the best recourse was the disposal of all assets comprising the Vietnam operations. This was approved by the AMR's shareholders at the annual general meeting and on July 17, 2018, the Company sold its shares of AMRN to Ta Khoa Mining Limited ("**Ta Khoa**"), a company established by Steve Ennor, AMR's longstanding in-country senior manager. Under the terms of the sale agreement, the consideration for the sale was the assumption of existing assets and liabilities, including trade payables, tax, and other creditor liabilities of BPNM, totalling over US$3,500,000. Further, AMR retained the rights to receive 25% of any sale proceeds in excess of US$2,000,000 from the sale of the Vietnamese assets completed within 18 months, after closing of the sale agreement.

During the 2018 third quarter, the Company entered into an option agreement with Island Time Exploration Limited for the exclusive right to acquire up to 75% interest in four mineral titles totalling 3,687 hectares situated east of Duncan in the Victoria Mining Division, the Holt Option

Agreement, whose primary target is volcanogenic, polymetallic massive sulphides, in consideration for a fee of $100,000, payable by way of a promissory note, and conditional upon incurring up to an aggregate of $300,000 of exploration and development expenditures on the property on or before September 30, 2020.

2018 Annual Highlights

- The Company completed the divestiture of its 90% ownership interest in the Ban Phuc Nickel Mine in Vietnam to Ta Khoa Mining Limited. Completion of the Sale Agreement was subject to AMR shareholders' approval and certain customary conditions of closing, including approval of the TSX Venture Exchange.

The Company had been defending a claim in the courts of Auckland, New Zealand, filed by a former director and a company controlled by the director, disputing 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 Company determined not to continue defending the court proceedings and entered into a settlement agreement, whereby the claims were dropped on the issue of 600,000 (post-consolidation) common shares of the Company to the claimant. The shares fulfilling this settlement agreement were issued in the 2018 fourth quarter

- The Company entered into an option agreement with Island Time Exploration Limited ("Island Time") for the right to acquire up to 75% interest in four mineral titles whose primary focus is volcanogenic polymetallic massive sulphides for a fee of $100,000 payable by way of promissory note.

- On September 7, 2018, the Company consolidated its common shares on the basis of 200 pre-consolidation common shares for 1 post-consolidation common share. Pre-consolidation the Company had outstanding 795,920,841 common shares. Post-consolidation the Company has outstanding 3,979,629 common shares.

- The Company entered into settlement agreements with a number of creditors, including corporate directors, senior management, and Pala Investment Limited to eliminate outstanding liabilities. In the 2018 fourth quarter, AMR issued 4,766,808 common shares at a price of $0.50 per share to extinguish $2,383,404 of liabilities pursuant to these settlement agreements as follows:

    i. the issue of 39,796 common shares to the Company's Chief Executive Officer in satisfaction of outstanding compensation;

    ii. the issue of 685,000 common shares to settle fees outstanding to current and former directors of the Company

    iii. the issue of 600,000 common shares to a former Chief Executive Officer to settle a claim brought before the High Court of New Zealand in respect of a dispute over a royalty interest from smelter proceeds and sale of product in connection with the Company's historic operation in Vietnam; and

    iv. the issue of 3,442,012 common shares to Pala Investments in order to settle amounts owing pursuant to shareholder loans, advisory fees, travel re-imbursement and secondment of personnel.

- The Company entered into agreements with a group of investors pursuant to which such investors advanced the sum of $359,500 conditional upon, and in anticipation of the completion of a future equity financing, which is expected to be completed by June 30, 2019. Should the Company fail to complete an equity financing by a date determined by the Company and the investors, the Company will return the full amount of the advance.

- During the year Duncan Blount and Norm Yurik were appointed to the Board of AMR, following the resignations of Kate Southwell in April and Robin Widdup in October.

Subsequent Events

- A NI 43-101 technical report on the Holt property was filed on SEDAR on February 11, 2019. The technical report entitled "Technical Report on the Holt Property, Victoria Mining Division, British Columbia, Canada" dated December 31, 2018, was independently prepared by Thomas H. Carpenter, B.Sc., P .Geo. In 2018, geological mapping, rock sampling, rock soil and silt sampling, and an airborne magnetometer survey were completed by Island Time. Soil sampling results include anomalous copper values of up to 145 ppm, while silt sampling resulted in copper, lead, and zinc values of up to 122 ppm, 10 ppm, and 182 ppm, respectively. Rock samples contained quartz veining and/or sulphides with gold values up to 0.074 ppm, silver values up to 11.3 ppm, and copper values of up to 8080 ppm. Details of the sampling parameters, sample preparation, analysis, and security are contained in the 43-101 report. A two-stage exploration programs has been suggested which focuses on the northwest trending, potentially VMS-bearing Sicker Group rocks, as well as the area of the property possibly underlain by intrusive rocks with potentially associated skarn mineralization.

Outlook for 2019

A search is underway for financeable assets, which the Company will build its future around. It is anticipated that a strong growth asset will be located in 2019, at which point the Company will raise the funds necessary to explore and develop the asset, and finance ongoing head office administrative expenditures.

THE YEAR IN REVIEW

BAN PHUC MINE

The Company completed the divestiture of its 90% ownership interest in the Ban Phuc Nickel Mine in Vietnam in July 2018. Therefore, the annual financial documents have deconsolidated AMRN and BPNM and contain no assets or liabilities related to the Vietnam assets at December 31, 2018. Year to date earnings include Vietnam expenses from January 1 to June 30, 2018, while expenses related to the 2018 third quarter relate only to the administrative costs of the Asian Mineral Resources in North America.

FINANCIAL SUMMARY

Selected Annual Information

	2018	2017	2016
Sale revenue	Nil	$536,927	$39,219,494
Interest income	$1,545	$7,724	$134,695
Net income (loss)	19,080,045	($8,088,544)	($13,859,692)
Earnings (loss) per common share (basic) (1)	$3.78	($2.05)	($4.00)
Earnings (loss) per common share (diluted) (1)	$3.78	($2.05)	($4.00)
Total assets	$302,390	$1,841,600	$7,624,185
Total non-current liabilities	Nil	$1,651,087	$1,556,271

(1) Earnings (loss) per share reflect the September 7, 2018 200:1 common shares consolidation.

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

	2018	2017	2016
Expensed (recovered) exploration costs	($37,645)	$521,142	$903,177
Expensed research and development costs (net of depreciation)	Nil	Nil	Nil
Building, infrastructure, mine, plant, machinery, motor vehicles (net of depreciation)	Nil	Nil	$30,198
Furniture and office equipment, licences and franchises (net of depreciation/amortization)	Nil	Nil	$11,098
Construction in progress	Nil	Nil	Nil

Results of Operations for the Year Ended December 31, 2018

For the years ended December 31, 2018 and 2017, AMR incurred net income of $19,080,045 or $3.78 (fully diluted $3.78) per share and a net loss of $8,088,544 or $2.05 (fully diluted $2.05) per share, respectively. The earnings per share calculations for both 2018 and 2017 reflect the 200:1 common share consolidation, which was completed in September 2018. The 2018 income reflects a gain on the disposal of the Vietnam operations in the amount of $20,546,599.

The Ban Phuc mine was placed on care and maintenance in the fourth quarter of 2016 and Vietnam operations were sold in July 2018, therefore the 2018 financial accounts include care and maintenance and Vietnam administrative costs through June 30, 2018.

The detailed operating results for the years ended December 31, 2018 and 2017 as follows:

	2018	2017
Revenue	$ -	$ 536,927
Care and maintenance costs		
Site, camp administrative costs	(73,062)	(626,905)
Plant costs	(66,180)	(89,932)
Mining costs	-	(1,212)
Other costs	(8,115)	(51,726)
General administrative expenses		
Salaries, wages, and benefits	(532,931)	(1,729,557)
Taxes & fees	-	(2,238,779)
Professional and regulatory	(168,332)	(596,610)
Travel	(24,224)	(105,541)
Office, administrative, and share-based compensation	(187,213)	(950,122)
Exploration recovery (expense)	37,645	(521,142)
Finance income	1,545	7,724
Finance expenses	(190,661)	(1,642,606)
Other income (expense)	44,974	(79,063)
Lawsuit settlement	(300,000)	-
Gain on disposal of Vietnam operations	20,546,599	-
Income (loss) for the period	$ 19,080,045	$ (8,088,544)

Care and maintenance costs:

Ban Phuc commenced recording care and maintenance costs January 1, 2017. On July 17, 2018 the Company sold its interest in the Ban Phuc mine therefore incurred no care and maintenance costs or Vietnam administrative costs after that date.

- Site and camp administrative of $73,062 in 2018 (2017: $626,905) represent salaries/wages, catering costs for site/camp employees, electricity, and other administrative costs for site/camp during the first half of the year. The reduced expenditure year over year reflects not only the shorter timeframe but also a steep reduction in employees and activities during 2018.

- Plant costs for the 2018 were $66,180 (2017: $89,932), with 2018 only reflecting costs in the first two quarters of the year.

- Other care & maintenance costs during the 2018 in the amount of $8,115 down from $51,726 in 2017 due to a cost reduction program in 2018 as well as the shorter timeframe.

General administrative expenses:

- Salaries, wages, and benefits costs reduced to $532,931 in 2018 from $1,729,557 in the same 2017 period. In April 2018 the majority of staff at the Vietnam operation were terminated, with only mine site security and a skeletal administrative staff remaining in place at the mine site and at the Hanoi office.

- There were no taxes and fees recorded in 2018. In 2017 $2,238,779 in taxes were accrued following a government tax audit, which indicated potentially $2 million personal income tax ("PIT") payable. Historically the Company applied a remote area allowance to Hanoi based employees and for staff employed for a period of greater than five years who were not eligible for concessional PIT allowances, in the declaration and payment of PIT. The application of the remote allowance was being disputed by the tax authorities.
- Professional, regulatory, and other fees declined to $168,332 in 2018 (2017: $596,610), reflecting the 2017 use of outsource consultants in Vietnam.
- Travel costs reduced year over year, from $105,541 in 2017 to $24,224 in 2018, with the reduction of expat employees and reflecting the overall decrease in activities within Vietnam.
- Office, administrative, and share-based compensation costs decreased to $187,213 in 2018 from $950,122 in the 2017 year, reflecting the reduction in Vietnam activities and the eventual elimination of such costs with the sale of the project.

No drilling program or other exploration activities were undertaken during 2018 (2017: $521,142). An over-accrual in the redundancy allowance accrued for exploration employees in previous years, resulted in a small recovery, $37,645, in exploration expenses during 2018.

In 2018 the Company settled a legal suit related to a royalty claim on the Ban Phuc production brought by a former director of AMR. The Company issued 600,000 treasury common shares with a fair value of $300,000 in October 2018 to settle the legal action.

Financial expenses decreased to $190,661 in 2018 (2017: $1,642,606). The 2018 expense reflects foreign exchange costs associated with corporate transactions and interest on promissory notes. The 2017 expense included $1.1 million related to potential penalty and interest resulting from the Vietnam government tax audit, $0.23 million in foreign contractor tax accrued related to the interest on intercompany debt and $0.16 million in unrealized foreign exchange losses incurred on the revaluation of U.S. dollar balances into Canadian dollars.

Gain on sale of the Vietnam operations represents the balance of BPNM related assets and liabilities in the accounts as at the time of the disposal of Vietnam operations.

Other comprehensive loss for the year ended December 31, 2018 included $17,014,947 representing the accumulated currency translation on the Vietnam operations recognized on the sale of the Company's interest in AMRN and BPNM.

Vietnam Tax Audit:

In March 2017, the General Department of Taxation ("GDT") commenced a tax audit at BPNM with regards to various types of taxes including value added tax, personal income tax, royalty tax, environmental protection fee, foreign contractor tax, and corporate income tax for the period from 2010 to 2016. The Company had previously been audited for the period from 2010 to 2014 by the Son La Department of Taxation who had finalized its tax audit at the provincial level. Although the GDT had not issued any draft or official tax audit minutes, prior to the Company's sale of the Vietnam operations, based on discussions with the GDT, management had discussed a number of matters with the GDT, which could have affected the tax liabilities. For a full discussion on the GDT tax audit related to BPNM, please refer to the Management Discussion and Analysis for the quarter ended June 30, 2018 or the year ended December 31, 2017. This is no longer the Company's obligation following disposal of the Vietnam operation in July 2018.

LIQUIDITY AND CAPITAL RESOURCES

Early in 2018, the Company explored a number of strategic options, as it required a cash injection to meet anticipated expenditures. The primary focus was on the sale of all the assets comprising the Ban Phuc mining operation held by the Company's 90% owned subsidiary, BPNM. In July 2018 the Company completed the divestiture of its interest in BPNM to Ta Khoa Mining Limited, a company registered in the British Virgin Islands and established by its longstanding in-country senior manager, Mr. Stephen John Ennor.

During the 2018 second quarter, the Company obtained loans of US$180,000, US$380,000, and US $70,000 from Pala, the majority shareholder of the Company and US $70,000 from Ta Khoa. The funds from these loans were used to complete employee termination payments and certain other costs to prepare BPNM for potential sale, restructuring or liquidation, along with covering on-going administrative operating costs. These loans were settled with cash payments or issuance of common shares during the year. In the third quarter the Company entered into a promissory note for $100,000 with Island Time Exploration Limited related to an option on its Holt property.

In October 2018, the Company entered into agreements with a group of investors pursuant to which such investors advanced the sum of $359,500 conditional upon, and in anticipation of the completion of a future equity financing. Should the Company fail to complete an equity financing by a date determined by the Company and the investors, the Company will return the full amount of the advance.

The Company requires additional funding to continue its administrative activities in 2019 and to search for other mining and exploration opportunities. If further sources of funding are not obtained, the Company could be forced into reorganization, bankruptcy, or insolvency proceedings. Additional financing may not be available when needed or, if available, the terms of such financing might not be favourable to the Company and might involve substantial dilution to existing shareholder. These factors indicate the existence of a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern.

As at December 31, 2018, the Company had on hand cash and cash equivalents of $126,037 (December 31, 2017: $502,367) and had a working capital deficit of $312,881.

Cash used in operating activities decreased to $1,438,495 in 2018 from $4,916,229 in 2017 reflecting a $19,080,045 increase in the operating income offset by the $20,546,599 gain on the disposal of Vietnam operation.

The net cash provided by financing activities during 2018 in the amount of $1,076,956 is comprised of i) net promissory notes received of $797,196,; ii) $359,500 investment advance received from a group of individual investors in anticipation of the completion of a future equity financing and iii) interest paid of $79,740. There were no financing activities during 2017.

The Company had the following contractual obligations at December 31, 2018:

	Payment due by period		
	Total	Less than 1 year	1 – 3 years
Promissory note to Island Time	100,000	100,000	
Due to related parties (1)	22,500	22,500	-
Total	122,500	122,500	-

(1) Represents payable to an executive officers for monthly consultancy services in 2018.

Summary of Quarterly Results

	Dec 31, 2018	Sept 30, 2018	Jun 30, 2018	Mar 31, 2018	Dec 31, 2017	Sep 30, 2017	June 30, 2017
Sale revenues	-	-	-	-	-	-	-
Finance income	$405	$183	$143	$814	$1,601	$1,920	$3,102
Care & maintenance costs	-	-	$63,348	$84,009	$78,910	$168,020	$270,589
General & administrative expenses (recovery)	($108,853)	$114,277	$387,196	$520,080	$3,006,597	$995,376	$886,193
Exploration expense (recovery)	-	-	($198,164)	$160,519	$213,977	$101,349	$110,847
Other income/ (expense)	$1	-	$4,310	$40,663	$8,868	($202,922)	$63,448
Finance expense	$63,568	$40,704	$40,763	$45,626	$1,326,163	$88,406	$117,174
Lawsuit settlement	$300,000	-	-	-	-	-	-
Gain on sale of Vietnam operations	$62,173	$20,484,426	-	-	-	-	-
Net Income (Loss)	($192,136)	$20,329,628	($288,690)	($768,757)	($4,616,780)	($1,556,073)	($1,321,355)
Income (Loss) per share (non-diluted)(1)	($1.07)	$5.11	($0.07)	($0.19)	($1.17)	($0.39)	($0.33)
Income (Loss) per share (diluted)(1)	($1.07)	$5.11	($0.07)	($0.19)	($1.17)	($0.39)	($0.33)
Total Assets	$302,390	$138,158	$1,506,997	$1,431,476	$1,841,600	$2,862,279	$4,345,272

(1) The EPS calculations reflect the 200:1 share consolidation, which was completed in September 2018.

Results of Operations for three months ended December 31, 2018

The detailed operating results for the three months ended December 31, 2018 and 2017 are as follows:

	2018	2017
Revenue	$ -	$ -
Care and maintenance costs expenses		
Site, camp administrative costs	-	(59,790)
Plant costs	-	(12,666)
Other costs	-	(6,454)
General administrative recoveries (expenses)		
Salaries, wages and benefits	37,674	(568,544)
Taxes	-	(2,238,779)
Professional and regulatory	(19,297)	(164,502)
Travel	1	(15,710)
Office, administrative and share-based compensation	90,475	(19,063)
Exploration	-	(213,977)
Finance income	405	1,601
Finance expenses	(63,568)	(1,327,764)
Other income (expense)	1	8,868
Gain on sale of Vietnam operations	62,173	-
Lawsuit settlement	(300,000)	-
Loss for the period	$ (192,136)	$ (4,616,780)

The Company completed the divestiture of its 90% ownership interest in the Ban Phuc Nickel Mine in Vietnam in July 2018. Therefore the Q4 2018 financial documents have deconsolidated AMRN and BPNM and contain no assets, liabilities, revenues, or expenses related to the Vietnam assets. The 2017 earnings include Vietnam expenses for the October 1 – December 31 period, however the similar 2018 period has no Vietnam expense, as it occurred after the sale of the subsidiary.

General administrative expenses:

- There was a $37,674 recovery of salaries, wages, and benefits costs in the fourth quarter of 2018, as wages accrued for the Chief Executive officer were settled by issue of AMR treasury shares with a lower market value. Salary, wages and benefits in the same period 2017 were $568,544, which included wages at the Vietnamese subsidiary.

- There was no tax expense in the December 2018 quarter. In the same 2017 quarter $2,238,779 was accrued as payable in Vietnam as a government tax audit indicated the potential tax liability. Historically the Company applied a remote area allowance to Hanoi based employees and for staff employed for a period of greater than five years who were not eligible for concessional personal income tax allowances, in the declaration and payment of the tax. On the assumption that the expatriates who worked full time in Hanoi and travelled back and forth to the mine were not subject to the non-taxable remote are allowance additional tax estimated at $2 million would be payable.

- Professional, regulatory, and other fees declined to $19,297 the quarter ended December 31, 2018 from $164,502 during the same 2017 period. The 2018 expense reflects legal and audit incurred at the head office, with no Vietnam costs as in the prior year
- Office, administrative, and share-based compensation costs in the fourth quarter resulted in a recovery of $90,475 (2017:$19,063 expense). In October 2018 the Company issued 685,000 treasury common shares to six current and former directors as full settlement of director fees accrued and outstanding. Regulatory limitations capped the amount of director fees that could be paid at a dollar amount less than what had been accrued as payable, resulting in a recovery for accounting purposes of $98,195.

No drilling program or other exploration activities were undertaken during 2018, while $213,977 was incurred in a limited program in 2017.

Financial expenses included a credit of $62,173 in the three months ended December 31, 2018 (2017: $1,327,764) primarily related to a correction in allocation of interest costs from a previous quarter. The 2017 expenses reflected potential penalty and interest resulting from the tax audit estimated at approximately $1.1 million.

In October 2018 the Company issued of 600,000 treasury common shares with a fair value of $300,000 to a former Chief Executive Officer to settle a claim brought before the High Court of New Zealand in respect of a dispute over a royalty interest from smelter proceeds and sale of product in connection with the Company's operation in Vietnam

SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

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

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

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

Basis of presentation and functional currency

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The financial statements until June 30, 2018 include the accounts of the Company's wholly owned subsidiaries, AMR Nickel and Asian Nickel Exploration Limited, and its 90% owned BPNM joint venture, which was fully consolidated. The Company's presentation currency is Canadian dollars. The functional currency of AMR is the Canadian dollar. The functional currency of its former subsidiaries AMR Nickel Limited and Asian Nickel Exploration Limited was the Canadian dollar, while the U.S dollar was the functional currency of its subsidiary BPNM.

Going Concern

As at December 31, 2018, the Company had cash and cash equivalents of $126,037 and negative working capital of $312,881.

In September 2018, the Company entered into settlement agreements with a number of creditors, including corporate directors, senior management, and Pala Investment Limited to eliminate outstanding liabilities. In the 2018 fourth quarter, AMR issued 4,766,808 common shares at a price of $0.50 per share to extinguish $2,383,404 of liabilities pursuant to these settlement agreements.

In October 2018 the Company entered into agreements with a group of investors pursuant to which such investors advanced the sum of $359,500 conditional upon, and in anticipation of the completion of a future equity financing. Should the Company fail to complete an equity financing by a date determined by the Company and the investors, the Company will return the full amount of the advance.

These transactions have reduced the Company's liabilities and provided the funding required for future administrative costs in the near term. However the Company will need to complete a financing in 2019 in accordance with its agreements with the new investors. It will also require additional funding in 2019 for administrative costs and to fulfil its obligations under the Holt option agreement and to fund its search for suitable new exploration and development assets.

These factors indicate uncertainty, which casts significant doubt about the Company's ability to continue as a going concern.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current operations, including explorations 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 previously owned Ban Phuc mining and processing assets, and other tangible and intangible assets were fully depreciated and amortized as at December 31, 2017.

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

As the Company divested its interest in Phuc Nickel Mines on July 17, 2018, there were no balances related to the rehabilitation as at December 31, 2018.

At December 31, 2017, there was a provision for rehabilitation in the amount of $406,904 and the Company had deposited with Vietnam Government $344,057 as an advance deposit for future closure and rehabilitation expenditures.

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 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 2018, the Company recognized share-based compensation expense related to share options in the amount of $109,045 (2017: $375,881).

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements at December 31, 2018.

Future Accounting Policies

The accounting policies applied by the Company in these audited condensed consolidated financial statements include the changes in accounting standards listed below.

IFRS 9 *Financial Instruments*

The Company adopted IFRS 9 *Financial Instruments* to replace IAS 39 *Financial Instruments: Recognition and Measurement* on January 1, 2018, using a modified retrospective basis without restatement of prior year figures. The adoption of IFRS 9 did not have a material impact on the consolidated financial statements because of the nature of the Company's operations and the types of financial assets that it holds. There were no adjustments on adoption of IFRS 9 on the carrying amounts of financial assets

IFRS 15 *Revenue from Contracts with Customers*

The Company adopted IFRS 15 to replace existing revenue recognition guidance, including IAS 18 *Revenue,* IAS 11 *Construction Contracts* and IFRIC 13 *Customer Loyalty Programs* on January 1, 2018, using a modified retrospective basis without restatement of prior year figures. The adoption did not have a significant impact to the consolidated financial statements as the Company is not currently generating revenue from its operations.

Recent accounting announcements

In January of 2016, the IASB issued IFRS 16 *Leases* ("IFRS 16") which replaces the existing leasing standard, IAS 17 *Leases*. The new standard effectively eliminates the distinction between operating and finance leases for lessees, while lessor accounting remains largely unchanged with the distinction between operating and finance leases retained. IFRS 16 takes effect on January 1, 2019, with earlier application permitted. This standard will have no impact on the Company's financial statements.

TRANSACTIONS WITH RELATED PARTIES

Disposal of Vietnam operation

In addition to the sale of the Ban Phuc Mine to the Company's longstanding in-country senior manager, the Company has the following related party transactions.

Directors

The Company recognized no directors' fees in 2018 (2017: $364,690). Directors' fees had been accrued, but not paid to directors in recent years. In October 2018, six current and past directors accepted a combined total of 685,000 common shares of AMR in full settlement of outstanding director fees.

Key management

Salary expense incurred and accrued to key management persons during 2018 totalled $202,780 (2017: $577,406). This includes the Chief Executive Officer accepted 39,796 common shares of the Company in full settlement of salaries outstanding, in October 2018.

Pala Investment Limited

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

In October, 2018, $886,974 was payable to Pala related to advisory services, secondment of personnel, and re-imbursement of travel expenses, and $834,032 was payable related to promissory notes and accrued interest. The promissory notes had been extended to AMR early in 2018, in order to fund redundancy costs in Vietnam and other outstanding liabilities. Pala accepted 3,442,012 common shares of the Company as complete payment for these outstanding liabilities.

At December 31, 2018 Pala owned 6,291,081 common shares of AMR, representing 71.9% of the issued and outstanding Common Shares on a non-diluted basis.

RISK FACTORS

Given 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:

Additional funding requirements

The Company will require a cash injection in 2019 in order to meet anticipated expenditures and to complete obligations to a group of investors who advanced $359,500 to the Company in October 2018. There can be no assurance that the Company will be able to find the required funding or that it could do so at terms favourable to the Company. Failure to obtain sufficient financing could force the Company into reorganization, bankruptcy, or insolvency proceedings. Additional financing may not be available when needed or, if available, the terms of such financing might not be favourable to the Company and might involve substantial dilution to existing shareholders.

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, and/or the loss of key management personnel.

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 86% 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 6,191,081 Common Shares, representing approximately 70.8% of the issued and outstanding Common Shares on a non-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	6,191,081	70.8%
Terrance Bates	600,000	6.9%
Lion Selection Group Limited(2)	394,751	4.4%
Melior Resources Inc	236,364	2.7%
Malaysia Smelting Corporation Berhad(3)	156,488	1.8%
Total	**7,578,684**	**86.6%**

Notes:

(1) Based on information posted on SEDI as of April 29 2019 (adjusted for the September 7, 2018 200:1 share consolidation).

(2) Of the 394,751 Common Shares, 83,333 are held by Lion Selection Group Limited, 116,418 are held by Asian Lion Limited, and 195,000 are held by Lion Manager Pty Limited, all entities associated with 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 6,347,569 Common Shares, representing approximately 72.6% on a non-diluted basis.

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.

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.

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.

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.

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

At December 31, 2018, the Company's financial instruments consist of cash and cash equivalents, accounts receivable, trade payables and accrued liabilities, short-term loans, and investment advances. 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.

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

DISCLOSURE CONTROLS

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

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

ADDITIONAL INFORMATION

Additional information relating to the Company, including the Annual Information Form dated August 14, 2014 and the NI 43-101 Technical Report on the Holt Property dated February 11, 2019, are available on SEDAR at www.sedar.com.

SHARE DATA

As at April 29, 2019, the Company had 8,746,437 common shares outstanding, as well as options outstanding to purchase an aggregate of 225,000 common shares expiring April 6, 2022 and exercisable at various prices between $10.00 and $20.00 per share. On a fully diluted basis, the Company has 8,971,437 common shares outstanding.