



**Asiamet
Resources**

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Asiamet Resources completes CoW amendment negotiations and secures long term tenure for proposed BKM Copper development

Asiamet Resources Limited (“ARS” or the “**Company**”), through its Indonesian operating subsidiary PT Kalimantan Surya Kencana (“**KSK**”), is pleased to report that ahead of moving into the project financing and development phase for its BKM copper project in Central Kalimantan, it has successfully concluded long running negotiations with the Government of Indonesia (“GOI”) to amend its existing KSK Contract of Work (“CoW”) to secure long term mining tenure.

A signing ceremony was held with the GOI on 14 March 2018 and executed documentation was formally received and reviewed by the Company on 26 March 2018.

Highlights

- Long term mining tenure secured for up to 50 years
- No divestment required until after the 10th year of production
- Fiscal framework for KSK CoW remains globally competitive
- BKM, through the production of copper cathode, supports GOI in-country processing initiatives
- Proposed BKM development will significantly increase employment of Indonesian nationals and use of local products and services

The KSK property hosts the BKM Copper Project currently in the Feasibility Study stage with planned study completion in mid-2018, together with a pipeline of opportunities such as the BKZ polymetallic discovery, and the BKS, BKW and Baroi prospects along with numerous other gold and base metal targets.

Securing long term tenure for the KSK CoW places the Company in a strong position to deliver the BKM copper project and unlock further value through focused regional exploration work at a number of other targets within the KSK CoW.

CoW Revision

The Company has been working closely with the GOI to align the KSK CoW with the New Mining Law introduced in 2009, focused on six key points that include: 1) royalty rates 2) size of the CoW 3) domestic processing 4) divestment obligations 5) state revenues and, 6) the use of local manpower, services and products.



Key amendments agreed with the GOI for the KSK CoW are as follows:

1. An initial contract term of 30 years is granted at commencement of production from the CoW area. The Company has the option of extending for two additional 10-year periods under the current Mining Law i.e. IUPK system.
2. KSK will retain 40,000 hectares under the KSK CoW (currently 61,003 hectares).
3. The fiscal framework will remain highly competitive on a global scale, summarised as follows:
 - Royalty and corporate income taxes shall be subject to the prevailing laws as follows:
 - Corporate income tax rate of 25%
 - Net Smelter Return royalties for copper will be 4% (previously USD45/t), gold 3.75% (previously USD225/kg) and silver 3.25% (previously USD1.9/kg)
 - KSK will receive a tax holiday and/or a tax reduction for imported capital goods.

In anticipation of these changes, the BKM Project PEA study completed in 2016 used the amended royalty rates outlined above and a corporate income tax rate of 25% as the basis for the financial evaluation of the project.

4. Foreign ownership laws mandate that Indonesian Nationals or Companies be offered the opportunity to invest in a Foreign Investment Company ("PMA") Company. KSK is a PMA and will be required to divest 51% of its foreign owned shares at fair market value after 10 years of production. Divestment may take various forms including a partial listing on the Indonesian Stock Exchange ("IDX") or introduction of a local partner(s) and Asiamet has clearly stated its preference for partnering with suitable Indonesian companies at the development and operations stage.
5. The amended CoW requires the Company to work towards, and assist, the GOI in supporting the policy of establishing metals processing facilities in Indonesia. Asiamet plans to produce LME Grade (99.99%) copper cathode at BKM and as such will satisfy the criteria.
6. The amended CoW currently contemplates the priority use of local labour, products and registered mining service companies. Indonesian nationals currently comprise 98 % of the KSK workforce. KSK has strong community engagement and will continue to support the development of local communities in the areas in which it operates.

2018 Work Programme

On 13 March 2018, the Company successfully completed an off-market placing of GBP7.2 million, (approximately US\$10 million) before expenses. This will provide the Company with a strong platform to execute its near-term strategy for 2018. This includes but is not limited to:

1. Completion of the BKM Copper Project Feasibility Study
2. Delivering a maiden Resource for the BKZ polymetallic project
3. Accelerating exploration at additional targets on the KSK CoW
4. Securing a strong finance package for development of the BKM project
5. Increasing the Company's equity position in the Beutong Cu-Au project from 40% to 80%
6. Drilling to expand the Resource base and advance development studies at Beutong



Peter Bird, Asiamet's Chief Executive Officer commented:

"Working closely with the GOI to achieve this outcome represents a significant milestone for Asiamet. Signing the amendment to the KSK CoW is a major de-risking milestone for the Company as we head into the project financing and development stage for our flagship BKM copper project. The Company is firmly of the view that the KSK CoW has the potential to host a district scale pipeline of copper-gold and polymetallic mineral prospects which are yet to be fully understood or appreciated.

Achieving security of tenure and the fiscal framework for the KSK project significantly enhances our ability to deliver value for all our stakeholders both through the development of the BKM Copper Project and the discovery of further nearby value creating opportunities such as the recent BKZ polymetallic deposit. Asiamet is very committed to building sustainable long-term value for all its stakeholders and looks forward to continuing its work with the GOI and the local communities to build a significant business in Indonesia."

ON BEHALF OF THE BOARD OF DIRECTORS

Peter Bird, Deputy Chairman and CEO

For further information on Asiamet is available on the Company's website at www.asiametresources.com, please contact:

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