
24 December 2020

Sale and Purchase Agreement Executed

Asiamet Resources Limited (“Asiamet” or the “Company”) is pleased to announce that following the market release dated 8 October 2020, the Company has signed a conditional binding Share Purchase Agreement (“SPA”) with PT Wasesa Indo Nusa (“PT WIN”), an Indonesian private company, to acquire Asiamet’s wholly-owned subsidiary Indokal Limited (“Indokal”) (the “Transaction”). Indokal is the 100% owner of the Kalimantan Surya Kencana Contract of Work (“KSK CoW”), including the BKM Copper Project, located in Central Kalimantan, Indonesia.

As part of the Transaction, PT WIN has entered into an agreement to acquire Aeturnum Energy International Limited’s (“Aeturnum”) commodities trading business. PT WIN plans to undertake an Initial Public Offering (“IPO”) on the Indonesian Stock Exchange (“IDX”) in early 2021. Discussions are currently underway with several highly regarded Indonesian financial institutions to underwrite the IPO. Following the planned IPO, PT WIN expects to have sufficient financial resources to enable the pathway for development of the BKM Copper Project.

The Transaction is subject to receipt of shareholder and regulatory approvals and the equity consideration valuations ascribed throughout this release are subject to final underwriter valuations.

All references to \$ are US Dollars.

The terms of the sale have not materially changed from those announced in the Heads of Agreement on 8 October 2020, the transaction highlights are as follows:

- Indokal to be acquired by PT WIN for a total staged consideration of \$163.4 million.
- The acquisition price will comprise:
 - \$10 million paid in cash on the execution of a binding Sale and Purchase Agreement (“SPA”), payable in two instalments, \$2.5 million to be paid in cash on the execution of the SPA, which is non-refundable, with a further \$7.5 million to be paid in cash on 31 January 2021
 - \$40 million paid in cash upon the successful IPO of PT WIN on the IDX
 - A 22.5% shareholding in IDX listed PT WIN is payable to Asiamet in two tranches; the first upon listing, the second upon PT WIN releasing its 2020 Mineral Resources and Exploration Target statements to the IDX. Aeturnum’s independent valuers estimate PT WIN to have an equity value of circa \$500 million on a 100% basis on IPO.
- Asiamet will continue to manage the KSK CoW project for a period of up to 12 months (extendable by mutual agreement) following the IPO of PT WIN through a management services contract.

Shareholder and Regulatory Approvals

The Transaction is subject to, inter alia, Asiamet shareholder approval and approvals by the Government of Indonesia and other regulatory bodies.

A notice of meeting detailing the transaction as well as seeking shareholder support for this proposed transaction will be published shortly with the meeting to be held before the end of January 2021.

Tony Manini, Executive Chairman of Asiamet Resources commented:

“Completion of this transaction with PT WIN and Aeternum will meet the three key objectives Asiamet was looking to achieve and in doing so is expected to unlock very significant value for all stakeholders. Firstly, and most importantly, it paves the way for the advancement of funding and development of the BKM copper project, secondly the Company retains a very meaningful stake and continues to provide significant input into the ongoing development and wider exploration upside of the highly prospective KSK CoW, and thirdly it strengthens the underlying balance sheet of the Company and enables Asiamet to continue growing value for its shareholders.

The outlook for copper remains strong as the transition to renewable energy and electric vehicles gathers momentum and drives increased demand, while mine supply simultaneously continues to be challenged. Recent strong upward revisions of copper price forecasts by various institutions support this thematic and provide a solid platform for the proposed IPO of PT WIN on the Indonesian stock exchange in early 2021.”

Summary of the Transaction and other key terms

These details are set out below:

- Aeternum, a 19.9% shareholder in Asiamet has entered into a binding agreement to acquire PT WIN, an Indonesian private company, currently a shell company.
- PT WIN has entered into a binding agreement to acquire Aeternum’s commodities trading business.
- On satisfaction of the conditions precedent and payment of the total acquisition price, PT WIN will immediately acquire Indokal, Asiamet’s wholly owned subsidiary and the holder of the KSK CoW.
- The total acquisition price will be paid in cash and equity in PT WIN. The value of the equity in PT WIN on IPO is subject to the final pricing of the IPO which will be driven by underwriter valuations, with the total estimated consideration of \$163.4 million being paid in four stages as follows:
 - \$2.5 million to be paid in cash on the execution of the SPA, which is non-refundable, with a further \$7.5 million to be paid in cash on 31 January 2021, the sum total of \$10 million (Tranche A)
 - \$40 million paid in cash upon the successful IPO of PT WIN (Tranche B)
 - A 22.5% shareholding in IDX Listed PT WIN payable to Asiamet in two tranches, the first upon listing (~10.7%) and the second upon PT WIN releasing a 2020 Mineral Resource Statement to the IDX which contains at least 400,000 tonnes of copper in JORC Compliant Mineral Resources and Exploration Target (~11.8%). Aeternum’s independent valuers estimate that PT WIN is expected to have an equity value of circa \$500 million on IPO.
- Certain sell down restrictions will apply to the sale of any part of the Company’s shareholding interest in PT WIN. Asiamet will be entitled to divest up to 50% of its initial holding in PT WIN over any 12 month period should it wish to do so. The Company intends to retain its shareholding

and continue to work with PT WIN on the development of the BKM Project and KSK COW while retaining the flexibility to re-evaluate its position at any time.

- On the basis that the IPO proceeds as planned, PT WIN will allocate at least \$30 million from IPO proceeds towards the development of the BKM copper project.
- Asiamet will be entitled to at least two board seats in PT WIN or a 40% representation on the PT WIN board.
- PT WIN has the right at any time prior to satisfaction of all conditions precedent, to acquire 100% of Indokal for cash at an agreed price.
- The Company will provide management services to PT WIN for up to 12 months post IPO, extendable by mutual agreement. The Company will be reimbursed for these services on a cost plus basis by PT WIN.
- Any statutory bonds, financial commitments, value enhancement, field work and operating costs required for the BKM copper from the date of the SPA until IPO will be reimbursed to Asiamet by PT WIN upon listing.
- It is proposed that the IPO will take place by 31 March 2021. If it is extended beyond this date by mutual agreement, this extension will be subject to PT WIN paying Asiamet a mutually agreed sum up to 50% of the Tranche B payment, \$20 million, or an otherwise mutually agreed amount.
- If the IPO of PT WIN does not proceed as proposed Asiamet will:
 - Be entitled to retain the \$2.5 million of the Tranche A payment, with the additional \$7.5 million required to be paid by PT WIN before any equity interest in Indokal is permitted upon termination
 - Provide PT WIN with a 30 day exclusivity period to purchase Indokal for cash at a price to be agreed between PT WIN and Asiamet, less any funds already paid to Asiamet ("Cash Option").
 - If the Cash Option is not executed by PT WIN, PT WIN will be entitled to a 5% equity interest in Indokal, subject to the full payment of Tranche A indicated above.
- The key conditions precedent are:
 - Asiamet satisfactorily completing its remaining due diligence on PT WIN and Aeturnum and/or its affiliates
 - Customary and regulatory approvals as required in Indonesia
 - Asiamet shareholder approval will be sought following the execution of the SPA
 - The satisfactory IPO by PT WIN, which includes a minimum equity value of \$400 million and minimum free float of 20 per cent ("Minimum IPO Value").
- If the Minimum IPO Value is not achieved, subject to negotiations with PT WIN, Asiamet may elect to proceed with a resized IPO in its sole discretion, upon which Asiamet will be entitled to a larger equity position in PT WIN which is to be agreed between the parties.

Following completion of the transaction Asiamet will have circa \$50 million cash and no debt on its balance sheet and retain a sizeable 22.5% interest in the KSK CoW through its shareholding in PT WIN along with an 80% interest in the significantly larger Beutong copper gold porphyry project located in Aceh, Indonesia. The Company plans to continue working with PT WIN on the development of the BKM copper project, to progress various options for further exploration and development of the Beutong project and assess additional growth opportunities that can create long term value for shareholders.

Timeline

The timeline for key events/milestones is as follows:

- Shareholder approval January 2021
- PT WIN to complete an IPO by end of Q1 2021

Shareholder Approval

The Proposed Transaction would also be deemed to be a disposal resulting in a fundamental change to the business in accordance with AIM Rule 15 and as such the Proposed Transaction is conditional on the consent of its shareholders being given in a general meeting. The Company will publish a circular convening the general meeting and containing details of the disposal and any proposed changes to the business.

ON BEHALF OF THE BOARD OF DIRECTORS

Tony Manini, Executive Chairman

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-Ends-

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FORWARD-LOOKING STATEMENT

This news release contains forward-looking statements that are based on the Company's current expectations and estimates. Forward-looking statements are frequently characterised by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "suggest", "indicate" and other similar words or statements that certain events or conditions "may" or "will" occur. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause actual events or results to differ materially from estimated or anticipated events or results implied or expressed in such forward-looking statements. Such factors include, among others: the actual results of current exploration activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; possible variations in ore grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing; and fluctuations in metal prices. There may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

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