ASIAN MINERAL RESOURCES LIMITED

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

QUARTER ENDED JUNE, 2020

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 consolidated financial statements and related notes for the fiscal year ended December 31, 2019, 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 August 30, 2020, with reference to 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 and oil 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 and oil 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. In 2018, the Company disposed of all assets comprising the Vietnam operations.

The Company entered into an option agreement with Island Time Exploration Limited ("Island Time"), in the second half of 2018, amended in early 2020 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 December 1, 2021.

Subsequent to quarter end, on July 17, 2020 the Company acquired all the issued and outstanding shares of Nigerian-based Decklar Petroleum Limited. For a full description of this new strategic asset see Subsequent Events below.

COVID-19

The mineral exploration sector is expected to be impacted significantly as many local and regional governments have issued public health orders in response to COVID-19, including restricting the movement of people, which could impact the Company's ability to access its mineral property and complete exploration programs in the coming year. Commodity prices have fluctuated significantly since December 31, 2019 in the wake of the COVID-19 pandemic.

The Company does not currently have production activities, it is reliant on additional financing to fund ongoing general and administrative costs. An extended disruption may affect the Company’s ability to obtain additional financing.

The impact of these factors on the Company may have an impact on the Company’s financial position, results of operations and cash flows in future periods.

Second Quarter 2020 Highlights

During the 2020 second quarter management focused on completing the Decklar transaction, which closed on July 17, 2020 (see Subsequent Events below). In addition negotiations were ongoing to obtain funding, which would allow for initial development of Decklar’s Oza oil wells. Progress in this regard was announced in a press release on August 31, 2020 (see Subsequent Events below).

Subsequent Events

i) Decklar Share Purchase Agreement

On July 17, 2020 the Company acquired all the issued and outstanding shares of Nigerian-based Decklar Petroleum Limited (“Decklar”). Decklar’s sole asset is a Risk Service Agreement (“RSA”) with Millenium Oil and Gas Company Limited (“Millenium”). Millenium is the owner of the Oza Field located onshore in the northern part of Oil Mining License 11 in the Eastern Niger Delta of Nigeria. The RSA entitles Decklar to cost recovery and a share of distributable funds from the Oza Field in exchange for technical and financial support.

The aggregate purchase price was CDN$8,550,000, payable through the issuance of 30,000,000 common shares of the Company (“Shares”) based on a deemed value of CDN$0.285 per share. Of the aggregate Purchase Price, 22,000,000 Shares were paid on closing of the Acquisition with the balance of 8,000,000 Shares being payable only if the Oza achieves production net to Millenium of 1,000 bbls/d for a period of ten consecutive days in any thirty day period within twelve months of the date of closing.

The 22,000,000 Shares paid were allocated as to: (i) 14,000,000 Shares to the shareholders of Decklar; and (ii) 8,000,000 Shares to extinguish outstanding debt owed by Decklar to certain arm’s length third parties. The Purchase Price was equivalent to approximately 68% of the Company’s issued share capital. None of the Decklar shareholders nor third party debt providers are related to the Company and the Acquisition is not a Non-Arm’s Length transaction within the meaning of the policies of the TSXV.

The Oza Field was formerly operated by Shell Petroleum Development Company of Nigeria Ltd. ("Shell"). The field has three wells and one side track drilled by Shell between 1959 and 1974. During the period when Shell was the operator, there were two periods of extended production testing from the Oza-1, -2 & -4 wells. The field was never tied into an export facility nor was it fully developed by Shell and put into commercial production.

In 2003, the Oza Field was awarded to Millenium having won the bid during the Marginal Fields Licensing Round. Since Millenium's acquisition of the Oza Field, approximately $50 million has been spent in production facilities infrastructure in support of a restart of production including an export pipeline to tie the field into the Shell Trans Niger Pipeline to the Bonny Export Terminal, a lease automatic custody transfer unit fiscal metering system, infield flowlines, manifolds and a rental Early Production Facility. The RSA with Millenium provides Decklar the majority share of production and associated cash flow from the Oza Oil Field in exchange for funding and technical assistance to restart commercial production and full field development; the RSA terms including a preferential return of Decklar's costs plus a share of cash flow thereafter. In exchange, Decklar is entitled to priority recovery of its capital from 80% of distributable funds. After achieving cost recovery, Decklar's profit share is based on a sliding scale starting at 80% and declining to 40% once cumulative production exceeds 10 million bbls.

Upon final drawdown of the Loan Notes and Development Debt (each as defined below), Decklar intends to fast-track the initial development on the Oza Oil Field including a re-entry on the existing Oza-1 well, anticipated to test three oil bearing zones and place the well into production from two of the three zones tested. The drilling rig is expected to then be skidded on the same location as Oza-1 to a new drilling slot and a development well will be drilled horizontal into the 3rd zone tested in the Oza-1 well re-entry. This Oza-1 well and new horizontal development well are anticipated to generate significant production levels and cash flow in an abbreviated time frame. The Oza development is anticipated to then continue with one or two more re-entries on existing wells and additional development drilling with a potential of eight to ten wells being drilled for the full field development. Additional early production and central processing facilities will be added as required to accommodate additional production levels from field development activities.

The Oza Oil Field has significant export and production capacity through processing facilities and infrastructure already in-place and operational, which will allow for the immediate export and sale of crude oil from the Oza-1 well re-entry, the initial Oza horizontal development well and future wells.

ii) Decklar and Millineum Funding

Subscription Agreement

Decklar has entered into a subscription agreement (the "Subscription Agreement") with San Leon Energy Plc ("San Leon"), an AIM listed public company focused on Nigerian production and development assets, which is arm's length to the Company (within the meaning of the policies of the TSX Venture Exchange). The Subscription Agreement entitles San Leon to purchase US$7,500,000 of 10% unsecured subordinated loan notes of Decklar (the "Loan Notes") and 1,764,706 ordinary shares ("Decklar Shares") of Decklar (representing 15% of the share capital of Decklar) for a cash consideration of US$7,500,000 and ₦1,764,706, respectively. In addition, Decklar and San Leon have entered into an option agreement (the "Option Agreement") that entitles San Leon to purchase an additional US$7,500,000 of Loan Notes (the "Option Loan Notes") and 2,521,008 Decklar Shares (increasing their interest to 30% of the share capital of Decklar) for cash consideration of US$7,500,000 and ₦2,521,008, respectively, at any time until the date that is forty-five (45) days after the well test results of the first development well on the Oza Oil Field have been delivered to San Leon.

The Subscription Agreement provides for certain conditions precedent to be confirmed prior to finalizing and issuing of the Loan Notes and Decklar Shares, including entering into an agreed form of shareholders' agreement in respect of Decklar and the restructuring of certain historical indebtedness by the owner/operator of the Oza field, Millenium, to the satisfaction of San Leon at its sole discretion.

In addition, Millenium has entered into a non-binding term sheet with a local Nigerian bank and the trading subsidiary of a large multinational oil company active in Nigeria for up to US$33,000,000 in a five year term debt that provides a use-of-proceeds of US$22,000,000 to refinance existing debt of Millenium and US$11,000,000 for development activities on the Oza Oil Field, based on entering into a crude sales and purchase contract. Decklar is expected to provide a corporate guarantee as part of this US$33,000,000 term debt facility ("Development Debt"). Concurrently with entering into the Subscription Agreement, San Leon has advanced US$750,000 as an initial deposit (the "Deposit") with the release of the balance of the US$7,500,000 being subject to the satisfaction (or waiver) of the conditions precedent contained in the Subscription Agreement. In the event the transactions contemplated by the Subscription Agreement are not completed on or prior to September 30, 2020, Decklar will be required to repay the Deposit to San Leon within three months of that date.

Loan Notes

The terms of the Loan Notes provide for an interest rate of ten (10)% per annum, which accrues on a quarterly basis and will have a maturity date that is five (5) years from the date of issuance. No payments (whether on account of interest or principal) are required under the Loan Notes unless there are available funds from operations (after taking into account any required debt servicing payments, general and administrative expenses, approved joint venture capital and operating costs required to be funded by Decklar under the RSA with Millenium, taxes and other statutory payments) (the "Available Funds"). All Available Funds shall be applied to the payment of interest and principal in respect of the Loan Notes until they are repaid in full. Upon repayment of the Loan Notes, 50% of the Available Funds will be applied to payment of interest and principal in respect of the Option Loan Notes until they are repaid in full, with the remaining 50% of such Available Funds being retained by Decklar. The Loan Notes are unsecured, subordinated and contain customary events of default. The Loan Notes do not contain any financial or other maintenance covenants.

The transactions contemplated by the Subscription Agreement and Option Agreement are subject to approval by the TSX Venture Exchange.

iii) Exercise of warrants

In July 2020, warrant holders exercised 6,733,337 warrants resulting in the issue of 6,733,337 treasury common shares of the Company on receipt of the $673,334 exercise price. As of June 30, 2020 $542,485 of the exercise proceeds had been received and set up as an investment advance.

FINANCIAL SUMMARY

Selected Annual Information

	Quarter to June 30, 2020	Quarter to June 30, 2019	Quarter to June 30, 2018
Financial income	$189	$194	$143
Net loss	($224,070)	($49,696)	($288,690)
Net loss per common share (basic)	($0.01)	($0.01)	($0.07)
Net loss per common share (diluted)	($0.01)	($0.01)	($0.07)
Total assets	$1,145,597	$219,102	$1,506,997
Total non-current liabilities	Nil	Nil	$361,138

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

	2020	2019	2018
Expensed exploration costs	Nil	Nil	$(198,164)
Expensed research and development costs (net of depreciation)	Nil	Nil	Nil
Building, infrastructure, mine, plant, machinery, motor vehicles (net of depreciation)	Nil	Nil	Nil
Furniture and office equipment, licences and franchises (net of depreciation/amortization)	Nil	Nil	Nil
Construction in progress	Nil	Nil	Nil

Results of Operations for the Quarter Ended June 30, 2020

For the three months ended June 30, 2020 and 2019, AMR incurred net losses of $224,070 or $0.01 (fully diluted $0.01) per share and a net loss of $49,696 or $0.01 (fully diluted $0.01) per share, respectively.
The detailed operating results for the three months ended June 30**,** 2020 and 2019 follows:

	2020	2019
General administrative expenses		
Salaries, wages, and benefits	$ (21,350)	$ (22,500)
Professional and regulatory	(184,929)	(5,000)
Office, administrative, and share-based compensation	(17,256)	(20,992)
Finance income	189	194
Finance expenses	(723)	(1,299)
Other costs	-	(99)
Loss for the period	$ (224,070)	$ (49,696)

General administrative expenses:

- Salaries, wages and benefits reflect head office wages.
- Professional and regulatory costs include, $95,000 legal fees incurred for the Decklar transaction, $17,300 in 2019 audit fees incurred in excess of accrual along with the quarterly audit accrual, $68,740 for strategic consulting related to the Decklar transaction and $3,889 in regulatory filing fees.
- Office, administrative, and share-based compensation costs of $17,255 (2019 - $ 20,992) relate primarily to director and officer insurance costs and general investor relations.

LIQUIDITY AND CAPITAL RESOURCES

During the current year to the date (January 1 to August 30, 2020) warrant holders have exercised 10,200,003 warrants for 10,200,003 common shares of the Company. The exercise price of each warrant was $0.10 resulting in funding to the Company of $1,020,000.

As at June 30, 2020, the Company had on hand cash and cash equivalents of $1,008,612 (2019: $493,045) and had working capital of $194,701 (2019: $368,443). These funds will be used for administrative and minor development costs at our new subsidiary Decklar Petroleum, and for general administrative purposes of the Company. Additional financing will be needed to develop the oil wells in Nigeria. The Company is currently finalizing development funding (as described above under 'Subsequent Events – ii) Decklar and Millenium Funding'). Such funding is not guaranteed and may not be realized when needed or, if available, the terms of such financing might not be favourable to the Company.

The Company had the following contractual obligations at June 30, 2020:

	Payment due by period		
	Total	**Less than 1 year**	**1 – 3 years**
Promissory note to Island Time	$ 58,362	$ 58,362	
Due to related parties (1)	35,000	35,000	-
Total	$ 93,362	$ 93,362	-

(1) Represents consulting fees payable to an executive officer.

Summary of Quarterly Results

	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019	Sept 30, 2019	Jun 30, 2019	Mar 31, 2019	Dec 31, 2018	Sept 30, 2018
Sale revenues	-	-	-	-	-	-	-	-
Finance income	$189	$2,454	$2,464	$1,689	$194	$307	$405	$183
General & administrative (expenses) recovery	($223,536)	($48,080)	($57,835)	($70,954)	($48,493)	($28,041)	$108,853	($114,277)
Exploration (expense) recovery	-	-	-	-	-	($850)	-	-
Other/ Decklar transaction costs	-	($250,000)	($112,358)	$27	$(99)	-	$1	-
Finance expense	($723)	($712)	($829)	($1,330)	($1,299)	($1,269)	($63,568)	($40,704)
Lawsuit settlement	-	-	-	-	-	-	(300,000)	
Gain on sale of Vietnam operations	-	-	-	-	-	-	62,173	20,484,426
Net Income (Loss)	($224,070)	($296,339)	($168,559)	($70,568)	($49,696)	($29,853)	($192,136)	$20,329,628
Income (Loss) per share (non-diluted)(1)	($0.01)	($0.01)	($0.00)	($0.01)	($0.01)	($0.00)	($1.07)	$5.11
Income (Loss) per share (diluted)(1)	($0.01)	($0.01)	($0.00)	($0.01)	($0.01)	($0.00)	($1.07)	$5.11
Total Assets	$1,145,597	$587,498	$620,011	$733,169	$219,102	$265,152	$302,390	$138,158

Results of Operations for six months ended June 30, 2020

The detailed operating results for the six months ended June 30, 2020 and 2019 are as follows:

	2020	2019
General administrative expenses		
Salaries, wages and benefits	(40,000)	(40,325)
Professional and regulatory	(194,363)	(5,000)
Office, administrative and share-based compensation	(37,253)	(31,208)
Exploration	-	(850)
Finance income	2,644	501
Finance expenses	(1,437)	(2,568)
Other income (expense)	-	(90)
Decklar extension fee	(250,000)	-
Income (Loss) for the period	$ (520,409)	$ (79,540)

General administrative expenses:

- Salaries, wages, and benefits costs are unchanged for the six-month year-over-year period and represent costs for head office employees.
- Professional, regulator fees increased to $194,363 in the first two quarters of 2019 from $5,000 during the same 2019 period, primarily reflecting the legal and consulting costs incurred on the acquisition of Decklar Petroleum Inc., which closed on July 17, 2020.
- Office, administrative, and share-based compensation costs increased marginally to $37,253 in the first six months of 2020 (2019: $31,208) due to higher director and officer insurance premiums.
- A fee of $250,000 was paid to Decklar Petroleum in order to extend the closing date of the Decklar share purchase agreement past its original deadline.

SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

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

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

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

Basis of presentation

The 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").

Going Concern

As at June 30, 2020, the Company had cash and cash equivalents of $1,008,612 and working capital of $194,701.

The Company has not recorded revenues from operations, has no source of operating cash flow and no assurance that additional funding will be available. These factors indicate the existence of an uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. There can be no assurance that the Company will be able to obtain requisite financing in the future and, if realized, such financing might not be favourable to the Company and might involve dilution to existing shareholders. Should the Company not be able to continue as a going concern, adjustments to the carrying values and classification of its assets and liabilities would be required.

During the current year to the date (January 1 to August 31, 2020) warrant holders have exercised 10,200,003 warrants for 10,200,003 common shares of the Company. The exercise warrant price was $0.10 resulting in funding to the Company of $1,020,000 The Company will need further financing to support any exploration/development activities it wishes to pursue. There is no guarantee that such financing can be found or that if found, it would not result in dilution to current shareholders.

The business of mining and exploring for minerals and oil involves a high degree of risk and there can be no assurance that current operations, including explorations programs, will result in profitable mining or oil 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 write-downs of the carrying values.

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 expenses 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 the 2020 and 2019 second quarters, the Company recognized no share-based compensation expense.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements at June 30, 2020.

Changes in accounting standards

The accounting policies applied by the Company in these audited condensed consolidated financial statements are the same as those applied by the Company in its consolidated financial statements for the year ended December 31, 2019.

A number of new or amended standards became applicable for the current reporting period. The Company did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

TRANSACTIONS WITH RELATED PARTIES

Directors

The Company recognized no directors' fees in June 30, 2020 or 2019 quarters.

Key management

Salary expense incurred and accrued to key management persons during quarter ended June 30, 2020 totalled $21,350 (2019: $22,500).

RISK FACTORS

Given the nature of its business, any 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 has received $1,020,000 in proceeds from the exercise of warrants during 2020. These funds will be used to fund its new subsidiary, Decklar, and for general administrative expenses. The Company will require additional cash injections, in order to develop its strategic oil asset in Nigeria. An announcement was made on August 31, 2020 that the Company is finalizing development funding for Decklar's Oza Field (as described above under 'Subsequent Events – ii) Decklar and Millenium Funding'). There can be no assurance that the Company will be able to complete this or other required funding. Failure to obtain sufficient financing could force the Company into reorganization, bankruptcy, or insolvency proceedings

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. 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.

Resource industry

The exploration for and development of mineral and oil deposits involves significant risks, which even a combination of careful evaluation, experience, and knowledge may not eliminate. While the discovery of a mineral deposit / oil wells may result in substantial rewards, few properties that are explored are ultimately developed into successful operations. Major expenses may be required to locate and establish mineral / oil reserves, to develop operational processes, and to construct facilities at a particular site. It is impossible to ensure that the activities currently planned by the Company will result in profitable commercial mining or oil operations. Whether a mineral deposit or oil well 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 and oil 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 and oil, 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 resource 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 resource 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 June 30, 2020, the Company's financial instruments consist of cash and cash equivalents, accounts receivable, trade payables and accrued liabilities, and short-term loans. 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 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 August 31, 2020, the Company had 54,279,773 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 and 3,133,330 share purchase warrants expiring in September 2021 and exercisable at $0.10. As part of the July 17, 2020 acquisition of Decklar, 8,000,000 common shares are payable only if the Oza achieves production net to Millenium of 1,000 bbls/d for a period of ten consecutive days in any thirty day period within twelve months of the date of closing of the agreement. As such on a fully diluted basis, the Company has 65,638,103 common shares outstanding.