ASIAMET RESOURCES

2018 Annual Report

For the year ended 31 December 2018

In USD unless otherwise noted

Contents

Company Information

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Antony (Tony) Manini	Director, Executive Chairman
Peter Bird	Director, Chief Executive Officer
Dominic Heaton	Non-Executive Director
Peter Pollard	Non-Executive Director
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Overview

Asiamet is an emerging mid-tier exploration and development company focused on copper and copper-gold deposits in the Indonesia, with its key projects located in the islands of Kalimantan and Sumatra, adjacent to the key growth markets in Asia.

- KSK Contract of Work ("CoW") Project (100% owned) covers 390km², is located in a prolific region in Kalimantan, Indonesia and comprises:
    - BKM copper project;
        - Copper cathode development project at feasibility stage with significant upside potential for mine life increase through Resource growth and satellite deposits.
    - BKZ polymetallic project;
        - Emerging high-grade polymetallic zinc-lead-silver-gold-copper and copper silver deposits (800 metres north of BKM copper project).
    - Exploration portfolio;
        - The KSK covers a large and prospective area. Asiamet has identified a pipeline of 15 targets in addition to the BKM and BKZ projects.
- Beutong project (80% owned) is under an Izin Usaha Pertambangan ("IUP") tenure structure and covers 100km², located in northern Sumatra, Indonesia, in close proximity to existing infrastructure and only 60 kilometres from a seaport and is a:
    - World-class copper-gold porphyry development project with a production licence; and
    - Contained metal in Resources (100% basis) of 2.43Mt Cu, 2.11Moz Au and 20.9Moz Ag in accordance with JORC (2012).

Coupled with its exciting project portfolio, Asiamet has a strong technical and commercial team with extensive experience in South-East Asia and a proven track record of bringing mining projects into production.

2018 Highlights

- Grant of the production licence for the Beutong Copper Gold project;
- Appointment of James Deo as Chief Financial Officer;
- Raised US$10 million in March 2018;
- Renegotiated the Contract of Work which secured long-term tenure for the BKM Copper project and surrounding exploration opportunities;
- Delivery of Maiden Mineral Resource for the BKZ Polymetallic project;
- Increased interest in Beutong Copper Gold project to 80%;
- Appointment of Dominic Heaton as Non-executive Director; and
- Raised US$3.3 million in November 2018.

Chairman's Statement

During the first half of 2018 copper and other base metal prices continued to stage a modest recovery as a result of solid global growth lifting industrial demand, and the macro trends towards the use of renewable energy and electric vehicles, both of which consume significantly greater volumes of copper than conventional uses.

Although the last quarter of 2018 was characterised by significant uncertainty in the equity markets as a result of the US and China trade talks, as well as Brexit in the UK, demand for copper remained steady. In early 2019, we saw a noticeable increase in price as copper inventories fell to their lowest point in almost 10 years. Despite this lift in copper prices, the supply side response remains relatively subdued with very few new projects coming online to meet ever increasing demand.

At Asiamet, we are well placed to benefit from this increase in demand for copper. Substantial progress was made on the feasibility study being undertaken for our BKM copper project in Kalimantan, a first Resource was reported for the adjacent the high value BKZ polymetallic deposit and the large Beutong copper gold project in Aceh was advanced through further drilling and metallurgical studies.

During the year we bolstered our management team with two key appointments. In January 2018 we welcomed James Deo as our CFO. James has over 20 years of experience in senior finance and management positions in the mining sector and further strengthens the Asiamet executive team. James will play a key role as we progress towards financing the BKM project and in delivering options for funding further evaluation and development of the large, high quality, Beutong copper-gold project.

In May 2018, Dominic Heaton was appointed as a Non-Executive Director of the Company. Dominic is a highly experienced mineral processing engineer with an extensive background in copper and gold, feasibility studies, project construction, plant commissioning and mine operations throughout South-East Asia. Dom was instrumental in the development of the 300,000 oz per annum Martabe Gold Mine in Sumatra, Indonesia and his depth of knowledge and experience will be particularly beneficial as we move into the development phase of our projects.

At a corporate level, we successfully raised US$10 million in March 2018 to accelerate work programs for the feasibility study on the BKM project, further exploration of the BKZ target adjacent to BKM, the acquisition of an additional 40% interest in the Beutong copper-gold project and the commencement of a 4,000 metre drilling program. A further US$3.3 million was raised in November 2018 primarily for infill drilling and optimisation of capital and operating costs for the BKM copper project feasibility study.

The granting of the production licence for the Beutong copper-gold project in January 2018 was a major milestone for the Company and paved the way to increasing our interest in this large copper-gold porphyry deposit. In June 2018 the acquisition of an additional 40% of Beutong was completed, raising our interest in the project to 80%. At the same time, we commenced a drilling program designed to test lateral and depth extensions of the current resources as well as infill drilling to increase the overall resource confidence. The results of the drilling program exceeded our expectations and clearly underline the potential for further expanding the size of the deposit with additional drilling. Beutong represents a rare opportunity as it is very difficult to find large copper development opportunities such as this close to existing infrastructure. With a large power station and seaport located only 60 kilometres from the deposit, potential exists to develop a large copper-gold mine at significantly lower capital cost than similar scale projects globally.

Regarding our corporate governance responsibilities, Asiamet continues to be guided by the Quoted Companies Alliance Corporate Governance Code, which sets out 10 defining principles. These policies are expanded on in the Corporate Governance Statement on page 21. Throughout the past year, the Company has complied with the QCA Code and in order to maintain robust systems of corporate governance, periodically reviews its charter to ensure high levels are maintained at all times. Following reviews conducted over the past 12 months, there have been no governance issues identified.

Moving ahead into 2019, we will continue to focus on increasing the value of its assets by delivering a feasibility study for the development of the BKM copper deposit and progressing project financing for mine construction. Simultaneously and subject to available funding we will continue to expand our exploration efforts in order to rapidly build the inventory of resources and reserves available for mining at the BKM copper project and further develop options for advancing the large Beutong copper-gold porphyry project as quickly as possible.

Asiamet remains very well positioned at a time when the copper market is moving deeper into a supply deficit, prices are anticipated to rise, and quality development ready copper projects are scarce. In due course the confluence of these factors should see our Company rewarded for the significant progress we have made on both of our projects over the past few years.

As a final note I would like to thank our employees, consultants and contractors for their continued hard work and express my sincere thanks to all our stakeholders in Indonesia and Internationally for their strong support throughout the year. It is highly valued.

Tony Manini
Chairman

Chief Executive's Statement

During the year, we continued to make good progress on the various work packages for the feasibility study of the BKM copper project and I am pleased to say that the technical work to date has been completed to a high standard. It became apparent in the course of the year that in order to improve the robustness of the feasibility study and optimise the mine plans, additional drilling would be required to better assess the geological and geotechnical parameters that impact the open pit mine design. Consequently we commenced an infill drilling program in November 2018 which completed in February 2019. This additional infill drilling is expected to provide a broader based data set for the Ore Reserves and be incorporated into the mine planning and design.

The discussions relating to the KSK CoW with the Indonesian government which we started in 2017 have progressed well and in March 2018 we concluded the negotiations and secured our long-term tenure of all the projects including the BKM project within the KSK CoW. This is a great achievement and marks an important milestone in the development of the project as it paves the way for project finance.

In the first half of 2018, we continued our exploration activities at BKZ which is located 800 metres north of the BKM project. The drilling program culminated in a maiden Mineral Resource Estimate from only a small drilling program which we published in May 2018. The mineralisation of the BKZ deposit remains open in a number of directions as well as at depth and the Company believes that the BKZ has the potential to be a stand-alone project, benefitting from significant infrastructure the Company will build at the BKM copper project.

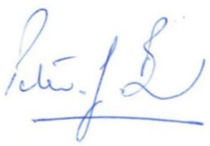
The Beutong copper-gold porphyry project has Resources in accordance with JORC (2012) of 2.43Mt (5.30Blb) copper, 2.11Moz gold and 20.9Moz silver on a 100% basis and 1.95Mt (4.3Blb) copper, 1.69Moz gold and 16.73Moz silver on an 80% attributable basis. Therefore, the increased ownership from 40% to 80% which we completed in June 2018 resulted in a significant uplift in the copper inventory for the Group.

In April 2018, the Company commenced a 4,000 metre drilling program at the Beutong copper-gold project which yielded excellent results with the best drill hole intersecting 456 metres of pervasive mineralisation grading 1.06% copper equivalent from 10 metres below surface, stopping in mineralisation at 608 metres due to rig capacity. The 2018 drilling program which completed in October 2018 proved highly successful intersecting wide intervals of porphyry copper-gold-molybdenum mineralisation which significantly increased confidence in the Beutong Resource model and identified targets with the potential to expand considerably the size of the current Resource. Drill hole testing between the Beutong East Porphyry ("BEP") and the Beutong West Porphyry ("BWP") has confirmed broad zones of copper mineralisation extending to depth outside the current Resource Envelope; additional drilling is required to fully explore the potential in this area prior to updating the Resource.

At a corporate level, we have seen significant interest from both the investment community as well as large mining groups in the activities of Asiamet. There are few new copper mines coming online and so we are in a fortunate position to have two world-class copper development projects in our portfolio.

Apart from our operations, I am also proud of the progress we have made on the community development initiatives of Asiamet in the local Dayak communities in and around the KSK CoW. Our initiatives have helped deliver tangible improvements to the lives of the local community and our farming and agricultural initiatives have helped local communities become more self-sustaining as well as supplying fresh produce to our camp. We have also contributed to a local orangutan sanctuary which nurses smaller animals.

I would like to take this opportunity to thank our shareholders for their continued support during this time of the Company's development and look forward to reporting on our progress during 2019.



Peter Bird
Chief Executive Officer

Strategic Report

Overview of Operations

Asiamet is incorporated in Bermuda and is engaged in the business of acquiring, exploring and developing mineral properties in Indonesia. The Company's stock trades in British Pounds Sterling ("GBP") on the AIM Market in London under the symbol ARS.

Asiamet has two principal areas of interest:

- The KSK CoW in Central Kalimantan, Indonesia – 100% interest. The KSK CoW covers 390km² and has multiple copper and gold prospects including the BKM project as well as the BKZ, BKS and BKW projects. The BKM project has a defined Mineral Resources Estimate and a Preliminary Economic Assessment ("PEA"). The PEA is a technical report that conforms to NI 43-101 Standards. The Company is currently conducting a Feasibility Study on the BKM project.
- The Beutong IUP on the island of Sumatra, Indonesia – 80% interest. The Beutong project covers 100km² and hosts two porphyry copper-gold-molybdenum prospects (West and East Porphyries) and the Beutong Skarn (copper-gold) project. Beutong is a development project with a large copper-gold Resource and has a production licence.

BKM project

The BKM project is a feasibility stage copper development project located on the eastern side of the KSK CoW. Asiamet continued to make good progress towards advancing the feasibility study programs on the BKM project during the year. This is described in detail in the section below.

BKM Bankable Feasibility Study ("BFS")

The BFS represents a major de-risking phase for the project, the outcomes of which will be used by a wide range of stakeholders, including potential financiers and partners to assess the viability of the project.

During 2018, the Company continued to work with a number of the key consultants and service providers to progress the BFS. The consultants covered off on geology, mine design, infrastructure, metallurgy, engineering, environmental and community and logistics. The final delivery of the BFS is due in Q2 2019.

As part of the permitting process there are four key approvals required in support of project development and include:

1. Government of Indonesia Feasibility Study;
2. Environmental and Social Impact Assessment (AMDAL);
3. Mandatory 5-Year Reclamation and Mine Closure Plans; and
4. Forestry Borrow-to-Use Permit.

During early 2019, the Company received approval for the Government of Indonesia Feasibility Study as well as the AMDAL. These permits were progressed in parallel over the course of 2018 and receiving both of these approvals from the Government of Indonesia and from the local community places the Company in a strong position to develop the BKM copper mine. Ongoing work is underway to secure the remaining permits and the upgrade in licence from exploration to production status. The completion of the BFS will allow the Company to move forward into the financing stage and commence development.

On 28 June 2017, Asiamet announced an independently verified Mineral Resource Estimate update on the BKM project. A Mineral Resource Estimate as at 30 June 2017 is shown in Table 1 below. Subsequently an infill drilling campaign commenced in December 2018 and was completed in February 2019. These results will be incorporated into an Ore Reserves and updated Mineral Resource statement to be delivered as part of the BKM feasibility study in 2019.

Table 1 – BKM Measured, Indicated and Inferred Mineral Resource (NI 43-101)

Mineral Resource Estimate - Beruang Kanan Main Deposit – June 2017				
Measured Mineral Resources				
Reporting cut (Cu %)	**Tonnes (Mt)**	**Cu Grade (Cu %)**	**Contained Cu ('000 tonnes)**	**Contained Cu (Mlbs)**
0.2	**20.5**	**0.7**	**147.7**	**325.7**
0.5	15.4	0.8	126.8	279.6
0.7	8.5	1.0	85.8	189.2

Indicated Mineral Resources				
Reporting cut (Cu %)	**Tonnes (Mt)**	**Cu Grade (Cu %)**	**Contained Cu ('000 tonnes)**	**Contained Cu (Mlbs)**
0.2	**28.7**	**0.6**	**174.9**	**385.6**
0.5	16.9	0.8	127.7	281.6
0.7	7.7	1.0	73.8	162.7

Inferred Mineral Resources				
Reporting cut (Cu %)	**Tonnes (Mt)**	**Cu Grade (Cu %)**	**Contained Cu ('000 tonnes)**	**Contained Cu (Mlbs)**
0.2	**17.7**	**0.6**	**109.3**	**241.0**
0.5	12.1	0.7	86.2	190.1
0.7	4.7	0.9	41.9	92.4

Notes: *Mineral Resources for the BKM deposit have been estimated in conformity with generally accepted CIM "Estimation of Mineral Resource and Mineral Reserves Best Practices" guidelines. In the opinion of Duncan Hackman, the block model Resource estimate and Resource classification reported herein are a reasonable representation of the copper Mineral Resources found in the defined area of the BKM mineralisation. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resource will be converted into Mineral Reserve. Computational discrepancies in the table and the body of the Release are the result of rounding.*

Beutong project

The Beutong project is a large porphyry copper-gold system, which comprises the Beutong East Porphyry ("BEP"), Beutong West Porphyry ("BWP") and the Beutong Skarn ("BSK"). The Beutong project has current JORC 2012 compliant Resources containing 2.43Mt (5.3Blb) copper, 2.1Moz gold and 20.9Moz silver on a 100% basis and 1.95Mt (4. 30Blb) copper, 1.69Moz gold and 16.73Moz silver on an 80% attributable basis (see news release dated 25 June 2018). The surface mineralisation at BEP and BWP comprises chalcocite, covellite and digenite mineralisation with lesser chalcopyrite.

At 600 - 700 metres depth there is a notable transition to chalcopyrite-bornite mineralisation, similar to the deeper sections of other porphyry systems in Southeast Asia such as the giant high-grade Grasberg Indonesia (Freeport-McMoRan Copper & Gold), Wafi-Golpu PNG (Newcrest Mining) and Tujuh Bukit Indonesia (Merdeka Resources) porphyry deposits. At depth in the BEP, large clasts of potassic altered (biotite, potassic feldspar and magnetite) diorite porphyry with intense stockwork chalcopyrite-bornite mineralisation occur within a diatreme breccia and are interpreted to have been transported from a high-grade potassic core at depth. The BEP and BWP systems remain open in several directions and the interpreted BEP high-grade core remains untested at depth.

On 8 January 2018, Asiamet announced that PT Emas Mineral Murni ("EMM"), the entity holding the Beutong in which Asiamet has an 80% interest, was granted the key production licence, Izin Usaha Pertambangan Operasi Produksi "IUP-OP" required to advance the Beutong Copper-Gold Project to the development stage. The conversion of EMM's IUP Exploration licence to an IUP-OP licence is a major step in advancing the Beutong project. It provides for an initial 20 years of licence tenure which may be extended twice, each for a period of 10 years, totalling 40 years.

On 25 June 2018, Asiamet increased its equity interest in the Beutong project to 80% though a single milestone payment of A$4.375 million. As part of the IUP-OP grant EMM is committed to meeting in-country processing requirements and will pursue opportunities for copper metal production via heap-leach, SX-EW while simultaneously commencing discussions with several companies that have pledged to build local smelters to process copper concentrate.

During 2018, Asiamet completed a highly successful seven-hole, 3,528 metre drilling program designed to provide critical information on the structure and distribution of high-grade near-surface mineralisation, test the strike and depth potential of the Beutong system.

In March 2019, Asiamet announced an updated Mineral Resource Estimate for Beutong in accordance with JORC (2012), shown in Table 2 below.

Table 2 - Beutong Mineral Resource Estimate, January 2019 (80% Basis)

Beutong 2019 Resource Estimate - Report at 0.3% Cu Lower Cut - 80% basis										
Classification JORC 2012	**Mineralisation**	**Tonnes (Mt)**	**Grade**				**Metal**			
			Cu%	**Au (ppm)**	**Ag (ppm)**	**Mo (ppm)**	**Cu (Kt)**	**Au (koz)**	**Ag (Koz)**	**Mo (Kt)**
Measured	East Porphyry	27	0.67	0.13	1.68	90	181	114	1,464	2
Indicated	East Porphyry	40	0.57	0.1	1.56	116	225	127	1,988	5
	Skarn	6	0.71	0.28	5.89	8	37	47	995	0.1
Inferred	East Porphyry	66	0.54	0.13	2.32	147	360	278	4,953	10
	West Porphyry	257	0.43	0.13	0.78	121	1,093	1,072	6,434	31
	Outer East Porphyry	5	0.36	0.06	1.12	157	16	9	158	0.80
	Outer West Porphyry	4	0.36	0.1	0.84	54	14	13	106	0.24
	Skarn	4	0.67	0.24	5.1	10	26	30	635	0
Measured	Total	27	0.67	0.13	1.68	90	181	114	1,464	2
Indicated	Total	46	0.58	0.12	2.07	104	262	174	2,983	5
Inferred	Total	336	0.45	0.13	1.14	125	1,509	1,401	12,286	42
	Total	**409**	**0.48**	**0.13**	**1.28**	**120**	**1,951**	**1,689**	**16,734**	**49**

Beutong 2019 Resource Estimate - Report at 0.5% Cu Lower Cut - 80% basis										
Classification	**Mineralisation**	**Tonnes**	**Grade**				**Metal**			
JORC 2012		**(Mt)**	**Cu%**	**Au (ppm)**	**Ag (ppm)**	**Mo (ppm)**	**Cu (Kt)**	**Au (koz)**	**Ag (Koz)**	**Mo (Kt)**
Measured	East Porphyry	22	0.72	0.13	1.74	92	160	93	1,241	2
Indicated	East Porphyry	26	0.64	0.1	1.66	119	168	84	1,400	3
	Skarn	3	0.84	0.34	6.51	7	30	39	749	0.02
Inferred	East Porphyry	37	0.63	0.14	2.49	164	234	166	2,954	6
	West Porphyry	36	0.57	0.11	0.88	142	207	129	1,027	5
	Outer East Porphyry	-	0.55	0.09	1.22	226	1	1	6	0.03
	Outer West Porphyry	-	0.57	0.08	1.84	51	1	0.5	11	0.01
	Skarn	2	0.8	0.27	5.68	8	22	24	498	0.02
Measured	Total	22	0.72	0.13	1.74	92	160	93	1,241	2
Indicated	Total	30	0.66	0.13	2.24	105	198	123	2,149	3
Inferred	Total	76	0.61	0.13	1.83	148	464	320	4,497	11
	Total	**128**	**0.64**	**0.13**	**1.91**	**128**	**822**	**536**	**7,886**	**17**

Notes

1. *Duncan Hackman B.App,Sc, MSc, MAIG from Hackman Associates, is responsible for this Mineral Resource Estimate and is a Competent Person within the meaning of JORC (2012) and for the purposes of the AIM Rules for Companies.*
2. *The Mineral Resource is reported using a cut-off grade of 0.3% and 0.5% copper*
3. *The Mineral Resource is considered to have reasonable potential for eventual economic extraction by open pit and underground mining*
4. *Mineral Resources are not Ore Reserves and do not have demonstrated economic viability*
5. *This statement uses terminology, definitions and guidelines given in the JORC Code (2012 Edition)*
6. *The Mineral Resource is reported on an 80% basis*

Other KSK CoW Projects

During 2018, the Company conducted a review of all the target areas in the CoW. The technical team has built a pipeline of projects including 15 copper, gold and polymetallic targets in addition to the BKM and BKZ projects. These targets include the BKW and BKS prospects as well as Beruang Tengah, Gold Ridge, Mamuring, Volcano Waterfall, Ketambung, Lakapoi, Rinjin, Baroi Central and South, Baroi Far East Zone, Mansur, Huoi and Focus. Previous geophysical, soil sampling and scout drilling programs have identified significant copper, zinc and associated base and precious metal mineralisation warranting further exploration.

BKZ Project

The BKZ Project is located less than 800 metres north of the BKM project a well-defined zinc-lead-copper in soil anomaly measuring 400 metres by 200 metres occurs coincident with massive sulphide-bearing outcrops.

During the year, the Company continued Resource delineation drilling comprising 36 holes totalling 3,416 metres. Drilling results during the year returned broad intervals of high grade massive sulphide mineralisation including 30 metres at 8.3% zinc, 3.3% lead, 39 g/t silver and 0.51g/t gold.

The drilling program improved geological model for the two mineralised domains at the BKZ deposit. The Company published a maiden Mineral Resource Estimate for the BKZ prospect in May 2018.

The Mineral Resource Estimate for the BKZ Polymetallic deposit in accordance with JORC (2012) is presented in Table 3 below.

Table 3: BKZ Mineral Resource Estimate, April 2018 (100% basis)

BKZ Polymetallic Deposit Inferred Resource Estimate *(JORC Code, 2012)*

Upper Polymetallic Zone. High Grade Zinc, Lead, Silver and Gold Domain. Inferred Resources (JORC 2012) *

Reporting Cut (Zn%)	Tonnes (kt)	Grade				Contained Metal			
		Zn (%)	Pb (%)	Ag (ppm)	Au (ppm)	Zn (kt)	Pb (kt)	Ag (koz)	Au (koz)
4.0	750	8.0	3.4	50	0.35	60	26	1,206	8.4

Upper Polymetallic Zone. Low Grade Zinc, Lead, Silver and Gold Domain. Inferred Resources (JORC 2012) **

Reporting Cut (Zn%)	Tonnes (kt)	Grade				Contained Metal			
		Zn (%)	Pb (%)	Ag (ppm)	Au (ppm)	Zn (kt)	Pb (kt)	Ag (koz)	Au (koz)
1.0	590	1.6	0.5	13	0.15	9	3	247	2.8

Lower Copper Zone. Copper and Silver Mineralisation. Inferred Resources (JORC 2012)

Reporting Cut (Cu%)	Tonnes (kt)	Grade		Contained Metal	
		Cu (%)	Ag (ppm)	Cu (kt)	Ag (koz)
0.5	1,100	1.1	13	12	460

** Lowest estimated Zn grade in the high grade zinc domain is 4.1% Zn*

*** Highest estimated Zn grade in the low grade zinc domain is 4.2% Zn*

Notes: Lower Zn and Cu grade reporting cuts approximate the mineralised domains extents. Mineral Resources for the BKZ Polymetallic Project have been estimated and reported under the guidelines detailed in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012). In the opinion of Duncan Hackman, the block model, resource estimate and resource classification reported herein are a reasonable representation of the Mineral Resources found in the defined area of the BKZ Polymetallic Project. Mineral Resources are not Ore Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resource will be converted into Ore Reserve. Computational discrepancies in the table and the body of the Release are the result of rounding.

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.

The Company, through YTS, continued to provide support to 22 villages in the area immediately outside the Company's concession. During the year, YTS also completed a two-year social forestry program in eight villages that enabled these communities in obtaining permits to manage forestry land within the village area. As part of the program YTS provided an agricultural training course predominantly targeting women.

The Company's programs focus 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 and economic development.

Board of Directors

Tony Manini, Director and Executive Chairman

Tony Manini is a geologist with over 30 years diverse experience in the resources industry. His background covers a wide range of commodities in more than 20 countries and includes technical, commercial, senior management and executive roles in exploration, project evaluation, business development, strategy and operations with Rio Tinto, Oxiana / OZ Minerals, Tigers Realm Group and EMR Capital.

Tony is a founder and the CEO of private incubator company, Tigers Realm Group and is a co-founder of resources private equity firm, EMR Capital. He has been closely involved in the discovery and development of multiple mines and deposits in Laos, Indonesia, Australia and FE Russia and has listed three highly successful junior exploration companies each of which has made a major discovery (Tigers Realm Coal – ASX; Nexgen Energy – TSX and Asiamet Resources – AIM). Tony is also currently an Executive Director of EMR Capital and a Director of Carube Copper Inc.

Peter Bird, Director, Chief Executive Officer

Peter Bird is an experienced mining industry executive. His work history covers technical, management, investment and human resource positions with major companies such as Western Mining Corporation, Merrill Lynch Equities and Newmont Mining. He has also held senior executive roles at Newcrest Mining and Normandy Mining, two of Australia's largest gold producers with substantial operations in Indonesia.

Peter was previously the Managing Director of Heemskirk Consolidated Limited, an Australian listed producer of industrial minerals in Canada and previously operator of the Pajingo gold mine in Australia and the Los Santos tungsten mine in Spain. He has led the feasibility, financing and operational teams.

Peter has a Bachelor of Applied Science in Geology from LaTrobe University and is a member of the Australian Institute of Mining and Metallurgy and the Australian Institute of Company Directors.

Dominic Heaton, Non-Executive Director

Dominic Heaton has over 27 years of global resource industry experience across a diverse range of commodities. For seven years from 2010, Dominic was the inaugural Chief Executive Officer of Masan Resources and led the development and operations of the Nui Phao tungsten – polymetallic project in Vietnam. Earlier in his career, he served a variety of management roles at Aurora Gold, Oxiana, OZ Minerals and at MMG where he was General Manager of the 60,000tpa Sepon SX-EW copper project in Laos and as General Manager of Operations of Martabe gold mine in Indonesia.

Dominic holds a Bachelor of Science from James Cook University, Townsville, Australia and a Post Graduate Diploma in Mineral Processing Technology from La Trobe University, Australia. He has also completed an Advanced Management Program with the Mt Eliza arm of the Melbourne Business School.

Dominic is a member of Australian Institute of Mining & Metallurgy and Australian Institute of Company Directors.

Dr. Peter Pollard, Non-Executive Director

Peter Pollard is a consulting economic geologist with more than 30 years' experience. He holds a PhD from James Cook University, Australia and is a Chartered Professional Member of the Australasian Institute of Mining and Metallurgy and a Fellow of the Society of Economic Geologists. Dr Pollard has consulted widely on porphyry copper-gold, iron oxide copper-gold and intrusion-related copper and gold deposits.

Peter has worked on some of the world's major porphyry copper-gold deposits including Grasberg (Indonesia), Escondida Norte (Chile), Oyu Tolgoi (Mongolia) and Ok Tedi (Papua New Guinea). In addition, he has consulted on porphyry exploration programs in Australia, China, Indonesia, Iran, Kazakhstan, Mongolia, Peru, U.S.A. and Vietnam. Dr Pollard is also a Non-Executive Director of Nordic Gold Inc. (TSX-V: NOR).

Faldi Ismail, Non-Executive Director

Faldi Ismail has significant experience working as a corporate advisor specialising in the restructure and recapitalisation of a wide range of ASX-listed companies has many years of investment banking experience and has advised on numerous cross border transactions including capital raisings, structuring of acquisitions and joint ventures overseas.

Faldi is the founder and operator of Otsana Capital, and currently a Director of several ASX-Listed companies. Until 12 January 2015, Faldi was the Deputy Chairman and CEO of the Company.

Directors' Report

The Directors present their annual report on the affairs of the Group, together with the financial statements and Auditor's Report for the year ended 31 December 2018.

Principal activities

The Group is engaged in the business of acquiring, exploring and developing mineral properties in Indonesia. The review of the business and future strategy is covered in the Chairman's Statement on page **Error! Bookmark not defined.** and in the Chief Executive Statement on page 7.

Fundraising and share capital

During the year the Company raised $13.334 million (2017: $8.018 million) of new equity by the issue of 126.150 million shares (2017: 144.952 million shares). Further details are given in note 16 to the Financial Statements.

Results and dividends

The results of the Group for the year ended 31 December 2018 are set out in the Consolidated Statement of Comprehensive Loss on page 29. The Directors do not recommend the payment of a dividend for the year (2017: nil).

Directors and Directors' interests

The Directors who served during the period to date are as follows:

Tony Manini
Peter Bird
Dominic Heaton (appointed 26 June 2018)
Peter Pollard
Faldi Ismail
Stephen Hughes (resigned 24 May 2018)
Raynard von Hahn (resigned 17 January 2018)

The direct and beneficial shareholdings of the Board in the Company as at 31 December 2018 were as follows:

	Shares			% of issued		
	Direct	**Beneficial**	**Total**	**Share capital**	**Options**	**Warrants**
T Manini	705,882	31,248,193	32,110,977	3.22%	9,750,000	917,857
P Bird	197,647	181,818	379,465	0.04%	10,250,000	-
D Heaton	1,317,647	-	1,317,647	0.13%	-	-
P Pollard	708,501	-	708,501	0.07%	1,700,000	-
F Ismail	-	5,979,395	5,979,395	0.60%	1,500,000	-

The direct and beneficial shareholdings of the Board in the Company as at 31 December 2017 were as follows:

	Shares			% of issued		
	Direct	**Beneficial**	**Total**	**Share capital**	**Options**	**Warrants**
T Manini	156,902	28,085,542	28,242,444	3.30%	9,750,000	917,857
P Bird	-	-	-	-	10,250,000	-
S Hughes	2,842,152	-	2,842,152	0.33%	8,500,000	611,904
P Pollard	408,501	-	408,501	0.05%	2,000,000	-
F Ismail	-	5,479,395	5,479,395	0.64%	2,000,000	-
R von Hahn	160,994	-	160,994	0.02%	1,400,000	-

Subscription for shares

On 20 March 2018 Tony Manini purchased 3,181,818 shares of the Company and Peter Bird purchased 181,818 shares of the Company at a price of GBP0.11 per share for a total consideration of GBP0.350 million and GBP0.020 million respectively.

On 4 December 2018 Tony Manini purchased 705,882 shares of the Company, Peter Bird purchased 197,647 shares of the Company and Dominic Heaton purchased 1,317,647 shares of the Company at a price of GBP0.0425 for a total consideration of GBP0.030 million, GBP0.008 million and GBP0.056 million respectively.

Director remuneration ($)

Director		Salary / consulting fees	Directors fees	Other[5]	Share based payments[6]	Total remuneration
T Manini[1]	**2018**	**102,802**	**-**	**-**	**35,000**	**137,802**
	2017	98,735	-	-	148,893	247,628
P Bird	**2018**	**217,222**	**-**	**15,407**	**114,149**	**346,788**
	2017	231,447	-	-	345,745	577,192
D Heaton[4]	**2018**	**-**	**-**	**-**	**18,015**	**18,015**
	2017	-	-	-	-	-
P Pollard	**2018**	**-**	**-**	**-**	**35,000**	**35,000**
	2017	-	-	-	24,815	24,815
F Ismail	**2018**	**-**	**-**	**-**	**35,000**	**35,000**
	2017	-	-	-	19,852	19,852
S Hughes[2]	**2018**	**56,250**	**-**	**83,413**	**-**	**139,663**
	2017	150,000	-	118,967	148,893	417,860
R von Hahn[3]	**2018**	**-**	**-**	**-**	**-**	**-**
	2017	-	-	-	19,852	19,852
Total	**2018**	**376,274**	**-**	**98,820**	**237,164**	**712,258**
	2017	480,181	-	118,967	708,050	1,307,198

1. Salary amounts were paid to EMR Capital as reimbursement for the salary and benefits paid for Tony Manini. Refer to note 13 for more details.
2. Stephen Hughes resigned as a Director on 24 May 2018.
3. Raynard von Hahn resigned as a Director on 17 January 2018.
4. Dominic Heaton was appointed as a Director on 26 June 2018.
5. Includes superannuation, pensions, termination and other benefits provided.
6. Includes Short Term Incentives (2018 and 2017: nil) and Long-Term Incentives (fair value of options vested and performance rights) earned.

Director incentives

In the year to 31 December 2018, the Company recorded $0.123 million worth of performance rights, disclosed under Share based payments in the Director Renumeration table above, to the Directors, excluding the CEO (2017: nil) as payment for Director fees. The performance rights will be issued after the Audited Annual Accounts have been released and will vest immediately. The number of ordinary shares received will be determined by the share price at the time of issue.

In the year to 31 December 2018, no options were granted to Directors (2017:17.55 million). As at 31 December 2018, 23.2 million (2017: 33.9 million) options issued to Directors were outstanding.

Subsequent events

Events after the reporting period have been disclosed in note 18 to the Financial Statements.

Corporate governance

The Company has set out its full Corporate Governance Statement on pages 21 to 26.

Risk management

The Group is exposed to a variety of financial risks and the impact on the Company's financial instruments are summarised in the Risk Management Report on pages 19 to 20.

Auditor

A resolution proposing the re-appointment of Ernst & Young as auditor is contained in the Notice of Annual General Meeting and will be put to shareholders at the Annual General Meeting.

This Directors' Report has been approved by the Board and signed on its behalf by:

Peter Bird
Director & Chief Executive Officer
27 May 2019

Risk Management Report

The Company has undertaken an evaluation of the risks it is exposed to as a result of the environment it operates in. The Company's risk exposures and the impact on the Company's financial instruments are similar to those reported in the previous Annual Report and are summarised as follows:

Credit Risk

Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets, including cash, receivables, and balances receivable from the government. The Company limits the exposure to credit risk in its cash by only investing its cash with high-credit quality financial institutions in business and savings accounts which are available on demand by the Company for its programs. The Company does not invest in money market funds.

Financing Risk

The successful exploration of natural resources on any project requires significant capital investment. The Group currently sources finance through the issue of additional equity capital. The Group's ability to raise further funds will depend on the success of its investment strategy and acquired operations. The Group successfully raised capital recently, which places it in a strong position, however, the Group may not be successful in procuring the requisite funds on terms which are acceptable to take the project forwards and, if such funding is unavailable, the Group may be required to reduce the scope of its investments or anticipated expansion. As the Group is currently in the exploration stage it does not generate revenues and is therefore reliant on its cash resources and obtaining additional financing to fund its operations, should the cash resources deplete and should there be a lack of available financing alternatives the Group may find it difficult to fund its working capital.

The Directors have identified that the Group will need to raise further funds in the next twelve months. Further information is provided in note 3.2.1 to the financial statements.

Liquidity Risk

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations. All of the Company's current financial liabilities are anticipated to mature within the next ninety days.

Exploration and Development Risk

The exploration and mining business is controlled by a number of global factors, principally supply and demand which in turn is a key driver in global metal prices; these factors are beyond the control of the Group. Exploration is a high-risk business and there can be no guarantee that any mineralisation discovered will result in proven and probable reserves or go on to be an operating mine. At every stage of the exploration process the projects are rigorously reviewed, both internally and by qualified third party consultants to determine if the results justify the next stage of exploration expenditure, ensuring that funds are only applied to high priority targets.

The Company undertakes the necessary technical geophysical testing to ensure the target generation exercise is systematic. This data is then prioritised to give the Company the best possible chance to deliver a successful exploration program. The Company is currently completing a bankable feasibility study of the BKM Project. This is expected to be completed in Q2 2019.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

Interest Rate Risk: The Company is exposed to interest rate risk to the extent that its cash balances bear variable rates of interest. The interest rate risks on cash and short-term investments and on the Company's obligations are not considered significant.

Foreign Currency Risk: The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates against the Company's functional currency, which is the United States dollar ("USD"). The Company generally undertakes equity raises in the United Kingdom. The Company conducts its business in Indonesia in Indonesian Rupiah ("IDR") with a significant portion of expenditures being denominated in USD. A portion of the Company's business is conducted in Great British Pounds ("GBP") and Australian dollars ("AUD"). As such, it is subject to risks due to fluctuations in the exchange rates between the USD and each of the IDR, GBP and AUD. A significant change in the currency exchange rates between the USD relative to foreign currencies could have an effect on the Company's results of operations, financial position and/or cash flows. The Company has not hedged its exposure to currency fluctuations.

Commodity Price Risk - While the value of the Company's core mineral resource properties, the KSK CoW and the Beutong IUP are related to the price of copper and gold and the outlook for these minerals, the Company currently does not have any operating mines and hence does not have any hedging or other commodity based risks in respect of its operational activities.

Historically, gold and copper prices have fluctuated and are affected by numerous factors outside of the Company's control, including but not limited to: industrial and retail demand; central bank lending; forward sales by producers and speculators; levels of worldwide production; short-term changes in supply and demand because of speculative hedging activities; and other factors related specifically to gold.

Licencing Risk

The Group's exploration and development activities are dependent upon the grant of appropriate licences, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to limitations or performance criteria. Such licences and permits are as a practical matter subject to the discretion of the applicable Government or Government office. The Group must comply with known standards, existing laws and regulations that may entail costs and delays depending on the nature of the activity to be permitted. The interpretations, amendments to existing laws and regulations, or more stringent enforcement of existing laws and regulations could have a material adverse impact on the Group's results of operations and financial condition. Whilst the Group continually seeks to do everything within its control to ensure that the terms of each licence are met and adhered to, third parties may seek to exploit any technical breaches in licence terms for their own benefit. There is a risk that negotiations with a Government in relation to the grant, renewal or extension of a licence may not result in the grant, renewal or extension taking effect prior to the expiry of the previous licence period, and there can be no assurance of the terms of any extension, renewal or grant.

Political Risk

In conducting operations in Indonesia, the Company is subject to considerations and risks related to the political, economic and legal environments in which the Company operates. Among other things, the Company's results may be impacted by changes in the political and social conditions in Indonesia, and by changes in governmental policies with respect to mining laws and regulations, anti-inflationary measures, currency conversion and remittance abroad, and rates and methods of taxation.

This Risk Management Report has been approved by the Board and signed on its behalf by:

Peter Bird
Director & Chief Executive Officer
27 May 2019

Corporate Governance Statement

The Company is committed to maintaining the highest standards in corporate governance throughout its operations and to ensure all of its practices are conducted transparently, ethically and efficiently. The Company believes scrutinising all aspects of its business and reflecting, analysing and improving its procedures will result in the continued success of the Company and improve shareholder value. Therefore, and in accordance with the AIM Rules for Companies (as updated from time to time), the Company has chosen to formalise its governance policies by complying with the UK's Quoted Companies Alliance Corporate Governance Code (the "QCA Code").

The key challenges facing the company have been set out above in the Chairman’s Statement and the Chief Executive’s Statement.

The Board currently consists of 5 Directors: Executive Chairman; Executive Director (CEO) and three Non-Executive Directors (NEDs). The Board considers that appropriate oversight of the Company is provided by the currently constituted Board.

QCA Code

The 10 principles set out in the QCA Code are listed below, with an explanation of how the Company applies each of the principles and the reason for any aspect of non-compliance. There were no key governance related matters that occurred during the year.

1. Establish a strategy and business model which promote long-term value for shareholders

The strategic vision of the Company 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:

1. High quality project pipeline;
2. Highly qualified and experienced team with a proven team track record of finding resources and building mines; and
3. Supportive institutional and retail shareholder base.

The key challenges facing the company have been set out in the Risk Management report on pages 19 to 20.

2. Seek to understand and meet shareholder needs and expectations

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company. In addition, all shareholders are encouraged to attend the Company’s Annual General Meeting and any other General Meetings that are held throughout the year.

Investors also have access to current information on the Company through its website www.asiametresources.com and through Peter Bird, CEO, who is available to answer investor relations enquiries. The Company provides regulatory, financial and business news updates through the Regulatory News Service in accordance with the AIM Rules for Companies.

3. Take into account wider stakeholder and social responsibilities and their implications for long term success

There are a number of key relationships and resources that are fundamental to the Company's success, which include, amongst other things, relationships with local communities, governments, suppliers, contractors, employees and customers. These relationships are key components to the successful running of the Company’s projects and are reviewed by the Board and management on a regular basis to ensure that all potential risks are mitigated. To the extent any issues or concerns come to light following such review, or upon engagement with such stakeholders, the Company seeks to address matters in an expeditious manner in order to preserve and strengthen relationships.

4. Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Board regularly reviews the risks to which the Company is exposed and ensures through its meetings and regular reporting that these risks are minimised as far as possible whilst recognising that its business opportunities carry an inherently high level of risk. The principal risks and uncertainties facing the Company at this stage and in the foreseeable future are detailed in the Risk Management report on pages 19 and 20 together with risk mitigation strategies employed by the Board.

5. Maintain the board as a well-functioning, balanced team led by the Chairman

The Board's role is to agree the Company's long-term direction and strategy and monitor achievement of key milestones against its business objectives. The Board meets formally at least four times a year for these purposes and holds additional meetings when necessary to transact other business. The Board receives reports for consideration on all significant strategic, operational and financial matters.

The board is comprised of an Executive Chairman (Tony Manini), an Executive Director and CEO (Peter Bird); and three NEDs (Peter Pollard, Faldi Ismail and Dominic Heaton). Each Director serves on the Board until the Annual General Meeting following his election or appointment. The Executive Director and CEO works full time for the Company. NEDs are committed to devote at least 12 days per year to the Company.

The Board as a whole considers the NEDs to be independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.

The Board delegates certain aspects of its responsibilities to the Board committees which have terms of reference as listed below.

The table below sets out the number of Board Committee meetings held during the year ended 31 December 2018 and each Director's attendance at those meetings.

	Board		Audit		Remuneration & Nomination[1]	
	Held	**Attended**	**Held**	**Attended**	**Held**	**Attended**
T Manini	7	7	-	-	-	-
P Bird	7	7	-	-	-	-
D Heaton	3	3	-	-	-	-
P Pollard	7	5	2	2	-	-
F Ismail	7	7	2	2	-	-
S Hughes	3	2	-	-	-	-
R v Hahn	1	1	-	-	-	-

1. During the year, there were no matters requiring consideration by the Remuneration & Nomination committee.
2. NEDs who sit on the Audit and Remuneration & Nomination Committees are not paid additional fees.

6. Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities

The Board considers the current balance of sector, financial and public market skills and experience which it embodies is appropriate for the size and stage of development of the Company and that the Board has the skills and requisite experience necessary to execute the Company's strategy and business plan whist also enabling each Director to discharge his fiduciary duties effectively. Details of the current Board of Directors biographies is provided on pages 14 to 15.

The Board reviews annually, and when required, the appropriateness of its mix of skills and experience to ensure that it meets the changing business needs.

The Company has a professional Company Secretary in the UK who assists the Chairman in preparing for and running effective board meetings, including the timely dissemination of appropriate information. The Company Secretary provides advice and guidance to the extent required by the board on the legal and regulatory environment.

7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

Review of the Company's progress against the long term strategy and aims of the business provides a means to measure the effectiveness of the Board. This progress is reviewed in Board meetings held at least four times a year. The Chief Executive Officer's performance is reviewed once a year by the rest of the Board and measured against a definitive list of short, medium and long term strategic targets set by the Board.

The Company conducts periodic reviews of its Board succession planning protocols which includes an assessment of the number of board members and relative experience of each board member vis-a-vis the Company's requirements given its stage of development, with the goal of having in place an adequate and sufficiently experienced board at all times.

8. Promote a corporate culture that is based on ethical values and behaviours

The corporate culture of the Company is promoted throughout its employees and contractors and is underpinned by compliance with local regulations and the implementation and regular review and enforcement of various policies: Health and Safety Policy; Share Dealing Policy; Code of Conduct; Anti-bribery and Corruption Policy, IT, communications and systems Policy and Social Media Policy so that all aspects of the Company are run in a robust and responsible way.

The Board recognises that their decisions regarding strategy and risk will impact the corporate culture of the Company and that this will impact performance. The Board is very aware that the tone and culture set by the Board will greatly impact all aspects of the Company and the way that employees behave. The exploration for and development of mineral resources can have significant impact in the areas where the Company and its contractors are active and it is important that the communities in which we operate view Company's activities positively. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Company to successfully achieve its corporate objectives. The Board places great importance on this aspect of corporate life and seeks to ensure that this is reflected in all the Company does.

The Company has an established code for Directors' and employees' dealings in securities which is appropriate for a company whose securities are traded on AIM, and is in accordance with Rule 21 of the AIM Rules for Companies and the Market Abuse Regulation.

9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the board

The Board is responsible for setting the vision and strategy for the Company to deliver value to the Company's shareholders by effectively putting in place its business model.

The roles and responsibility of the Chairman, CEO and other Directors are laid out below:

- The Executive Chairman's primary responsibilities are supporting management to achieve the long-term objectives of the Company, providing leadership of the Board and ensuring effective conduct of the Board's function and the Company's corporate governance model.

- The CEO is responsible for implementing the strategy of the Board and managing the day-to-day business activities of the Company. The CEO works with the chair and NEDs in an open and transparent way and keeps the chair and NEDs up-to-date with operational performance, risks and other issues to ensure that the business remains aligned with the strategy.

- The Company's NED'S participate in all board level decisions and play a particular role in the determination and articulation of strategy. The Company's NED's provide oversight and scrutiny of the performance of the Executive Directors, whilst both constructively challenging and inspiring them, thereby ensuring the business develops, communicates and executes the agreed strategy and operates within the risk management framework

- The Company Secretary is responsible for ensuring that Board procedures are followed and applicable rules and regulations are complied with.

The Board is supported by the audit and remuneration and the nomination committee as described below.

Audit Committee

The purpose of the Audit Committee is to monitor the integrity of the financial statements of the Company and assists the Board in meeting responsibilities in respect of external financial reporting and internal controls.

The Audit Committee has two NEDs - currently Peter Pollard and Faldi Ismail and meets at least twice a year. The Company's Chief Financial Officer also attends those meetings.

A copy of the terms of reference of the Audit Committee can be found on the Company's website.

Remuneration and Nomination Committee

The purpose of the Remuneration and Nomination Committee is to review the pay and employment conditions across the Company, including the Board of Directors, approving targets and performance related pay schemes operated by the Company and all share incentive plans and pension arrangements and identifying suitable candidates from a wide range of backgrounds to be considered for positions on the board.

The Remuneration and Nomination Committee has two NEDs - currently Peter Pollard and Faldi Ismail and aims to meets at least once a year or as required. No meetings were held during the period as there were no matters requiring consideration.

A copy of the terms of reference of the Remuneration and Nomination Committees can be found on the Company's website.

Given the small number of meetings held by of each of the above-mentioned Committees, neither have produced a separate report, however the Company intends to review this requirement on an annual basis.

10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company.

The Company also provides regular updates on the progress of the Company, detailing recent business and strategy developments, in news releases which is available on the Company's website www.asiametresources.com and through certain social media channels.

The Company’s financial reports can be found on their website www.asiametresources.com. The Company has elected to host its AGMs in London. The Directors believe hosting the AGM in London will enhance engagement with the Company's shareholders by making the meeting more accessible.

The board would be delighted to receive feedback from shareholders. Communications should be directed to info@asiametresources.com. The CEO has been appointed to manage the relationship between the Company and its shareholders and will review and report to the board on any communications received.

Directors' Responsibility Statement

The Directors are responsible for preparing the Directors' Report, the Risk Management Report, and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Company Financial Statements for each financial year. The Directors are required by the AIM Rules for Companies of the London Stock Exchange to prepare Group financial statements in accordance with International Financial Reporting Standards ("IFRS") and have elected under company law to prepare the Company Financial Statements in accordance with IFRS.

Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group and Company for that period.

In preparing the Group and Company Financial Statements, the Directors are required to:

1. select suitable accounting policies and then apply them consistently;
2. make judgements and accounting estimates that are reasonable and prudent;
3. state whether they have been prepared in accordance with IFRS; and
4. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Asiamet website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Financial Statements

For the year ended 31 December 2018

Contents

Consolidated Statement of Financial Position

As at 31 December 2018

	Note	2018 $'000	2017 $'000
ASSETS			
Current assets			
Cash		2,679	3,079
Receivables and other assets	*10*	84	143
		2,763	3,222
Non-current assets			
Plant and equipment	*11*	234	41
Security deposit	*8b)*	91	97
Receivables and other assets	*10*	536	420
		861	558
TOTAL ASSETS		**3,624**	**3,780**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Trade and other payables	*12*	980	1,054
Provision for employee service entitlements	*14*	50	-
		1,030	1,054
Non-current liabilities			
Provision for employee service entitlements	*14*	378	156
		1,408	1,210
Equity			
Share capital	*16*	9,983	8,528
Equity reserves		52,804	40,354
Other comprehensive gain/(loss)		10	(12)
Accumulated losses		(57,328)	(46,293)
Other reserves		(3,246)	-
Parent entity interest		2,223	2,577
Non-controlling interest	*17*	(7)	(7)
		2,216	2,570
TOTAL LIABILITIES AND EQUITY		**3,624**	**3,780**

Consolidated Statement of Comprehensive Loss

For the year ended 31 December 2018

	Note	2018 $'000	2017 $'000
Expenses			
Exploration and evaluation	8a)	(6,218)	(4,628)
Employee benefits		(2,341)	(1,561)
Consultants		(503)	(668)
Legal and Company Secretarial		(308)	(139)
Accounting and audit		(131)	(109)
General and administrative		(541)	(249)
Depreciation		(38)	(24)
Share-based compensation	16e)	(480)	(914)
		(10,560)	(8,292)
Other items			
Foreign exchange gain/(loss)		(479)	81
Gain on sale of subsidiary	8c)	-	708
Interest income		3	1
Other income		1	-
		(475)	790
Loss before tax		(11,035)	(7,502)
Tax	9	-	-
Loss for the year		**(11,035)**	**(7,502)**
Items that may not be reclassified subsequently to profit or loss:			
Actuarial gain/(loss) on employee service entitlements	14	22	(10)
Total comprehensive loss for the year		**(11,013)**	**(7,512)**
Net loss attributable to:			
Equity holders of the parent		(10,681)	(7,244)
Non-controlling interests		(354)	(258)
Total comprehensive loss attributable to:			
Equity holders of the parent		(10,659)	(7,254)
Non-controlling interests		(354)	(258)
Basic and diluted loss per common share		(0.01)	(0.01)
Weighted average number of shares outstanding (thousands)		924,394	772,537

Consolidated Statement of Cash Flows

For the year ended 31 December 2018

	Note	2018 $'000	2017 $'000
Cash provided from (used for):			
Operating activities			
Net loss for the year		(11,013)	(7,512)
Adjustment for:			
Depreciation		38	24
Share-based compensation		480	914
Foreign exchange losses/(gains)		33	(10)
Gain on sale of subsidiary		-	(708)
Other comprehensive loss (gain)		(22)	10
Changes in non-cash working capital:			
Receivables and other assets		59	(93)
Value Added Tax (“VAT”)		(117)	(242)
Trade and other payables		(73)	61
Provision for employee service entitlements		272	59
		(10,343)	(7,497)
Investing activities			
Purchase of plant and equipment		(238)	(26)
Proceeds from sale of equipment		3	-
Payment for additional investment in Beutong Resources		(3,246)	-
Proceeds on sale of subsidiary, net of cash sold	*8c)*	-	699
		(3,481)	673
Financing activities			
Repayment of related party loans		-	(233)
Proceeds from warrant and option exercises		1,034	802
Proceeds from equity raising		13,334	8,018
Equity raising costs		(944)	(432)
		13,424	8,155
Increase/(decrease) in cash		(400)	1,331
Cash at beginning of the year		3,079	1,748
Cash at end of the year		**2,679**	**3,079**

Consolidated Statement of Changes in Equity

For the year ended 31 December 2018

		Attributable to equity holders of the parent							
	Number of shares ’000	Share capital $'000	Equity reserves $'000	Other Comprehensive gain/(loss) $'000	Accumulated losses $'000	Other reserves $'000	Total $'000	Non-controlling interests $'000	Total $'000
Balance at 1 January 2017	709,941	7,060	33,323	(2)	(38,791)	-	1,590	(7)	1,583
Equity raising	144,952	1,395	6,346	-	-	-	7,741	-	7,741
Warrant exercises – brokers	1,874	73	203	-	-	-	276	-	276
Equity raising costs	-	-	(432)	-	-	-	(432)	-	(432)
Share-based compensation	-	-	914	-	-	-	914	-	914
Cancelled shares	(3)	-	-	-	-	-	-	-	-
Net Loss for the year	-	-	-	-	(7,244)	-	(7,244)	(258)	(7,502)
Actuarial loss on employee service entitlements	-	-	-	(10)	-	-	(10)	-	(10)
Contribution by parent in NCI	-	-	-	-	(258)	-	(258)	258	-
Balance at 31 December 2017	**856,764**	**8,528**	**40,354**	**(12)**	**(46,293)**	**-**	**2,577**	**(7)**	**2,570**

Consolidated Statement of Changes in Equity

For the year ended 31 December 2018

		Attributable to equity holders of the parent							
	Number of shares '000	Share capital $'000	Equity reserves $'000	Other comprehensive gain/(loss) $'000	Accumulated losses $'000	Other reserves $'000	Total $'000	Non-controlling interests $'000	Total $'000
Balance at 1 January 2018	856,764	8,528	40,354	(12)	(46,293)	-	2,577	(7)	2,570
Equity raising	126,150	1,262	12,072	-	-	-	13,334	-	13,334
Warrant exercises	2,759	62	214	-	-	-	276	-	276
Option exercises	13,100	131	628	-	-	-	759	-	759
Equity raising costs	-	-	(944)	-	-	-	(944)	-	(944)
Share-based compensation	-	-	480	-	-	-	480	-	480
Net Loss for the year	-	-	-	-	(10,681)	-	(10,681)	(354)	(11,035)
Actuarial gain on employee service entitlements	-	-	-	22	-	-	22	-	22
Acquisition of NCI	-	-	-	-	-	(3,246)	(3,246)	-	(3,246)
Contribution by parent in NCI	-	-	-	-	(354)	-	(354)	354	-
Balance at 31 December 2018	**998,773**	**9,983**	**52,804**	**10**	**(57,328)**	**(3,246)**	**2,223**	**(7)**	**2,216**

Notes to the Consolidated Financial Statements

for the year ended 31 December 2018

1. Corporate Information

The Consolidated Financial Statements of Asiamet Resources Limited (the "Company" or "Asiamet") and its subsidiaries (collectively, the "Group") for the year ended 31 December 2018 were authorised for issue in accordance with a resolution of the Directors on 27 May 2019. The Company is a publicly listed company incorporated under the laws of Bermuda. The Company's shares are listed on the AIM market of the London Stock Exchange ("AIM") under the symbol "ARS". The address of the Company's corporate office in Australia is Level 22, 303 Collins Street, Melbourne, VIC 3000.

The Company's principal business activities include the acquisition, exploration and development of mineral properties. The Company's principal mineral property interests are located in Indonesia. Information on the Group's structure is provided in note 17. Information on other related party relationships of the Group is provided in note 13.

2. Significant accounting policies

2.1 Basis of preparation

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

The Consolidated 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. The Consolidated Financial Statements are presented in United States dollar and all values are rounded to the nearest thousand ($'000), except when otherwise indicated.

The Consolidated Financial Statements provide comparative information in respect of the previous period.

2.2 Basis of consolidation

The Consolidated Financial Statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2018. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

2.2 Basis of consolidation (continued)

Profit or loss and each component of Other Comprehensive Income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.3 Summary of significant accounting policies

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with a maturity of three months or less. The carrying amounts of cash and cash equivalents represents fair value.

Plant and equipment

Plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the items and restoring the site on which it is located.

Depreciation is provided at rates calculated to amortise the costs of plant and equipment less its estimated residual value over the estimated economic useful life of the assets, using the straight-line method over four years commencing from the year the assets are put into service.

An item of equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in profit or loss.

Where an item of equipment is composed of major components with different useful lives, the components are accounted for as separate items of equipment. Expenditures incurred to replace a component of an item of equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalised.

Exploration and evaluation expenditures

The Company expenses all exploration and evaluation costs incurred on mineral properties to which it has secured exploration rights prior to the establishment of proven and probable reserves. Exploration and evaluation costs include costs relating to the acquisition and exploration of the mineral property, less recoveries, and do not necessarily reflect present or future values. When proven and probable reserves are determined for a property and a feasibility study has been prepared with respect to the property and a decision to proceed with development has been approved, then subsequent exploration and development costs of the property will be capitalised and amortised over the useful life of those reserves.

2.3 Summary of significant accounting policies (continued)

Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in operations except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purpose. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable operations, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantially enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Foreign currency translation

Transactions in foreign currencies are initially translated to United States dollars, the functional currency of the Company, at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are re-translated to the functional currency at the exchange rate at that date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on re-translation is recognised in profit or loss.

Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

2.3 Summary of significant accounting policies (continued)

Pension and other post-employment benefits

The Company recognises the cost of post-employment benefits as required under the Law. The present value of the obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future (refer to note 14). Actuarial gains and losses are recognised through other comprehensive income and not re-classified to the income statement. The provision for employee service entitlements is included in the salary portion of exploration expense. The actuarial gain or loss in period, resulting from re-measurement, is recognised immediately in OCI.

The Company has classified the provision for employee service entitlements as other financial liabilities.

Restoration, rehabilitation and environmental obligations

The Company recognises liabilities for statutory, contractual, constructive or legal obligations, including those associated with the decommissioning of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a decommissioning liability is recognised at its fair value in the period in which it is incurred if a reasonable estimate of cost can be made. The Company records the present value of estimated future cash flows associated with decommissioning as a liability when the liability is incurred and increases the carrying value of the related assets for that amount.

Subsequently, these capitalised decommissioning liabilities are amortised over the life of the related assets. At the end of each period, the liability is increased to reflect the passage of time and changes in the estimated future cash flows underlying any initial estimates.

The Company recognises its environmental liability on a site-by-site basis when it can be reliably estimated. Environmental expenditures related to existing conditions resulting from past or current operations and from which no current or future benefit is discernible are charged to the profit or loss statements. The Company had no decommissioning liabilities for the years presented.

Impairment

The carrying amounts of the Company's non-financial assets, other than deferred tax assets if any, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that asset is, or those assets are, not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the profit or loss on a straight-line basis over the lease term.

The Company does not have any finance leases.

2.3 Summary of significant accounting policies (continued)

Financial instruments – classification and fair value

The Company recognises financial assets and liabilities on the balance sheet when the Company becomes party to the contractual provisions of the instrument.

- Cash and cash equivalents – Cash and cash equivalents include cash on hand, deposits held with banks, and other short term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are classified and measured at amortised cost.
- Accounts receivable and accounts payable – Accounts receivable and accounts payable are non-interest bearing and are initially measured at fair value, subsequently recorded at amortised cost which approximates fair value due to the short term to maturity. Where necessary, accounts receivable are net of expected credit losses. In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Derecognition

A financial asset is primarily derecognised when the right to receive cash flows from the asset has expired and the group has transferred the rights to receive cash flows.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

Impairment of financial assets

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses. Impairment losses on financial assets carried at amortised cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognised.

Offsetting of financial assets

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position and there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the amounts and settle the liabilities simultaneously.

Loss per share

The Company presents basic and diluted earnings (loss) per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period, adjusted for own shares held. Diluted earnings per share is calculated by dividing the earnings (loss) by the weighted average number of common shares outstanding assuming that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

In the Company's case, diluted earnings per share is the same as basic loss per share, as the effect of outstanding share options and share purchase warrants on loss per share would be anti-dilutive.

Share capital

Common shares are classified as share capital. Incremental costs directly attributable to the issue of common shares are recognised as a deduction from equity.

Equity reserves

Equity reserves comprises of amounts subscribed for share capital in excess of nominal value ("share premium"), net share issue costs and the cumulative cost of share based payments and warrants.

Accumulated Deficit

Accumulated deficit comprises the losses in respect of the parent and the equity contribution made by the parent on behalf of a non-controlling interest.

2.3 Summary of significant accounting policies (continued)

Other reserves

Other reserves comprise the difference between the consideration to acquire non-controlling interest and the initial value of non-controlling interests.

Share-based payment transactions

The stock option plan allows Company employees to acquire shares of the Company. The fair value of options granted is recognised as a share-based compensation expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. Consideration paid on the exercise of stock options is credited to share capital and the fair value of the options is reclassified from reserves to share capital.

The fair value is measured at grant date and each tranche is recognised over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognised as an expense is adjusted to reflect the number of stock options that are expected to vest.

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions.

New and amended standards adopted by the Group

The Company has adopted the following new and revised standards, along with any consequential amendments, effective 1 January 2018. These changes were made in accordance with the applicable transitional provisions.

IFRS 9 Financial Instruments ("IFRS 9")

IFRS 9, Financial Instruments replaces IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 has two measurement categories for financial assets: amortised cost and fair value. Financial assets are classified as with held at amortised cost or fair value;

Classification is determined at initial recognition in one of the following categories: fair value through profit and loss ("FVTPL"), fair value through other comprehensive income ("FVOCI") or at amortised cost. In addition, the standard amended some of the requirements of IFRS 7, Financial Instruments: Disclosures, including the requirement for added disclosures about investments in equity instruments measured at FVOCI and guidance on financial liabilities and derecognition of financial instruments.

The Group has adopted IFRS 9 from 1 January 2018. In accordance with the transitional provisions, classifications have been applied retrospectively. There has been no significant changes to the Group's financial performance and position as a result of the adoption of IFRS 9.

2.3 Summary of significant accounting policies (continued)

New standards, interpretations and amendments not yet effective

A number of new standards, amendments to standards and interpretations are not yet effective as of 31 December 2018 and have not been applied in preparing these Consolidated Financial Statements. None of these are expected to have a material effect on the financial statements of the Company.

(i) New standard, effective for annual periods beginning on or after 1 January 2019:

New standard IFRS 16 Leases

IFRS 16 removes the classification of leases as either operating leases or finance leases – for the lessee – effectively treating all leases as finance leases. Most leases will be capitalised on the balance sheet by recognising a lease liability for the present value obligation and a “right of use” asset. The right of use asset is calculated based on the lease liability plus initial direct costs, prepaid lease payments and estimated restoration costs less lease incentives received, This will result in an increase in the recognised assets and liabilities in the balance sheet as well as a change in the expense recognition with interest and deprecation replacing operating lease expense There are exemption for short term leases and leases of low value items.

The Group has identified that the adoption will primarily affect the accounting for the Company’s operating lease commitments predominantly relating to the lease of the office premises. The Directors are considering available options to account for this transition which may result in an increase in reported earnings before interest, tax and depreciation and amortisation (EBITDA) and increase in lease assets and liabilities recognition. The Standard may also have an impact on deferred tax balances. This will be dependent on the lease arrangements in place when the new standard is effective.

3. Significant accounting judgements, estimates and assumptions

The preparation of the Group’s Consolidated Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

3.1 Judgements

In the process of applying the Group’s accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the Consolidated Financial Statements:

Determination of functional currency

In accordance with IAS 21, management determined that the functional currency of the Company and its subsidiaries is the United States dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21. Significant changes to those underlying factors could cause a change to the functional currency.

3.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the Consolidated Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

3.2.1 Going concern

The Company is in the process of determining whether its properties contain economically recoverable mineral deposits. This is achieved through exploring and technically evaluating the economic viability of these deposits. 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 licences and permits from various government 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 licences 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. The Company to date has met its commitments with respect to any and all obligations to keep all licences and permits in good standing.

For the year ended 31 December 2018, the Company incurred a loss of $11.035 million (2017: $7.502 million), and as of that date, the Company had accumulated losses of $57.328 million (2017: $46.293 million). The Group's financial position as at 31 December 2018 included cash of $2.679 million, current assets of $0.084 million which exceed current liabilities of $1.030 million by $1.733 million. The cash balance as at 17 May 2019 totalled $0.776 million.

On 23 May 2019, the Company signed a subscription agreement with an existing shareholder for a private placement, raising an additional of $1.880 million, net of fees. Cash totalling $1 million has been received as at the date of signing these consolidated financial statements, with the balance of funds expected to be received prior to 10 June 2019. This private placement is estimated to provide sufficient funding for the Company through to early Q3 2019. Further funding options are being actively pursued as discussed below.

As at the date of signing these consolidated financial statements, the Company does not have sufficient cash reserves to meet its obligations over the next 12 months. However, the delivery of the feasibility study for the BKM project expected in Q2 2019 represents a significant milestone for the Company. This will enable the Company to progress funding options including further equity raises, concluding discussions with strategic partners and other forms of financing arrangements. These funding options are expected to satisfy the financing requirements for the Company 12 months and beyond. The Company recognises to remain a going concern it will have to raise sufficient funds in an acceptable timeframe and/or vary expenditure commitments accordingly.

While the Company has been successful in the past in obtaining financing largely through private placements and equity raises, as and when required, there is no assurance that it will be able to obtain adequate financing in an acceptable timeframe or that such financing will be on terms acceptable to the Company, as future funding is uncertain until secured. These factors indicate the existence of an uncertainty which may cast doubt on the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

The consolidated financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

3.2.2 Share-based compensation

The fair value of stock options issued are subject to the limitation of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate. In addition, the attrition rate of employees and expected vesting period is also a key assumption.

3.2.3 Provision for employee service entitlements

The provision for employee service entitlements estimation is based upon several actuarial inputs, assumptions, calculations, and estimates using the projected unit credit actuarial valuation method. Because the actuarial model requires the input of highly subjective assumptions, including interest rates, retirement dates, and mortality rates, changes in subjective input assumptions can materially affect the provision estimate.

4. Financial assets and financial liabilities

Fair values

The following tables disclose the carrying amounts of each class of financial assets and financial liabilities at year end. The financial assets and financial liabilities are recognised at amortised cost in the financial statements and the carrying amounts approximate their fair value.

	2018 $'000	2017 $'000
Financial assets		
Cash	2,679	3,079
Security deposits	91	97
	2,770	**3,176**
Financial liabilities		
Trade and other payables	980	1,054
	980	**1,054**

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy. As at 31 December 2018, the Company did not have any financial assets and liabilities classified within the three levels of the hierarchy.

The three levels of the fair value hierarchy are:

Level 1 – Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – Valuation based on directly or indirectly observable inputs (other than Level 1 inputs) such as quoted interest or currency exchange rates; and

Level 3 – Valuation based on significant inputs that are not based on observable market data such as discounted cash flow methodologies based on internal cash flow forecasts.

5. Financial risk management

The Company's risk exposures and the impact on the Company's financial instruments are summarised as follows:

Liquidity Risk

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations. All of the Company's current financial liabilities are anticipated to mature within the next ninety days.

Credit Risk

Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets, including cash, receivables, and balances receivable from the government. The Company limits the exposure to credit risk in its cash by only investing its cash with high-credit quality financial institutions in business and savings accounts which are available on demand by the Company for its programs. The Company does not invest in money market funds.

5. Financial risk management (continued)

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest Rate Risk: The Company is exposed to interest rate risk to the extent that its cash balances bear variable rates of interest. The interest rate risks on cash and short-term investments and on the Company's obligations are not considered significant.

b) Commodity price risk - While the value of the Company's core mineral resource properties, the KSK CoW and the Beutong IUP are related to the price of copper and gold and the outlook for these minerals, the Company currently does not have any operating mines and hence does not have any hedging or other commodity based risks in respect of its operational activities.

   Historically, gold and copper prices have fluctuated and are affected by numerous factors outside of the Company's control, including but not limited to: industrial and retail demand; central bank lending; forward sales by producers and speculators; levels of worldwide production; short-term changes in supply and demand because of speculative hedging activities; and other factors related specifically to gold.

c) Foreign Currency Risk: The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates against the Company's functional currency, which is the United States dollar ("USD"). The Company generally undertakes equity raises in the United Kingdom. The Company conducts its business in Indonesia in Indonesian Rupiah ("IDR") with a significant portion of expenditures being denominated in USD. A portion of the Company's business is conducted in Great British Pounds ("GBP") and Australian dollars ("AUD"). As such, it is subject to risks due to fluctuations in the exchange rates between the USD and each of the IDR, GBP and AUD. A significant change in the currency exchange rates between the USD relative to foreign currencies could have an effect on the Company's results of operations, financial position and/or cash flows. The Company has not hedged its exposure to currency fluctuations.

   The Company's exposure to the foreign currency amount in USD on financial instruments is as follows:

		2018		2017	
	Currency	**Foreign currency amount '000**	**Amount in US dollars $'000**	**Foreign currency amount '000**	**Amount in US dollars $'000**
Cash	CAD	-	-	7	5
	GBP	1,964	2,492	1,673	2,251
	AUD	212	150	114	89
	IDR	171,855	12	497,782	40
Trade and other payables	GBP	(53)	(67)	(24)	(29)
	AUD	(548)	(387)	(306)	(239)
	IDR	(6,500,921)	(450)	(3,210,613)	(237)
Net exposure			**1,750**		**1,880**

Based upon the above net exposures and assuming that all other variables remain constant, a 10% depreciation of the USD against the IDR, GBP and AUD currencies would result in an increase in the loss of approximately $0.175 million (2017: increase in loss of $0.188 million). This sensitivity analysis includes only the outstanding foreign currency denominated monetary items.

5. Financial risk management (continued)

Political Uncertainty

In conducting operations in Indonesia, the Company is subject to considerations and risks related to the political, economic and legal environments in which the Company operates. Among other things, the Company's results may be impacted by changes in the political and social conditions in Indonesia, and by changes in governmental policies with respect to mining laws and regulations, anti-inflationary measures, currency conversion and remittance abroad and rates and methods of taxation.

6. Capital management

The Company manages common shares, common share purchase warrants and stock options as capital (see note 16). The Company’s objectives when managing capital are to safeguard the Company’s ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimises the costs of capital at an acceptable risk. The Company does not have any externally imposed capital requirements to which it is subject.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

In order to maximise ongoing exploration efforts, the Company does not pay out dividends. The Company’s investment policy is to keep its cash treasury on deposit in interest bearing Tier 1 Australian bank accounts. Cash consists of cash on hand, balances with banks and investments in highly liquid instruments.

The Company considers all highly liquid instruments with maturity of three months or less at the time of issuance to be cash and the fair value approximates the carrying value.

7. Segment disclosures

IFRS 8 “Operating Segments” requires operating segments to be identified on the basis of internal reports that are regularly reviewed by the chief operating decision-maker to allocate resources to the segments and to assess their performance.

The chief operating decision-maker who is responsible for allocating resources and assessing performance of the operating segments, has been defined as the Chief Executive Officer.

The Company operates in a single segment, being mineral exploration and development. With the exception of cash, all of the Company’s significant assets are held in Indonesia.

8. Exploration and evaluation

The Company's exploration and evaluation assets comprise the KSK CoW porphyry copper prospect in Central Kalimantan (held by KSK) and the Beutong IUP in Aceh, Sumatra, Indonesia (held by PT EMM).

a) Exploration and evaluation expenditures

The details of exploration and evaluation expenditures expensed during the period ended 31 December 2017 and 31 December 2018 are as follows:

		2018 $'000	2017 $'000
KSK CoW			
	Administration support	554	1,092
	External relations	92	78
	Drilling & Field support	219	751
	Technical services	3,875	2,279
	Tenements	74	77
		4,814	4,277
Beutong IUP			
	Administration support	263	17
	External relations	31	4
	Drilling & Field support	927	2
	Technical services	143	312
	Tenements	40	14
		1,404	349
Jelai IUP			
	Administration support	-	1
	Drilling & Field support	-	1
		-	2
Total exploration and evaluation expenditures		**6,218**	**4,628**

b) Security deposits

The details of the Company's security deposits for exploration rights are as follows:

	2018 $'000	2017 $'000
KSK CoW	22	23
Beutong IUP	69	74
	91	**97**

8. Exploration and evaluation (continued)

c) Jelai Project – East Kalimantan

On 9 May 2017, the Company completed the sale of all the shares of KLG Singapore Private Limited ("KLG Sing") to Ship Ocean Pte Ltd., a Singapore corporation. KLG Sing owned 99.3% of PT Jelai Cahaya Minerals, the holder of the Jelai IUP. Consideration paid for KLG Sing was $0.8 million of which $0.1 million was received and recorded as income in 2016. A gain on disposal of a subsidiary in the amount of $0.708 million was recorded as income in 2017.

	2017 $'000
Consideration received	
Cash	700
Net assets disposed of	
Cash	1
Receivables	2
Security deposit	20
Trade and accounts payable	(26)
Employee severance provision	(5)
	(8)
Gain on sale of subsidiary	**708**

9. Income tax

The Company is a tax-exempt Bermuda corporation and its shares are listed for trading on AIM. Profits generated by mining under the Company's sixth generation KSK CoW and IUP's are taxed in Indonesia at the maximum corporate rate of 25%.

In Indonesia, tax losses for CoW's may be carried forward for a period of eight years and for IUP's five years. The Company defers its mineral exploration costs in Indonesia for tax purposes. The Company has an unrecognised tax losses and temporary differences of $60.472 million (2017: $53.122 million), relating to Indonesian income tax losses which may be carried forward and offset against future taxable income.

The gross amount of estimated tax losses and temporary differences carried forward that have not been tax effected expire as follows:

	Indonesia $'000	**Australia $'000**	**Singapore $'000**	**Total $'000**
Income tax losses				
No later than 8 years	18,176	-	-	**18,176**
Unlimited	-	1,835	251	**2,086**
	18,176	1,835	251	**20,261**
Temporary differences				
Unlimited	42,296	323	-	**42,619**
Gross amount of tax losses/ temporary differences not recognised	**60,472**	**2,158**	**251**	**62,880**

9. Income tax (continued)

The following table reconciles the amount of income tax recoverable on application of the statutory income tax rates:

	2018 $'000	2017 $'000
Accounting loss before tax	11,035	7,502
Tax benefit at Bermudan statutory income tax rate of 0% (2017: 0%)	-	-
Non-deductible expenses	(71)	-
Effect of difference in the rate between parent and Foreign subsidiaries	(2,313)	(1,399)
Temporary difference & tax losses not recognised	2,384	1,399
Income tax expense	**-**	**-**

As at the end of the report period, the Company and its subsidiaries do not have any corporate income tax payable in the jurisdictions it operates.

10. Receivables and other assets

	2018 $'000	2017 $'000
Current		
Receivables – employee advances	20	40
Receivables – other	31	22
Prepayments	33	81
Total current receivables and other assets	**84**	**143**
Non current		
VAT – Indonesia	536	420
Total non-current receivables and other assets	**536**	**420**

11. Plant and equipment

	2018 $'000	2017 $'000
Opening net book amount	41	37
Additions	238	26
Other	(7)	2
Depreciation charge for the year	(38)	(24)
Closing balance	**234**	**41**
Net carrying amount:		
Cost	654	423
Accumulated depreciation	(420)	(382)
Closing balance	**234**	**41**

12. Trade and other payables

	2018 $'000	2017 $'000
Trade and other payables	980	980
Trade and other payables owed to related parties[1]	-	74
Total trade and other payables	**980**	**1,054**

1. See note 13 for more details.

13. Related party transactions

The Company's related parties consist of companies controlled by Directors and/or Executive Officers as follows:

Name	Nature of transactions
Golden Oak Corporate Services Limited ("Golden Oak")	Financial reporting and corporate secretarial services provided by former Officer of the Company.
EMR Capital	Cost recharges for Executive Chairman (Antony "Tony" Manini) and other staff.

All related party transactions are at arm's length. The Company incurred the following fees and costs in connection with companies controlled by Directors and/or Executive Officers:

	2018 $'000	2017 $'000
Consulting fees		
Golden Oak	-	105
EMR Capital	103	99
Total consulting fees	103	204
Cost recharges		
EMR Capital	24	36
Total cost recharges	24	36
Total fees and costs	**127**	**240**

Amounts due to related parties are disclosed in note 12.

The remuneration of Directors and Officers, including amounts disclosed above, during the year ended 31 December 2017 and 31 December 2018 were as follows:

	2018 $'000	2017 $'000
Consulting fees	103	204
Salaries, wages and related costs	501	500
Share-based compensation[1]	436	708
Termination benefits	81	-
Total remuneration	**1,121**	**1,412**

1. The Directors will receive $0.123 million (2017: $nil) as payment for Director fees in the form of performance rights. The performance rights will be issued after the Audited Annual Accounts have been released and will vest immediately. The number of ordinary shares received will be determined by the share price at the time of issue.

Consulting fees for the services of the Company's Executive Chairman, Tony Manini are disclosed above.

13. Related party transactions (continued)

Related Party Borrowings:

On 21 November 2016, Tony Manini loaned the Company an aggregate $0.072 million (AUD 0.100 million). The loan was denominated in AUD, was interest bearing at the rate of 8% per annum, was unsecured and due on demand. On 17 January 2017, the loan was repaid in full together with $0.001 million (AUD 0.001 million) interest expense.

14. Provision for employee service entitlements

	2018 $'000	2017 $'000
Current		
Annual leave	50	-
Total current provision for employee service entitlements	**50**	**-**
Non-Current		
Long service leave	2	-
Indonesian employee benefits liability	376	156
Total Non-current Provision for employee service entitlements	**378**	**156**

Annual and long service leave

The provision for annual and long service leave represents the amount which the Group has a present obligation to pay resulting from employees' services provided up to the end of each reporting period. The provisions are undiscounted amounts based on wage and salary rates that the Group expects to pay and include related on-costs.

Indonesian Employee Benefits liability

The Company provides benefits for its Indonesian employees, excluding any expatriate employees who may reside and work in Indonesia, who have reached the normal retirement age of 55. The benefits are unfunded and are based on the provisions of Indonesian Labour Law No 13/2003 dated 25 March 2003 (the "Laws") as follows:

a) two times the severance amounts specified by Article 156(2) of the Law); plus
b) the service amounts specified by Article 156(3) of the Law; plus
c) 15% of the total severance and service payments.

The following table summarises the components of net employee service entitlements recognised in employee benefits expenses in the statement of comprehensive income and associated liability recognised in the statement of financial position. The expense and liability was determined by an independent actuary.

14. Provision for employee service entitlements (continued)

Movements in the Indonesian employee benefits liability during the years ended 31 December 2017 and 31 December 2018 are as follows:

	2018 $'000	2017 $'000
Opening balance	156	102
Provision during the year	146	73
Foreign exchange adjustment to estimated provision	(11)	(1)
Utilised during the period	-	(23)
Other adjustments	107	-
Sale of subsidiary	-	(5)
Actuarial loss/(benefit) on employee service entitlements	(22)	10
Closing balance	**376**	**156**

The principal actuarial assumptions used in determining the provision for Indonesian employee service entitlements as of 31 December 2018 are as follows:

1.	Actuarial Valuation Method:	Project Unit Credit
2.	Discount rate:	8.1% per annum
3.	Salary increase:	10% per annum
4.	Mortality rate:	Table Mortalita Indonesia (TMI-III) – 2011 edition
5.	Retirement age:	56 years of age (all employees are assumed to retire at their retirement age)
6.	Resignation rate:	5% for under 25 years of age and linearly decreasing to 1% at age 45 and thereafter
7.	Disability rate:	10% of mortality rate
8.	Benefit formula:	15% of total post-employment benefits

15. Operating lease commitments

At the balance sheet date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018 $'000	2017 $'000
Within one year	79	-
After one year but not more than five years	362	-
After more than five years	-	-
Total minimum lease payments	**441**	**-**

The operating leases comprise of the property lease in Australia. The lease is non-cancellable with a five year term, with rent payable in advance. Rental provisions within the Australian property lease agreement require the minimum lease payments be increased by 4% per annum. An option exists to renew the lease at the end of the five year term for an additional five years.

Payments made under operating leases are expensed on a straight-line basis over the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset.

16. Share capital and reserves

a) Authorised share capital

	2018	2017
Authorised share capital ($'000)	12,000	10,000
No. of common shares ('000)	1,200,000	1,000,000
Par value per share	$0.01	$0.01
Fully paid share capital ('000)	998,773	856,764

The Shareholders of the Company approved the increase of the authorised share capital at the Annual General Meeting held on 25 June 2018.

b) Fully paid share capital

	Shares thousands	$'000
At 1 January 2017	709,941	7,060
Shares cancelled	(3)	-
Shares issued on exercise of warrants	5,417	54
Share issue - 15 August 2017	139,535	1,395
Share issue - 25 October 2017	1,874	19
At 31 December 2017	856,764	8,528
Share issue - 13 March 2018	65,402	654
Share issue - 29 November 2018	60,748	607
Shares issued on exercise of options	13,100	131
Shares issued on exercise of warrants[1]	2,759	63
At 31 December 2018	**998,773**	**9,983**

1. On 24 December 2018, the Company received $0.129 million from warrant holders for the exercise of 3.475 million warrants. New shares in the Company were issued on 3 January 2019.

On 13 February 2018, the Company issued 2.450 million shares to the option holders and received $0.128 million (at a weighted average exercise price of CAD 0.066 per option) as a result of the exercise of these options.

On 9 March 2018, the Company issued 0.300 million shares to option holders and received $0.011 million (at a weighted average exercise price of CAD 0.05 per option) as a result of the exercise of these options.

On 20 March 2018, the Company successfully placed 65.402 million shares of par value $0.01 each in the Company at a price of GBP 0.11 per share raising gross proceeds of approximately $10 million (GBP 7.2 million).

On 29 March 2018, the Company issued 0.300 million shares to option holders and received $0.011 million (at a weighted average exercise price of CAD 0.05 per option) as a result of the exercise of these options.

16. Share capital and reserves (continued)

On 17 April 2018, the Company issued 2.148 million shares to warrant holders pursuant to the exercise of warrants issued to brokers and received $0.102 million (at a weighted average exercise price of CAD 0.06 per warrant) as a result of the exercise of these warrants.

On 2 May 2018, the Company issued 0.300 million shares to option holders and received $0.023 million (at a weighted average exercise price of CAD 0.10 per option) as a result of the exercise of these options.

On 6 June 2018, the Company issued 5.000 million shares to option holders and received $0.215 million (at a weighted average exercise price of CAD 0.056 per option) as a result of the exercise of these options.

On 2 July 2018, the Company issued 3.750 million shares to option holders and received $0.283 million (at a weighted average exercise price of CAD 0.098 per option) as a result of the exercise of these options.

On 2 July 2018, the Company issued 0.611 million shares to warrant holders pursuant to the exercise of warrants issued and received $0.060 million (at a weighted average exercise price of CAD 0.10 per warrant) as a result of the exercise of these warrants.

On 20 July 2018, the Company issued 1.000 million shares to option holders and received $0.082 million (at a weighted average exercise price of GBP 0.07 per option) as a result of the exercise of these options.

On 29 November 2018, the Company successfully placed 60.748 million shares of par value $0.01 each in the Company at a price of GBP 0.0425 per share raising gross proceeds of approximately $3.251 million (GBP 2.581 million).

c) Common share purchase warrants

The continuity of common share purchase warrants for the year ended 31 December 2018 is as follows:

Expiry date	Exercise price CAD[2]	Balance 31-Dec-17 '000	Granted '000	Exercised '000	Expired '000	Balance 31-Dec-18[1] '000
26 Apr 18	*0.06*	2,148	-	(2,148)	-	-
23 Dec 18[3]	*0.05*	3,476	-	(3,476)	-	-
13 Apr 19	*0.10*	3,534	-	(612)	-	2,922
		9,158	**-**	**(6,236)**	**-**	**2,922**
Weighted average exercise price[4]		0.04	-	0.03	-	0.06
Weighted average exercise price[5]		0.05	-	0.04	-	0.07

1. All of the outstanding balance of warrants are exercisable.
2. Exercise price of CAD warrants will be converted to GBP equivalent at the date the warrants are exercised.
3. Shares were issued on 3 January 2019.
4. Calculated in GBP.
5. USD equivalent.

The weighted average remaining contractual life of the common share purchase warrants outstanding as at 31 December 2018 was 0.3 years (2017: 0.9 years).

16. Share capital and reserves (continued)

The continuity of common share purchase warrants for the year ended 31 December 2017 is as follows:

Expiry date	Exercise price CAD[1]	Balance 31-Dec-16 '000	Granted '000	Exercised '000	Expired '000	Balance 31-Dec-17 '000
13 May 17	*0.12*	1,709	-	-	(1,709)	-
01 Jun 17	*0.05*	5,417	-	(5,417)	-	-
05 Nov 17	*0.05*	1,874	-	(1,874)	-	-
26 Apr 18	*0.06*	2,148	-	-	-	2,148
23 Dec 18	*0.05*	3,476	-	-	-	3,476
13 Apr 19	*0.10*	3,534	-	-	-	3,534
		18,158	**-**	**(7,291)**	**(1,709)**	**9,158**
Weighted average exercise price[2]		0.04	-	0.03	0.07	0.04
Weighted average exercise price[3]		0.05	-	0.04	0.09	0.05

1. Exercise price of CAD warrants will be converted to GBP equivalent at the date the warrants are exercised.
2. Calculated in GBP.
3. USD equivalent.

d) Stock Options

The Company has a shareholder approved “rolling” stock option plan (the “Plan”). 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 Company continues to operate under the Plan.

16. Share capital and reserves (continued)

The continuity of stock options for the year ended 31 December 2018, is as follows:

Expiry date	Exercise price		Balance 31-Dec-17	Granted	Exercised	Expired	Balance 31-Dec-18	Exer-cisable
	CAD[1]	GBP	'000	'000	'000	'000	'000	'000
1 Jul 18	*0.10*		4,282	-	(2,650)	(1,632)	-	-
6 Oct 19	*0.05*		3,050	-	(1,550)	-	1,500	1,500
31 Aug 20	*0.05*		9,250	-	(3,050)	-	6,200	6,200
1 Nov 21	*0.07*		10,500	-	(3,850)	-	6,650	6,650
20 Feb 22[2,3]		*0.09*	8,000	-	-	-	8,000	4,000
5 Oct 22		*0.07*	13,700	-	(2,000)	-	11,700	11,700
1 Jan 23[4,5]		*0.15*	-	4,500	-	-	4,500	1,500
11 Jan 21[6]		*0.12*	-	800	-	-	800	-
			48,782	**5,300**	**(13,100)**	**(1,632)**	**39,350**	**31,550**
Weighted average exercise price[7]			0.05	0.15	0.04	0.06	0.07	
Weighted average exercise price[8]			0.07	0.18	0.05	0.08	0.09	-

1. Exercise price of CAD options will be converted to GBP equivalent at the date the options are exercised.
2. 4 million options vested on 20 February 2018, 4 million vests on 20 February 2019 and all expires on 20 February 2022.
3. 2 million options exercisable at GBP0.06, 2 million at GBP0.08, 2 million at GBP0.10 and 2 million at GBP0.12.
4. 1.5 million options vested on 1 January 2018, 1.5 million options vests on 1 January 2019, 1.5 million vests on 1 January 2020 and all expires on 1 January 2023.
5. 1.5 million options exercisable at GBP 0.13, 1.5 million at GBP 0.15 and 1.5 million at GBP 0.17.
6. 0.550 million options vests on completion of a base model for BKM Project, 0.150 million options vests on completion of the BFS of the BKM project and 0.100 million options vests on completion of project/development financing for the BKM project. All expires on 11 January 2021.
7. Calculated in GBP.
8. USD equivalent.

The weighted average remaining contractual life of the stock options outstanding as at 31 December 2018, was 3.7 years (2017: 3.6 years).

The continuity of stock options for the year ended 31 December 2017, is as follows:

Expiry date	Exercise price		Balance 31-Dec-16	Granted	Exercised	Expired	Balance 31-Dec-17	Exer-cisable
	CAD[1]	GBP	'000	'000	'000	'000	'000	'000
1 Jul 18	*0.10*		4,282	-	-	-	4,282	4,282
6 Oct 19	*0.05*		3,050	-	-	-	3,050	3,050
31 Aug 20	*0.05*		9,250	-	-	-	9,250	9,250
1 Nov 21	*0.07*		10,500	-	-	-	10,500	10,500
20 Feb 22		*0.09*	-	8,000	-	-	8,000	4,000
5 Oct 22		*0.07*	-	13,700	-	-	13,700	13,700
			27,082	**21,700**	**-**	**-**	**48,782**	**44,782**
Weighted average exercise price[2]			0.04	0.08	-	-	0.05	
Weighted average exercise price[3]			0.05	0.11	-	-	0.07	

1. Exercise price of CAD options will be converted to GBP equivalent at the date the options are exercised.
2. Calculated in GBP.
3. USD equivalent.

16. Share capital and reserves (continued)

e) Share based compensation

The table below provides the breakdown of share based payments recorded:

		2018 $'000	2017 $'000
Stock options vested	*(i)*	357	914
Performance rights	*(ii)*	123	-
		480	**914**

(i) Stock options granted

During the year ended 31 December 2018, the Company recorded $0.357 million (2017: $0.914 million) in non-cash share based compensation expense for options that have vested in the year.

The fair value of each option granted was estimated on the date of grant using the Black-Scholes option pricing model.

The table below lists the assumptions used in the Black-Scholes pricing model to determine the fair value of the options:

Grant date	**1 Jan 2018**	**11 Jan 2018**
Risk free interest rate	0.86%	0.86%
Expected volatility	60%	60%
Expected life	5	3
Expected dividend	-	-
Foreign exchange	GBP/USD	GBP/USD
Foreign exchange rate	1.27	1.27
Fair value granted ($'000)	235	40
Number granted ('000)	4,500	800
Fair value per option / warrant ($)	0.05	0.05

(i) Performance rights granted

During the year ended 31 December 2018, the Company recorded $0.123 million (2017: nil) in performance rights granted to non-executive Directors in respect of Director fees. The performance rights will be issued after the Audited Annual Accounts have been released and will vest immediately. The number of ordinary shares received will be determined by the share price at the time of issue.

17. Group information

Information about subsidiaries

The Consolidated Financial Statements of the Group include:

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
Tigers Copper Singapore No. 1 Pte Ltd. ("TC Sing")	Singapore	100%	Holding company
Beutong Resources Pte Ltd. ("BRPL")	Singapore	100%	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

Non-controlling interests – PT Emas Mineral Murni ("PT EMM"), owner of Beutong IUP

In accordance with the Option Joint Venture Agreement with PT Media Mining Resources ("Media") dated 11 February 2011, the Company could increase its effective interest in the Beutong IUP to 80% following completion of certain milestones being satisfying all work programs required and the delivery of a bankable feasibility study.

On 25 June 2018, the Company completed a milestone payment of $3.246 million (A$4.375 million) to Media to acquire the remaining 50% of the voting shares in BRPL, increasing its effective ownership interest in the Beutong IUP from 40% to 80%. The increase in ownership interest has been recorded as a reduction in other equity reserves.

The Company is responsible for funding 100% of all costs related to each of BRPL and EMM until a decision to mine. At decision to mine, the Company and Media shall contribute to expenditure and other contributions in accordance to their respective joint venture interest. The Company controls each of the entities and makes all decisions regarding work programs.

18. Subsequent events

a) On 8 January 2019, the Company issued 3.476 million shares pursuant to the notification received from warrant holders to exercise their warrants. Notification was received on 18 December 2018. The Company received $0.129 million (at a weighted average exercise price of GBP 0.03 per option) as a result of the exercise of these warrants on 24 December 2018.

b) On 13 March 2019, the Company issued 1.000 million shares pursuant to the notification received from option holders to exercise their options. The Company received $0.037 million (at a weighted average exercise price of CAD 0.05 per option) as a result of the exercise of these options.

c) On 23 April 2019, the Company issued 1.881 million shares pursuant to the notification received from warrant holders to exercise their warrants. The Company received $0.140 million (at a weighted average exercise price of CAD 0.10 per option) as a result of the exercise of these warrants.

d) On 30 April 2019, the Company issued 1.150 million shares pursuant to the notification received from option holders to exercise their options. The Company received $0.043 million (at a weighted average exercise price of CAD 0.05 per option) as a result of the exercise of these options.

e) On 23 May 2019, the Company signed a subscription agreement with an existing shareholder, raising an additional of $1.880 million, net of fees. The Company will issue 37.348 million new common shares with a par value of $0.01 each at a price of GBP 0.0425 per share. On 16 May 2019, the Company received $1 million with the remaining balance expected to be received prior to 10 June 2019.

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Independent Auditor's Report to the Members of Asiamet Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Asiamet Resources Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of comprehensive loss, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial report presents fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2018, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 3.2.1 in the financial report which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the entity not continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. We have determined the matter described in the Material Uncertainty Related to Going Concern section of this report to be the key audit matter to be communicated in our report.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2018 Annual Report but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with International Financial Reporting Standards and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Building a better working world

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Ernst & Young

Ernst & Young

Richard Bembridge

Richard Bembridge
Engagement Partner
Melbourne
27 May 2019