
19 September 2019

Public infrastructure upgrades improve BKM project transport and logistics

Asiamet ("ARS" or the "Company") is pleased to announce that a number of recent government infrastructure initiatives and planned upgrades to bridges and roads within Central Kalimantan is expected to significantly improve transport and logistics options for the BKM Copper project and result in reduced operating costs relating to the transport of supplies in and copper cathode out of the proposed BKM mine site.

Post completion of the BKM feasibility study, the Company is currently reviewing a number of options and alternatives to add significant further value to the BKM copper project, (as announced on 14 June 2019). The assessment of planned public infrastructure works was undertaken as part of these value enhancement studies.

A review of the logistics and transport section of the study yielded some potential high value alternatives, one being the use of the Bagendang Port (Sampit Port) compared with the Banjarmasin Port used in the BKM Feasibility Study. Recent infrastructure initiatives and planned upgrades to government bridges and roads have now allowed the study team to review this alternative route as a preferred logistical hub.

This revised option would result in:

- a more efficient turnaround time for the transport of supplies and copper cathode in and out of site.
- a saving of approximately 140 kilometres per one way trip or 280 kilometres per round trip. The distance from the BKM site to Banjarmasin Port is approximately 495 kilometres compared with approximately 350 kilometres from site to the Sampit Port. A map comparing the two logistical routes is shown in Figure 1.
- improvement in project operating costs by several millions of dollars over the initial life of mine due to the shorter logistics distance. As the detailed costings are finalised the outcomes will be reported.

The Sampit Port as shown in Figure 2, is an established container terminal for smaller vessels and cargo and would suit the operations of the BKM project. Included in recent upgrades is a major new bridge being constructed at Samba as per Figure 3 below.

Peter Bird, Asiamet's CEO commented:

"Following completion of the BKM Feasibility Study the Asiamet team has continued to focus on further enhancing the value of the BKM Copper project through the assessment of a number of opportunities identified and reported on as part of the study. The refinement of the logistics route to Sampit Port and the associated reduction in operating costs over the life of mine is an excellent example of the value expected to be delivered from this process. Our team along with our technical service providers are systematically working through the 15 identified opportunities and expect to report further positive results as they come to hand."



The BKM Copper project remains one of the most advanced copper projects in Asia at a time when global mine supply is forecast to move into deficit. The delivery of a robust Feasibility Study and the opportunity for further significant upside through value engineering and exploration has increased awareness of the BKM project amongst a number of strategic investors and potential partners with whom discussions are continuing."

Figure 1 Insert Map of site to Banjarmasin Port and Bagendang Port.

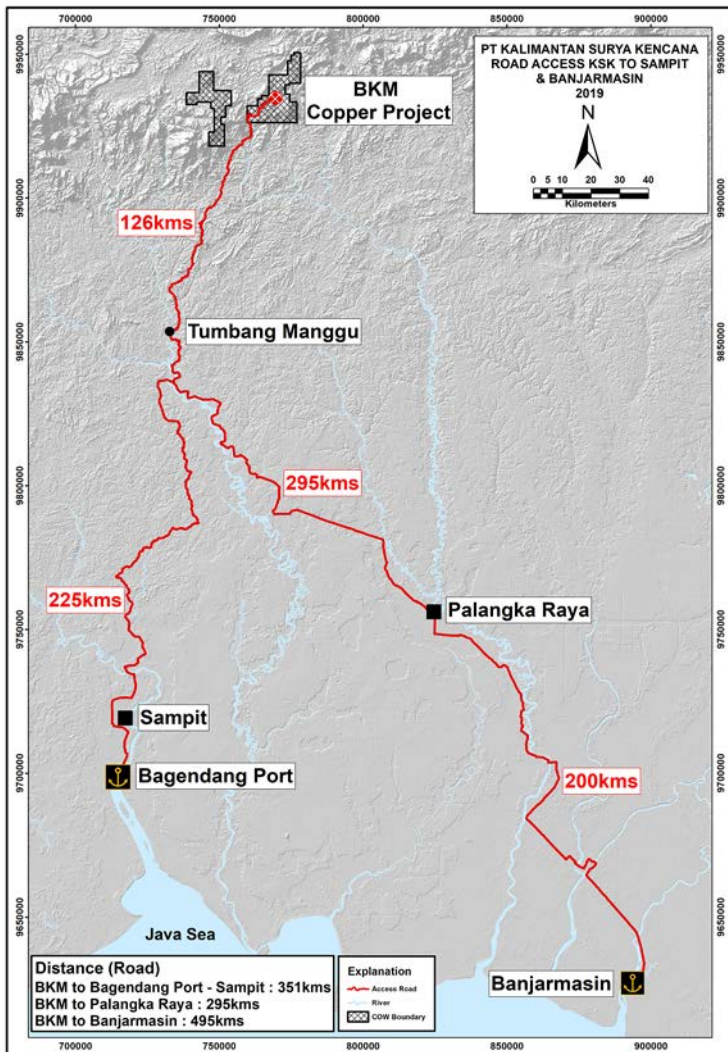




Figure 2 Bagendang Port in Sampit.



Figure 3 Bridge Construction at Samba



Value Enhancement Program – Background details

The Value Enhancement (VE) program was reported in the Feasibility Study for the BKM project (announced 14 June 2019). This process identified and ranked 20 opportunities ranging in value delivery and ease of implementation. These VE opportunities were risk adjusted and totalled an estimated \$35M (excludes exploration success) in additional value that can be added to the BKM project value. Larger impact initiatives include:

- pre-treatment of the currently discarded, less-leachable heap leach ore types such as chalcopryrite by utilising the Albion Leaching technology (~\$20M);



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- improved mineralisation geological controls by incorporating detailed structural geology model (~\$5M);
 - an electricity supply scope change from gas supply to local coal supply (~\$4M);
 - further refining the methodology of ore block classification to enhance metal and commercial returns (~\$3.5M);
 - reducing construction earthworks costs by sourcing locally and delivering synergies by working with the mining contractor (~\$3M); and

Over and above these VE initiatives, review of near mine exploration for targets proximal (less than 3km) to the BKM Resource that have the potential to add significant value was also considered. These targets may add treatable copper resources to that already defined or create further opportunities for revenue enhancement through direct shipping of ore. The high priority targets to be investigated immediately include:

- BKM 'link zone target' the immediate zone between BKM and BKZ;
- Testing of IP chargeability highs approximately 800m to the north-west of BKM;
- BKM depth extensions through deeper drilling to follow up IP chargeability at depth; and
- BK-South near surface oxide targets, maybe amenable to SX-EW process and augment the current mine life at BKM.

The Company has completed and lodged all required documentation in relation to the permits required for exploration access of the abovementioned targets and mobilisation of drilling equipment is anticipated in early-mid Q4 2019.

ON BEHALF OF THE BOARD OF DIRECTORS

Peter Bird, Deputy Chairman and CEO

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