



Asiamet Resources

ASIAMET RESOURCES LIMITED

First Quarter Report

For the three months ended March 31, 2016



Asiamet Resources

ASIAMET RESOURCES LIMITED

**MANAGEMENT DISCUSSION and ANALYSIS
QUARTERLY HIGHLIGHTS**

For the three months ended March 31, 2016

(In United States dollars, unless otherwise noted)

ASIAMET RESOURCES LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS
For the three months ended March 31, 2016

The following management discussion and analysis – quarterly highlights (“MD&A – QH”) of the results of operations and financial condition of Asiamet Resources Limited (the “Company” or “Asiamet”) for the three months ended March 31, 2016 and up to the date of this MD&A – QH, has been prepared to provide material updates to the business operations, financial condition, liquidity and capital resources of the Company since its last management discussion and analysis for the fiscal year ended December 31, 2015 (the “Annual MD&A”).

The MD&A – QH should be read in conjunction with the Annual MD&A and the audited consolidated financial statements and related notes thereto for the year ended December 31, 2015, which are available on the SEDAR website at www.sedar.com, and the accompanying unaudited condensed consolidated interim financial statements and related notes thereto for the three months ended March 31, 2016 (the “Financial Report”).

All financial information in this MD&A – QH is derived from the Financial Report prepared in accordance with International Financial Reporting Standards and all dollar amounts are expressed in US dollars unless otherwise indicated.

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

The effective date of this MD&A - QH is May 26, 2016.

Description of the Business

Asiamet is incorporated in Bermuda and is engaged in the business of acquiring, exploring and developing mineral properties in Indonesia. The Company is a reporting issuer in British Columbia, Alberta and Ontario and trades in Canadian dollars on the TSX Venture Exchange in Canada and in British Pounds Sterling on the AIM Market in London under the symbol ARS.

Asiamet has three principal areas of interest:

1. The KSK Contract of Work (“KSK CoW”) in Central Kalimantan, Indonesia with multiple copper and gold prospects including the BKM Deposit that has defined mineral resources and a Preliminary Economic Assessment (“PEA”). The PEA is a technical report that conforms to **NI 43-101** Standards of Disclosure.
2. The Beutong Izin Usaha Pertambangan (“Beutong IUP”) on the island of Sumatra, Indonesia that covers two porphyry copper-gold-molybdenum prospects (West and East Porphyries) and the Beutong Skarn (copper-gold) prospect.
3. The Jelai Izin Usaha Pertambangan (“Jelai IUP”) epithermal gold prospect in North Eastern Kalimantan, Indonesia.

The strategic vision of Asiamet is to build a leading Asia Pacific copper-gold company leveraging off the three core fundamentals it has put in place for delivering on this vision:

- High quality copper project pipeline
- Proven team
- Supportive shareholder base

Operational Highlights

BKM Preliminary Economic Assessment Study

Asiamet announced the results of the independently prepared PEA study on April 5, 2016. The study was filed on the Company’s profile on www.sedar.com on May 19, 2016.

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Highlights of the updated PEA include:

The PEA is the first study undertaken to evaluate the economics of developing an open pit mine and heap leach solvent extraction electro-winning facility ("SX-EW") to directly produce copper cathode based on the near surface copper deposit reported in the 2015 BKM Resource estimate (ARS NR October 21, 2015). Results of the PEA study demonstrate excellent potential for developing a robust, low strip ratio, low capital intensity copper project with low operating costs, strong cash flow generation capacity and significant upside potential through further Resource growth.

PEA base case highlights:

- **Target annual production of 25,000 tonnes LME grade A (99.999%) copper metal**
- **After-tax Net Present Value ("NPV") of \$204.3 million** (10% discount rate)
- **After-tax Internal Rate of Return ("IRR") of 38.7%**
- **Gross Revenue of \$1.27 billion** (\$3.25lb copper price over Life of Mine ("LOM"))
- **C1 Operating cost of \$1.28 per pound**
- **Initial Capital Cost of \$163.8 million** with low capital intensity
- **2.4 year payback** (After-tax from the start of production)
- **Robust mine plan derived from Indicated Resources (29%) and Inferred Resources (71%)**
- **Initial 8+ year mine life at a low average strip ratio of 1.23**
- **Significant potential for additional mineralization close to BKM**

Asiamet considers target production of 25,000 tonnes of copper cathode per year for an initial 8 year LOM to be the most appropriate option for the PEA given the significant exploration potential already identified close to the BKM deposit. Copper mineralization at BKM remains open in several directions and locally at depth. Adjacent high potential prospects at Beruang Kanan South ("BKS"), Beruang Kanan West ("BKW") and BKZ Polymetallic ("BKZ") also represent attractive targets for additional mineralization as demonstrated by the strong surface and drilling results returned to date e.g. 10m at 2.52% Cu incl. 2m at 7.45% Cu from 19.5m at BKS (ARS NR November 16, 2015). Increasing the Mineral Resource base, and thus the potential feed available to the BKM processing facilities evaluated in the current PEA, is likely to have a strongly positive impact on the BKM Copper Project value and will be a key focus for Asiamet going forward.

Analysis conducted as part of the PEA to test the BKM project's sensitivity to the copper price highlights a robust project with the potential for a large lift in value at higher copper prices i.e. NPV10 of US\$269.1M at US\$3.50lb and NPV10 of US\$334.0M at US\$3.75lb.

BKM Project Preliminary Economic Assessment Results Summary

BKM - Economic Summary	Unit	Base Case
Life of Mine (LOM)	Years	8
Copper Cathode Sold	Million lbs	391.0
Copper Price (LOM Average)	\$US/lb	3.25
Gross Revenue	\$US	1,270.6 M
LOM C1 Operating Costs	\$US	499.5 M
LOM C1 Operating Cost (recovered copper)	\$US/lb	1.28
Royalties	\$US	63.5 M
Off-site transport	\$US	19.8 M
LOM All In Operating Cost	\$US	582.8 M
LOM All In Operating Costs	\$US/lb	1.49
Initial Capital Cost (including a 15% Contingency)	\$US	163.8 M
Taxes	\$US	136.6 M
NPV and IRR (Base Case)		
Discount Rate	Percent (%)	10
Pre-Tax Net Free Cash Flow(including royalties)	\$US	524.0 M

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Pre-Tax NPV	\$US	290.7 M
Pre-Tax IRR	%	47.5
Pre-Tax Payback Period	Years	2.1
After-Tax Net Free Cash Flow (incl. royalties)	\$US	387.5 M
After-Tax NPV	\$US	204.3 M
After-Tax IRR	%	38.7
After Tax Payback Period	Years	2.4

Table 1 – Subset of Mineral Resources contained within the PEA Mine Plan

Category	BKM Mineral Resource Subset - Included in PEA Mine Plan				
	¹ Tonnes (Mt)	Cu _{Total} %	Cu _{Leachable} %	Contained Cu _{Leachable} (Thousand tonnes)	² Recovered Cu (Million lbs)
Indicated	14.2	0.66%	0.52%	73,925	138.5
Inferred	34.5	0.54%	0.39%	134,709	252.4

1. Cut-off grade variable over Life of Mine, minimum of 0.1% Cu_{Leachable} (~0.12% Cu_{Total})
2. Assumed heap leach recovery of 85%

Notes: All mineralized material classified as Indicated and Inferred Mineral Resources was considered in the optimization. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The PEA is preliminary in nature as it includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be characterized as Mineral Reserves, and there is no certainty that the preliminary assessment and economics set forth in the PEA will be realized.

The Company considers the PEA base case economics to be highly attractive and is firmly of the view that additional detailed study work and exploration in and around BKM will further enhance the value of the project. The BKM deposit remains open in several directions and the adjacent high potential prospects at BKS, BKW and BKZ represent excellent targets for additional copper mineralization as demonstrated by the strong surface and drilling results returned to date. Our confidence in delivering this upside has provided strong support for assessing a larger project in the PEA than originally envisaged. The 2016 program at BKM will focus on long lead time items for Bankable Feasibility Studies (“BFS”) and Exploration and Resource drilling to increase potential mine life including:

- Detailed stage 3 metallurgical studies to optimize copper recoveries i.e. short and long column leach test work, Resource variability studies
- Drilling to upgrade Resource confidence to Measured and Indicated Status
- PFS level project option analysis, optimisation and value engineering studies
- Exploration and Resource delineation drilling at BKM, BKW and BKS to expand Resource base and demonstrate a +10 year life for BKM.
- Environmental impact assessment (AMDAL)

Various corporate initiatives focused on partnering and funding for the ongoing development of the Company and its projects are being progressed. Asiamet has received several approaches from parties interested in partnering on the development of BKM either through off-take agreements or equity partnership. These avenues of financing the bankable feasibility study and ultimate development of the project will continue to be investigated.

Other KSK CoW Projects

The KSK CoW contains a number of other highly prospective copper and gold prospects outside of the BKM copper project, including Baroi (Cu-Au-Pb-Zn-Ag), Low Zone (Cu), Mamuring (Au), Gold Ridge (Au), Lakapoi (Au) and Waterfall (Au-Cu-Pb-Zn). The most advanced and highest priority target is Baroi where

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previous drilling has reported exceptional results including 11m @ 11.05% Cu and 296g/t Ag and 18m @ 3.20% Cu and 60.4g/t Ag in two separate drill holes.

Subject to receipt of a forestry permit and the availability of funding, Asiamet also intends to drill some additional holes into the high grade base metal vein system at the Baroi prospect to assess the potential of this target for a stand-alone deposit.

Beutong Project

Asiamet holds an indirect 40% interest in the Beutong IUP with the ability through funding and completion of milestones to increase that interest to 80%.

Asiamet has been focused to the date of this MD&A on the conversion of the Beutong IUP which upon approval secures long term mining title that will be valid for 20 years, extendable for two subsequent periods each of 10 years' duration.

Conversion of the Beutong IUP has been delayed several times due to changes to the regulatory process and the responsible regulatory bodies within the Government of Indonesia ("GOI"), however the process is now nearing completion. The IUP title system is relatively new and the development and implementation of the supporting regulations and responsibilities have significantly trailed the introduction of the Mining law. A series of updates to the implementing regulations have additionally complicated the approvals process. Asiamet has now completed a rigorous process involving numerous presentations, submissions and re-submissions of supporting documentation and a final presentation to the Ministry of Energy and Mineral Resources ("ESDM") is scheduled for May 31st. A decision on the grant of an IUP production for Beutong is expected shortly thereafter.

Under Indonesian Mining law the holder of an IUP exploration is guaranteed an IUP production provided all requirements have been met and an IUP exploration cannot be terminated if there has been an application made to convert to an IUP production. To ensure continuity of title the Company has applied for an additional one year suspension to the Beutong IUP exploration. The Beutong IUP would otherwise expire on June 15, 2016.

No significant exploration programs are planned for the Beutong Project until the IUP production license is secured. Upon receipt of the IUP Production the Company intends to re-activate field programs aimed at extending near surface Resources and progressing development of the project.

Jelai Project

Asiamet holds an indirect 100% interest in the Jelai IUP and has lodged an application to convert the IUP exploration to an IUP production. To the date of this MD&A, the Company has been focused on processing this IUP conversion, which upon approval secures long term mining title valid for 20 years, extendable for two subsequent periods each of 10 years duration.

The regulatory process requires the submission and approval of various studies for the Jelai project and Asiamet is actively engaged in providing and presenting the required documentation to various Government departments including ESDM. Processing is now in the latter stages.

Under Indonesian Mining law the holder of an IUP exploration is guaranteed an IUP production provided all requirements have been met and an IUP exploration cannot be terminated if there has been an application made to convert it into an IUP production. A one year suspension of the Jelai IUP exploration expires on June 24, 2016 and the Company has applied for an additional one year suspension to ensure continuity of title. The Jelai IUP exploration would otherwise expire on June 2, 2016.

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Although the potential of the Jelai IUP remains high, the project is considered to be a lower priority than the Company's two copper projects and as such, various options for partnering or divestment of the property are being pursued. Asiamet is continuing to progress approval of the IUP Production for the Jelai Project while simultaneously engaging with potential partners for the project.

Corporate Social Responsibility (CSR) Program

Yayasan Tambuhak Sinta (YTS) continues to work, funded in part by the Company, in many of the Dayak villages located along the Kahayan River, just outside of the KSK CoW area and predominantly downstream of the Company's exploration activities. There are no Dayak villages in the KSK CoW area.

YTS's continued program focus is on strengthening village governance in the area, monitoring livelihood activities and information kiosks, and on helping communities take greater responsibility for their own development agenda through participatory planning, institution strengthening and economic development.

Qualified Person

All technical data, as disclosed in this MD&A, unless otherwise noted, has been reviewed and verified by the Company's Qualified Person for the Company's mineral projects, Stephen Hughes P. Geo, Vice President Exploration of the Company, a Qualified Person under NI 43-101 and for the purposes of the AIM Rules.

Trends

The Company is an exploration company. At this time, issues of seasonality or market fluctuations have a minor impact on the expenditure patterns. The Company expenses its exploration, project investigation and general and administration costs, and these amounts are included in the net loss for each quarter. The Company's treasury, in part determines the levels of exploration.

The level of the Company's exploration expenditures is largely determined by the strength of the resource capital and commodity markets and its ability to obtain funding partners and investor support for its projects.

Financial Condition – three months ended March 31, 2016

Asiamet began fiscal 2016 with \$778,634 cash. During the three months ended March 31, 2016, the Company spent \$698,578 on operating activities net of working capital changes and \$1,374 on the purchase of equipment to end at March 31, 2016, with \$78,682 cash.

Operating activities

Exploration and evaluation expenditures on Asiamet projects for the three months ended March 31, 2016 totaled \$498,024 or 72% of total expenses of \$694,753. Administration expenses totaled \$196,729 or 28% of total expenses of \$694,753.

By comparison with the quarter to March 31, 2015, expenditures on exploration and evaluation to March 31, 2016 were significantly lower. Asiamet projects for the three months ended March 31, 2015 totaled \$4,299,981 of which \$3,866,813 related to the acquisition of the Beutong IUP for direct exploration expenses of \$433,168 being 60% of total expenses of \$722,683 (net of the acquisition costs). Administration expenses totaled \$289,515 or 40% of total expenses of \$694,753.

Certain of the Company's administrative expenses are incurred in Canadian and Australian dollars and Great British pounds but reported in US dollars. The effect of these translation differences distorts the actual expenditure comparisons.

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Liquidity and capital resources

As at March 31, 2016, the Company had a working capital deficiency of \$145,233. On April 27, 2016, the Company closed a brokered private placement and issued and settled through CREST 48,387,097 common shares at a price of GBP 3.1 pence per share for total gross proceeds of £1.5 million (equivalent to approximately \$2.2 million). The Company has received £1.39 million (\$2 million) as at the date of this report, with the balance to be received shortly thereafter. This funding will allow the Company to continue its planned operations without interruption.

On April 26, 2016 and May 19, 2016 KSK received a total of 13.2 billion IDR or approximately \$980,000 of expected VAT refunds.

Management estimates that current funds, together with the VAT refunds and private placement proceeds will provide the Company with sufficient financial resources to carry out currently planned operations through the next twelve months. However, the Company may raise additional financial resources through equity financing during the next twelve months.

Contractual obligations

The Company's expenditure commitments on its exploration and evaluation assets are primarily at the Company's discretion. The Company has met its expenditure requirements pursuant to its KSK CoW for all exploration phases of the contract due to the ability to carry over excess work expenditures.

Details of payments and minimum work commitments to maintain the Beutong option agreement and the underlying exploration and evaluation asset option agreements are described in the notes to the Financial Report and in the notes to the consolidated annual financial statements at December 31, 2015.

Aim Rule 26

We confirm that our website (www.asiametresources.com) includes the information required by AIM Rule 26.

Transactions with Related Parties

There are no additional related party transactions other than those described in Note 11 of the Financial Report.

Cautionary Note Regarding Forward-looking Statements

This MD&A - QH may include or incorporate by reference certain statements or disclosures that constitute "forward-looking information" under applicable securities laws. All information, other than statements of historical fact, included or incorporated by reference in this MD&A - QH that addresses activities, events or developments that Asiamet or its management expects or anticipates will or may occur in the future constitute forward-looking information. Forward-looking information is provided through statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur or continue. These forward-looking statements are based on certain assumptions and analyses made by Asiamet and its management in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate in the circumstances.

Although Asiamet believes such forward-looking information and the expectations expressed in them are based on reasonable assumptions, investors are cautioned that any such information and statements are not guarantees of future realities and actual realities or developments may differ materially from those projected in forward-looking information and statements. Whether actual results will conform to the expectations of Asiamet is subject to a number of risks and uncertainties, including those risk factors

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discussed in the documents incorporated herein by reference. In particular, if any of the risk factors materialize, the expectations, and the predictions based on them, of Asiamet may need to be re-evaluated. Consequently, all of the forward-looking information in this MD&A - QH and the documents incorporated herein by reference is expressly qualified by these cautionary statements and other cautionary statements or factors contained herein or in documents incorporated by reference herein, and there can be no assurance that the actual results or developments anticipated by Asiamet will be realized or, even if substantially realized, that they will have the expected consequences for Asiamet.

Forward-looking statements are based on the beliefs, estimates and opinions of Asiamet's management on the date the statements are made. Unless otherwise required by law, Asiamet expressly disclaims any intention and assumes no obligation to update or revise any forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change, whether as a result of new information, future events or otherwise, and Asiamet does not have any policies or procedures in place concerning the updating of forward-looking information other than those required under applicable securities laws. Accordingly, readers should not place undue reliance on forward-looking statements or forward-looking information.

Additional Disclosure for Venture Issuers without Significant Revenue

The components of exploration costs are described in Note 8 to the Financial Report.

Outstanding Share Data

At March 31, 2016, the authorized share capital comprised \$8,000,000 divided into 800,000,000 common shares at a par value of \$0.01 each. All issued shares are fully paid.

	Common Shares Issued and Outstanding	Share Purchase Warrants	Stock Options
Balance at March 31, 2016	574,597,071	21,966,030	21,957,200
Private placement	48,387,097	2,147,581	-
Stock options expired	-	-	(4,425,000)
Balance at date of this MD&A	622,984,168	24,113,641	17,532,200

Other information

Additional information relating to the Company is available for viewing on SEDAR at www.sedar.com and at the Company's web site www.asiametresources.com.



Asiamet Resources

ASIAMET RESOURCES LIMITED

**CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS**

For the three months ended March 31, 2016 and 2015

(In United States dollars, unless otherwise noted)

(unaudited)

Notice to Reader

These interim financial statements of Asiamet Resources Limited have been prepared by management and approved by the Audit Committee of the Board of Directors of the Company. In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed these interim financial statements, notes to financial statements and the related quarterly Management Discussion and Analysis.

ASIAMET RESOURCES LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(unaudited - expressed in United States dollars, unless otherwise noted)

	Note	March 31, 2016	December 31, 2015
ASSETS			
Current assets			
Cash	5	\$ 91,182	\$ 778,634
Receivables and other assets	6	109,632	99,911
		<u>200,814</u>	<u>878,545</u>
Non-current assets			
Equipment	7	74,347	91,799
Security deposit		92,760	92,374
		<u>167,107</u>	<u>184,173</u>
TOTAL ASSETS		\$ 367,921	\$ 1,062,718
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)			
Current liabilities			
Trade and other payables	9	\$ 346,047	\$ 349,243
Non-current liabilities			
Provision for employee service entitlements		44,034	42,377
		<u>44,034</u>	<u>42,377</u>
		<u>390,081</u>	<u>391,620</u>
Shareholders' equity (deficiency)			
Share capital	10	5,706,741	5,706,741
Equity reserves	10	29,967,939	29,967,939
Deficit		(35,689,812)	(34,996,554)
		<u>(15,132)</u>	<u>678,126</u>
Non-controlling interest	15	(7,028)	(7,028)
		<u>(22,160)</u>	<u>671,098</u>
TOTAL LIABILITIES AND EQUITY		\$ 367,921	\$ 1,062,718
Nature of operations and going concern	1		
Subsequent events	14		

These condensed consolidated interim financial statements are authorized for issue on behalf of the Audit Committee of the Board of Directors on May 26, 2016.

They are signed on the Company's behalf by:

"Tony Manini"
Tony Manini, Director

"Peter Pollard"
Peter Pollard, Director

The accompanying notes form an integral part of these condensed consolidated interim financial statements

ASIAMET RESOURCES LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(unaudited - expressed in United States dollars, unless otherwise noted)

		For the three months ended	
	Note	March 31, 2016	March 31, 2015
Expenses			
Accounting and audit		\$ (658)	\$ -
Consultants and shared office costs		151,713	257,728
Exploration and evaluation expenditures	8	498,024	4,299,981
Investor relations		10,389	418
Legal		2,558	3,308
Office and administrative services		5,776	2,948
Transfer agent, filing and exchange fees		26,672	25,113
Travel and accommodation		279	-
		<u>694,753</u>	<u>4,589,496</u>
Other items			
Foreign exchange gain		1,416	2,833
Other income		19	-
Interest income		60	30
		<u>1,495</u>	<u>2,863</u>
Loss and comprehensive loss for the period		\$ (693,258)	\$ (4,586,633)
Loss attributable to:			
Equity holders of the parent		\$ (693,258)	\$ (4,556,156)
Non-controlling interest		-	(30,477)
		<u>\$ (693,258)</u>	<u>\$ (4,586,633)</u>
Basic and diluted loss per common share		\$ (0.00)	\$ (0.01)
Weighted average number of shares outstanding		574,597,071	394,724,753

The accompanying notes form an integral part of these condensed consolidated interim financial statements

ASIAMET RESOURCES LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(unaudited - expressed in United States dollars, unless otherwise noted)

	For the three months ended	
	March 31, 2016	March 31, 2015
Cash provided from (used for):		
Operating activities		
Loss for the period	\$ (693,258)	\$ (4,586,633)
Adjustment for non-cash items:		
Depreciation	18,826	34,952
Exploration and evaluation expenditures acquired	-	3,866,813
Unrealized foreign exchange loss (gain)	1,271	(789)
Changes in non-cash working capital:		
Receivables and other assets	(9,721)	(30,334)
Trade and other payables	(15,696)	26,214
	<u>(698,578)</u>	<u>(689,777)</u>
Investing activities		
Beutong acquisition transaction costs	-	(43,300)
Purchase of equipment	(1,374)	(1,102)
	<u>(1,374)</u>	<u>(44,402)</u>
Financing activities		
Share issues	-	1,009,541
Share issue costs	-	(32,581)
	<u>-</u>	<u>976,960</u>
Effect of foreign exchange on cash	-	193
Increase (decrease) in cash	(699,952)	242,974
Cash, beginning of the period	778,634	30,382
Cash, end of the period	\$ 78,682	\$ 273,356
Supplementary information:		
Interest paid	\$ -	\$ -
Income taxes paid	-	-
Non-cash investing and financing activities		
Fair value of shares issued exploration and evaluation expenditures	\$ -	\$ 3,333,483
Fair value of warrants issued for the acquisition of a subsidiary	-	455,327

The accompanying notes form an integral part of these condensed consolidated interim financial statements

ASIAMET RESOURCES LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)
(unaudited - expressed in United States dollars, unless otherwise noted)

	Number of shares	Attributable to equity holders of the parent				Non-controlling interest	Total
		Share capital	Equity reserves	Deficit	Total		
Balance, December 31, 2014	171,407,156	\$ 1,674,842	\$ 25,777,467	\$ (27,575,532)	\$ (123,223)	\$ -	\$ (123,223)
Share issues - consideration shares	171,407,156	1,714,072	1,619,411	-	3,333,483	-	3,333,483
Warrant issues - consideration warrants	-	-	455,327	-	455,327	-	455,327
Share issues	51,910,441	519,104	490,437	-	1,009,541	-	1,009,541
Share issue costs	-	-	(32,581)	-	(32,581)	-	(32,581)
Acquisition of subsidiary	-	-	-	-	-	7,029	7,029
Loss and comprehensive loss for the period	-	-	-	(4,556,156)	(4,556,156)	(30,477)	(4,586,633)
Balance, March 31, 2015	394,724,753	\$ 3,908,018	\$ 28,310,061	\$ (32,131,688)	\$ 86,391	\$ (23,448)	\$ 62,943

	Number of shares	Attributable to equity holders of the parent				Non-controlling interest	Total
		Share capital	Equity reserves	Deficit	Total		
Balance, December 31, 2015	574,597,071	\$ 5,706,741	\$ 29,967,939	\$ (34,996,554)	\$ 678,126	\$ (7,028)	\$ 671,098
Loss and comprehensive loss for the period	-	-	-	(693,258)	(693,258)	-	(693,258)
Balance, March 31, 2016	574,597,071	\$ 5,706,741	\$ 29,967,939	\$ (35,689,812)	\$ (15,132)	\$ (7,028)	\$ (22,160)

The accompanying notes form an integral part of these condensed consolidated interim financial statements

ASIAMET RESOURCES LIMITED

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2016 and 2015

(unaudited - expressed in United States dollars, unless otherwise noted)

1. NATURE OF OPERATIONS and GOING CONCERN

Asiamet Resources Limited (the “Company” or “Asiamet”) is a publicly listed company incorporated under the laws of Bermuda. The Company’s shares are listed on the TSX Venture Exchange (“TSX-V”) and the Alternative Investment Market (“AIM”) of the London Stock Exchange. The Company’s principal business activities include the acquisition, exploration and development of mineral properties. The address of the Company in Canada is Unit 1 – 15782 Marine Drive, White Rock, British Columbia, Canada V4B 1E6. The condensed consolidated interim financial statements of the Company as at and for the three months ended March 31, 2016, comprise the Company and its subsidiaries. The Company is the ultimate parent. The Company’s principal mineral property interests are located in Indonesia.

The Company is in the process of exploring its mineral property interests and has not yet determined whether any of its properties contain mineral reserves that are economically recoverable. The recoverability of the amounts spent for mineral properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties, and upon future profitable production or proceeds from the disposition of the properties.

The operations of the Company will require various licenses and permits from various governmental authorities which are or may be granted subject to various conditions and may be subject to renewal from time to time. There can be no assurance that the Company will be able to comply with such conditions and obtain or retain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects. Failure to comply with these conditions may render the licences liable to forfeiture.

These condensed consolidated interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business in the foreseeable future. Management estimates that current funds, together with the VAT refunds of the approximate \$980,000 and the approximate \$2,190,000 (£1,500,000) raised in April 2016 (see Note 14), will provide the Company with sufficient financial resources to carry out currently planned operations through the next twelve months. However, the Company may raise additional financial resources through equity financing during the next twelve months.

The Company will require additional financing, through various means including but not limited to equity financing, for the substantial capital expenditures required to achieve planned principal operations. While the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company. These factors indicate the existence of a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern.

These consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate.

ASIAMET RESOURCES LIMITED

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2016 and 2015

(unaudited - expressed in United States dollars, unless otherwise noted)

2. BASIS OF PRESENTATION

a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the last annual consolidated financial statements as at and for the year ended December 31, 2015. These condensed consolidated interim financial statements do not include all of the information required for full annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS").

b) Basis of measurement

These condensed consolidated interim financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

c) Functional and presentation currency

The presentation currency of the Company is the United States dollar.

Items included in the financial statements of each entity in the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency") and has been determined for each entity within the Company. The functional currency of Asiamet Resources Limited and all of its subsidiaries is the United States dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21 *The Effects of Changes in Foreign Exchange Rates* ("IAS 21").

d) Use of estimates and judgments

The preparation of the condensed consolidated interim financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended December 31, 2015.

ASIAMET RESOURCES LIMITED

Notes to the Condensed Consolidated Interim Financial Statements

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3. SIGNIFICANT ACCOUNTING POLICIES

a) Principles of consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries; from the date control was acquired. Control exists when the Company possesses power over an investee, has exposure to variable returns from the investee and has the ability to use its power over the investee to affect its returns. All inter-company balances and transactions, and any unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation. For partially owned subsidiaries, the interest attributable to non-controlling shareholders is reflected in non-controlling interest. Adjustments to non-controlling interest are accounted for as transactions with owners and adjustments that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

Name of subsidiary	Place of incorporation	Proportion of ownership interest	Principal activity
Indokal Limited	Hong Kong	100%	Holding company
PT Pancaran Cahaya Kahaya ("PCK")	Indonesia	100%	Holding company
PT Kalimantan Surya Kencana ("KSK")	Indonesia	100%	Owner of KSK CoW
PT Kalimantan Management Consultants ("KMC")	Indonesia	100%	Holding company
KLK Singapore Private Limited ("KLK Sing")	Singapore	100%	Holding company
PT Jelai Cahaya Minerals ("JCM")	Indonesia	100%	Owner of Jelai IUP
Tigers Copper Singapore No. 1 Pte Ltd. ("TC Sing")	Singapore	100%	Holding company
Beutong Resources Pte Ltd. ("BRPL")	Singapore	50%	Holding company
PT Emas Mineral Murni ("PT EMM")	Indonesia	80%	Owner of Beutong IUP
PT Tigers Realm Gold Indonesia ("PT TRG")	Indonesia	95%	Holding company

* effective ownership of PT EMM is 40% being 50% of BRPL which owns 80% of PT EMM

b) Accounting policies

The accounting policies applied by the Company in these condensed consolidated interim financial statements are the same as those applied by the Company as at and for the year ended December 31, 2015.

c) New standards, interpretations and amendments not yet effective

The following new standard, amendment to standards and interpretations is not yet effective as of the date of these financial statements, and have not been applied in preparing these consolidated financial statements.

IFRS 9 Financial instruments - classification and measurement

IFRS 9 is the first part of a new standard on classification and measurement of financial assets that will replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 has two measurement categories: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is recorded at amortized cost only if the entity is holding the instrument to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is recorded at fair value through profit or loss.

The effective date for the amendment is indeterminate at this time, with an expected adoption date of January 1, 2018, and will be applied retrospectively. Early application is permitted.

The Company has not early adopted this revised standard and its future adoption is not expected to have a material effect on the financial statements.

ASIAMET RESOURCES LIMITED

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2016 and 2015

(unaudited - expressed in United States dollars, unless otherwise noted)

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

c) New standards, interpretations and amendments not yet effective *(continued)*

Effective for annual periods beginning on or after January 1, 2019:

IFRS 16, Leases

All leases result in the lessee obtaining the right to use an asset at the start of the lease and, if lease payments are made over time, also obtaining financing. Accordingly, from the perspective of the lessee, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 Leases and, instead, introduces a single lessee accounting model. When applying that model, a lessee is required to recognize assets and liabilities. A lessor continues to classify its leases as operating leases or finance leases, and accounts for those two types of leases differently.

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Categories of Financial Assets and Financial Liabilities – All financial instruments are classified into one of the following categories: fair value through profit or loss (“FVTPL”); held-to-maturity investments; loans and receivables; available-for-sale investments; or other liabilities, and the classification of the financial instruments is consistent with those disclosed in the consolidated financial statements as at and for the year ended December 31, 2015.

Financial Risk Management - All aspects of the Company’s risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended December 31, 2015.

Fair Value Hierarchy – All aspects of the Company’s determination of how the fair value of financial instruments is determined is consistent with those disclosed in the consolidated financial statements as at and for the year ended December 31, 2015.

5. CASH

	As at March 31, 2016	As at December 31, 2015
Canadian dollar denominated cash held in Canada	\$ 2,835	\$ 3,663
US dollar denominated cash held in Canada	30,897	572,513
US dollar denominated cash held in Indonesia	43,326	182,588
Rupiah cash (“IDR”) held in Indonesia	14,124	19,870
	<u>\$ 91,182</u>	<u>\$ 778,634</u>

6. RECEIVABLES AND OTHER ASSETS

	As at March 31, 2016	As at December 31, 2015
Receivable – employee advances	\$ 16,529	\$ 7,144
Receivable – other	25,905	9,339
Prepayments	67,198	83,428
	<u>\$ 109,632</u>	<u>\$ 99,911</u>

ASIAMET RESOURCES LIMITED

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2016 and 2015

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7. EQUIPMENT

The following is a reconciliation of the carrying amounts of equipment, all located in Indonesia.

Cost		
At December 31, 2015	\$	601,814
Assets acquired		1,374
At March 31, 2016		603,188
Accumulated depreciation		
At December 31, 2015	\$	510,015
Depreciation for the period		18,826
At March 31, 2016		528,841
Carrying amounts		
At December 31, 2015	\$	91,799
At March 31, 2016	\$	74,347

8. EXPLORATION AND EVALUATION EXPENDITURES

	For the three months ended	
	March 31, 2016	March 31, 2015
KSK CoW		
Exploration costs during the period		
Administrative support	\$ 249,404	\$ 214,312
External relations	18,634	24,968
Field support, vehicles, equipment	16,522	63,421
Human resources	926	
Technical services	130,256	1,675
Tenements	10,528	23,627
Taxation (includes recoveries)	50,876	-
Foreign exchange on security deposits	(34,950)	7,205
	442,196	335,208
Depreciation	18,499	34,281
	460,695	369,489

ASIAMET RESOURCES LIMITED

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2016 and 2015

(unaudited - expressed in United States dollars, unless otherwise noted)

8. EXPLORATION AND EVALUATION EXPENDITURES *(continued)*

	For the three months ended	
	March 31, 2016	March 31, 2015
Jelai IUP		
Exploration costs during the period		
Administrative support	15,105	11,006
Foreign exchange on security deposits	1,247	648
	<u>16,352</u>	<u>11,654</u>
Depreciation	327	671
	<u>16,679</u>	<u>12,325</u>
Beutong IUP		
Exploration costs during the period		
Acquisition of Beutong IUP		3,866,813
Administrative support	4,071	29,670
External relations	2,381	4,253
Field support	2,426	16,372
Human resources	8,508	-
Technical services	3,264	1,059
	<u>20,650</u>	<u>3,918,167</u>
Depreciation	-	-
	<u>20,650</u>	<u>3,918,167</u>
Total exploration and evaluation expenditures	\$ 498,024	\$ 4,299,981

9. TRADE AND OTHER PAYABLES

	As at March 31, 2016	As at December 31, 2015
Trade and other payables	\$ 251,191	\$ 301,077
Trade and other payables owed to related parties	94,856	48,166
	<u>\$ 346,047</u>	<u>\$ 349,243</u>

10. SHARE CAPITAL AND RESERVES

a) Authorized share capital

At March 31, 2016, and December 31, 2015, the authorized share capital comprised \$8,000,000 divided into 800,000,000 common shares at a par value of \$0.01 each.

All issued shares are fully paid. At March 31, 2016, the issued share capital comprised 574,597,071 common shares (December 31, 2015 – 574,597,071).

ASIAMET RESOURCES LIMITED

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2016 and 2015

(unaudited - expressed in United States dollars, unless otherwise noted)

10. SHARE CAPITAL AND RESERVES (continued)

b) Stock Options

The Company has a shareholder approved “rolling” stock option plan (the “Plan”) in compliance with TSX-V policies. Under the Plan the maximum number of shares reserved for issuance may not exceed 10% of the total number of issued and outstanding common shares at the time of granting. The exercise price of each stock option shall not be less than the market price of the Company’s stock at the date of grant. Options can have a maximum term of ten years and typically terminate 90-days following the termination of the optionee’s employment or engagement, except in the case of retirement or death. Vesting of options is at the discretion of the Board of Directors at the time the options are granted.

The continuity of stock options for the three month period ended March 31, 2016, is as follows:

Expiry date	Exercise price Cdn \$	Balance, December 31, 2015	Granted	Expired	Balance, March 31, 2016
April 21, 2016	\$ 0.12	4,425,000	-	-	4,425,000
June 17, 2016	\$ 0.12	100,000	-	-	100,000
July 4, 2016	\$ 0.07	200,000	-	-	200,000
July 1, 2018	\$ 0.10	4,432,200	-	-	4,432,200
October 6, 2019	\$ 0.05	3,150,000	-	-	3,150,000
August 31, 2020	\$ 0.05	9,650,000	-	-	9,650,000
		21,957,200	-	-	21,957,200
Weighted average exercise price					
Cdn\$		\$ 0.07	\$ -	\$ -	\$ 0.07

The remaining weighted average contractual life of the options outstanding as at March 31, 2016 is 2.92 years. All of the outstanding options are exercisable at March 31, 2016.

c) Common share purchase warrants

The continuity of common share purchase warrants for the three month period ended March 31, 2016, is as follows:

Expiry date	Exercise price Cdn\$	Balance, December 31, 2015	Issued	Expired	Balance, March 31, 2016
June 4, 2016	\$ 0.06	3,151,306	-	-	3,151,306
June 18, 2016	\$ 0.06	1,003,527	-	-	1,003,527
October 2, 2016	\$ 0.10	5,277,674	-	-	5,277,674
May 13, 2017	\$ 0.12	1,708,746	-	-	1,708,746
April 13, 2019	\$ 0.10	3,533,747	-	-	3,533,747
June 1, 2017	\$ 0.05	5,416,666	-	-	5,416,666
November 5, 2017	\$ 0.05	1,874,364	-	-	1,874,364
		21,966,030	-	-	21,966,030
Weighted average exercise price					
Cdn\$		\$ 0.08	\$ -	\$ -	\$ 0.08

The remaining weighted average contractual life of the share purchase warrants outstanding as at March 31, 2016 is 1.16 years. All of the outstanding share purchase warrants are exercisable at March 31, 2016.

ASIAMET RESOURCES LIMITED

Notes to the Condensed Consolidated Interim Financial Statements

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11. RELATED PARTY TRANSACTIONS

a) The Company's related parties consist of companies owned by executive officers and directors as follows:

Name	Nature of transactions
Golden Oak Corporate Services Limited ("Golden Oak")	Financial reporting and corporate compliance services.
Tigers Realm Minerals Pty Ltd. ("TR Minerals")	Deputy Chairman and Chief Executive Officer (Antony "Tony" Manini)
TR Minerals	Shared part time staff and office costs.

The Company incurred the following fees and costs in connection with companies owned or controlled by key management and/or directors.

	For the three months ended	
	March 31, 2016	March 31, 2015
Consulting fees – Golden Oak	\$ 18,957	\$ 21,496
Consulting fees – paid to TR Minerals for Manini salary and benefits	70,908	89,508
Sub-total	89,865	111,004
Shared part time staff and office costs – TR Minerals	50,498	90,584
Total	\$ 140,363	\$ 201,588

b) Compensation of key management personnel:

The remuneration of directors and other members of key management personnel, including amounts disclosed above, were as follows:

	For the three months ended	
	March 31, 2016	March 31, 2015
Consulting fees – as above	\$ 89,865	\$ 111,004
Salaries, wages and related costs (exploration and evaluation expenditures)	88,103	78,173
Total	\$ 177,968	\$ 189,177

12. SEGMENT DISCLOSURES

The Company operates in a single segment, being mineral exploration and development.

With the exception of the cash disclosed in Note 5, all of the Company's significant assets are held in Indonesia.

ASIAMET RESOURCES LIMITED

Notes to the Condensed Consolidated Interim Financial Statements

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13. NON-CONTROLLING INTEREST

The Company owns TC Sing, which in turn owns 50% of the issued and outstanding shares of BRPL, which in turn owns 80% of the issued and outstanding shares of PT EMM, which holds the Beutong IUP in Indonesia. Effectively, the Company holds a 40% interest in the Beutong IUP.

The Company is responsible for funding 100% of all costs related to each of BRPL and PT EMM until a bankable feasibility study has been completed on the Beutong IUP. The Company controls each of the entities and makes all decisions regarding work programs. Accordingly, the Company is reporting a non-controlling interest in the consolidated working capital items only and no share of the TC Sing group's operations.

	March 31, 2016	December 31, 2015
NCI percentage	50.0%	50.0%
Current assets	\$ 22,206	\$ 22,206
Current liabilities	36,262	36,262
	<u>(14,056)</u>	<u>(14,056)</u>
Non-current assets	-	-
Non-current liabilities	-	-
	<u>-</u>	<u>-</u>
Net assets	\$ (14,056)	\$ (14,056)
Accumulated non-controlling interests	\$ (7,028)	\$ (7,028)

14. SUBSEQUENT EVENTS

Subsequent to March 31, 2016:

- on April 5, 2016 the Company announced the results of a Preliminary Economic Assessment completed on its Beruang Kanan Main copper deposit located on the KSK CoW;
- on April 15, 2016, the Company borrowed AUD\$100,000 from TR Minerals by way of a demand note bearing interest at 8% per annum;
- on April 21, 2016, a total of 4,425,000 stock options at an exercise price of C\$0.12 expired unexercised;
- on April 26, 2016 and May 19, 2016, KSK received the expected VAT refunds totalling approximately \$980,000 (IDR 13.2 billion); and
- on April 27, 2016, the Company closed a brokered private placement. The Company issued 48,387,097 common shares pursuant to a brokered private placement financing to raise approximately \$2,190,000 (£1.5 million at an issue price of £0.031 per common share). The Company has now received (£1.39 million) and the balance is expected to be received shortly. The Company will pay commission of £70,037 and issue the broker 2,147,581 common share purchase warrants exercisable until April 26, 2018 at an exercise price of C\$0.06.