



14 June 2019

BKM Feasibility Study Confirms Robust Copper Project

The Company is pleased to announce the results of the Feasibility Study for its 100% owned BKM Project located in Central Kalimantan, Indonesia. A detailed and comprehensive study on developing the BKM copper deposit using open pit mining and a solvent extraction-electrowinning (SX-EW) Copper Heap Leach (the 'Project') processing has been completed using a highly experienced team of consultants and advisors working with inhouse personnel.

Delivery of the Feasibility Study now paves the way for the Company to enter detailed discussions with potential partners and financial institutions who have expressed an interest in working with Asiamet to develop the BKM project.

A summary of the highlights of the Feasibility Study are detailed below and the Executive Summary of the Feasibility Study is separately available on the Company's website at www.asiametresources.com

Highlights of the BKM Feasibility Study:

- **Initial 9 year mine life producing up to 25,000 tonnes of copper cathode per annum**
- **Total Proved and Probable Ore Reserves¹ of 51.5Mt @ 0.6% Cu for 303kt of contained copper and 0.39% total soluble Cu for 206kt of contained soluble copper**
- **Total Measured, Indicated and Inferred Resources^{2,3} of 69.6Mt @ 0.6% Cu for 451.9kt of contained copper**
- **Life of Mine ('LOM') Revenue of \$1.27 billion and EBITDA of \$563.3 million**
- **Initial capital expenditure \$192.0 million (excluding contingency \$31.4 million)**
- **Post Tax NPV₈ of \$133.5 million, 19.5% IRR (excluding closure costs)**
- **C1 cash cost of \$1.65/lb and AISC of \$1.78/lb**
- **Additional value enhancement opportunities identified with potential to improve valuation by a minimum of \$35 million on a risked weighted basis (excluding exploration upside)**
- **Defined exploration targets close to the proposed BKM mine have potential to expand the current mineral inventory and substantially impact the value of the BKM project through mine life extension beyond 2030. Evaluation of these targets will be a priority for the next phase of work.**



The BKM Feasibility Study LOM key metrics are highlighted in Table 1 below. All dollars are US dollars. The following economic assumptions were utilised:

- a long term copper price of \$3.30/lb LME (London Metal Exchange);
- a real, after-tax, US dollar, discount rate of 8%;
- an Indonesian corporate income tax ("CIT") rate of 25%⁴; and
- an Indonesian Government Royalty of 4% (of revenue).

Table 1 Summary LOM BKM Feasibility Study Metrics

Area	Measure	Unit	Feasibility Study
Production	Ore mined	Mt	56.61
	Waste mined	Mt	79.91
	Strip ratio	Waste:Ore	1.41:1
	Copper ore grade	%	0.60
	Average soluble copper grade	%	0.39
	Copper recoveries	%	
	- Chalcocite ore type		80%
	- Covellite/Bornite ore type		75%
- Chalcopyrite ore type		77%	
	Copper cathode produced	kt	172.63
Capital	Initial Project Capital (ex. contingency)	\$M	192.0
	Contingency (initial capital)	\$M	31.4
	Phase 2 - Heap Leach (ex. contingency)	\$M	17.4
	Phase 2 contingency	\$M	3.9
	Closure costs	\$M	32.9
Economic Assumptions	Copper price	\$/lb	3.30
	Discount factor	% (real)	8.00
Financials	Revenue	\$M	1,270.0
	Costs	\$M	627.2
	Royalties	\$M	50.8
	NPV ₈ post-tax	\$M (real)	124.8
	NPV ₈ post-tax, pre-closure	\$M (real)	133.5
	IRR post-tax	% (real)	19.1
	IRR post-tax, pre-closure	% (real)	19.5
	Initial mine life	Years	8.83
	EBITDA	\$M	563.3
	C1	US\$/lb	1.65
	AISC	US\$/lb	1.78



Capital costs have been estimated for the Project based on Feasibility Study level engineering. The estimated initial capital costs are summarised in Table 2 below.

Table 2 Initial Capital Costs

Plant Area	Capital Estimate \$M
Mining Facilities	1.9
Crushing, Agglomeration and Stacking	31.4
Heap Leach	36.8
SX-EW (incl Neutralisation)	31.7
Process Area Services and Utilities	7.7
On Site Infrastructure and Bulk Earthworks	43.9
Off Site Infrastructure	6.9
Sub-Total Direct Costs	160.3
Construction Indirect Costs	12.1
Spares and First Fills	7.5
Engineering, Project Management, Construction Management and Commissioning Services	9.6
Owners Costs	2.6
Total Capital Estimate (excluding Contingency)	192.0
Contingency	31.4
Total Capital Estimate	223.4

The capital estimate excludes escalation and mine closure costs which have been included as part of the financial model. In addition to the initial capital costs, a Stage 2 expansion of the Heap Leach is estimated to cost \$21.3 Million (including indirect costs and contingency).

The total Life of Mine (LOM) operating costs for the Project are shown in Table 3. Approximately 78% of the total operating costs are incurred in the mining and processing activities. With an initial mine life of 8.8 years, on-going maintenance activities will replace sustaining capex. No replacement or rebuilds are required during the initial project life.

Table 3 LOM Operating Costs

Site Operating Costs	\$M	Cost \$/lb	Proportion %
Mining	270.2	0.71	39.8
Processing	255.5	0.67	37.7
Site Services	91.0	0.24	13.4
General and Administration	10.5	0.03	1.6
LOM Cost – C1 \$/lb	627.2	1.65	92.5
Royalties	50.8	0.13	7.5
Sustaining Capex	-	-	-
AISC \$/lb	678.0	1.78	100.0



Mining activities are assumed to be contracted, with the overall LOM mining cost of \$1.98/t material mined, which is in line with other projects in Central Kalimantan. The LOM processing costs equate to \$4.77/t ore processed, with the key component being electricity consumption from the LNG fired power units. Electricity costs is estimated at 14.7c/kWh. Site services and general and administration costs include management of waste water treatment, site facilities, camp buildings, fuel storage and administration.

The charts below show the Life of Mine (LOM) production (Figure 1) and cash flows after tax (Figure 2). Once the operation is commissioned the ore mined is consistent over the LOM with the higher grades of soluble copper mined first, delivering strong early stage cash flows to the project. With lower waste to ore ratios in the first five years of the project the strip ratio is 0.99:1 well below the LOM ratio of 1.41:1. This is further highlighted in Figure 2 with the project consistently generating after tax free cash flow above \$90 million in years 2 to 5 with peak cash flows in year 4 of \$97 million.

Figure 1 LOM Production and Soluble Copper Grades

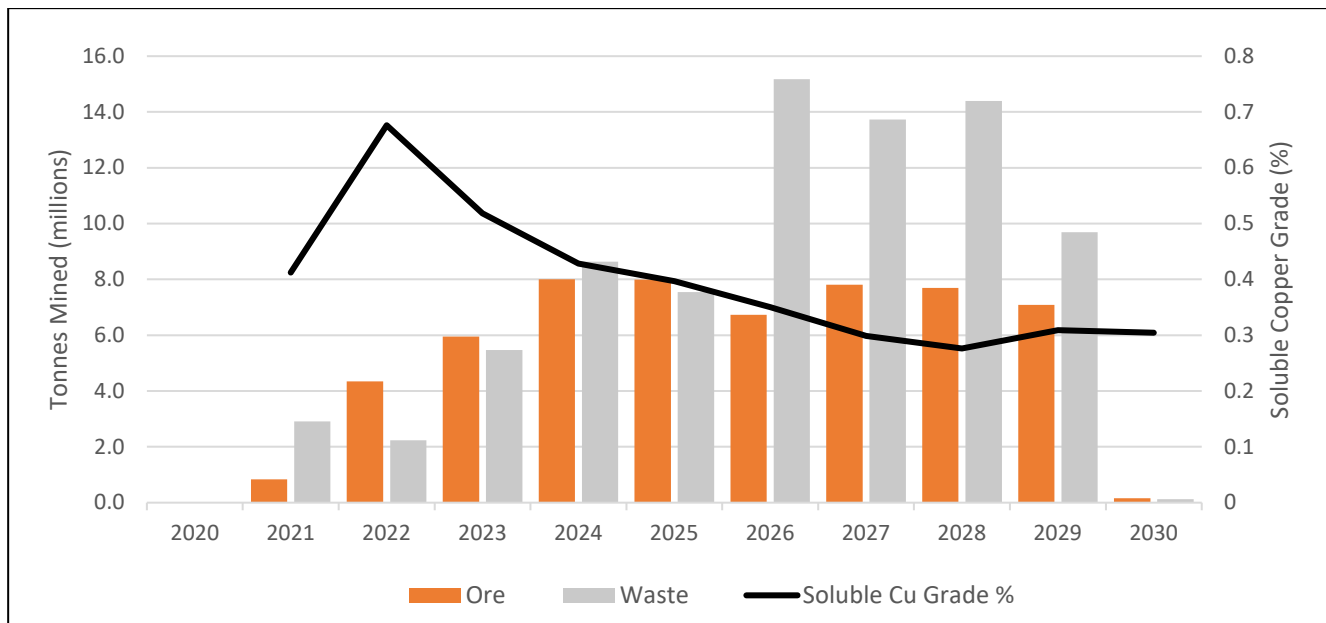
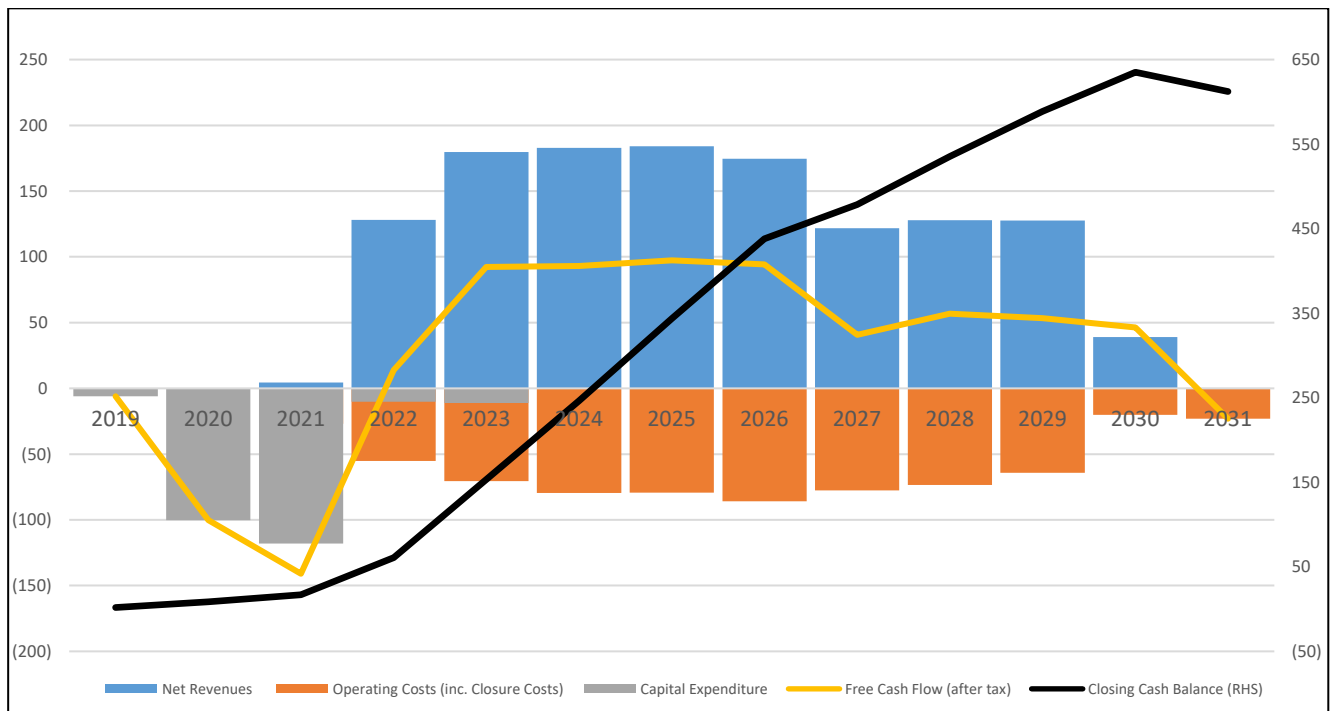




Figure 2 LOM Project Cash Flows – US\$M



As part of the Feasibility Study, a sensitivity analysis was conducted to determine the effect of key variables on the base case post-tax NPV₈ of \$124.8 million. The results of this analysis are shown in Figure 3 and Table 4.

Figure 3 Project Sensitivities

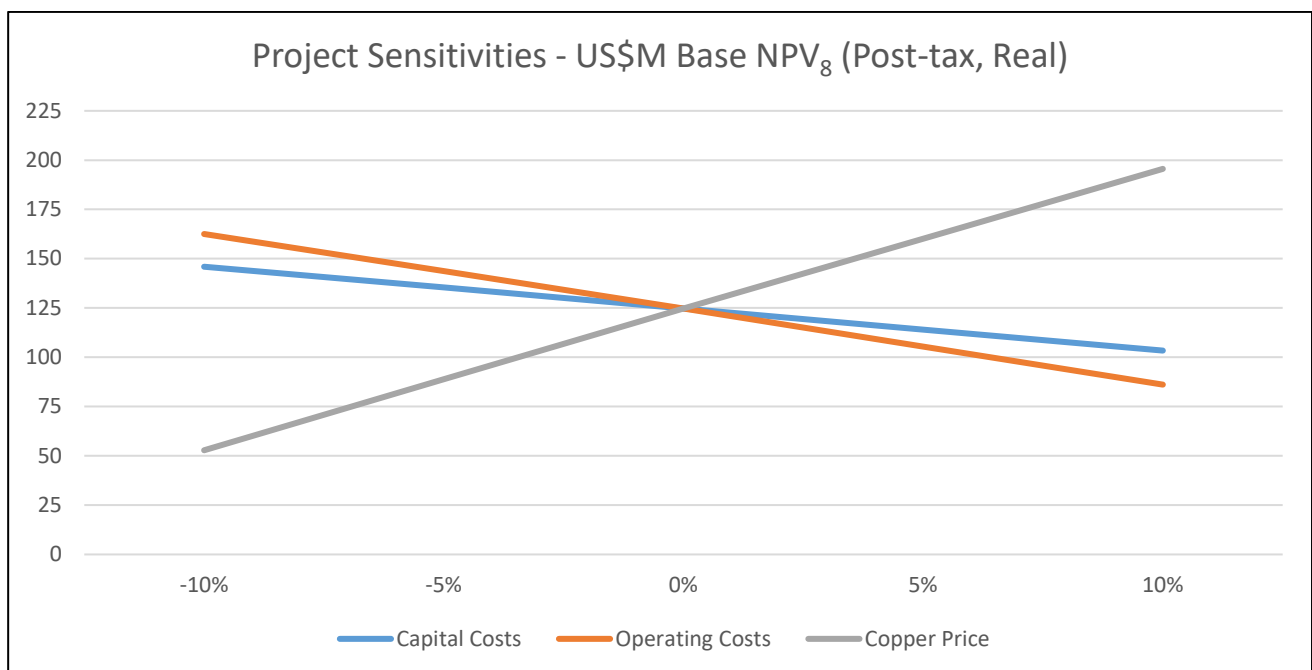




Table 4 provides a sensitivity of +/- 2% for the Company's 8% weighted average cost of capital (WACC).

Table 4 Weighted Average Cost of Capital Sensitivity

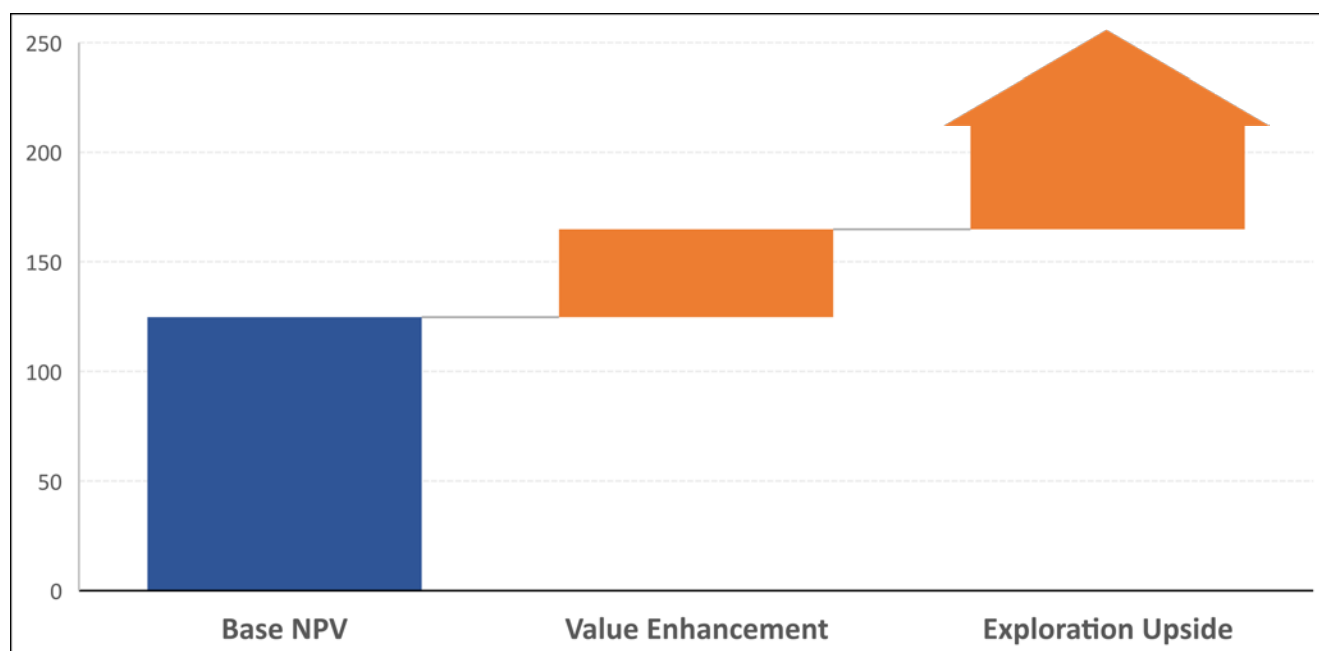
NPV +/- 2%	NPV ₆	Base Case NPV ₈	NPV ₁₀
NPV Post-tax	161.6	124.8	93.6
NPV Post-tax (pre-closure)	172.5	133.5	100.6

Value Enhancement⁵

A strategic review of the proposed capital and operating cost estimates was also completed to identify opportunities to further enhance the project economics. This process identified and ranked twenty 'Value Enhancement' opportunities, which are illustrated in Figure 4 below. Those with the highest value and ease of implementation totalled an estimated \$35 million uplift over the base NPV on a risk adjusted basis, this excludes exploration success being valued. These opportunities will be prioritised for investigation and include:

- pre-treatment of the currently discarded, less-leachable heap leach ore types including chalcopyrite dominant ores by utilising Albion Leaching technology ~\$20 million
- improving geological controls on mineralisation through the development and implementation of a detailed structural geology model ~\$5 million;
- evaluating electricity options converting from gas supply to coal generation using coal sourced from local coal mines ~\$4 million;
- further refining the methodology of ore block classification to enhance metal and commercial returns ~\$3.5 million;
- reduced construction earthworks costs using local contractors and delivering synergies working with the mining contractor ~\$3 million; and

Figure 4 Value Enhancement – US\$ Million





Exploration of near mine targets proximal (less than 3kms) to the BKM ore body also have the potential to add very significant value by extending mine life beyond 2030. These targets are expected to add heap leachable copper resources to that already defined and create further opportunities for revenue enhancement. The high priority targets to be investigated immediately include:

- the BKM 'link zone target' between the BKM and BKZ deposits;
- testing IP geophysical targets approximately 800m to the north-west of BKM;
- the BKM depth extensions with drilling to follow up IP geophysical targets at depth; and
- the BK South near surface oxide targets.

Next steps⁶ will involve a multi-faceted approach including:

- further assessing value enhancement opportunities and incorporate where applicable;
- advancing near mine exploration targets to add mine life and further increase value;
- progressing all remaining permits required for mine construction and operation
- commencing detailed engineering and design works
- advancing project equity and debt funding alternatives including but not limited to finalising strategic partner discussions, traditional project financing with banks and other supportive institutional lenders, offtake and equipment lease financing, EPCM financiers, export credit lenders and other non-restrictive financing arrangements.

Peter Bird, Asiamet's Chief Executive Officer commented:

Completion of the BFS is a major milestone for Asiamet. We are very pleased with the outputs derived as they deliver a technically and financially robust project that can be significantly further improved through a number of clearly defined initiatives.

The value enhancement initiatives together with the exceptional exploration upside identified proximal to the BKM project have the potential to extend mine life and provide a substantial uplift in overall project value. Evaluation of these items is next on the agenda with resultant outcomes to be considered and followed by the detailed engineering and design phase⁶.

The current BKM Feasibility project valuation excluding the identified opportunities greatly exceeds the current market valuation of the Company. In addition, limited value has been ascribed to the other high potential projects within our portfolio, including the wider KSK Contract of Work where we have outlined fifteen walk up base and precious metal targets.

Having successfully completed the Feasibility Study, we are now in a position to complete detailed discussions with potential partners and advance an array of debt and equity financing opportunities. We look forward to providing an update on these initiatives over the coming weeks and months."



The Executive Summary of the Feasibility Study is available using the following link
www.asiametresources.com/assets/pdf/ars_pdf_2_exec_summry.pdf

Footnotes

- 1 Ore Reserves were released on 14 June 2019.
- 2 Mineral Resources were released on 14 June 2019.
- 3 Mineral Resources using 0.2% Cu reporting cut-off.
- 4 Tax holiday (subject to successful application of regulation, PMK-35 (35/PMK.010/2018)) of a 100% CIT reduction for 7 years followed by a further 2 years at a 50% reduction.
- 5 Asiamet cautions the value enhancement opportunities and the associated economic benefits described above are preliminary in nature and have only been subjected to high-level preliminary assessment. It is uncertain if further evaluation and or exploration work will result in the implementation of any of the potential opportunities or whether any additional economic benefit will be realised or exceeded.
- 6 Subject to appropriate levels of funding.

ON BEHALF OF THE BOARD OF DIRECTORS

Peter Bird, Deputy Chairman and CEO

For further information, please contact:

-Ends-

Peter Bird

Deputy Chairman and CEO, Asiamet Resources Limited
Telephone: +61 3 8644 1300
Email: peter.bird@asiametresources.com

Tony Manini

Executive Chairman, Asiamet Resources Limited
Telephone: +61 3 8644 1300
Email: tony.manini@asiametresources.com

FlowComms Limited

Sasha Sethi
Telephone: +44 (0) 7891 677 441
Email: Sasha@flowcomms.com

Asiamet Resources Nominated Adviser

RFC Ambrian Limited
Andrew Thomson / Stephen Allen
Telephone: +61 8 9480 2500
Email: Andrew.Thomson@rfcambrian.com / Stephen.Allen@rfcambrian.com

Berenberg

Matthew Armitt, Detlir Elezi
Telephone: +44 20 3753 3142
Email: Matthew.Armitt@berenberg.com / Detlir.Elezi@berenberg.com

Liberum

Clayton Bush, Kane Collings



Telephone: +44 7773 322679
Email: Claytong.Bush@liberum.com

Optiva Securities Limited

Christian Dennis
Telephone: +44 20 3137 1903
Email: Christian.Dennis@optivasecurities.com

Follow us on twitter @AsiametTweets

This news release contains forward-looking statements that are based on the Company's current expectations and estimates. Forward-looking statements are frequently characterised by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "suggest", "indicate" and other similar words or statements that certain events or conditions "may" or "will" occur. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause actual events or results to differ materially from estimated or anticipated events or results implied or expressed in such forward-looking statements. Such factors include, among others: the actual results of current exploration activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; possible variations in ore grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing; and fluctuations in metal prices. There may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

This announcement contains inside information as stipulated under the Market Abuse Regulations (EU) no. 596/2014 ("MAR").