



21 August 2019

Asiamet signs MoU with China Nonferrous Metals

Asiamet ("ARS" or the "Company") is pleased to announce it has signed a Memorandum of Understanding (MoU) with China Nonferrous Metal Industry's Foreign Engineering and Construction Co., Ltd (China NFC), a subsidiary of China Nonferrous Metal Mining (Group) Co., Ltd. for value engineering and Engineering, Procurement and Construction Management (EPCM) Services for the BKM Copper project located in Central Kalimantan, Indonesia.

China NFC is a market leading Chinese contracting group with an internationally recognised capability, having successfully completed many mine developments across the Middle East, Central and North Asia, Central and South Africa, and neighbouring countries. These implementation capabilities in nonferrous metal industry projects cover a wide range from technical assistance, technical consultancy, equipment manufacturing and supply to project management, project implementation and financing.

Of particular relevance to Asiamet, China NFC together with its Indonesian partners is currently building the Dairi Zinc Mine in North Sumatra, Indonesia and actively working to expand its presence in the country.

As part of the proposed engagement with Asiamet, China NFC will undertake a detailed evaluation of the technical and financial aspects of the BKM copper project and propose a series of solutions to the Company with respect to the value engineering and EPCM components of the proposed BKM mine development. Utilising a China and local Indonesian-Southeast Asian sourcing strategy is expected to lower some of the BFS capital cost inputs and enhance overall project economics. The potential to access China NFC's strong linkage's with Chinese capital providers and project and equipment financiers will be explored in detail as part of this engagement.

Asiamet intends to work with China NFC to further enhance the value of the BKM copper project through the provision of services in the following key areas:

- **Engineering and Design**, including value engineering, front-end engineering design, development of schedules, budgets and work packages for major plant and equipment capital items, facilities arrangement;
- **Procurement**, including establishing tender process and tender documents, managing supplier interface;
- **Construction**, including management of contractors for construction phase, reporting and commissioning of work packages; and
- **Project Management**, including potential sources of project finance.

About China NFC

China Nonferrous Metal Mining (Group) Co., Ltd. is principally engaged in the mining and smelting of non-ferrous metals, with a strong international project contracting capability including mining and public infrastructure projects such as housing, civil buildings, roads and bridges and electrical power.



China NFC's implementation capabilities in nonferrous metal industry projects cover a wide range from technical assistance, technical consultancy, equipment manufacturing and supply to project management, project implementation and financing. With an excellent design team, advanced equipment manufacturing, a highly experienced construction team and a well-established industrial projects management process, this places China NFC at the forefront of project contracting. China NFC applies world-leading technologies with Chinese adaptation to nonferrous metal projects it has been involved with. Great success has been achieved in nonferrous metal mining, beneficiation and smelting projects, with China NFC making significant contributions to complex projects across the Middle East, Central and North Asia, Central and South Africa, and neighbouring countries.

Tony Manini, Asiamet's Executive Chairman commented:

"The signing of this MOU with China NFC represents an important strategic milestone for Asiamet and we are extremely pleased to have the opportunity to work with one of China's leading mining, processing and contracting companies on the next stage of development of the BKM project. Engaging the services of such a highly credentialled Chinese Company to provide support for the value engineering phase is expected to enhance the overall economics and executability of the BKM project and provide access to a wider investor network in Asia.

Despite recent market volatility, supply-demand fundamentals for copper remain strong and while we still have a number of key engineering, financing and permitting milestones in front of us prior to commencing mine construction, the signing of this MOU and the initiation of the value engineering phase clearly demonstrates our ongoing commitment to developing the BKM copper project in the shortest timeframe possible. We look forward to providing further updates as we continue to advance the BKM project towards production."

ON BEHALF OF THE BOARD OF DIRECTORS

Peter Bird, Deputy Chairman and CEO

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