
22 March 2021

Positive Results from Metallurgical Value Enhancement Work

Asiamet Resources Limited (“Asiamet” or the “Company”) is pleased to report on the results from metallurgical test work undertaken as part of value enhancement initiatives for the BKM copper project located in Central Kalimantan, Indonesia. Results from the work completed to date are highly promising and indicate significant potential benefits from a concentrate tank leach process flowsheet verses heap leach processing as per the 2019 feasibility study.

Key highlights:

Use of a concentrate tank leach process has potential to:

- Increase total copper recoveries by up to 40% on a relative basis.
- Maintain copper production at full capacity of 25Ktpa for a full 8 years, exclusive of any further exploration and resource conversion.
- Further enhance current robust project economics via earlier copper production and significantly stronger life of mine cash flow.
- Produce a secondary pyrite concentrate for sale into the Indonesian laterite nickel industry.

One of the key value enhancement initiatives identified in the 2019 BKM Feasibility study was to further increase the value of the BKM copper project through improved metallurgical recovery and process/mine flowsheet optimisation coupled with a review of capital and operating costs. The 2019 feasibility study assumed a conventional heap leach and solvent extraction-electrowinning process (SX-EW) delivering ~172kt of copper from 303kt of contained copper in current Ore Reserves, resulting in a 51% recovery of total copper. The metallurgical value enhancement work has investigated the use of a concentrate-tank leaching option that increases overall total copper recoveries to greater than 70%, a relative improvement of approximately 40% over the 2019 feasibility study results.

The assessed tank leaching option involves a conventional crushing, grinding, and froth flotation of the BKM ore to produce a copper-pyrite concentrate. A fraction of the concentrate is fed through a small autoclave for conditioning, and then recombined with the bulk of the concentrate in an atmospheric tank leach process. The leached copper, after an appropriate solid-liquid separation process, is recovered via conventional SX-EW to produce LME Grade-A copper cathode. The assessed flowsheet is similar to that used in other highly successful copper tank leach operations such as Sepon in Laos. Other advantages of the concentrate tank leach process include:

- A significant reduction in residence time to achieve higher copper recoveries i.e. 48 hours processing cycle time compared to circa 300 days to recover approximately 80% of the soluble copper (50% of the total copper) from the heap leach as reported in the 2019 Feasibility Study.

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- Increase in the number of years operating at full capacity of 25ktpa contributing to greater life of mine copper production.
 - Extension of the life of mine from 9 to 11 years before conversion of existing Inferred Resources and the discovery of additional resources through exploration.
 - A smaller project footprint resulting in reduced costs associated with earthworks and lower environmental impact.
 - A processing plant suitable for future processing of sulphide resources already identified on the KSK Contract of Work, when they become better defined.
 - The potential to recover a saleable pyrite concentrate for the Indonesian HPAL nickel market.

A detailed review of capital and operating costs is still required to fully ascertain the economic benefits of a concentrate tank leach process and this work, along with further detailed flowsheet design and associated mining studies, will be the subject of the next phase of work commencing immediately.

Initial desktop review of operating costs suggests a marginally higher cost base with the inclusion of grinding, flotation, tank leaching and tailings management, however the project team led by Andrew Neale are investigating ways to minimise these impacts through a number of initiatives around power supply and overall mining costs. Capital cost estimates for the tank leach option also requires detailed assessment. Initial analysis indicates that the cost of additional processing equipment and tailings can be largely offset by a reduction in capital costs associated with the extensive civil works required for the heap leach pad and associated treatment ponds. Environmental impacts associated with the concentrate tank leach option are also significantly reduced due to a smaller overall site footprint. The environmental and economic benefit of a smaller site footprint will be further quantified in the next phase of value enhancement work.

Tony Manini, Executive Chairman of Asiamet Resources commented

Asiamet is very pleased with the outcomes of the metallurgical value enhancement work completed to date. While we still have further work to do to refine the process flowsheet and fully assess the capital and operating costs, the opportunity to recover significantly more copper, faster from the same volume of material clearly has the potential to significantly improve the already strong project economics. Cashflows come earlier and faster, production is maintained at full capacity for longer and more copper is produced over the life of mine. These benefits together with a reduced environmental footprint would all serve to enhance the robustness of the project as we enter the final stages of permitting and commence the process of engaging debt and equity providers for project financing. We look forward to reporting further on this important piece of work as it continues simultaneous with project financing activities and additional drilling to further expand resources and mine life.

ON BEHALF OF THE BOARD OF DIRECTORS

Tony Manini, Executive Chairman

For further information, please contact:

-Ends-

Tony Manini

Executive Chairman, Asiamet Resources Limited

Email: tony.manini@asiametresources.com

Investor Enquiries

Sasha Sethi
Telephone: +44 (0) 7891 677 441
Email: Sasha@flowcomms.com / info@asiametresources.com

Asiamet Resources Nominated Adviser

RFC Ambrian Limited
Bhavesh Patel / Stephen Allen
Telephone: +44 (0)20 3440 6800
Email: Bhavesh.Patel@rfcambrian.com / Stephen.Allen@rfcambrian.com

Optiva Securities Limited

Christian Dennis
Telephone: +44 20 3137 1903
Email: Christian.Dennis@optivasecurities.com

Blytheweigh Communications Limited

Tim Blythe/Megan Ray
Telephone: +44 (0)20 7138 3204
Email: Tim.Blythe@blytheweigh.com / Megan.Ray@blytheweigh.com

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