ASIAMET RESOURCES

2019 Annual Report

For the year ended 31 December 2019

In USD unless otherwise noted

Contents

Company Information

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Antony (Tony) Manini	Director, Executive Chairman
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Faldi Ismail	Non-Executive Director
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Overview

Asiamet Resources Limited (the "Company" or "Asiamet") is an emerging mid-tier exploration and development company focused on copper and copper-gold deposits in Indonesia, with its key projects located in the islands of Kalimantan and Sumatra, adjacent to the key growth markets in Asia.

- The KSK Contract of Work ("KSK CoW") (100% owned) covers 390km², in the Kalimantan Volcanic Arc, a highly endowed and prospective region of Kalimantan, Indonesia. The KSK project comprises:
    - BKM copper project;
        - Development ready heap-leach Solvent Extraction-Electrowinning ("SX-EW") project. Completed Feasibility Study demonstrates a technically viable and economically robust copper cathode project with significant upside potential for mine life extensions through Resource growth and development of satellite deposits.
    - BKZ polymetallic project;
        - Emerging high-grade polymetallic zinc-lead-silver-gold-copper and copper-silver deposits (800 metres north of BKM copper project).
    - Exploration portfolio;
        - The KSK CoW covers a large and highly prospective area where Asiamet has identified a pipeline of fifteen copper, polymetallic and gold targets including the BKM and BKZ deposits, and the extensively drilled Baroi prospect.
        - On 26 November 2019, Asiamet announced four key high priority walk-up targets for immediate drilling in close proximity to the current BKM copper deposit. All targets have the potential to expand current resources and extend the life of the mine well beyond the initial 9 years defined by the Feasibility Study.
- The Beutong project (80% owned) is held under an Izin Usaha Pertambangan Operasi Produksi (Operation Production Mining Business Licence) ("IUP-OP") covering 100km² in Aceh Province, Indonesia. Beutong represents a rare opportunity given its key characteristics, that include:
    - Large high-quality copper-gold porphyry development project located in close proximity of existing infrastructure and only 60 kilometres from a seaport
    - Contained metal in JORC compliant Resources (100% basis) of 2.43Mt Cu, 2.11Moz Au and 20.9Moz Ag.
    - Significant Resource expansion and exploration upside potential

Coupled with its exciting project portfolio, Asiamet has a strong technical and commercial team with extensive experience in South-East Asia and a proven track record of bringing mining projects into production.

2019 Highlights

- Beutong Project Mineral Resource Statement updated.
- Environmental Permit and approval of the Indonesian Feasibility Study received for BKM.
- Appointment of Feng (Bruce) Sheng as a Non-executive Director.
- Updated Mineral Resource and Maiden Ore Reserve Statements delivered for BKM.
- Robust Feasibility Study completed for the BKM copper project.
- Signed an MOU with China Nonferrous Metals for value engineering at BKM.
- Commenced value enhancement activities for the BKM Feasibility Study.
- Capital raisings totalling US$4.1 million (before capital raising costs) completed in May and August 2019.

Chairman's Statement

2019 was characterised by significant uncertainty in the equity and commodities markets as a result of the US and China trade talks, Brexit and the outbreak of the coronavirus in China in the last quarter of 2019, which of course has subsequently spread quickly and developed into a pandemic with extensive global consequences. Although the copper price remained relatively stable below the incentive price for new projects to be developed throughout most of 2019, the effects of coronavirus have substantially impacted the global economy, resulting in an acute drop in base metals prices. Although demand is beginning to recover as Chinese factories resume production, there are no signs of an upturn in end-use consumption.

The consensus view at this time is that the spread of the virus is likely to be contained in the second half of 2020 and from Q4 2020 onwards demand for copper is expected to begin to improve driven by significant global stimulus packages. Despite this challenging backdrop, the longer-term outlook of copper remains positive driven by industrialisation and urbanisation in Asia and other parts of the developing world, market size, supply constraints and increasing diversity of use in electrical vehicles and renewable energy. This latter sector of the market is expected to grow significantly as legislation is progressively introduced to reduce greenhouse gas emissions.

As examples, in June 2019 the UK enshrined in legislation a commitment to achieve net zero greenhouse gas emissions by 2050, a move which has been followed by several other nations. In November 2019, the EU implemented a new climate strategy to meet the net-zero-emission target by 2050. These policies are expected to positively impact the demand for copper, which is used extensively in the generation, transmission and distribution of electricity.

At Asiamet, we are well placed to benefit from this large and increasing demand for copper. During the year, we delivered a highly positive Feasibility Study for the BKM copper project located in Central Kalimantan. The Feasibility Study demonstrated a technically viable and economically robust copper project with production of up to 25,000 tonnes per annum over an initial 9-year mine life. There is significant scope to increase the mine life through the conversion of Inferred Resources together with exploration for satellite deposits in the near vicinity of the proposed BKM copper mine. In addition, the project economics are expected to be further enhanced through a range of value engineering initiatives.

From an Indonesian permitting standpoint, the Company received approvals from the Government of Indonesia for the AMDAL (Environmental Impact Assessment) permit as well as the Feasibility Study. These are major milestones for the project which have been delivered by our focused and dedicated in-country team. We are currently advancing the final major permit required for mine development, being the "Pinjam Pakai" or "Borrow and Use" permit from the Ministry of Environment and Forestry. This complex and detailed process requires several key sub-permits to be secured and is expected to be received during 2020.

An updated Mineral Resource Estimate ("MRE") for the Beutong copper-gold porphyry project was announced in March 2019 following the completion of a successful drilling programme in H2, 2018. The updated JORC (2012) compliant MRE contains 2.43Mt (5.3Blb) copper, 2.11Moz gold and 20.9Moz silver on a 100% basis and 1.95Mt (4.3Blb) copper, 1.69Moz gold and 16.73Moz silver on an 80% attributable basis. A comprehensive metallurgical test work programme is planned to ascertain the amenability of the near surface part of the deposit to processing using heap-leach, solvent extraction and Electro-winning ("SX-EW"). A successful outcome would provide the Company with optionality for a scaled development of this large project.

In July 2019, Mr. Feng (Bruce) Sheng was appointed as a Non-Executive Director of the Company. Bruce is the Chairman of Melbourne based Asipac Group Pty Ltd, a diversified company with investments across the resources sector including Asiamet as well as financial sectors, and various property businesses. Mr Sheng also currently serves as Vice Chairman of the Australia China Business Council (Victoria) and his extensive experience and network is proving to be very beneficial for the Company.

At a corporate level, we made the decision to relocate the corporate head office from Melbourne to Jakarta as the Company moves into the development phase of the BKM project. Peter Bird stepped down as CEO of the Company as part of this transition and we thank Peter for his contributions to the Company over the past three years and wish him all the best with his future endeavours.

In the first quarter of 2020, the severity of the Covid-19 pandemic adversely impacted equity and commodities markets. Our immediate response has been to ensure the safety of all our staff and contractors by providing the necessary education and awareness of the virus, moving to working from home basis for office staff, and restricting travel for field staff. The impact on our operations has been minimal to date given the limited fieldwork being undertaken at this time, however restrictions are now impacting government functions and hence progress with approvals, permits etc. We continue to monitor the situation closely and adjust our business functions accordingly.

On 25 March 2020, Asiamet completed a strategic private placement with Singapore based commodities trading company, Aeturnum Energy (Aeturnum) and entered into an exclusivity agreement to enable due diligence to be finalised on the KSK Contract of Work. The placement secures a high-calibre investment partner as a 19.9% shareholder and places the Company on a sound financial footing to continue the development of its assets during these uncertain times. Our immediate focus now is to secure the key permits for exploration and construction of the proposed BKM copper mine and to progress the value enhancement opportunities identified in the BKM Feasibility Study.

Through our partnership with the YTS Foundation, I am pleased to report that the Company continues to make solid progress on various community development initiatives being implemented in and around the KSK CoW. Village capacity building, education and agricultural initiatives are helping to deliver tangible improvements to the lives of the local Dayak communities while simultaneously developing a broader awareness of mining in preparation for project construction and operations. We intend to progressively expand these initiatives as the level of mine related development activity increases.

Asiamet continues to be guided by the Quoted Companies Alliance Corporate Governance Code, which sets out 10 defining principles detailed in the Asiamet Corporate Governance Statement on page 25 of this Annual Report. Throughout the past year, the Company complied with all aspects of the QCA Code and completed periodic reviews of its charter in order to maintain the robustness of its governance systems. No material issues were identified over the past 12 months.

I would like to take this opportunity to thank our shareholders for their continued support over the past year and look forward to reporting further on our progress during 2020.

As a final note, I would like to thank our employees, consultants and contractors for their continued hard work and express my sincere thanks to all our stakeholders in Indonesia and internationally for their support throughout the year. It is greatly valued.

Tony Manini
Chairman

Strategic Report

Overview of Operations

Asiamet is incorporated in Bermuda and is engaged in the exploration and development of its mineral properties in Indonesia. At present, the Company's shares trade in British Pounds Sterling ("GBP") on the AIM Market in London under the symbol ARS.

Asiamet has two principal areas of interest:

- The KSK CoW in Central Kalimantan, Indonesia in which Asiamet holds a 100% direct interest. The KSK CoW covers 390km² covering multiple copper and gold prospects including the BKM development project and the nearby surrounding BKZ, BKS and BKW prospects. A Mineral Resource Estimate, Ore Reserve Estimate and a Feasibility Study ("FS") have been completed for the BKM copper project ("BKM" or the "Project"). The FS technical report was compiled using study inputs from various subject matter experts, all of which were external and independent of the Company. The Mineral Resource and Ore Reserve Estimates were prepared in accordance with the JORC (2012) Reporting Standards.
- The Beutong IUP-OP located on the island of Sumatra, Indonesia in which Asiamet holds an 80% direct interest. The Beutong project covers 100km² and hosts two porphyry copper-gold-molybdenum prospects (West and East Porphyries) and the Beutong Skarn (copper-gold) project. Beutong is a development project with a large copper-gold Resource and has a production licence.

BKM project

The BKM project is a development ready copper project located on the eastern part of the KSK CoW. During the year, Asiamet completed a Feasibility Study for the BKM project which demonstrates a technically commercial, economically viable and robust copper project utilising open pit mining and heap-leach solvent extraction-electrowinning ("SX-EW") processing to produce copper cathode. The project is anticipated to produce up to 25,000 tonnes of copper cathode per annum and has an initial mine life of 9-years.

The BKM Feasibility Study LOM metrics are highlighted in Table 1 below. All amounts are in USD. The following assumptions were used in the studies:

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

Table 1 - Summary Metrics for BKM Feasibility Study

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 - Covellite/Bornite ore type - Chalcopyrite ore type	%	 80% 75% 77%
	Copper cathode produced	kt	172.63

Area	Measure	Unit	Feasibility Study
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 Discount factor	$/lb % (real)	3.30 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[1]	$M	563.3
	C1[2]	US$/lb	1.65
	AISC[3]	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 and 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**

[1] EBITDA = Earnings Before Interest, Tax, Depreciation and Amortisation.
[2] C1 = cost of production excluding product distribution costs, sales royalties and depreciation and amortisation before adjustment for impairment. C1 cost, which is non-IFRS information, is a widely used 'industry standard' term.
[3] AISC = All-in Sustaining Costs is a measure derived by the World Gold Council. On 27 June 2013, the Council released a publication outlining definitions of both Cash Costs and All-in Sustaining Costs.

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 facility 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 an 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 the waste-water treatment plant, site facilities, camp buildings, fuel storage and administration.

Once the operation is commissioned the ore volumes mined is consistent over the LOM with the higher grades of soluble copper being mined first to deliver strong early stage cash flows to the project. With lower waste to ore ratios in the first five years of the project the stripping ratio is 0.99:1 and well below the LOM stripping ratio of 1.41:1. The Project is expected to generate after tax free cash flow above $90 million in years 2 to 5 with peak cash flows in year 4 of $97 million.

Value Enhancement

A strategic review of the proposed capital and operating cost estimates was also completed to identify opportunities to further enhance the BKM project economics. This process identified and ranked twenty 'Value Enhancement' opportunities. Those with the highest value and ease of implementation totalled an estimated $35 million increase over the base NPV on a risk adjusted basis. This excludes any value being ascribed for exploration success. 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 and potentially converting from gas to coal generation using coal sourced from local coal mines ~$4 million.
- further refining the methodology of ore block classification to enhance metal produced and commercial returns ~$3.5 million.

- reducing construction earthworks costs using local contractors and delivering synergies with the mining contractor ~$3 million; and
- 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 those 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;
  - BKM deposit depth extensions with drilling to follow up IP geophysical targets immediately below the currently defined Resource; and
  - BK South near surface oxide targets.

The next steps will involve a multi-faceted approach including:

- further assessing value enhancement opportunities and incorporating them into the project 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; and
- 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.

During early 2019, the Company received approval for the BKM Feasibility Study and the associated AMDAL from the Government of Indonesia. These permits were progressed in parallel over the course of 2018 and receipt of these approvals from the Government of Indonesia with strong support from the Provincial government in Central Kalimantan and local communities places the Company in a strong position to progress development of the BKM copper mine. Ongoing work is underway to secure the remaining key permits that will enable the Company to move forward into the financing and construction stages.

Table 4 - BKM Measured, Indicated and Inferred Mineral Resource (JORC) – June 2019 (100% Basis)

Measured Mineral Resources (JORC, 2012)				
Cut-off Grade Cu %	Tonnes M	Cu Grade %	Contained Copper Kt	Contained Copper Mlbs
0.2	20.6	0.7	148.5	327.3
0.5	14.9	0.8	124.9	275.3
0.7	8.6	1.0	87.6	193.0
Indicated Mineral Resources (JORC, 2012)				
Cut-off Grade Cu %	Tonnes M	Cu Grade %	Contained Copper Kt	Contained Copper Mlbs
0.2	34.1	0.6	212.6	468.8
0.5	21.4	0.8	161.3	355.6
0.7	9.5	1.0	90.6	199.7
Inferred Mineral Resources (JORC, 2012)				
Cut-off Grade Cu %	Tonnes M	Cu Grade %	Contained Copper Kt	Contained Copper Mlbs
0.2	15.0	0.6	90.8	200.3
0.5	10.0	0.7	70.3	154.9
0.7	3.8	0.9	33.5	73.8

Measured Plus Indicated Mineral Resources (JORC, 2012)				
Cut-off Grade Cu %	Tonnes M	Cu Grade %	Contained Copper Kt	Contained Copper Mlbs
0.2	54.7	0.7	361.1	796.1
0.5	36.3	0.8	286.2	630.9
0.7	18.1	1.0	178.1	392.7
Measured Plus Indicated Plus Inferred Mineral Resources (JORC, 2012)				
Cut-off Grade Cu %	Tonnes M	Cu Grade %	Contained Copper Kt	Contained Copper Mlbs
0.2	69.6	0.6	451.9	996.3
0.5	46.3	0.8	356.4	785.8
0.7	21.9	1.0	211.6	466.5

Notes: The 0.2% Cu grade reporting cut-off grade approximates the mineralised domains extents. Mineral Resources for the Beruang Kanan Main Zone mineralisation have been estimated in conformity with generally accepted guidelines outlined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition). In the opinion of Duncan Hackman, the block model Resource Estimate and Resource classification reported herein are a reasonable representation of the copper Mineral Resources found in the defined volume of the Beruang Kanan Main mineralisation. Mineral Resources are not Ore Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resource will be converted into Ore Reserve. Computational discrepancies in the table and the body of the Report are the result of rounding.

Table 5 - The BKM Ore Reserve Estimate is summarised in the table below, June 2019 (100% Basis)

Ore Reserve Category	Volume	Tonnes	Total	Soluble	Contained Copper	
			Copper	Copper	Total	Soluble
	Mbcm	Mt	%	%	kt	kt
Proved Ore						
Chalcocite dominant	5.2	14.9	0.7	0.5	103	77
Covellite/Bornite dominant	1.6	4.4	0.5	0.5	24	20
Chalcopyrite dominant	0.6	1.9	0.6	0.2	11	3
Total Proved Ore	**7.4**	**21.1**	**0.6**	**0.5**	**137**	**101**
Probable Ore						
Chalcocite dominant	5.8	15.4	0.6	0.4	88	63
Covellite/Bornite dominant	2.9	7.8	0.5	0.4	40	31
Chalcopyrite dominant	2.7	7.2	0.5	0.1	38	11
Total Probable Ore	**11.4**	**30.4**	**0.5**	**0.3**	**166**	**105**
Proved + Probable Ore						
Chalcocite dominant	11.0	30.2	0.6	0.5	190	140
Covellite/Bornite dominant	4.5	12.2	0.5	0.4	64	51
Chalcopyrite dominant	3.3	9.1	0.5	0.2	49	14
Total Proved and Probable Ore	**18.8**	**51.5**	**0.6**	**0.4**	**303**	**206**
Waste Rock	33.1	85.0				
Waste : Ore Ratio	1.8	1.7				

Notes: The tonnes and grades shown in the 'Total's' rows are stated to a number of significant figures reflecting the confidence of the estimate. The table may nevertheless show apparent inconsistencies between the sum of components and the corresponding rounded totals.

The Ore Reserves are reported within the final pit design forming the basis of the Feasibility Study. They do not include Inferred Mineral Resources. The Ore Reserves treat Inferred Resources within the pit design as waste rock.

The Ore Reserves are reported against a variable economic cut-off grade which takes account of the ore type and varying conditions over the project life.

Beutong project

The Beutong project is a large porphyry copper-gold system, which comprises the Beutong East Porphyry ("BEP"), Beutong West Porphyry ("BWP") and the Beutong Skarn ("BSK"). The Beutong project has current JORC (2012) compliant Resources containing 2.43Mt (5.3Blb) copper, 2.1Moz gold and 20.9Moz silver on a 100% basis and 1.95Mt (4. 30Blb) copper, 1.69Moz gold and 16.73Moz silver on an 80% attributable basis (see news release dated 25 March 2019). The near surface mineralisation at BEP and BWP comprises chalcocite, covellite and digenite mineralisation with lesser chalcopyrite.

At +600 metres depth there is a notable transition to chalcopyrite-bornite mineralisation, similar to the deeper sections of other porphyry systems in Southeast Asia such as the giant high-grade Grasberg Indonesia (Freeport-McMoRan Copper & Gold), Wafi-Golpu PNG (Newcrest Mining) and Tujuh Bukit Indonesia (Merdeka Resources) porphyry deposits. At depth in the BEP, large clasts of potassic altered (biotite, potassic feldspar and magnetite) diorite porphyry with intense stockwork chalcopyrite-bornite mineralisation occur within a diatreme breccia and are interpreted to have been transported from a high-grade potassic core at depth. The BEP and BWP systems remain open in several directions and the interpreted BEP high-grade core remains untested at depth.

On 8 January 2018, Asiamet announced that PT Emas Mineral Murni ("EMM"), the entity holding the Beutong in which Asiamet has an 80% interest, was granted the key production licence, Izin Usaha Pertambangan Operasi Produksi "IUP-OP" required to advance the Beutong Copper-Gold Project to the development stage. The conversion of EMM's IUP Exploration licence to an IUP-OP licence is a major step in advancing the Beutong project. It provides for an initial 20 years of licence tenure which may be extended twice, each for a period of 10 years, totalling 40 years.

As part of the IUP-OP grant EMM is committed to meeting in-country processing requirements and will pursue opportunities for copper metal production via heap-leach, SX-EW while simultaneously commencing discussions with several companies that have pledged to build local smelters to process copper concentrate.

In March 2019, Asiamet announced an updated Mineral Resource Estimate for Beutong in accordance with JORC (2012), shown in Table 6 below.

Table 6 - Beutong Mineral Resource Estimate, January 2019 (80% Basis)

Beutong 2019 Resource Estimate - Report at 0.3% Cu Lower Cut - 80% basis											
Classification	**Mineralisation**	**Tonnes**	**Grade**				**Metal**				
JORC 2012		**(Mt)**	**Cu%**	**Au (ppm)**	**Ag (ppm)**	**Mo (ppm)**	**Cu (Kt)**	**Au (koz)**	**Ag (Koz)**	**Mo (Kt)**	
Measured	East Porphyry	27	0.67	0.13	1.68	90	181	114	1,464	2	
Indicated	East Porphyry	40	0.57	0.1	1.56	116	225	127	1,988	5	
	Skarn	6	0.71	0.28	5.89	8	37	47	995	0.1	
Inferred	East Porphyry	66	0.54	0.13	2.32	147	360	278	4,953	10	
	West Porphyry	257	0.43	0.13	0.78	121	1,093	1,072	6,434	31	
	Outer East Porphyry	5	0.36	0.06	1.12	157	16	9	158	0.80	
	Outer West Porphyry	4	0.36	0.1	0.84	54	14	13	106	0.24	
	Skarn	4	0.67	0.24	5.1	10	26	30	635	0	
Measured	**Total**	**27**	**0.67**	**0.13**	**1.68**	**90**	**181**	**114**	**1,464**	**2**	
Indicated	**Total**	**46**	**0.58**	**0.12**	**2.07**	**104**	**262**	**174**	**2,983**	**5**	
Inferred	**Total**	**336**	**0.45**	**0.13**	**1.14**	**125**	**1,509**	**1,401**	**12,286**	**42**	
	Total	**409**	**0.48**	**0.13**	**1.28**	**120**	**1,951**	**1,689**	**16,734**	**49**	

Beutong 2019 Resource Estimate - Report at 0.5% Cu Lower Cut - 80% basis										
Classification	**Mineralisation**	**Tonnes**	**Grade**				**Metal**			
JORC 2012		**(Mt)**	**Cu%**	**Au (ppm)**	**Ag (ppm)**	**Mo (ppm)**	**Cu (Kt)**	**Au (koz)**	**Ag (Koz)**	**Mo (Kt)**
Measured	East Porphyry	22	0.72	0.13	1.74	92	160	93	1,241	2
Indicated	East Porphyry	26	0.64	0.1	1.66	119	168	84	1,400	3
	Skarn	3	0.84	0.34	6.51	7	30	39	749	0.02
Inferred	East Porphyry	37	0.63	0.14	2.49	164	234	166	2,954	6
	West Porphyry	36	0.57	0.11	0.88	142	207	129	1,027	5
	Outer East Porphyry	-	0.55	0.09	1.22	226	1	1	6	0.03
	Outer West Porphyry	-	0.57	0.08	1.84	51	1	0.5	11	0.01
	Skarn	2	0.8	0.27	5.68	8	22	24	498	0.02
Measured	**Total**	**22**	**0.72**	**0.13**	**1.74**	**92**	**160**	**93**	**1,241**	**2**
Indicated	**Total**	**30**	**0.66**	**0.13**	**2.24**	**105**	**198**	**123**	**2,149**	**3**
Inferred	**Total**	**76**	**0.61**	**0.13**	**1.83**	**148**	**464**	**320**	**4,497**	**11**
	Total	**128**	**0.64**	**0.13**	**1.91**	**128**	**822**	**536**	**7,886**	**17**

Notes

1. *Duncan Hackman B.App,Sc, MSc, MAIG from Hackman Associates, is responsible for this Mineral Resource Estimate and is a Competent Person within the meaning of JORC (2012) and for the purposes of the AIM Rules for Companies.*
2. *The Mineral Resource is reported using a cut-off grade of 0.3% and 0.5% copper*
3. *The Mineral Resource is considered to have reasonable potential for eventual economic extraction by open pit and underground mining*
4. *Mineral Resources are not Ore Reserves and do not have demonstrated economic viability*
5. *This statement uses terminology, definitions and guidelines given in the JORC Code (2012 Edition)*
6. *The Mineral Resource is reported on an 80% basis*

Other KSK CoW Projects

The technical team has delineated a pipeline of 13 separate copper, gold and polymetallic targets on the KSK CoW additional to the deposits already defined at BKM and BKZ. These targets include the BKW and BKS prospects as well as Beruang Tengah, Gold Ridge, Mamuring, Volcano, Waterfall, Ketambung, Lakapoi, Rinjin, Baroi Central and South, Baroi Far East Zone, Mansur, Huoi and Focus. Previous geophysical, soil sampling and scout drilling programs have identified significant copper, zinc and associated base and precious metal mineralisation warranting further exploration.

BKZ Project

The BKZ Project is located less than 800 metres north of the BKM project is defined by a strong zinc-lead-copper in soil anomaly measuring 400 metres by 200 metres, coincident with outcrops of massive sulphide.

Following an initial three-month drill program, the Company was able to deliver a maiden Mineral Resource Estimate, in accordance with JORC (2012), for the BKZ polymetallic deposit in May 2018, results of which are included in Table 7 below. The BKZ deposit remains open in multiple directions and is expected to grow significantly with further drilling.

Table 7 - BKZ Mineral Resource Estimate, April 2018 (100% basis)

BKZ Polymetallic Deposit Inferred Resource Estimate *(JORC Code, 2012)*									
Upper Polymetallic Zone. High Grade Zinc, Lead, Silver and Gold Domain. Inferred Resources (JORC 2012) *									
Reporting Cut (Zn%)	**Tonnes (kt)**	**Grade**				**Contained Metal**			
		Zn (%)	**Pb (%)**	**Ag (ppm)**	**Au (ppm)**	**Zn (kt)**	**Pb (kt)**	**Ag (koz)**	**Au (koz)**
4.0	750	8.0	3.4	50	0.35	60	26	1,206	8.4
Upper Polymetallic Zone. Low Grade Zinc, Lead, Silver and Gold Domain. Inferred Resources (JORC 2012) **									
Reporting Cut (Zn%)	**Tonnes (kt)**	**Grade**				**Contained Metal**			
		Zn (%)	**Pb (%)**	**Ag (ppm)**	**Au (ppm)**	**Zn (kt)**	**Pb (kt)**	**Ag (koz)**	**Au (koz)**
1.0	590	1.6	0.5	13	0.15	9	3	247	2.8
Lower Copper Zone. Copper and Silver Mineralisation. Inferred Resources (JORC 2012)									
Reporting Cut (Cu%)	**Tonnes (kt)**	**Grade**				**Contained Metal**			
		Cu (%)		**Ag (ppm)**		**Cu (kt)**		**Ag (koz)**	
0.5	1,100	1.1		13		12		460	

** Lowest estimated Zn grade in the high grade zinc domain is 4.1% Zn*

*** Highest estimated Zn grade in the low grade zinc domain is 4.2% Zn*

Notes: Lower Zn and Cu grade reporting cuts approximate the mineralised domains extents. Mineral Resources for the BKZ Polymetallic Project have been estimated and reported under the guidelines detailed in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012). In the opinion of Duncan Hackman, the block model, resource estimate and resource classification reported herein are a reasonable representation of the Mineral Resources found in the defined area of the BKZ Polymetallic Project. Mineral Resources are not Ore Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resource will be converted into Ore Reserve. Computational discrepancies in the table and the body of the Release are the result of rounding.

Corporate Social Responsibility (CSR) Program

While there are no villages in the KSK CoW area, the Company has had a long association and close working relationship with Yayasan Tambuhak Sinta ("YTS") to deliver CSR programs to several Dayak villages located along the Kahayan River and predominantly downstream of the KSK CoW area. The Company, through YTS, continues to provide support to 22 villages.

The Company's programs are focussed on strengthening village governance through training and capacity-building, improving economic livelihood activities, and helping our communities take greater responsibility for their own development agenda through participatory planning and active engagement with local government.

During the year, YTS completed the second of a two-year capacity building social forestry program in eight villages that enabled these communities to obtain permits to manage forestry land within the village area. This included agricultural training to enhance village sustainability.

In November 2019, YTS and KSK received awards for outstanding achievement in CSR from the local district and provincial government in Central Kalimantan. The granting of these awards is a reflection of the strong partnerships built up over many years of active community development and stakeholder engagement.

Board of Directors

Antony (Tony) Manini, Director and Executive Chairman

Tony Manini is a geologist with over 30 years diverse experience in the resources industry. His background covers a wide range of commodities in more than 20 countries and includes technical, commercial, senior management and executive roles in exploration, project evaluation, business development, strategy and operations with Rio Tinto, Oxiana / OZ Minerals, Tigers Realm Group and EMR Capital.

Tony is a founder and the CEO of private incubator company, Tigers Realm Group and is a co-founder of resources private equity firm, EMR Capital. He has been closely involved in the discovery and development of multiple mines and deposits in Laos, Indonesia, Australia and FE Russia and has listed three highly successful junior exploration companies each of which has made a major discovery (Tigers Realm Coal – ASX; Nexgen Energy – TSX and Asiamet Resources). Tony is also currently an Executive Director of EMR Capital and a Director of Carube Copper Inc.

Dominic Heaton, Non-Executive Director

Dominic Heaton has over 27 years of global resource industry experience across a diverse range of commodities. For seven years from 2010, Dominic was the inaugural Chief Executive Officer of Masan Resources and led the development and operations of the Nui Phao tungsten – polymetallic project in Vietnam. Earlier in his career, he served a variety of management roles at Aurora Gold, Oxiana / OZ Minerals and at MMG where he was General Manager of the 60,000tpa Sepon SX-EW copper project in Laos and as General Manager of Operations of Martabe gold mine in Indonesia.

Dominic holds a Bachelor of Science from James Cook University, Townsville, Australia and a Post Graduate Diploma in Mineral Processing Technology from La Trobe University, Australia. He has also completed an Advanced Management Program with the Mt Eliza arm of the Melbourne Business School.

Dominic is a member of Australian Institute of Mining & Metallurgy and Australian Institute of Company Directors.

Dr. Peter Pollard, Non-Executive Director

Peter Pollard is a consulting economic geologist with more than 30 years' experience. He holds a PhD from James Cook University, Australia and is a Chartered Professional Member of the Australasian Institute of Mining and Metallurgy and a Fellow of the Society of Economic Geologists. Dr Pollard has consulted widely on porphyry copper-gold, iron oxide copper-gold and intrusion-related copper and gold deposits.

Peter has worked on some of the world's major porphyry copper-gold deposits including Grasberg (Indonesia), Escondida Norte (Chile), Oyu Tolgoi (Mongolia) and Ok Tedi (Papua New Guinea). In addition, he has consulted on porphyry exploration programs in Australia, China, Indonesia, Iran, Kazakhstan, Mongolia, Peru, U.S.A. and Vietnam. Dr Pollard was also a Non-Executive Director of Nordic Gold Inc. (TSX-V: NOR) until August 2019.

Faldi Ismail, Non-Executive Director

Faldi Ismail has significant experience working as a corporate advisor specialising in the restructure and recapitalisation of a wide range of ASX-listed companies has many years of investment banking experience and has advised on numerous cross border transactions including capital raisings, structuring of acquisitions and joint ventures overseas.

Faldi is the founder and operator of Otsana Capital, and currently a Director of several ASX-Listed companies. Faldi was the Deputy Chairman and CEO of Asiamet from April 2011 until January 2015.

Feng (Bruce) Sheng, Non-Executive Director

Bruce Sheng is the Chairman of Melbourne based Asipac Group Pty Ltd, a diversified company with investments across the resources and financial sectors, and various property businesses. Bruce also currently serves as Vice Chairman of the Australia China Business Council (Victoria) and the Executive Chairman of ASX listed Terramin Australia Ltd, a company developing a portfolio of zinc and gold projects in Australia and Algeria.

Bruce joined the Asiamet Board on 10 July 2019.

Directors' Report

The Directors present their Annual Report on the affairs of the Group, together with the Financial Statements and Auditor's Report for the year ended 31 December 2019.

Principal activities

The Group is engaged in the business of exploring and developing its mineral properties in Indonesia. The review of the business and future strategy is covered in the Chairman's Statement on page 5.

Fundraising and share capital

During the year the Company raised $4.133 million (2018: $13.334 million) of new equity by the issue of 87.348 million shares (2018: 126.150 million shares). Further details are given in note 15 to the Financial Statements.

Results and dividends

The results of the Group for the year ended 31 December 2019 are set out in the Consolidated Statement of Comprehensive Loss on page 33. The Directors do not recommend the payment of a dividend for the year (2018: nil).

Directors and Directors' interests

The Directors who served during the period to date are as follows:

Tony Manini
Dominic Heaton
Peter Pollard
Faldi Ismail
Bruce Sheng (appointed 10 July 2019)
Peter Bird (resigned 31 January 2020)

The direct and beneficial shareholdings of the Board in the Company as at 31 December 2019 were as follows:

	Shares			% of issued		
	Direct	Beneficial	Total	Share capital	Options	Warrants
T Manini	**1,726,133**	**32,166,050**	**33,892,183**	**3.08%**	**9,750,000**	**-**
P Bird[1]	**197,647**	**181,818**	**379,465**	**0.03%**	**10,250,000**	**-**
D Heaton	**1,910,395**	**-**	**1,910,395**	**0.17%**	**-**	**-**
P Pollard	**1,671,850**	**-**	**1,671,850**	**0.15%**	**1,400,000**	**-**
F Ismail	**663,349**	**5,979,395**	**6,642,744**	**0.60%**	**1,100,000**	**-**
B Sheng	**-**	**73,904,723**	**73,904,723**	**6.71%**	**-**	**2,240,896**

1. All of Peter Bird's options expired on 31 January 2020.

The direct and beneficial shareholdings of the Board in the Company as at 31 December 2018 were as follows:

	Shares			% of issued		
	Direct	Beneficial	Total	Share capital	Options	Warrants
T Manini	705,882	31,248,193	31,954,075	3.22%	9,750,000	917,857
P Bird	197,647	181,818	379,465	0.04%	10,250,000	-
D Heaton	1,317,647	-	1,317,647	0.13%	-	-
P Pollard	708,501	-	708,501	0.07%	1,700,000	-
F Ismail	-	5,979,395	5,979,395	0.60%	1,500,000	-

Purchase of shares and exercise of warrants and options

On 23 April 2019 Tony Manini purchased 917,857 shares of the Company as a result of a warrant exercise at a price of CDN0.10 per share for a total consideration of $0.068 million (CDN0.092 million).

On 19 September 2019 Tony Manini purchased 200,000 shares of the Company on market at a price of GBP0.0325 per share for a total consideration of $0.008 million (GBP0.007 million).

On 11 October 2019 Peter Pollard purchased 300,000 shares of the Company as a result of an option exercise at a price of CDN0.05 per share for a total consideration of $0.011 million (CDN0.015 million).

On 11 November 2019 Dominic Heaton purchased 236,550 shares of the Company on market at a price of GBP0.029 per share for a total consideration of $0.08 million (GBP0.007 million).

See note 17(c) of the Financial Statements for details of Director share purchases subsequent to year end.

Director remuneration ($)

Director		Salary / consulting fees	Directors fees[6]	Other[7]	Performance incentives[8]	Total remuneration
T Manini[1]	**2019**	**62,347**	**35,000**	**-**	**-**	**97,347**
	2018	87,588	35,000	-	-	122,588
P Bird[2]	**2019**	**201,586**	**-**	**14,298**	**12,256**	**228,140**
	2018	217,222	-	15,407	114,149	346,778
D Heaton[3]	**2019**	**-**	**35,000**	**-**	**-**	**35,000**
	2018	-	18,015	-	-	18,015
P Pollard	**2019**	**-**	**35,000**	**-**	**-**	**35,000**
	2018	-	35,000	-	-	35,000
F Ismail	**2019**	**-**	**35,000**	**-**	**-**	**35,000**
	2018	-	35,000	-	-	35,000
B Sheng[4]	**2019**	**-**	**16,781**	**-**	**-**	**16,781**
	2018	-	-	-	-	-
S Hughes[5]	**2019**	**-**	**-**	**-**	**-**	**-**
	2018	56,250	-	83,413	-	139,663
Total	**2019**	**263,933**	**156,781**	**14,298**	**12,256**	**447,268**
	2018	361,060	123,015	98,820	114,149	697,044

1. Salary amounts were paid to EMR Capital as reimbursement for the salary and benefits paid for Tony Manini. Refer to note 12 for more details.
2. Peter Bird resigned as a Director on 31 January 2020 and received a termination payment of $131,060 in line with his employment contract.
3. Dominic Heaton was appointed as a Director on 26 June 2018.
4. Bruce Sheng was appointed as a Director on 10 July 2019.
5. Stephen Hughes resigned as a Director on 24 May 2018.
6. Directors received their fees in the form of performance rights.
7. Includes superannuation, pensions, termination and other benefits provided.
8. Includes Short Term Incentives (2018 and 2019: nil) and Long Term Incentives (fair value of options) earned.

Director incentives and performance rights

In the year to 31 December 2019, the Company recorded $0.156 million of performance rights (2018: $0.123 million) as payment for director fees. The performance rights will be issued after the Audited Annual Accounts have been released and will vest immediately. The number of ordinary shares received will be determined by the share price at the time of issue.

In the year to 31 December 2019, no options were granted to Directors (2018: nil). As at 31 December 2019, 22.5 million (2018: 23.2 million) options issued to Directors were outstanding.

Subsequent events

Events after the reporting period have been disclosed in note 17 to the Financial Statements.

Corporate governance

The Company has set out its full Corporate Governance Statement on pages 25 to 29.

Risk management

The Group is exposed to a variety of financial risks and the impact on the Company's financial instruments are summarised in the Risk Management Report on pages 22 to 24.

Auditor

The Audit Committee has recommended to the Board that a competitive tender process take place during 2020 in line with the Company's decision to relocate its head office and Corporate function to Jakarta.

This Directors' Report has been approved by the Board and signed on its behalf by:

Tony Manini
Chairman
5 May 2020

Risk Management Report

The Company has undertaken an evaluation of the risks it is exposed to as a result of the environment it operates in. The Company's risk exposures and the impact on the Company's financial instruments are similar to those reported in the previous Annual Report and are summarised as follows:

Credit Risk

Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets, including cash, receivables, and balances receivable from the government. The Company limits the exposure to credit risk in its cash by only investing its cash with high-credit quality financial institutions in business and savings accounts which are available on demand by the Company for its programs. The Company does not invest in money market funds.

Financing Risk

The successful exploration of natural resources on any project requires significant capital investment. The Group currently sources finance through the issue of additional equity capital. The Group's ability to raise further funds will depend on the success of its investment strategy and acquired operations. The Group successfully raised capital recently, which places it in a strong position, however, the Group may not be successful in procuring the requisite funds on terms which are acceptable to take the project forwards and, if such funding is unavailable, the Group may be required to reduce the scope of its investments or anticipated expansion. As the Group is currently in the exploration stage it does not generate revenues and is therefore reliant on its cash resources and obtaining additional financing to fund its operations, should the cash resources deplete and should there be a lack of available financing alternatives the Group may find it difficult to fund its working capital.

The Directors have identified that the Group will need to raise further funds in the next twelve months. Further information is provided in note 2.2 to the financial statements.

Liquidity Risk

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations. All of the Company's current financial liabilities are anticipated to mature within the next ninety days.

Exploration and Development Risk

The exploration and mining business is controlled by a number of global factors, principally supply and demand which in turn is a key driver in global metal prices; these factors are beyond the control of the Group. Exploration is a high-risk business and there can be no guarantee that any mineralisation discovered will result in proven and probable reserves or go on to be an operating mine. At every stage of the exploration process the projects are rigorously reviewed, both internally and by qualified third party consultants to determine if the results justify the next stage of exploration expenditure, ensuring that funds are only applied to high priority targets.

The Company undertakes the necessary technical geophysical testing to ensure the target generation exercise is systematic. This data is then prioritised to give the Company the best possible chance to deliver a successful exploration program.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

Interest Rate Risk: The Company is exposed to interest rate risk to the extent that its cash balances bear variable rates of interest. The interest rate risks on cash and short-term investments and on the Company's obligations are not considered significant.

Foreign Currency Risk: The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates against the Company's functional currency, which is the United States dollar ("USD"). The Company generally undertakes equity raises in Great British Pounds ("GBP") in the United Kingdom. The Company conducts its business in Indonesia in Indonesian Rupiah ("IDR") with a significant portion of expenditures being denominated in USD. A portion of the Company's business is conducted in GBP and Australian dollars ("AUD"). As such, it is subject to risks due to fluctuations in the exchange rates between the USD and each of the IDR, GBP and AUD. A significant change in the currency exchange rates between the USD relative to foreign currencies could have an effect on the Company's results of operations, financial position and/or cash flows. The Company has not hedged its exposure to currency fluctuations.

Commodity Price Risk: While the value of the Company's core mineral resource properties, the KSK CoW and the Beutong IUP are related to the price of copper and gold and the outlook for these minerals, the Company currently does not have any operating mines and hence does not have any hedging or other commodity based risks in respect of its operational activities.

Historically, gold and copper prices have fluctuated and are affected by numerous factors outside of the Company's control, including but not limited to: industrial and retail demand; central bank lending; forward sales by producers and speculators; levels of worldwide production; short-term changes in supply and demand because of speculative hedging activities; and other factors related specifically to gold.

Licencing Risk

The Group's exploration and development activities are dependent upon the grant of appropriate licences, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to limitations or performance criteria. Such licences and permits are as a practical matter subject to the discretion of the applicable Government office or regulatory authority. The Group must comply with known standards, existing laws and regulations that may entail costs and delays depending on the nature of the activity to be permitted. The interpretations, amendments to existing laws and regulations, or more stringent enforcement of existing laws and regulations could have a material adverse impact on the Group's results of operations and financial condition. Whilst the Group continually seeks to do everything within its control to ensure that the terms of each licence are met and adhered to, third parties may seek to exploit any technical breaches in licence terms for their own benefit. There is a risk that negotiations with a Government in relation to the grant, renewal or extension of a licence may not result in the grant, renewal or extension taking effect prior to the expiry of the previous licence period, and there can be no assurance of the terms of any extension, renewal or grant.

Political Risk

In conducting operations in Indonesia, the Company is subject to considerations and risks related to the political, economic and legal environments in which the Company operates. Among other things, the Company's results may be impacted by changes in the political and social conditions in Indonesia, and by changes in governmental policies with respect to mining laws and regulations, anti-inflationary measures, currency conversion and remittance abroad, and rates and methods of taxation.

This Risk Management Report has been approved by the Board and signed on its behalf by:

Tony Manini
Chairman
5 May 2020

Corporate Governance Statement

The Company is committed to maintaining the highest standards in corporate governance throughout its operations and to ensure all of its practices are conducted transparently, ethically and efficiently. The Company believes scrutinising all aspects of its business and reflecting, analysing and improving its procedures will result in the continued success of the Company and improve shareholder value. Therefore, and in accordance with the AIM Rules for Companies (as updated from time to time), the Company has chosen to formalise its governance policies by complying with the UK's Quoted Companies Alliance Corporate Governance Code (the "QCA Code").

The key challenges facing the company have been set out above in the Chairman’s Statement.

QCA Code

The 10 principles set out in the QCA Code are listed below, with an explanation of how the Company applies each of the principles and the reason for any aspect of non-compliance. There were no key governance related matters that occurred during the year.

1. **Establish a strategy and business model which promote long-term value for shareholders**

   The strategic vision of the Company is to build a leading Asia Pacific copper-gold company leveraging off the three core fundamentals it has put in place for delivering on this vision:

   1. High quality project pipeline;
   2. Highly qualified and experienced team with a proven track record of finding resources and building mines; and
   3. Supportive and strategically aligned shareholder base.

   The key challenges facing the company have been set out in the Risk Management report on pages 22 to 24.

2. **Seek to understand and meet shareholder needs and expectations**

   The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company. In addition, all shareholders are encouraged to attend the Company’s Annual General Meeting and any other General Meetings that are held throughout the year.

   Investors also have access to current information on the Company through its website www.asiametresources.com and through updates as provided by management, who are available to answer investor relations enquiries. The Company provides regulatory, financial and business news updates through the Regulatory News Service in accordance with the AIM Rules for Companies.

3. **Take into account wider stakeholder and social responsibilities and their implications for long term success**

   There are a number of key relationships and resources that are fundamental to the Company's success, which include, amongst other things, relationships with local communities, governments, suppliers, contractors, employees and customers. These relationships are key components to the successful running of the Company's projects and are reviewed by the Board and management on a regular basis to ensure that all potential risks are mitigated. To the extent any issues or concerns come to light following such review, or upon engagement with such stakeholders, the Company seeks to address matters in an expeditious manner in order to preserve and strengthen relationships.

4. **Embed effective risk management, considering both opportunities and threats, throughout the organisation**

   The Board regularly reviews the risks to which the Company is exposed and ensures through its meetings and regular reporting that these risks are minimised as far as possible whilst recognising that its business opportunities carry an inherently high level of risk. The principal risks and uncertainties facing the Company at this stage and in the foreseeable future are detailed in the Risk Management report on pages 22 and 24 together with risk mitigation strategies employed by the Board.

5. **Maintain the board as a well-functioning, balanced team led by the Chairman**

   The Board's role is to agree the Company's long-term direction and strategy and monitor achievement of key milestones against its business objectives. The Board meets formally at least four times a year for these purposes and holds additional meetings when necessary to transact other business. The Board receives reports for consideration on all significant strategic, operational and financial matters.

   During the year, the board comprised of an Executive Chairman (Tony Manini), an Executive Director and CEO; and four NEDs (Peter Pollard, Faldi Ismail, Dominic Heaton and Bruce Sheng). Each Director serves on the Board until the Annual General Meeting following his election or appointment. The Company is currently seeking a replacement CEO following the departure of the CEO (Peter Bird) in January 2020. The Executive Director and CEO will work full time for the Company. NEDs are committed to devote at least 12 days per year to the Company.

   The Board considers that appropriate oversight of the Company is provided by the currently constituted Board. The Board as a whole also considers the NEDs to be independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.

   The Board delegates certain aspects of its responsibilities to the Board committees which have terms of reference as listed below.

   The table below sets out the number of Board Committee meetings held during the year ended 31 December 2019 and each Director's attendance at those meetings.

	Board		Audit[2]		Remuneration & Nomination[1,2]	
	Held	Attended	Held	Attended	Held	Attended
T Manini	7	7	-	-	-	-
P Bird	7	7	-	-	-	-
D Heaton	7	6	-	-	-	-
P Pollard	7	7	2	2	-	-
F Ismail	7	5	2	2	-	-
F Sheng	3	1	-	-	-	-

1. During the year, there were no matters requiring consideration by the Remuneration & Nomination committee.
2. NEDs who sit on the Audit and Remuneration & Nomination Committees are not paid additional fees.

6. Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities

The Board considers the current balance of sector, financial and public market skills and experience which it embodies is appropriate for the size and stage of development of the Company and that the Board has the skills and requisite experience necessary to execute the Company's strategy and business plan whist also enabling each Director to discharge his fiduciary duties effectively. Details of the current Board of Directors biographies is provided on pages 17 to 18.

The Board reviews annually, and when required, the appropriateness of its mix of skills and experience to ensure that it meets the changing business needs.

The Company has a professional Company Secretary in the UK who assists the Chairman in preparing for and running effective board meetings, including the timely dissemination of appropriate information. The Company Secretary provides advice and guidance to the extent required by the board on the legal and regulatory environment.

7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

Review of the Company's progress against the long-term strategy and aims of the business provides a means to measure the effectiveness of the Board. This progress is reviewed in Board meetings held at least four times a year. The Chief Executive Officer's performance is reviewed once a year by the rest of the Board and measured against a definitive list of short, medium and long-term strategic targets set by the Board.

The Company conducts periodic reviews of its Board succession planning protocols which includes an assessment of the number of board members and relative experience of each board member vis-a-vis the Company's requirements given its stage of development, with the goal of having in place an adequate and sufficiently experienced board at all times.

8. Promote a corporate culture that is based on ethical values and behaviours

The corporate culture of the Company is promoted throughout its employees and contractors and is underpinned by compliance with local regulations and the implementation and regular review and enforcement of various policies: Health and Safety Policy; Share Dealing Policy; Code of Conduct; Anti-bribery and Corruption Policy, IT, communications and systems Policy and Social Media Policy so that all aspects of the Company are run in a robust and responsible way.

The Board recognises that their decisions regarding strategy and risk will impact the corporate culture of the Company and that this will impact performance. The Board is very aware that the tone and culture set by the Board will greatly impact all aspects of the Company and the way that employees behave. The exploration for and development of mineral resources can have significant impact in the areas where the Company and its contractors are active and it is important that the communities in which we operate view Company's activities positively. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Company to successfully achieve its corporate objectives. The Board places great importance on this aspect of corporate life and seeks to ensure that this is reflected in all the Company does.

The Company has an established code for Directors' and employees' dealings in securities which is appropriate for a company whose securities are traded on AIM and is in accordance with Rule 21 of the AIM Rules for Companies and the Market Abuse Regulation.

9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the board

The Board is responsible for setting the vision and strategy for the Company to deliver value to the Company's shareholders by effectively putting in place its business model.

The roles and responsibility of the Chairman, CEO and other Directors are laid out below:

- The Executive Chairman's primary responsibilities are supporting management to achieve the long-term objectives of the Company, providing leadership of the Board and ensuring effective conduct of the Board's function and the Company's corporate governance model.
- The CEO is responsible for implementing the strategy of the Board and managing the day-to-day business activities of the Company. The CEO works with the chair and NEDs in an open and transparent way and keeps the chair and NEDs up to date with operational performance, risks and other issues to ensure that the business remains aligned with the strategy.
- The Company's NED's participate in all board level decisions and play a particular role in the determination and articulation of strategy. The Company's NED's provide oversight and scrutiny of the performance of the Executive Directors, whilst both constructively challenging and inspiring them, thereby ensuring the business develops, communicates and executes the agreed strategy and operates within the risk management framework
- The Company Secretary is responsible for ensuring that Board procedures are followed and applicable rules and regulations are complied with.

The Board is supported by the audit and the remuneration and the nomination committee as described below.

Audit Committee

The purpose of the Audit Committee is to monitor the integrity of the financial statements of the Company and assists the Board in meeting responsibilities in respect of external financial reporting and internal controls.

The Audit Committee has two NED's - currently Peter Pollard and Faldi Ismail. They meet at least twice a year. The Company's Chief Financial Officer also attends those meetings.

A copy of the terms of reference of the Audit Committee can be found on the Company's website.

Remuneration and Nomination Committee

The purpose of the Remuneration and Nomination Committee is to review the pay and employment conditions across the Company, including the Board of Directors, approving targets and performance related pay schemes operated by the Company and all share incentive plans and pension arrangements and identifying suitable candidates from a wide range of backgrounds to be considered for positions on the board.

The Remuneration and Nomination Committee has two NED's - currently Dominic Heaton and Faldi Ismail. They aim to meet at least once a year or as required. No meetings were held during the period as there were no matters requiring consideration.

A copy of the terms of reference of the Remuneration and Nomination Committees can be found on the Company's website.

Given the small number of meetings held by of each of the above-mentioned Committees, neither have produced a separate report, however the Company intends to review this requirement on an annual basis.

10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company.

The Company also provides regular updates on the progress of the Company, detailing recent business and strategy developments, in news releases which is available on the Company's website www.asiametresources.com and through certain social media channels.

The Company's financial reports can be found on their website www.asiametresources.com. The Company has elected to host its Annual General Meeting in London. The Directors believe hosting the Annual General Meeting in London will enhance engagement with the Company's shareholders by making the meeting more accessible.

The board would be delighted to receive feedback from shareholders. Communications should be directed to info@asiametresources.com. The management of the Company actively manage the relationship between the Company and its shareholders and will review and report to the board on any communications received.

Directors' Responsibility Statement

The Directors are responsible for preparing the Directors' Report, the Risk Management Report, and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Company Financial Statements for each financial year. The Directors are required by the AIM Rules for Companies of the London Stock Exchange to prepare Group financial statements in accordance with International Financial Reporting Standards ("IFRS") and have elected under company law to prepare the Company Financial Statements in accordance with IFRS.

Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group and Company for that period.

In preparing the Group and Company Financial Statements, the Directors are required to:

1. select suitable accounting policies and then apply them consistently;
2. make judgements and accounting estimates that are reasonable and prudent;
3. state whether they have been prepared in accordance with IFRS; and
4. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Asiamet website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Financial Statements

For the year ended 31 December 2019

Contents

Consolidated Statement of Financial Position

As at 31 December 2019

	Note	2019 $'000	2018 $'000
Assets			
Current assets			
Cash		**418**	2,679
Receivables and other assets	*10*	**50**	84
		468	2,763
Non-current assets			
Plant and equipment	*11*	**197**	234
Right of use asset	*14*	**236**	-
Receivables and other assets	*8b), 10*	**86**	627
		519	861
Total assets		**987**	3,624
Liabilities and Equity			
Current liabilities			
Trade and other payables		**396**	980
Provisions	*13*	**89**	50
Lease liabilities	*14*	**78**	-
		563	1,030
Non-current liabilities			
Provisions	*13*	**473**	378
Lease liabilities	*14*	**237**	-
		710	378
		1,273	1,408
Equity			
Share capital	*15*	**10,969**	9,983
Equity reserves		**56,435**	52,804
Other comprehensive income		**74**	10
Accumulated deficit		**(64,511)**	(57,328)
Other reserves		**(3,246)**	(3,246)
Parent entity interest		**(279)**	2,223
Non-controlling interest		**(7)**	(7)
		(286)	2,216
Total liabilities and equity		**987**	3,624

Consolidated Statement of Comprehensive Loss

For the year ended 31 December 2019

	Note	2019 $'000	2018 $'000
Expenses			
Exploration and evaluation	*8a)*	**(3,228)**	(6,218)
Employee benefits		**(2,000)**	(2,341)
Consultants		**(184)**	(503)
Legal and Company Secretarial		**(260)**	(308)
Accounting and audit		**(101)**	(131)
General and administrative		**(323)**	(541)
Depreciation		**(133)**	(38)
Share-based compensation	*15e)*	**(298)**	(480)
		(6,527)	(10,560)
Other items			
Foreign exchange gain/(loss)		**89**	(479)
Interest income		**3**	3
Finance costs	*14*	**(26)**	-
Impairment expense	*10, 11*	**(724)**	-
Other income		**2**	1
		(656)	(475)
Net loss		**(7,183)**	(11,035)
Items that may not be reclassified subsequently to profit or loss:			
Actuarial gain on employee service entitlements		**64**	22
Total comprehensive loss for the year		**(7,119)**	(11,013)
Net loss attributable to:			
Equity holders of the parent		**(6,995)**	(10,681)
Non-controlling interests		**(188)**	(354)
Total comprehensive loss attributable to:			
Equity holders of the parent		**(6,931)**	(10,659)
Non-controlling interests		**(188)**	(354)
Basic and diluted loss per common share		**(0.01)**	(0.01)
Weighted average number of shares outstanding (thousands)		**1,044,185**	924,394

Consolidated Statement of Cash Flows

For the year ended 31 December 2019

	Note	2019 $'000	2018 $'000
Cash provided from (used for):			
Operating activities			
Loss for the year		**(7,183)**	**(11,035)**
Adjustment for:			
Depreciation		**133**	38
Share-based compensation	*15e)*	**298**	480
Settlement of consulting fees via issue of ARS shares	*15b)*	**200**	-
Net foreign exchange loss/(gain)		**(32)**	33
Impairment expense	*10, 11*	**724**	-
Finance costs	*14*	**26**	-
Movements in provisions		**198**	272
Changes in working capital:			
Receivables and other assets		**27**	59
Value Added Tax ("VAT")		**(154)**	(117)
Trade and other payables		**(515)**	(73)
		(6,278)	(10,343)
Interest payments on lease liabilities	*14*	**(26)**	-
Refund of security deposit		**10**	-
		(6,294)	(10,343)
Investing activities			
Purchases of property, plant and equipment		**(38)**	(238)
Proceeds from sale of equipment		**-**	3
Payment for additional investment in Beutong Resources		**-**	(3,246)
		(38)	(3,481)
Financing activities			
Payment of principal portion of lease liabilities	*14*	**(48)**	-
Proceeds from warrants and options exercises		**237**	1,034
Proceeds from equity raising		**4,133**	13,334
Equity raising costs		**(251)**	(944)
		4,071	13,424
Increase/(decrease) in cash		**(2,261)**	(400)
Cash at beginning of the year		**2,679**	3,079
Cash at end of the year		**418**	2,679

Consolidated Statement of Changes in Equity

For the year ended 31 December 2019

	Share capital $'000	Equity reserves $'000	Other comprehensive (income)/loss $'000	Accumulated deficit $'000	Other reserves $'000	Parent entity interest $'000	Non-controlling interests $'000	Total $'000
Balance at 1 January 2018	8,528	40,354	(12)	(46,293)	-	2,577	(7)	2,570
Loss for the year	-	-	-	(10,681)	-	(10,681)	(354)	(11,035)
Other comprehensive income	-	-	22	-	-	22	-	22
Total comprehensive income	-	-	22	(10,681)	-	(10,659)	(354)	(11,013)
Transactions with owners in their capacity as owners								
Equity raising	1,262	12,072	-	-	-	13,334	-	13,334
Warrant exercises	62	214	-	-	-	276	-	276
Option exercises	131	628	-	-	-	759	-	759
Equity raising costs	-	(944)	-	-	-	(944)	-	(944)
Share based compensation	-	480	-	-	-	480	-	480
Acquisition of NCI	-	-	-	-	(3,246)	(3,246)	-	(3,246)
Contribution by parent in NCI	-	-	-	(354)		(354)	354	-
Balance at 31 December 2018	9,983	52,804	10	(57,328)	(3,246)	2,223	(7)	2,216

Consolidated Statement of Changes in Equity

For the year ended 31 December 2019

	Share capital $'000	Equity reserves $'000	Other comprehensive (income)/loss $'000	Accumulated deficit $'000	Other reserves $'000	Total equity attributable to the parent $'000	Non-controlling interests $'000	Total $'000
Balance at 1 January 2019	9,983	52,804	10	(57,328)	(3,246)	2,223	(7)	2,216
Loss for the year	-	-	-	(6,995)	-	(6,995)	(188)	(7,183)
Other comprehensive income	-	-	64	-	-	64	-	64
Total comprehensive income	-	-	64	(6,995)	-	(6,931)	(188)	(7,119)
Transactions with owners in their capacity as owners								
Equity raising	873	3,260	-	-	-	4,133	-	4,133
Warrant exercises	19	122	-	-	-	141	-	141
Option exercises	26	70	-	-	-	96	-	96
Equity raising costs	-	(251)	-	-	-	(251)	-	(251)
Shares issued to consultant	45	155	-	-	-	200	-	200
Reclass performance rights issued to directors	23	(23)	-	-	-	-	-	-
Share based compensation	-	298	-	-	-	298	-	298
Contribution by parent in NCI	-	-	-	(188)	-	(188)	188	-
Balance at 31 December 2019	10,969	56,435	74	(64,511)	(3,246)	(279)	(7)	(286)

1. Corporate Information

The Consolidated Financial Statements of Asiamet Resources Limited (the "Company" or "Asiamet") and its subsidiaries (collectively, the "Group") for the year ended 31 December 2019 were authorised for issue in accordance with a resolution of the Directors on 5 May 2020. The Company is a publicly listed company incorporated under the laws of Bermuda. The Company's shares are listed on the AIM market of the London Stock Exchange ("AIM") under the symbol "ARS". The Company is in the process of transitioning the corporate office from its Melbourne office at Level 22, 3030 Collins Street Melbourne to its Jakarta office at 7th Floor, Gedung Graha Simatupang, Tower Block 1D Jl. TB. Simatupang Kav. 38 Jakarta, Indonesia.

The Group is principally engaged in the exploration and development of mineral properties. The Company's principal mineral property interests are located in Indonesia. Information on the Group's structure is provided in note 16. Information on other related party relationships of the Group is provided in note 12.

2. Significant accounting policies

2.1 Basis of preparation

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

The Consolidated Financial Statements have been prepared on the historical cost basis except for financial assets and liabilities which are required to be measured at fair value. In addition, these Consolidated Financial Statements have been prepared using the accrual basis of accounting. The Consolidated Financial Statements are presented in United States dollar and all values are rounded to the nearest thousand ($'000), except when otherwise indicated.

A number or new or amended standards became applicable for the current reporting period. The Group had to change its accounting policies as a result of adopting *IFRS16 Leases*. The impact of the adoption of the leasing standard and the new accounting policies are disclosed in note 2.4. As this was adopted using the modified retrospective approach, no restatements of comparatives were required. The other standards did not have any impact on the Group's accounting policies and did not require retrospective adjustments.

2.2 Going concern

The Consolidated Financial Statements have been prepared on a going concern basis which assumes that the Group will be able to realise its assets and discharge its liabilities in the normal course of business in the foreseeable future.

For the year ended 31 December 2019, the Group's current liabilities exceeded its current assets by $0.095 million (2018: net current assets of $1.733). The Group also incurred a loss of $7.183 million (2018: $11.035 million) and had cash outflows from operations of $6.294 million (2018: $10.343 million). The Group's cash balance as at 31 December 2019 was $0.418 million (2018: $2.679 million).

On 25 March 2020, the Group announced that it had completed a private placement to a Singapore based commodity trader, Aeturnum Energy ("Aeturnum"). Joining this placement were the Directors of the Company and a number of long term and supportive shareholders, raising gross proceeds of $3.898 million. Transaction costs of $0.063 million is payable on the placement.

2.2 Going concern (continued)

The Company received $3.552 million of the $3.898 million as at the end of March 2020. The remaining balance of $0.346 million is due on or before the end of May 2020. Following this placement, Aeturnum has become the Company's largest shareholder with a 19.9% interest.

As part of the private placement with Aeturnum, the Company has also agreed to a 60-day exclusivity period to allow Aeturnum further time to complete its technical and commercial due diligence for a project level investment in relation to the KSK project.

Based on the Group's cash forecast, the Board is aware that the Group will require additional funding in the next 12 months to 31 May 2021 to ensure the Group will be able to realise its assets and discharge its liabilities in the normal course of business.

The Board has considered the funding and operational status of the business in arriving at their assessment of going concern, including that:

- The Company has completed a Feasibility Study for the BKM Copper Project which demonstrates a robust copper cathode project with significant upside potential for mine life increase through Resource growth and development of satellite deposits.
- The Company is in advanced discussions with strategic partners for funding and financing arrangements for the BKM Copper Project, including a 60-day exclusivity period from 20 March 2020 with Aeturnum which may result an asset level transaction. This period may be extended upon mutual agreement.
- The Company has the ability to raise funds from equity markets to meet ongoing development, exploration and working capital commitments.
- The Company has the ability to manage the timing of cash flows to meet the obligations as and when they fall due including implementing cost control initiatives and varying expenditure commitments. These actions have been put in place as a direct response to COVID-19.

At this stage, based on discussions with strategic partners, there are reasonable grounds to believe that debt and/or equity funding will be available to the Group as and when required. The Board considers that the going concern basis of preparation to be appropriate for these financial statements.

In the event that the Group is not successful in concluding debt or equity financing arrangements with strategic partners, there exists material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern and therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the report.

The financial report does not contain any adjustments relating to the recoverability and classification of recorded assets or to the amounts or classification of recorded assets or liabilities that might be necessary should the Group not be able to continue as a going concern.

2.3 Basis of consolidation

The Consolidated Financial Statements comprise the Financial Statements of the Company and its subsidiaries as at 31 December 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

Profit or loss and each component of Other Comprehensive Income ("OCI") are attributed to the equity holders of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.4 Summary of significant accounting policies

(a) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

2.4 Summary of significant accounting policies (continued)

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with a maturity of three months or less. The carrying amounts of cash and cash equivalents represents fair value.

(c) Plant and equipment

Plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the items and restoring the site on which it is located.

Depreciation is provided at rates calculated to amortise the costs of plant and equipment over the estimated economic useful life of the assets, using the straight-line method over four years commencing from the year the assets are put into service.

An item of equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in profit or loss.

Where an item of equipment is composed of major components with different useful lives, the components are accounted for as separate items of equipment. Expenditures incurred to replace a component of an item of equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalised.

(d) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

2.4 Summary of significant accounting policies (continued)

(e) Goods and Services Tax ("GST") / Value Added Tax ("VAT")

Revenues, expenses and assets are recognised net of the amount of GST and VAT except:

- where the GST/VAT incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST/VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST/VAT included.

The net amount of GST/VAT recoverable from, or payable to, the taxation authority is included as part of other receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST/VAT components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

(f) Pension and other post-employment benefits

The Group provides post-employment benefits for its employees in Indonesia in accordance with Indonesian Labor Law No. 13/2003. This benefit program is deemed a defined benefit plan and is unfunded by the Group. A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior years; that benefit is discounted to determine its present value. The group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed annually by a qualified actuary using the projected unit credit method.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised in profit or loss immediately. Remeasurements of the defined benefit liability, which comprise actuarial gains and losses are recognised immediately in other comprehensive income.

(g) Exploration and evaluation expenditures

The Group expenses all exploration and evaluation costs incurred on mineral properties to which it has secured exploration rights prior to the establishment of proven and probable reserves. Exploration and evaluation costs include costs relating to the acquisition and exploration of the mineral property, less recoveries, and do not necessarily reflect present or future values. When proven and probable reserves are determined for a property, a feasibility study has been prepared with respect to the property and a decision to proceed with development has been approved, then subsequent exploration and development costs of the property will be capitalised and amortised over the useful life of those reserves.

2.4 Summary of significant accounting policies (continued)

(h) Foreign currency translation

Transactions in foreign currencies are initially translated to United States dollars, the functional currency of the Group, at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are re-translated to the functional currency at the exchange rate at that date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on re-translation is recognised in profit or loss.

(i) Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purpose. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable operations, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2.4 Summary of significant accounting policies (continued)

(j) Restoration, rehabilitation and environmental obligations

The Group recognises liabilities for statutory, contractual, constructive or legal obligations, including those associated with the decommissioning of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a decommissioning liability is recognised at its fair value in the period in which it is incurred if a reasonable estimate of cost can be made. The Group records the present value of estimated future cash flows associated with decommissioning as a liability when the liability is incurred and increases the carrying value of the related assets for that amount.

Subsequently, these capitalised decommissioning liabilities are amortised over the life of the related assets. At the end of each period, the liability is increased to reflect the passage of time and changes in the estimated future cash flows underlying any initial estimates.

The Group recognises its environmental liability on a site-by-site basis when it can be reliably estimated. Environmental expenditures related to existing conditions resulting from past or current operations and from which no current or future benefit is discernible are charged to the profit or loss statements. The Group had no decommissioning liabilities for the years presented.

(k) Impairment

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

(l) Leases

Until the end of the comparative period, leases were accounted for by applying the principles of *IAS 17 Leases*, which classified arrangements as either finance leases or operating leases. From 1 January 2019, the Group's accounting policy was changed so that leases are recognised by applying the principles of *IFRS 16 Leases*. Under the new standard, leases are recognised as right-of-use assets with corresponding lease liabilities. See note 2.4 for details of the impact on the Group of adopting the new standard.

Policy applied from 1 January 2019

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

For leases that contain both a lease and non-lease component, the Group does not separate these and instead account for each lease component and any associated non-lease component as a single lease component.

2.4 Summary of significant accounting policies (continued)

Right of use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, cost of dismantling and restoration and lease payments made at or before the commencement date less any lease incentives received. The right-of-use asset is depreciated on a straight-line basis over the lease term of 4.5 years, the remaining lease term.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

See note 14 for more details on the Group's lease liabilities.

Short term leases and leases of low value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets (under $5,000) recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

2.4 Summary of significant accounting policies (continued)

(m) Financial instruments – classification and fair value

The Group recognises financial assets and liabilities on the balance sheet when the Group becomes party to the contractual provisions of the instrument.

- Cash and cash equivalents – Cash and cash equivalents include cash on hand, deposits held with banks, and other short term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are classified and measured at amortised cost.
- Accounts receivable and accounts payable – Accounts receivable and accounts payable are non-interest bearing and are initially measured at fair value, subsequently recorded at amortised cost which approximates fair value due to the short term to maturity. In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Derecognition

A financial asset is primarily derecognised when the right to receive cash flows from the asset has expired and the Group has transferred the rights to receive cash flows.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

Impairment of financial assets

At each reporting date, the Group measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the credit risk of the financial asset has not increased significantly since initial recognition, the Group measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses. Impairment losses on financial assets carried at amortised cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognised. Generally, receivables are written-off if past due for more than one year and are not subject to enforcement activity.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the Consolidated Statement of Financial Position and there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the amounts and settle the liabilities simultaneously.

(n) Loss per share

The Group presents basic and diluted earnings (loss) per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the parent by the weighted average number of common shares outstanding during the period. Diluted earnings per share is calculated by dividing the earnings (loss) by the weighted average number of common shares outstanding assuming that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

In the Company's case, the diluted earnings per share is the same as basic loss per share because the diluted earnings per share is increased when taking into account the effect of the outstanding share options and share purchase warrants. As these are anti-dilutive, they are excluded from the calculation of diluted earnings per share.

2.4 Summary of significant accounting policies (continued)

(o) Share capital

Common shares are classified as share capital. Incremental costs directly attributable to the issue of common shares are recognised as a deduction from equity.

(p) Equity reserves

Equity reserves comprises of amounts subscribed for share capital in excess of nominal value ("share premium"), net share issue costs and the cumulative cost of share based payments and warrants.

(q) Accumulated deficit

Accumulated deficit comprises the losses in respect of the parent and the equity contribution made by the parent on behalf of a non-controlling interest.

(r) Other reserves

Other reserves comprise the difference between the consideration to acquire non-controlling interest and the initial value of non-controlling interests.

(s) Share-based compensation

The Group has used shares, share options and warrants as payments as consideration for goods and services received from suppliers and employees.

Share based payments to employees and others providing similar services are measured at fair value at the date of grant. The fair value determined at the grant date of an equity-settled share-based instrument is expensed recognised as a share-based compensation expense with a corresponding increase in equity over the vesting period. Consideration paid on the exercise of share options and warrants are credited to share capital and the fair value reclassified from reserves to share capital.

Equity-settled share based payment transactions with other parties are measured at the fair value of the goods or services received, except where the fair value cannot be estimated reliably or excess fair value of the identifiable goods or services received, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. The fair value determined at the grant date of such an equity-settled share based instrument is expensed since the shares vest immediately. Where the services are related to the issue of shares, the fair values of these services are recognised in equity.

Fair value of share options and warrants are measured using the Black-Scholes model. The expected life used in the model has been adjusted based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

2.5 Changes in accounting policies and disclosures

New and amended standards and interpretations

The Group applied *IFRS 16 Leases* for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

The below interpretation applied for the first time in 2019, but did not have an impact on the Consolidated Financial Statements of the Group:

- IFRIC23 Uncertainty over income tax treatments. IFRIC 23 clarifies how the recognition and measurement requirements of IAS 12 Income taxes are applied where there is uncertainty over income tax treatments.

The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

IFRS 16 Leases

The Group has adopted IFRS 16 using the modified retrospective method with effect from 1 January 2019 (the 'adoption date'). Accordingly, the comparatives for the 2018 reporting period has not been restated. All relevant contracts, other than short term contracts or those relating to low-value assets, have been assessed to determine whether they are, or contain, leases. For initial adoption purposes, short term contracts include contracts that are for a total period of more than 12 months, but that expire within 12 months or less from the adoption date.

The new accounting policy applicable to leases, including measurement of lease liabilities and right-of-use assets, from 1 January 2019 is detailed in note 2.4(l).

The Group recognised lease liabilities and right of use assets in relation to leases which had previously been classified as operating leases under the principles of IAS 17. No adjustments were made to the opening balance on retained earnings. The Group did not have any leases previously classified as finance leases on the adoption date.

The effect of adoption IFRS 16 as at 1 January 2019 net (increase/(decrease)) is, as follows:

	$'000
Assets	
Prepaid expenses	**(6)**
Right of use asset	**304**
	298
Liabilities & equity	
Deferred lease liability	**(68)**
Lease liabilities	**366**
	298

The Group has lease contracts for various items of offices, warehouses, vehicles and other equipment. Before the adoption of IFRS 16, the Group classified each of its leases at the inception date as either a finance lease or an operating lease. Payments made under operating leases (net of any incentives received from the lessor) were charged to the Consolidated Statement of Comprehensive Income on a straight-line basis over the period of the lease.

Upon adoption of IFRS 16, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to note 2.4(l) Leases for the accounting policy beginning 1 January 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

2.5 Changes in accounting policies and disclosures (continued)

Leases previously classified as finance leases

The Group did not have any leases previously classified as finance leases.

Leases previously accounted for as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- Relied on its assessment of whether leases are onerous immediately before the date of initial application.
- Applied the short-term leases exemptions to leases with remaining lease terms of less than 12 months as at 1 January 2019.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application and
- Chose not to separate lease and non-lease components for leases that contain both a lease and non-lease component and instead account for each lease component and any associated non-lease component as a single lease component.

Based on the above, as at 1 January 2019:

- Prepayments of $0.006 million and Deferred lease liabilities of $0.068 million relating to previous operating leases was reclassified to Right-of-use assets.
- Net Right-of-use assets of $0.304 million was recognised and presented separately in the Statement of Financial Position.
- Lease liabilities of $0.366 million was recognised.

The lease liabilities as at 1 January 2019 can be reconciled to the operating lease commitments as of 31 December 2018, as follows:

	$'000
Operating lease commitments as at 31 December 2018	**441**
Weighted average incremental borrowing rate as at 1 January 2019	**8%**
Discounted operating lease commitments at 1 January 2019	**367**
Recognised as:	
Current lease liabilities	**71**
Non-current lease liabilities	**296**
Total lease liabilities	**367**

3. Significant accounting judgements, estimates and assumptions

The preparation of the Group's Consolidated Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

3.1 Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the Consolidated Financial Statements:

Determination of functional currency

In accordance with IAS 21, management determined that the functional currency of the Company and its subsidiaries is the United States dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21. Significant changes to those underlying factors could cause a change to the functional currency.

Determining the lease term of contracts with renewal and termination options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under its Australian property lease to renew the lease for an additional 5 years. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term to determine if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy). Renewals are only included in the lease term if, at commencement date, it is reasonably certain that the options will be exercised.

The Group did not include the renewal period as part of the lease term for its Australian property lease. On 20 January 2020, as the decision was made to relocate the Australian head office to Jakarta.

Leases - Estimating the incremental borrowing rate

The Group applied the modified retrospective transition approach of IFRS 16 and therefore used its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Exploration and evaluation expenditure

The Group expenses all exploration and evaluation costs incurred on mineral properties to which it has secured exploration rights prior to the establishment of proven and probable reserves. Whilst the BKM Copper Project has proven and probable reserves and a completed feasibility study, a decision to proceed with development is dependent upon satisfying certain legal and commercial criteria for the Project.

3.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the Consolidated Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Provision for employee service entitlements

The provision for employee service entitlements estimation is based upon several actuarial inputs, assumptions, calculations, and estimates using the projected unit credit actuarial valuation method. Because the actuarial model requires the input of highly subjective assumptions, including interest rates, retirement dates, and mortality rates, changes in subjective input assumptions can materially affect the provision estimate.

4. Financial assets and financial liabilities

The following tables disclose the carrying amounts of each class of financial assets and financial liabilities at year end. The financial assets and financial liabilities are recognised at amortised cost in the Financial Statements. The carrying approximate their fair value due to their short-term maturities or the impact of discounting is not considered significant.

	2019 $'000	2018 $'000
Financial assets		
Cash	**418**	2,679
Other receivables	**25**	51
Security deposits	**86**	91
	529	2,821
Financial liabilities		
Current		
Trade and other payables	**396**	980

The Group's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy. As at 31 December 2019, the Group did not have any financial assets and liabilities classified within the three levels of the hierarchy.

The three levels of the fair value hierarchy are:

Level 1 – Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – Valuation based on directly or indirectly observable inputs (other than Level 1 inputs) such as quoted interest or currency exchange rates; and

Level 3 – Valuation based on significant inputs that are not based on observable market data such as discounted cash flow methodologies based on internal cash flow forecasts.

5. Financial risk management

The Group's risk exposures and the impact on the Group's financial instruments are summarised as follows:

(a) Liquidity Risk

Liquidity risk is the risk that the Group will not have the resources to meet its obligations as they fall due. The Group manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations.

(b) Maturities of financial liabilities

The table below summarises the maturity profile of the Group's financial liabilities based on based on the remaining period at the reporting date to the contractual maturity date.

	Weighted average rate	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual flows	Carrying amount of liabilities
	%	$'000	$'000	$'000	$'000	$'000	$'000
As at 31 December 2019							
Payables[1]		**398**	**-**	**-**	**-**	**398**	**398**
Lease liabilities[2]	**8**	**100**	**212**	**50**	**-**	**362**	**315**
Total		**498**	**212**	**50**	**-**	**760**	**713**
As at 31 December 2018							
Payables[1]		980	-	-	-	980	980
Total		980	-	-	-	912	980

(1) Balance of payables due within 90 days.

(2) $0.035 million of lease liabilities due within 90 days.

(c) Credit Risk

Credit risk is the risk of potential loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations. The Group's credit risk is primarily attributable to its liquid financial assets, including cash, receivables, and balances receivable from the government. The Group limits the exposure to credit risk in its cash by only investing its cash with high-credit quality financial institutions in business and savings accounts which are available on demand by the Group for its programs. The Group does not invest in money market funds.

(d) Political Uncertainty

In conducting operations in Indonesia, the Group is subject to considerations and risks related to the political, economic and legal environments in which the Company operates. Among other things, the Group's results may be impacted by changes in the political and social conditions in Indonesia, and by changes in governmental policies with respect to mining laws and regulations, anti-inflationary measures, currency conversion and remittance abroad and rates and methods of taxation.

5. Financial risk management (continued)

(e) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

- *Interest Rate Risk*

  The Group is exposed to interest rate risk to the extent that its cash balances bear variable rates of interest. The interest rate risks on cash and short-term investments and on the Group's obligations are not considered significant.

- *Commodity price risk*

  While the value of the Group's core mineral resource properties, the KSK CoW and the Beutong IUP are related to the price of copper and gold and the outlook for these minerals, the Group currently does not have any operating mines and hence does not have any hedging or other commodity based risks in respect of its operational activities.

  Historically, gold and copper prices have fluctuated and are affected by numerous factors outside of the Group's control, including but not limited to: industrial and retail demand; central bank lending; forward sales by producers and speculators; levels of worldwide production; short-term changes in supply and demand because of speculative hedging activities; and other factors related specifically to gold.

- *Foreign Currency Risk:*

  The Group is exposed to the financial risk related to the fluctuation of foreign exchange rates against the Group's functional currency, which is the United States dollar ("USD"). The Group generally undertakes equity raises in the United Kingdom in Great British Pounds ("GBP"). The Group conducts its business in Indonesia in Indonesian Rupiah ("IDR") with a significant portion of expenditures being denominated in USD. A portion of the Group's business is conducted in GBP and Australian dollars ("AUD"). As such, it is subject to risks due to fluctuations in the exchange rates between the USD and each of the IDR, GBP and AUD. A significant change in the currency exchange rates between the USD relative to foreign currencies could have an effect on the Group's results of operations, financial position and/or cash flows. The Group has not hedged its exposure to currency fluctuations.

  The Group's exposure to the foreign currency amount in USD on financial instruments is as follows:

		2019		2018	
	Currency	Foreign currency amount '000	Amount in US dollars $'000	Foreign currency amount '000	Amount in US dollars $'000
Cash	GBP	**198**	**260**	1,964	2,492
	AUD	**195**	**137**	212	150
	IDR	**154,969**	**11**	171,855	12
Trade and other payables	GBP	**(17)**	**(23)**	(53)	(67)
	AUD	**(399)**	**(280)**	(548)	(387)
	IDR	**(926,743)**	**(66)**	(6,500,921)	(450)
Net exposure			**39**		1,750

5. Financial risk management (continued)

Based upon the above net exposures and assuming that all other variables remain constant, a 10% depreciation of the USD against the IDR, GBP and AUD currencies would result in an increase in the loss of approximately $0.039 million (2018: increase in loss of $0.175 million). This sensitivity analysis includes only the outstanding foreign currency denominated financial instruments.

6. Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so as to maintain an adequate capital base sufficient to maintain future exploration and progress of its projects.

In order to maintain or adjust the capital structure, the Group may issue new shares. The Group's focus has been to raise sufficient funds through equity to fund exploration and evaluation activities, and currently has no external borrowings.

There were no changes in the Group's approach to capital management during the year. Risk management policies and procedures are established with regular monitoring and reporting.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

7. Segment disclosures

The Group operates in the mineral exploration and development industry within Indonesia. With the exception of cash, all of the Group's significant assets are held in Indonesia.

The Chief Operating Decision Maker ("CODM") who is responsible for allocating resources and assessing performance of the operating segments, has been defined as the Chief Executive Officer ("CEO"). Following the departure of Peter Bird in January 2020, the Executive Chairman has temporarily been defined as the CODM whilst the Group seeks a replacement CEO.

The CODM receives regular consolidated cash flow information as well as Consolidated Statement of Financial Position and Statement of Comprehensive Income information that is prepared in accordance with IFRS. The CODM does not currently receive segmented Statement of Financial Position and Statement of Comprehensive Income information. The Board manages exploration activities of each permit area through review and approval of budgets, cash calls and other operational information. Information regarding exploration expenditure for each area is contained in note 8.

8. Exploration and evaluation

The Group's exploration and evaluation assets comprise the KSK CoW porphyry copper prospect in Central Kalimantan (held by PT KSK) and the Beutong IUP in Aceh, Sumatra, Indonesia (held by PT EMM).

(a) Exploration and evaluation expenditures

The details of exploration and evaluation expenditures expensed during the period ended 31 December 2019 and 31 December 2018 are as follows:

		2019 $'000	2018 $'000
KSK CoW			
	Administration support	**501**	554
	External relations	**71**	92
	Drilling & Field support	**351**	219
	Technical services	**1,562**	3,875
	Tenements	**103**	74
		2,588	4,814
Beutong IUP			
	Administration support	**441**	263
	External relations	**85**	31
	Drilling & Field support	**59**	927
	Technical services	**15**	143
	Tenements	**40**	40
		640	1,404
Total exploration and evaluation expenditures		**3,228**	6,218

(b) Security deposits

The details of the Group's refundable security deposits for exploration rights are as follows:

	2019 $'000	2018 $'000
KSK CoW	**13**	22
Beutong IUP	**73**	69
	86	91

9. Income tax

The Company is a tax-exempt Bermuda corporation and its shares are listed for trading on AIM. Profits generated by mining under the Company's sixth generation KSK CoW and IUP's are taxed in Indonesia at the maximum corporate rate of 25%.

In Indonesia, tax losses for CoW's may be carried forward for a period of five years and for IUP holders five years. The Group defers its mineral exploration costs in Indonesia for tax purposes. The Group has unrecognised tax losses and temporary differences of $49.968 million (2018: $60.472 million) which may be carried forward and offset against future taxable income.

The gross amount of estimated tax losses and temporary differences carried forward that have not been tax effected expire as follows:

	Indonesia $'000	Australia $'000	Singapore $'000	Total $'000
Income tax losses				
No later than 5 years	**-**	**-**	**-**	**-**
Unlimited	**-**	**2,844**	**220**	**3,064**
	-	**2,844**	**220**	**3,064**
Temporary differences				
Unlimited	**46,506**	**398**	**-**	**46,904**
Gross amount of tax losses / temporary differences not recognised	**46,506**	**3,242**	**220**	**49,968**

The following table reconciles the amount of income tax recoverable on application of the statutory income tax rates:

	2019 $'000	2018 $'000
Accounting loss before tax	**7,183**	11,035
Tax benefit at Bermudan statutory income tax rate of 0% (2018: 0%)	**-**	-
Non-deductible expenses	**100**	71
Effect of difference in the rate between parent and foreign subsidiaries	**(1,552)**	(2,313)
Temporary difference & tax losses not recognised	**1,452**	2,384
Income tax expense	**-**	**-**

As at the end of the report period, the Company and its subsidiaries does not have any corporate income tax payable in any of the jurisdictions it operates.

10. Receivables and other assets

	2019 $'000	2018 $'000
Current		
Receivables – employee advances	**4**	20
Receivables – other	**21**	31
Prepayments	**25**	33
Total current receivables and other assets	**50**	84
Non current		
VAT receivable – Indonesia[1]	**714**	536
Provision for impairment	**(714)**	-
	-	536
Security deposits	**86**	91
Total non current receivables and other assets	**86**	627

(1) The Group has provided an allowance for impairment against the Indonesian VAT receivables following an audit by the Indonesian government in 2019/2020. The Group is pursuing VAT receivables of $0.284 million. $0.430 million will be recoverable once production commences in accordance with Indonesian regulation.

11. Plant and equipment

	2019 $'000	2018 $'000
Opening net book amount	**234**	41
Additions	**38**	238
Impairment & write-offs	**(10)**	(7)
Depreciation charge for the year	**(65)**	(38)
Closing balance	**197**	234
Net carrying amount:		
Cost	**684**	654
Accumulated depreciation	**(487)**	(420)
Closing balance	**197**	234

12. Related party transactions

(a) Loans from Directors and Officers

There were no loans received or repaid to Directors for the year ending 31 December 2019 (2018: nil). See note 17 for further details for loans from Directors received subsequent to year end.

(b) Remuneration of Directors and Officers

The remuneration of Directors and Officers, including amounts disclosed above, during the year ended 31 December 2019 and 31 December 2018 were as follows:

	2019 $'000	2018 $'000
Consulting fees – Executive Chairman	**62**	87
Salaries, wages and related costs	**411**	501
Share-based compensation[1]	**205**	436
Termination benefits	**-**	81
Total remuneration	**678**	1,105

(1) The Directors will receive $0.156 million (2018: $0.123 million) as payment for director fees in the form of performance rights. The performance rights will be issued after the Audited Annual Accounts have been released and will vest immediately. The number of ordinary shares received will be determined by the share price at the time of issue.

(c) Other related party transactions

The Group's other related party transactions consist of transactions made with companies that are controlled by its Directors and/or Officers.

During the year, consulting services for Executive Chairman (Antony, (Tony) Manini), executive assistant and associated cost recharges were independently provided by EMR Capital, a company controlled by the Executive Chairman. The contract terms are based on normal market rates for this type of service and amounts are payable under normal market terms.

The aggregate value of transactions related to related companies were as follows:

	2019 $'000	2018 $'000
EMR Capital		
Consulting fees – Executive Chairman	**62**	87
Consulting fees – Executive Assistant	**10**	16
Cost recharges	**9**	24
Total fees and costs	**81**	127

Consulting fees for the services of the Group's Executive Chairman, Tony Manini are disclosed in the above Remuneration of Directors and Officers table.

The outstanding balance due to EMR Capital as at 31 December 2019 was $0.153 million (2018: $0.062 million).

13. Provisions

	2019 $'000	2018 $'000
Current		
Annual leave	**89**	50
Total current provision for employee service entitlements	**89**	50
Non-Current		
Long service leave	**5**	2
Indonesian Employee Benefits liability	**468**	376
Total Non-current Provision for employee service entitlements	**473**	378

Annual and long service leave

The provision for annual and long service leave represents the amount which the Group has a present obligation to pay resulting from employees' services provided up to the end of each reporting period. Leave entitlements that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Leave entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wages increases and the probability that the employee may satisfy vesting requirements. Those cash outflows are discounted using market yields on corporate bonds with terms to maturity that match the expected timing of cash flows.

Indonesian Employee Benefits liability

The Indonesian employee termination benefits arrangement is regulated under Indonesian labour laws enacted in 2003, which require companies to provide a minimum level of benefits to employees upon employment termination, based on the reason for termination and the employee's years of service. The benefits are not funded and the provision is recognised based on independent actuarial valuation reports. The following assumptions are used in the calculation:

	2019	2018
Discount rate (% per annum)	**7.2%**	8.1%
Future salary increases (% per annum)	**10%**	10%
Normal retirement age	**56**	56
Mortality	**Indonesia Mortality Table 2011 (TMI 3)**	Indonesia Mortality Table 2011 (TMI 3)
Disability rate (per annum)	**10% x TMI 3**	10% x TMI 3

13. Provisions (continued)

The following tables summarise the amount recognised in the statement of financial position, movements in the liability and the components of employee benefit expense recognised in the income statement:

	2019 $'000	2018 $'000
Indonesian Employee Benefits liability[(1)]		
Opening balance	**376**	156
Employee benefits expense	**154**	146
Foreign exchange adjustment	**16**	(11)
Benefits paid	**(12)**	-
Other adjustments	**-**	107
Charged directly to OCI - remeasurement adjustments	**(66)**	(22)
Closing balance	**468**	376
Employee benefits expense		
Current service cost	**129**	135
Interest cost	**24**	10
	153	145

(1) Represents the present value of defined benefit obligation – unfunded.

A sensitivity analysis for significant assumptions at 31 December 2019 is shown below:

	Discount rate		Future salary increases	
	1% increase $'000	1% decrease $'000	1% increase $'000	1% decrease $'000
Increase/(decrease) in Indonesian Employee Provision	**(16)**	**20**	**19**	**(16)**

The expected payments to be made in future years in relation to the defined benefit obligation are set out below:

	2019 $'000	2018 $'000
Within 1 year	**272**	177
2-5 years	**34**	124
6-10 year	**288**	435
After 10 years	**399**	337
	993	1,073

The expected payments represents future undiscounted amount of benefits payable assuming all employees who reach the age of 56 years remain in continuous employment with the Group until retirement.

The average duration of the defined benefit obligation at the end of the reporting period is 8.5 years (2018: 8.8 years).

14. Leases

The Group has lease contracts for various items of offices, warehouses, vehicles and other equipment used in its operations. Leases of offices, warehouses and vehicles generally has lease terms of 1 to 6 months but may have extension options. Leases of office equipment are of low value. All leases are reassessed prior to the end of the lease period to determine whether the Group will renew the existing lease or renegotiate a new lease on terms and/or conditions more favourable to the Group. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

The lease for the Melbourne office is a non-cancellable lease with a five-year term, with rent payable monthly in advance. Rental provisions within the Australian property lease agreement require the minimum lease payments be increased by 4% per annum. An option exists to renew the lease at the end of the five-year term for an additional five years. This extension option was not included in the calculation of the lease term. Subsequent to the year end, the Board made a decision to relocate the Australian head office to Jakarta. See note 17(a) for more details.

Set out below are the carrying amounts of right-of-use asset for the Melbourne office recognised and the movements during the period:

	2019 $'000
As at 1 January	**304**
Depreciation expense	**(68)**
As at 31 December	**236**

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2019 $'000
As at 1 January	**366**
Accretion of interest	**26**
Payments	**(74)**
Foreign exchange	**(3)**
As at 31 December	**315**
Current	**78**
Non-current	**237**
As at 31 December	**315**

The maturity analysis of lease liabilities are disclosed in note 5(b).

The following are amounts recognised in profit or loss:

	2019 $'000
Depreciation for right-of-use assets	**68**
Interest on lease liabilities	**26**
Rent expense - short-term leases	**268**
Rent expense - leases of low-value assets	**10**
Total amounts recognised in profit or loss	**372**

The Group had total cash outflows for leases of $0.351 million in 2019 (2018: $0.833 million).

15. Share capital and reserves

(a) Authorised share capital

	2019	2018
Authorised share capital ($'000)	**15,000**	12,000
No. of common shares ('000)	**1,500,000**	1,200,000
Par value per share	**$0.01**	$0.01
Fully paid share capital ('000)	**1,100,868**	998,773

The Shareholders of the Company approved the increase of the authorised share capital at the Annual General Meeting held on 25 June 2019.

(b) Fully paid share capital

	Shares thousands	Share capital $'000	Contributed surplus $'000
At 1 January 2018	856,764	8,528	40,354
Share issue - 13 March 2018	65,402	654	9,428
Share issue - 29 November 2018	60,748	607	2,644
Shares issued on exercise of options	13,100	131	628
Shares issued on exercise of warrants[1]	2,759	63	214
Share based compensation	-	-	480
Equity raising costs	-	-	(944)
At 31 December 2018	998,773	9,983	52,804
Share issue - 14 June 2019	**37,348**	**373**	**1,627**
Share issue - 20 August 2019	**50,000**	**500**	**1,633**
Shares issued on exercise of options	**2,550**	**26**	**70**
Shares issued on exercise of warrants[1]	**5,358**	**19**	**122**
Reclassify par value of shares issued to directors[2]	**2,332**	**23**	**(23)**
Shares issued to consultant[3]	**4,507**	**45**	**155**
Share based compensation	-	-	**298**
Equity raising costs	-	-	**(251)**
At 31 December 2019	**1,100,868**	**10,969**	**56,435**

(1) On 24 December 2018, the Company received $0.129 million from warrant holders for the exercise of 3.476 million warrants. New shares in the Company were issued on 3 January 2019.

(2) Shares issued to Directors in respect of 2018 performance rights.

(3) Shares were issued to Whittle Consulting Pty Ltd, a consultant engaged to perform work on the BKM Feasibility Study, as consideration for half of its invoiced fees of $0.2 million. The share price used for the calculation approximately GBP 0.03612 per share. This was calculated from the 5-day VWAP over the 5 trading days immediately following the end of the last close period, being the completion of the equity raise announced on 20 August 2019.

15. Share capital and reserves (continued)

(c) Common share purchase warrants

The continuity of common share purchase warrants for the year ended 31 December 2019 is as follows:

Expiry date	Exercise price		Balance 31-Dec-18	Granted	Exercised	Expired	Balance 31-Dec-19[1]
	CAD[2]	GBP	'000	'000	'000	'000	'000
13 Apr 19	*0.10*		**2,922**	**-**	**(1,881)**	**(1,041)**	**-**
10 May 22		*0.04*	**-**	**2,240**	**-**	**-**	**2,240**
20 Aug 22		*0.04*	**-**	**2,500**	**-**	**-**	**2,500**
			2,922	**4,740**	**(1,881)**	**(1,041)**	**4,740**
Weighted average exercise price[3]			**0.06**	**0.04**	**0.06**	**0.06**	**0.04**
Weighted average exercise price[4]			**0.07**	**0.05**	**0.08**	**0.08**	**0.05**

(1) All of the outstanding balance of warrants are exercisable.
(1) Exercise price of CAD warrants were converted to GBP equivalent at the date the warrants were exercised.
(2) Calculated in GBP.
(3) USD equivalent.

The weighted average remaining contractual life of the common share purchase warrants outstanding as at 31 December 2019 was 2.5 years (2018: 0.3 years).

The continuity of common share purchase warrants for the year ended 31 December 2018 is as follows:

Expiry date	Exercise price	Balance 31-Dec-17	Granted	Exercised	Expired	Balance 31-Dec-18[1]
	CAD[2]	'000	'000	'000	'000	'000
26 Apr 18	*0.06*	2,148	-	(2,148)	-	-
23 Dec 18[3]	*0.05*	3,476	-	(3,476)	-	-
13 Apr 19	*0.10*	3,534	-	(612)	-	2,922
		9,158	-	(6,236)	-	2,922
Weighted average exercise price[4]		0.04	-	0.03	-	0.06
Weighted average exercise price[5]		0.05	-	0.04	-	0.07

(4) All of the outstanding balance of warrants are exercisable.
(5) Exercise price of CAD warrants will be converted to GBP equivalent at the date the warrants are exercised.
(6) Shares were issued on 3 January 2019.
(7) Calculated in GBP.
(8) USD equivalent.

15. Share capital and reserves (continued)

(d) Stock Options

The Company has a shareholder approved "rolling" stock option plan (the "Plan"). Under the Plan the maximum number of shares reserved for issuance may not exceed 10% of the total number of issued and outstanding common shares at the time of granting. The exercise price of each stock option shall not be less than the market price of the Company's stock at the date of grant. Options can have a maximum term of ten years and typically terminate 90-days following the termination of the optionee's employment or engagement, except in the case of retirement or death. Vesting of options is at the discretion of the Board of Directors at the time the options are granted. The Company continues to operate under the Plan.

The continuity of stock options for the year ended 31 December 2019 is as follows:

Expiry date	Exercise price		Balance 31-Dec-18	Granted	Exercised	Expired	Balance 31-Dec-19	Exer-cisable
	CAD[1]	GBP	'000	'000	'000	'000	'000	'000
6 Oct 19	*0.05*		**1,500**	**-**	**(800)**	**(700)**	**-**	**-**
31 Aug 20	*0.05*		**6,200**	**-**	**(1,750)**	**-**	**4,450**	**4,450**
1 Nov 21	*0.07*		**6,650**	**-**	**-**	**-**	**6,650**	**6,650**
20 Feb 22[2,3]		*0.09*	**8,000**	**-**	**-**	**-**	**8,000**	**8,000**
5 Oct 22		*0.07*	**11,700**	**-**	**-**	**-**	**11,700**	**11,700**
1 Jan 23[4,5]		*0.15*	**4,500**	**-**	**-**	**-**	**4,500**	**3,000**
11 Jan 21[6]		*0.12*	**800**	**-**	**-**	**-**	**800**	**700**
			39,350	**-**	**(2,550)**	**(700)**	**36,100**	**34,500**
Weighted average exercise price[7]			**0.07**	**-**	**0.03**	**-**	**0.07**	
Weighted average exercise price[8]			**0.09**	**-**	**0.03**	**-**	**0.10**	**-**

(1) Exercise price of CAD options will be converted to GBP equivalent at the date the options are exercised.
(2) 4 million options vested on 20 February 2018, 4 million vested on 20 February 2019 and all expires on 20 February 2022.
(3) 2 million options exercisable at GBP0.06, 2 million at GBP0.08, 2 million at GBP0.10 and 2 million at GBP0.12.
(4) 1.5 million options vested on 1 January 2018, 1.5 million options vested on 1 January 2019, 1.5 million vests on 1 January 2020 and all expires on 1 January 2023.
(5) 1.5 million options exercisable at GBP 0.13, 1.5 million at GBP 0.15 and 1.5 million at GBP 0.17.
(6) 0.550 million options vested on completion of a base model for BKM Project, 0.150 million options vested on completion of the BFS of the BKM project and 0.100 million options vests on completion of project/development financing for the BKM project. All expires on 11 January 2021.
(7) Calculated in GBP.
(8) USD equivalent.

The weighted average remaining contractual life of the stock options outstanding as at 31 December 2019, was 2.73 years (2018: 3.7 years).

15. Share capital and reserves (continued)

The continuity of stock options for the year ended 31 December 2018 is as follows:

Expiry date	Exercise price		Balance 31-Dec-17	Granted	Exercised	Expired	Balance 31-Dec-18	Exer-cisable
	CAD[1]	GBP	'000	'000	'000	'000	'000	'000
1 Jul 18	*0.10*		4,282	-	(2,650)	(1,632)	-	-
6 Oct 19	*0.05*		3,050	-	(1,550)	-	1,500	1,500
31 Aug 20	*0.05*		9,250	-	(3,050)	-	6,200	6,200
1 Nov 21	*0.07*		10,500	-	(3,850)	-	6,650	6,650
20 Feb 22[2,3]		*0.09*	8,000	-	-	-	8,000	4,000
5 Oct 22		*0.07*	13,700	-	(2,000)	-	11,700	11,700
1 Jan 23[4,5]		*0.15*	-	4,500	-	-	4,500	1,500
11 Jan 21[6]		*0.12*	-	800	-	-	800	-
			48,782	5,300	(13,100)	(1,632)	39,350	31,550
Weighted average exercise price[7]			0.05	0.15	0.04	0.06	0.07	
Weighted average exercise price[8]			0.07	0.18	0.05	0.08	0.09	-

(1) Exercise price of CAD options will be converted to GBP equivalent at the date the options are exercised.
(2) 4 million options vested on 20 February 2018, 4 million vests on 20 February 2019 and all expires on 20 February 2022.
(3) 2 million options exercisable at GBP0.06, 2 million at GBP0.08, 2 million at GBP0.10 and 2 million at GBP0.12.
(4) 1.5 million options vested on 1 January 2018, 1.5 million options vests on 1 January 2019, 1.5 million vests on 1 January 2020 and all expires on 1 January 2023.
(5) 1.5 million options exercisable at GBP 0.13, 1.5 million at GBP 0.15 and 1.5 million at GBP 0.17.
(6) 0.550 million options vests on completion of a base model for BKM Project, 0.150 million options vests on completion of the BFS of the BKM project and 0.100 million options vests on completion of project/development financing for the BKM project. All expires on 11 January 2021.
(7) Calculated in GBP.
(8) USD equivalent.

(e) Share based compensation

The table below provides the breakdown of share based payments recorded:

		2019 $'000	2018 $'000
Options vested	*(i)*	**50**	357
Warrants granted	*(i)*	**92**	-
Performance rights granted	*(ii)*	**156**	123
		298	480

(i) Options vested and warrants granted

During the year ended 31 December 2019, the Group recorded $0.050 million (2018: $0.357 million) in non-cash share based compensation expense for options that have vested in the year and $0.092 million (2018: nil) for warrants that were granted during the year.

The fair value of each option and warrant granted was estimated on the date of grant using the Black-Scholes option pricing model.

15. Share capital and reserves (continued)

The table below lists the assumptions used in the Black-Scholes pricing model to determine the fair value of the options and warrants:

Grant date	20-Feb-17	1-Jan-18	11-Jan-18	23-May-19	20-Aug-19
Warrant/option	Option	Option	Option	**Warrant**	**Warrant**
Risk free interest rate	1.02%	0.86%	0.86%	**0.54%**	**0.54%**
Expected volatility	110%	60%	60%	**62%**	**61%**
Expected life	5	5	3	**3**	**3**
Expected dividend	0	0	0	**0**	**0**
Foreign exchange	GBP/USD	GBP/USD	GBP/USD	**GBP/USD**	**GBP/USD**
Foreign exchange rate	1.26	1.27	1.27	**1.27**	**1.21**
Fair value granted ($'000)	360	235	40	**46**	**45**
Number granted ('000)	8,000	4,500	800	**2,241**	**2,500**
Fair value per option/warrant ($)	0.05	0.05	0,05	**0.02**	**0.02**

(ii) Performance rights granted

During the year ended 31 December 2019, the Company recorded $0.156 million (2018: $0.123 million) in performance rights granted to non-executive Directors in respect of director fees. The performance rights will be issued after the Audited Annual Accounts have been released and will vest immediately. The number of ordinary shares received will be determined by the share price at the time of issue.

16. Group information

(a) Information about subsidiaries

The Consolidated Financial Statements of the Group include:

Name of subsidiary	Place of incorporation	Proportion of ownership interest	Principal activity
Indokal Limited	Hong Kong	100%	Holding company
PT Pancaran Cahaya Kahaya ("PCK")	Indonesia	100%	Holding company
PT Kalimantan Surya Kencana ("KSK")	Indonesia	100%	Owner of KSK CoW
Tigers Copper Singapore No. 1 Pte Ltd. ("TC Sing")	Singapore	100%	Holding company
Beutong Resources Pte Ltd. ("BRPL")	Singapore	100%	Holding company
PT Emas Mineral Murni ("PT EMM")	Indonesia	80%	Owner of Beutong IUP
PT Tigers Realm Gold Indonesia ("PT TRG")	Indonesia	95%	Holding company

(b) Non-controlling interests – PT Emas Mineral Murni ("PT EMM"), owner of Beutong IUP

The Group is responsible for funding 100% of all costs related to each of BRPL and EMM until a decision to mine. At decision to mine, the Group and Media shall contribute to expenditure and other contributions in accordance to their respective interest. The Group controls each of the entities and makes all decisions regarding work programs.

17. Subsequent events

(a) Relocation of Melbourne head office and corporate function

On 22 January 2020, the Group announced its intention to relocate its Melbourne head office and corporate function to Jakarta, Indonesia. The Board considered that a significant increase in corporate and project activities relating to ongoing funding and development of the Group's asset portfolio, in particular the nearer term BKM Copper Project, would be best served by moving the Corporate head office to Jakarta.

The Group expects the relocation to cost between $0.300 million and $0.350 million in 2020 which includes redundancy payments. Fixtures and fittings with a carrying value of $0.081 million is expected to be impaired in 2020.

The Group also expects to re-assign the Melbourne office lease for the remaining term. In the event that the Melbourne office lease is unable to be re-assigned, further costs of $0.300 million to $0.350 million will be incurred to payout the remainder of the lease term and a further impairment to the ROU asset will be required.

(b) Director loans

On 13 January 2020, Tony Manini loaned the Group $0.280 million (A$0.410 million). The loan was denominated in Australian dollars, was interest bearing at the rate of 10% per annum, was unsecured and due on demand. On 20 March 2020, $0.123 million (A$0.200 million) of the loan was converted into equity for 11.784 million common shares as part of the Private Placement detailed in note 17(c). On 26 March 2020, the balance of the loan was repaid in full together with $4,271 (A$7,002) interest expense.

On 16 March 2020, Dominic Heaton loaned the Group $0.100 million. The loan was denominated in United States dollars, was interest bearing at the rate of 10% per annum, was unsecured and due on demand. On 26 March 2020, the loan was repaid in full together with $260 interest expense.

(c) Private Placement

On 25 March 2020, the Group announced that it had entered into a private placement with Aeturnum Energy Pte Ltd ("Aeturnum") which resulted in Aeturnum holding a 19.9% interest in the Group. This placement was supported by Directors and some long-term supporters of the Company. The Group issued 373.399 million shares at a price of 0.9 pence per share raising a net amount raised was US$3.834 million (GBP3.305 million). The Company received $3.552 million of the $3.898 million as at the end of March 2020. The remaining balance of $0.346 million is due on or before the end of May 2020.

Directors Participation

Antony Manini, Bruce Sheng and Faldi Ismail was issued shares in the Company as per the table below:

Director	Shares subscribed	Balance of shareholding post placement
A Manini	11,784,444	45,676,627
B Sheng	46,337,856	120,242,576
F Ismail	8,000,000	14,642,744

The Group has also granted a 60-day exclusivity period (extendable by Agreement) to allow Aeturnum further time to complete its technical and commercial due diligence for a project level investment in relation to the KSK CoW.

17. Subsequent events (continued)

(d) COVID-19 outbreak

Subsequent to end of the financial year, the COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020.

The Group has not seen a significant impact on its business to date. The outbreak and the response of Governments in dealing with the pandemic is interfering with general activity levels within the community, the economy and the operations of the business. The scale and duration of these developments remain uncertain as at the date of this report however they are not significantly impacting the Group's operations. It is not possible to estimate the impact of the outbreak's near-term and longer effects or Governments' varying efforts to combat the outbreak and support businesses. This being the case, we do not consider it practicable to provide a quantitative or qualitative estimate of the potential impact of this outbreak on the Group at this time.

The financial statements have been prepared based upon conditions existing at 31 December 2019 and considering those events occurring subsequent to that date, that provide evidence of conditions that existed at the end of the reporting period. As the outbreak of COVID-19 occurred after 31 December 2019, its impact is considered an event that is indicative of conditions that arose after the reporting period and accordingly, no adjustments have been made to financial statements as at 31 December 2019 for the impacts of COVID-19.

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Independent Auditor's Report to the Members of Asiamet Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Asiamet Resources Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial report of the Group presents fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2019, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2.2 in the financial report which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the entity not continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of Matter: Subsequent Events – Impact of the Coronavirus (COVID-19) Outbreak

We draw attention to Note 17(d) of the financial report which notes the World Health Organisation's declaration of the outbreak of COVID-19 as a global pandemic subsequent to 31 December 2019 and how this has been considered by the Directors in the preparation of the financial report. As set out in Note 17(d), no adjustments have been made to financial statements as at 31 December 2019 for the impacts of COVID-19. Our opinion is not modified in respect of this matter.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. We have determined the matters described in the Material Uncertainty Related to Going Concern and the Emphasis of Matter: Subsequent Events – Impact of the Coronavirus (COVID-19) Outbreak sections of this report to be the key audit matters to be communicated in our report.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matter, provide the basis for our audit opinion on the accompanying financial report.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2019 Annual Report but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with International Financial Reporting Standards and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Ernst & Young

Ernst & Young

RJambridge

Richard Bembridge
Engagement Partner

Melbourne
5 May 2020