



Transcript of Tony Manini from Asiamet Resources on The Vox Markets Podcast 12th July 2018.

Justin Waite:	And joining me on the podcast right now is Tony Manini Executive Chairman of Asiamet Resources that's ARS Ticker. Tony thanks for joining me.
Tony Manini:	Great to be here Justin, it's been a little while since we've spoken but I'm very happy to be back having a chat.
Justin Waite:	<p>Yeah well listen, I've been investing in Asiamet for a long time now, it's done very well and I often say this but it's true, when you came on you were very bullish about the copper price a couple of years back now and part of me thought is this guy for real?</p> <p>But you were right, it's done what you said pretty much and you've done it, you've been here before, you know what's going on and there are still copper related stories coming out that are more bullish than ever, you know that they're saying there's going to be a copper deficit, the grades aren't there over the next few years, the EV revolution is playing into this as well so it's very much playing into your strengths and what you thought.</p> <p>Before we get into what's happening in Asiamet from your level, could you please just summarise what the company's about please Tony?</p>
Tony Manini:	<p>Yes, so Asiamet is an Aim listed copper developer in Indonesia. We are a company that's essentially been developing a very high quality exciting copper portfolio over the last 4 years. We've got 2 projects in that portfolio in Indonesia: one is the BKM Project in Kalimantan and we are very close to delivering a full definitive feasibility on that project, moving it into project financing, into construction, into development.</p> <p>That's for a 25 thousand tonne heap leach Solvent-Extraction Electro-Winning copper project to produce copper metal on site there in Kalimantan. Surrounding that development is a very exciting property where we've been exploring over the past 12 months or so. Through initial work there we've also discovered another new deposit called the BKZ high-grade polymetallic deposit - very high value per tonne.</p> <p>We've got the first resource on that and we've got a lot of work to do on that property, many many, many exciting opportunities to build the resource inventory over time. We also have another copper project, a very big copper project called Beutong on the top end of Sumatra Island. That project has about 3 million tonnes of contained copper and 2 and a half million ounces of gold. We recently moved to an 80 per cent ownership of that property and we've currently got 2 drill rigs on there drilling at the moment. So Asiamet is copper, copper gold, very exciting portfolio from a development project through to exploration and a very exciting pipeline of projects which range from advanced exploration to early stage - a big pipeline there Justin.</p> <p>I should just mention the team; the team in Asiamet have a lot of experience in developing projects, gold, copper, coal, many different commodities over a long period of time, over a 30 year period. We've developed 7 or so mines during that period so nothing new here, this is our DNA, this is what we do every day of the week and we're really looking forward to delivering these projects and building Asiamet into, you know, a substantial mid-tier Asian focussed copper gold company.</p>
Justin Waite:	Yeah absolutely. When you started here Tony at Asiamet in Indonesia, and you started on the BKM project, did you have any idea this was going to be as good in so many different areas as it is now?

Tony Manini:	<p>Yeah look Justin we've all been in this business for 30/35 years now and part of the rationale for putting together the property in Kalimantan and the property in Beutong in Sumatra, was really to build a portfolio of copper assets, something which upon delivery we could build a billion dollar plus company around. I've sort of said that a number of times and that's the potential of the asset base but I think it's fair to say we've put a lot of effort into selecting these properties in the first place, that's why we've been able to deliver consistently into milestones because of the quality of the assets and like all good assets, they continue to surprise us on the upside. It's when you get those really high quality opportunities, you get upside surprises, not downside surprises the ones that you don't want. So I guess it continues to deliver on the upside for us in everything, almost everything, that we do on these properties.</p>
Justin Waite:	<p>Yeah absolutely. Okay well let's go into the news before we get into anything else. The news today that you've appointed a senior Indonesian Executive to lead the external relations, what's the thoughts behind this then Tony? I assume because you've got quite a bit of interest over there and so you want someone to manage that?</p>
Tony Manini:	<p>Yeah so Justin, if shareholders go back and have a look at the press releases over the last 6 months or so, they'll see you know there's quite a bit of evolution taking place in terms of our Board and management team. So the addition of Zsa Zsa at this point in time is a very deliberate part of our strategy.</p> <p>We were looking and we've been looking for quite a while for a very high calibre Indonesian person to lead the external relations function and the external relations function covers government, community, public relations, the permitting and all of the things the in-country operating things that enable you, the engineers and the geologists to go ahead and get the work done. So we've been talking to a whole range of different people and looking for the right person for the role for, as I say, for quite a period of time with a view that at this particular juncture, which is the feasibility about to be delivered heading into project financing, heading into construction and operations, we would need a very senior Indonesian person to pick up what is, you know, an area that as you evolve from exploration into more complex things involving construction and operations, the number of things you need to deal with in terms of external relations, grows quite exponentially, so a very deliberate strategy.</p> <p>We are very pleased to have Zsa Zsa join the team. You can see from the release today her background experience she is an extremely capable lady, has had very, very high profile senior positions in banking, media and she has a very, very strong presence and network in-country and whom we think is an excellent candidate to lead the team in that area. So yeah, very pleased with Zsa Zsa coming on board. You'll also remember very recently Justin we had added a fellow by the name of Dominic Heaton to the Board.</p>
Justin Waite:	<p>Yeah just going to mention that yes take us through it.</p>
Tony Manini:	<p>Yes so Dom's somebody I've known for over 20 years. He's an extremely experienced guy, he comes from a chemical and processing background. Dominic was involved in that great success we had at Oxiana in Laos where we essentially built the first big gold mine in country and then a big copper mine. So Dominic was basically running the development of the copper mine and then he commissioned that plant and operated that plant. That was a 60 thousand tonne per annum SX-EW so about 2 and a half times the size of what we're looking at here at the BKM project in Indonesia, a very large project and then Dom subsequently went on to be involved in the building of the Martabe gold project, a very big gold project in Indonesia and then in Vietnam, and another very complex project development called the Nui Phao project in North Vietnam where he was the CEO for a long period of time of Masan Resources.</p> <p>So an extremely experienced guy in Asia in developing countries, in studies, in construction, in development and in operations so you know a great addition to our team as well as somebody you know we know and can trust as he's been in the industry a long time and has a lot of experience in Indonesia too. So he was a great addition to the Board and you know, he'll add a lot of value for us and you know today with Zsa Zsa coming on, I think everybody can see that Asiamet is serious. We've hit all the milestones that we said we were going to hit, we're</p>

	<p>bringing in high calibre people to take the projects through to the next stage and really build the company into a serious business. So, yeah, this is all part of a very clearly defined plan and strategy Justin.</p>
Justin Waite:	<p>Yeah well it's very interesting to see the evolution of Asiamet now, when you've gone from exploration, now you're going through to the development of the mine because you know, you've got that resource and of course the feasibility study coming up on BKM. Let's talk a second about because you've got that, you know, the resource there like you say, let's construct that mine at BKM but obviously the big monster as well, the thing that gives you excitement is the exploration of Beutong and you last drilled that hole, that massive hole, was it 607.8 metres I think but take us through and with people in mind now that are not familiar with grades and stuff, what's your, and as a lay person say, what's your take on that hole that was drilled there at Beutong?</p>
Tony Manini:	<p>Oh that was a beast of a hole. These, you know, these are rare, it's rare to see holes of that sort of magnitude, you know, very long intervals of over 1 per cent copper equivalent and in particular in respect of that project we've got a large resource base there and I'll remind people Justin that we've actually just moved our interest in the Beutong project up. It is a 3 million tonne contained copper deposit and 2 and a half million ounces of gold thereabouts. We've just moved from 40 per cent to 80 per cent in ownership of that asset. That has essentially added nearly a million tonnes of contained copper and you know 850 odd thousand ounces of gold to Asiamet's inventory for a 3.3 million dollar payment. If you equate that to what's happening in the market at the moment, there are multiple transactions going on of you know small to intermediate operating assets, development assets, in the range of 10 to 14 cents per lbs of copper in the ground.</p> <p>So if you just do the sums quickly, a million tonnes of additional copper at let's call it 12 cents, that equates to around 220 million lbs at 12 cents so it's something in the order of a couple of hundred, 250 million dollars' worth of additional copper coming into the Company and the gold as well. We haven't seen the uptick on that yet we've got 2 rigs drilling on Beutong, there'll be more results coming out soon. These are deep holes so they take a little while longer than what we've seen up at BKM but obviously very exciting inner sections, long intervals, good grade, open pitable and you know this project it's real strength Justin, is its location. It's just 60kms from the coast, it's a big copper deposit, it's got power nearby, it's got roads nearby, it's got an airport nearby, it's got ports nearby. All that infrastructure which anywhere else in the world generally you have to build yourself.</p>
Justin Waite:	<p>Yeah, yeah and of course I mean at the moment it's not the main focus but at some point in the future it will be. What, what are the plans around this going forward then Tony?</p>
Tony Manini:	<p>Yeah so Justin as you know for the the last three, three and a half years we've been very much focussed on the BKM project, getting that feasibility done and adding resources around it. Beutong with the move up in copper price and the much increased interest from the market in copper in general, we've been working in the background very hard to get the production licence so we've now got long term secured tenure 20 years now in place. We are drilling there now to daylight the value of that asset and off the back of daylighting that asset we will then do some detailed metallurgical work and some additional engineering work and then we will look at how best to take that project forward. We've been approached by a number of parties who have already seen these results, people have expressed an interest in what are we going to do with it, how we're going to take it forward. So for us it's really about daylighting the value and getting options on the table.</p> <p>We are going to focus on building the BKM project in the near term, we need to daylight as much of our portfolio as we can. We are doing that at the moment with Beutong and we will get options on the table and work out which is the best way to take that forward. I don't think we should be in any hurry to do that now, it's a fantastic asset and we need to get the value daylighted to a much greater extent than it currently is, but that will come, that will come. I've seen this all before, there's an old saying we have Justin...</p>

Justin Waite:	Yeah.
Tony Manini:	“when it comes to these sorts of things, when your forehead is bleeding from bashing your head against the wall they’re only just starting to listen.”
Justin Waite:	Yeah, yeah exactly, and you’re right and going forward like you say, I’ve not seen any bearish copper articles for the next you know, that looks at a timescale of 5, 10 years down the line. It just gets literally even more bullish in the next 5, 10, 15, 20 years so people will start, you’re probably seeing it now but people will start looking out for these projects I know ‘cos there are very few of them out there, so it will get more it will get more interesting you know.
Justin Waite:	<p>Justin, just a couple of simple points on that. It’s a 22 million tonne market; you’ve heard me say that many times, if it even grows at 2 or 2 ½ per cent it needs another 4, 5 hundred thousand tonnes of copper a year. I can tell you I’ve been on the supply side all my life, all my working career and it’s never been harder to find good copper assets.</p> <p>You know yourself when you look at the market there in the UK and elsewhere there’s just very few opportunities to invest in the sort of small to medium sized end of the market. So you know we recognised that a long time ago and have put together this portfolio really around that schematic. So you know you’ve got that, you’ve got, you know, at the moment you’ve got a little bit of short term weakness in the copper price driven by the global trade war news if you like. I think a lot of that’s just a lot of what’s happened is more speculative and perception driven than anything else.</p> <p>If you think about the simplicity of it you’ve got pretty much half the world’s population urbanising at the moment, that’s really where the big intensity of use is in copper, in steel, in lots of other commodities. The developing world is not going to take any notice of these sort of trade talks. It’s an unstoppable phenomenon that you have actually got you know, as I said, half the world’s population urbanising. And then you know on top of that you’ve got you know all these I guess projections in terms of you know green energy and electric vehicles and the one thing that I have been very consistent about is that the one, the one way to play the electrical vehicle theme without being tied to battery technology is through copper.</p>
Justin Waite:	Yeah.
Tony Manini:	Copper’s in everything, pretty much everything else, minimal in terms of batteries so you’re not tied to battery technology, you’re tied to electric motors, network infrastructure etcetera so a great place to play that theme.
Justin Waite:	<p>Well do you know that’s exactly what, when, I’ve never known every government of the world pretty much to come out and put a firm date on the cessation, the stopping of you know sale of petrol and diesel. To me that was a massive flag that says you start going hunting for any commodity that will be in massive demand, and I went through all the cobalt and lithium and I, I’ve got exposure to that, but I do keep coming back to copper and I think you know whatever happens copper you know is the thing. It’s the backbone of all this and so yeah and I, I just think you know the fact that most of the world’s governments are saying this you know. If that doesn’t say to you look for decent copper companies you know nothing will, I know so yeah.</p> <p>Let’s go into the main focus then, BKM, where’s it at and you know what’s happening there Tony?</p>
Tony Manini:	So BKM very much on track. We are very close to delivering the definitive feasibility study. One of the critical things in terms of the work that we’re doing here Justin is to ensure that the quality of the feasibility study is exactly where we need it to be. And the primary driver of that is both from a technical perspective but probably more importantly is really to satisfy the financiers in terms of the project finance of the quality of the asset and the quality of the work that’s been done. So we had a little bit of work, re-work to do related to some geotechnical aspects which ties back into the mine plan. We’re right on top of that at the moment, that’ll be finished very shortly. Most of the other areas of the feasibility study are pretty much written up

	<p>so it's coming together very well but as I said for the sake of a short period of time we need to get the quality aspect spot on, and that should ensure that our project financing runs smoothly.</p> <p>If we rush things you know it will just create difficulties for us down the track. Obviously financiers do very detailed due diligence before they are prepared to you know fund any project. So look, that's all going well, the metallurgy has been very comprehensive; all the results are pretty much in line with what we see in the PEA. In fact almost everything has been pretty much in line with what we've seen in the PEA but the level of complexity and the level of detail that you need to go to in terms of scoping that project for a definitive feasibility is obviously much, much greater. We've had a lot of good people working on it and it's all coming together well so expect that to be delivered very soon. We've had discussions with the whole range of different financing groups ranging from senior; you know senior banks, through to other banks within the Asian environment.</p> <p>We've been approached by many, many copper traders looking to, for a pre-payment off-take component, you know that tells you something about the copper market too. I think we've probably got somewhere in the order of 8 or 9 copper off-takers looking to get some product for a pre-payment in terms of finance. So there's the banking side, there's the off-take side and then there is what we have always said with BKM that once we got to this point in time you know we would look to sell some equity down at the project level to fund the equity component of that financing. So all of that is advanced, we've got a couple of parties that have been there for quite a while. I've sort of said that pretty consistently over time but we haven't actually been in a hurry to press the button, we need to deliver the feasibility because that's going to be the basis around which project financing discussions and structures are put in place. So look, all of that's very much following a systematic path and you know very much progressing to plan. So very, very happy with all that.</p> <p>We also I guess in terms of the exploration around BKM, we will look to reactivate some of that a little bit later in the year, we've got a whole range of good targets. We've put some of those out into the public domain, you know some targets, extension targets, existing deposits, some things deeper down and some big targets to test as well. So we'll look to move back onto doing some of that before the end of the year.</p>
Justin Waite:	Mm hmm.
Tony Manini:	<p>But you the key thing is delivering the BFS now, getting the project financing all lined up, obviously that's a complex process, we'll push that as hard as we can and then move, you know press the button in terms of getting that into construction and I think you know you can see that bringing people like Zsa Zsa on and Dominic on, you know, we're preparing ourselves for that, for that you know big, big next step, that very critical next step to push the button on getting into production.</p>
Justin Waite:	<p>Yeah, I mean you mention that you've been here before where you said you were invested in assets in the downturn of the cycle and you just develop them and wait for the upturn to happen. But I mean where we are now, you must be very excited because it's not just a natural uptake in copper demand like you say, it's we've got the EV thing thrown on top so you must be quite excited right now are you?</p>
Tony Manini:	<p>Oh absolutely, absolutely, I think you know people ask me where do I think we are in the cycle and you know we do a lot of analysis around this sort of thing Justin and the reality is that we're only, you know we're only just coming out of a long downturn and there's a lot that you can see that there's not a lot yet in terms of M&A activity, there's not a lot of investment in new growth from the bigger companies. It's all about consolidation still at the moment and you know optimising assets and things like that. That tells you that you're still very early in the cycle. So you know Asiamet's extremely well placed you know, as you know I think you first invested must be almost 4 years ago now.</p>
Justin Waite:	Mm hmm.

Tony Manini:	We've been on a very clear path, we've put together a great portfolio ready for this point in the copper cycle and it's all coming together nicely so yeah very pleased with where we are Justin. You know the share price has come up steadily, we've had 2 or 3 periods of consolidation, we appear to be in another period of consolidation right at the moment. I think from my own perspective that's quite a healthy thing...
Justin Waite:	Mm hmm.
Tony Manini:	...for a share price to consolidate for a period of time but as you know we've got a number of good analysts out there who've got a price target of somewhere around the 20p mark on our stock at this point in time. We're about half that so still plenty of room to move from here so you know very excited about where we are, the people we're getting on board you know it's going to be an exciting time over the next 12, 24 months for sure.
Justin Waite:	Yeah, yeah absolutely. Okay well Tony last, three things I need from you is of course those reasons, if someone's listening who are not following the story, three reasons why they should hit that follow button on your page on Vox Markets and add you to their watch list please?
Tony Manini:	<p>Well I've been very consistent about this Justin and I think for people listening today hopefully they've got a flavour of it.</p> <p>Number 1; top quality assets and people who have done it before, so people with a lot of experience, a lot of mine building experience, a lot of mine operating experience, a lot of exploration experience. So top, top asset portfolio and a top group of people who you know have know how to deliver.</p> <p>Number 2 is value, you know I just talked about it one minute ago you know we have come up from you know the 1p mark at the bottom of the cycle up to in around the 10, 11p mark now, but we've got brokers out there who are valuing us now, you know somewhere around the 20p level and that definitive feasibility study will be out shortly, that will be a line in the sand in terms of value. And don't forget we've just added a million tonnes of contained copper to the inventory for a small outgoing.</p> <p>So assets and people, value, we still represent terrific value in a market starved of good opportunities and timing. What better timing could you get than now, I mean you know there's a bit of a downturn in the copper price, there's perceptions of a bit of weakness out there, even our own share price has come back consolidating around these levels and if we look forward, you know, we're moving, moving into construction and operations at a time when the copper price is forecast to rise very significantly off the back of supply, a real crunch in terms of supply driven by those things we've talked about today, you know, urbanisation of half the world's population and the EV green overlay on top of that.</p> <p>So assets, people and value and couldn't get a better time to buy the stock.</p>
Justin Waite:	Absolutely, Tony good to chat to you and hopefully we will chat again in the not too distant future, thanks very much.
Tony Manini:	Terrific Justin, great to talk to you as usual, thank you.