
25 January 2021

Termination of SPA for Acquisition of Indokal Limited

Asiamet Resources Limited (“Asiamet” or the “Company”) announces the termination of the binding sale and purchase agreement (“SPA”) entered into with PT WIN as signed and announced on 24 December 2020 for the acquisition of Indokal Limited the owner of the Kalimantan Surya Kencana Contract of Work, located in Central Kalimantan (“the Transaction”).

Under the SPA, the first Tranche payment of US\$2.5 million was not transacted by PT WIN within the agreed timeframe of 10 business days following the signing of the SPA and a subsequent extension period. The Company used best endeavours to ensure this payment was made, however this was not complied with and no reasonable explanation was provided other than a request for further changes to the terms of the binding SPA which were considered to be unacceptable and detrimental to the best interests of the Company. As a result the Asiamet Board and management considered that following this default and material breach of the SPA it had no other course of action but to terminate the transaction. Asiamet is considering all options available to it in respect of this matter and the impact on its business.

General Meeting

As a result of termination of the SPA the general meeting of shareholders as announced on 30 December 2020 to be held on 29 January 2021 for the approval of the transaction has been cancelled.

KSK Contract of Work

The KSK Contract of Work (KSK CoW) contains the development ready BKM Copper project with a completed feasibility study along with the polymetallic (Cu-Zn-Pb) BKZ resource, ~800 metres north of BKM ore body. The KSK CoW also has significant upside potential through identified exploration targets.

Through the recent independent valuation work undertaken as part of the failed PT WIN transaction, the KSK CoW was valued in the range of \$155-165 million for known ore reserves and mineral resources with no value attributed for exploration targets. Using the current spot copper price of \$3.60/lb for the 2019 Feasibility Study, the attributable NPV₈ and IRR is \$191 million and 24.4% respectively, excluding inferred resources and with no value assigned for exploration targets.

Significant value remains to be unlocked through the technical value enhancement work which has continued throughout 2020 and further exploration of highly prospective targets to increase the KSK CoW mineral inventory.

Value Enhancement

Value enhancement (VE) work has been ongoing over the past 5-6 months with further metallurgical test work being undertaken in laboratories in Indonesia and Australia. Initial results indicate significantly increased copper recoveries using an alternate leaching process to that selected for the BKM feasibility study. Final test results and associated consultants reports are expected to be received shortly. Other VE work including modifications to mine design and capital works will be further evaluated based on the final results of the metallurgical test work. With significantly better copper prices and the likelihood of improved recoveries and mine life extensions flowing from this study work, a positive impact on the economics for the BKM copper project is anticipated.

Business Development

Copper prices have risen by ~74% since the COVID pandemic induced market collapse of March 2020 when the initial investment in Asiamet was made by Aeternum Energy. Likewise markets and general investor sentiment, particularly for copper investments and commodities more generally, has rebounded very strongly.

Development ready copper projects such as the KSK CoW with a robust feasibility study completed are scarce in the current market. Following the overall uplift in market sentiment over the past six months, the Company has received increasing inbound interest in the project and these options are being further explored. As the value enhancement work and project permitting are advanced towards completion over the next few months, the Company will be re-engaging with various debt and equity financiers on a project financing package.

The Company will simultaneously continue with its strategy of evaluating various options to maximise shareholder value through partnerships, asset or trade sale (partial or full), business combination or a potential IPO in Indonesia.

Tony Manini, Executive Chairman of Asiamet Resources commented:

"While there is risk in every transaction, the termination of a sale process after investing a very significant amount of board and management time is always difficult. However, in this situation of material breach and non-compliance with clearly agreed terms of a binding SPA, and the lack of reasonable explanation or reasonable alternative, the Asiamet board was left with little choice but to terminate the agreement to protect the interests of our shareholders and all stakeholders associated with the KSK CoW and BKM copper project."

Asiamet remains well positioned with a strong portfolio of copper and copper-gold assets in a strong copper market. Being of the few Company's holding 100% of a near term copper development project in the Asian region, investor interest has significantly increased in recent times and the Company intends to leverage this enhanced level of interest to secure development funding for BKM and continue building value for stakeholders across our portfolio of high quality projects."

ON BEHALF OF THE BOARD OF DIRECTORS

Tony Manini, Executive Chairman

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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").