



13 March 2020

## Asiamet Business Update

Asiamet Resources Limited ("Asiamet or the "Company"), despite the recent market turmoil remains focused on the ongoing development of its advanced stage high quality, copper, copper-gold and base-metals deposits in Indonesia. The Company hereby provides an update regarding its projects and current business activities.

### Licences

Asiamet confirms that all licences and tenure for its KSK Contract of Work (CoW) and Mining Business Licence (Izin Usaha Pertambangan – 'IUP') for the Beutong project are in compliance with Indonesian regulations and in good standing

1. The KSK Contract of Work (CoW) covering 39,443 hectare in Central Kalimantan including the Feasibility Stage BKM copper project was re-negotiated with the Government of Indonesia in March 2018 to secure long term mining tenure for up to 50 years with a fixed fiscal framework of globally competitive terms and conditions. The proposed BKM copper development will significantly increase employment of Indonesian nationals and use of local products and services, and the local communities in Central Kalimantan continue to be strongly supportive of the Company and the development of the BKM project.
2. The Beutong project covers over 10,000 hectares held under a Mining Business Licence in Nagan Raya Regency, Aceh. An Indonesian government level feasibility study has been completed and the IUP remains in good standing with up to 30 years of tenure remaining.

### BKM Copper Project

A feasibility study completed in June 2019 on the development stage BKM copper project within the KSK CoW delivered robust outcomes as follows:

- **An initial 9 year life of mine producing up to 25,000 tonnes of copper cathode per annum;**
- **Life of mine revenue of \$1.27 billion and EBITDA of \$563.3 million;**
- **Post Tax NPV<sub>8</sub> of \$124.8 million; and**
- **C1 cash cost of \$1.65/lb and AISC of \$1.78/lb**
- **Additional value to be generated through clearly identifiable value enhancements to improve the feasibility study NPV by a minimum of \$35 million on a risk weighted basis**

The BKM copper project is demonstrably commercial with significant upside potential through 'quick win' exploration targets adjacent to the proposed mine development area providing opportunity to add further mineral resources to the existing resource base. Exploration success may extend the initial life of mine by several years and significantly further improve the underlying economics of the project.

As part of its stated value enhancement plan, Asiamet has identified four key "near mine" targets, notably the BKM-BKZ 'Link' Zone, IP geophysical targets at BKW, the BKM 'Deep' Zone, and the BK 'South' Zone.



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In order to commence drilling, the Company is currently awaiting a renewal of its forestry exploration permit, to be approved by the Ministry of Environment and Forestry (MEoF) and issued by Badan Koordinasi Penanaman Modal (BKPM), the investment co-ordinating body of Indonesia. As part of this process Asiamet has submitted all necessary documentation and plans to the Ministry of Mines, Energy and Mineral Resources (MEMR) and MEoF, and has received endorsement and approval from both government departments. This permit is currently in its final stage of approval with BKPM which is now responsible for issuance of all business permits for Indonesia. Asiamet looks forward to updating investors as soon as this permit is issued.

In June 2019 Asiamet booked its maiden Ore Reserves for the BKM project, a major milestone which assesses the economic viability of the project. Ore Reserves represent that part of the Resource base which can be economically extracted using independently defined economic and technical parameters in the BKM Feasibility Study and provide the underlying foundations of the project. The very strong conversion of Resource to Reserve tonnages fully validates our belief that the BKM project represents a robust mid-size copper project with excellent potential for mine life extensions through conversion of existing Inferred Resources to Ore Reserves and ongoing exploration success.

**BKM 2019 Ore Reserves (JORC Code 2012) comprise:**

- **21.1Mt @ 0.6% Cu for 137k contained tonnes of copper in the Proved category**
- **30.4Mt @ 0.5% Cu, for 166k contained tonnes of copper in the Probable category**
- **51.5Mt @ 0.6% Cu, for 303k contained tonnes of copper in the Proved and Probable category**

As part of the Feasibility Study the Company also updated its Mineral Resource Estimate as part of JORC Code 2012. The BKM 2019 Mineral Resources (JORC 2012) at a 0.2% Cu cut-off grade comprise:

**Total Resources of 69.6Mt @ 0.6% Cu for 451.9k of contained copper:**

- **20.6Mt @ 0.7% Cu for 148.5kt of contained copper in Measured Resource**
- **34.1Mt @ 0.6% Cu for 212.6kt of contained copper in Indicated Resource**
- **15Mt @ 0.6% Cu, for 90.8kt of contained copper in Inferred Resource**

The BKM project lies in a very prospective mineral district and is one of very few copper development projects close to the end-user consumer markets in Asia, at a time when the copper market is forecast to move into a supply deficit due to a lack of investment in exploration and development over the past 10 years.

The Company is engaged in advanced discussions with a number of potential Asian strategic partners who recognise the rare opportunity presented by the KSK CoW, commencing with development of the BKM copper project. It is the Company's intent to finalise these partnering discussions as soon as is practically possible.



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## BEUTONG COPPER GOLD PROJECT

Beutong is a large, high-quality, globally significant copper-gold porphyry with current JORC compliant Resources containing 2.43Mt (5.3Blb) copper, 2.11Moz gold and 20.9Moz silver on a 100% basis.

The Beutong project covers 10,000 hectares in Nagan Raya Regency, Aceh, Indonesia and is well served by existing infrastructure with a power station and seaport 60 kilometres from the intended site.

In January 2018, the Beutong project was granted an Izin Usaha Pertambangan Operasi Produksi "IUP-OP", the production licence required to advance Beutong to the development stage. The IUP-OP provides for an initial 20 years of licence tenure which may be extended twice, each for a period of 10 years, totalling 40 years. The Beutong license is held by PT Emas Mineral Murni ("EMM"), in which Asiamet holds an 80% interest.

Beutong is a large high-quality copper, gold, silver, molybdenum deposit which outcrops at surface and remains open in several directions including to depth. Potential to increase the size of the deposits with further drilling is considered very high.

Strong copper, gold and molybdenum grades and the presence of highly mineralised chalcopyrite-bornite-magnetite bearing breccia clasts proximal to a large magnetic body modelled at depth below current drilling highlight excellent potential for the discovery of a high grade core similar to that seen in world class porphyry systems such as Wafi Golpu, PNG (Newcrest)

### Highlighted intercepts from previous drilling campaigns at Beutong include:

- **BEU0500-01 : 445.0m @ 0.54% Cu, 0.17g/t Au from 7m**
- **BEU0900-08 : 456.0m @ 0.93% Cu, 0.15g/t Au from 10m**
- **BEU0800-01 : 215.8m @ 1.20% Cu, 0.20g/t Au from 4.8m**
- **BEU0800-02 : 320.4m @ 1.11% Cu, 0.19g/t Au from 6.6m**
- **BEU0700-03 : 384.2m @ 0.68% Cu, 0.21g/t Au from 71.5m**

At Beutong, the strategy remains to test the deeper targets and the higher grade copper-gold zones of the porphyry system, and to undertake metallurgical test work aimed at assessing the potential for a staged development via heap leach or alternative mining and processing methods.

The Beutong project represents a rare advanced development stage copper opportunity given its scale and location close to the coast, proximity to excellent infrastructure, production licence tenure and proximity to the key Asian consumer markets.

### Tony Manini, Asiamet Executive Chairman Commented:

While the copper market continues to be impacted by a number of macro factors including the US-China trade war and more immediately the Corona-virus outbreak, the longer-term fundamentals remain very strong. Almost universally major and mid-tier base metals mining companies globally are actively pursuing new copper opportunities through exploration and business development activity. The simple fact remains that there has been a lack of investment in the copper sector over a long period of time while demand has been growing at a steady rate. The supply from existing projects is projected to be unable to meet future demand enhanced by green energy and electric vehicle applications. With



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two of the best undeveloped copper projects in the Asian region, Asiamet is extremely well placed to take advantage of this projected deficit in copper supply and the level of interest we have had in our projects from strategic investors in recent times clearly reflects this thematic. The high-quality group of potential partners we are engaged with remain focused on these longer-term fundamentals and are looking to secure development ready copper projects at or near the bottom of the market. The Asiamet board and management, as significant and aligned shareholders, consider the Company and its assets to be highly undervalued and are determined to bridge this value gap as quickly as possible through ongoing development of the assets in partnership with likeminded strategic investors. The Company will provide an update when a position is formalised.

**ON BEHALF OF THE BOARD OF DIRECTORS**

Tony Manini, Executive Chairman

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