



20 August 2021

Business Update

Asiamet Resources Limited (“Asiamet” or the “Company”) is pleased to provide the following update with respect to its BKM copper development project and the Kalimantan Suraya Kencana Contract of Work (“KSK CoW”) located in Central Kalimantan, Indonesia.

COVID-19 Update

Over the past two months there has been a very significant and rapid increase in the number of COVID-19 infections across Indonesia. As a result, the Government of Indonesia has implemented a series of lockdowns and extensive travel restrictions with many businesses and government departments working at a reduced capacity, remotely or from home. Infection has directly impacted a number of our staff and contractors, and travel restrictions have slowed progress on our various workstreams.

The health and safety of our staff, contractors, local communities, and all stakeholders to the project remains of the highest priority to the Company and we have implemented strict COVID-19 protocols with respect to testing, isolation and medical treatment for anyone associated with site-based activities.

Value Engineering Activities

Value engineering activities are progressing to plan. A first pass detailed report has been received from NewPro Consulting and Engineering Services which provides capital and operating cost estimates for both tank leach and copper rich pyrite concentrate processing options compared with the heap leach option in the 2019 Feasibility Study. An internal review of this report is in progress and an update of the economic models for the BKM copper project are being run. Metallurgical test work results indicate copper recoveries of 75-80% demonstrated for the tank leach process, however this comes with an increase in capital and operating costs. Simplifying this process flowsheet to produce a copper rich pyrite concentrate for sale into the very large Indonesian nickel laterite industry or metals recovery plants appears to be the most attractive alternative to heap leaching as it would also enable deeper sulphide and polymetallic ores from BKM and BKZ to be processed through the same plant. Trade off economic studies are currently being run and once complete a final decision on the preferred project route to take forward into development will be made.

In parallel with this work, continued refinements on the logistics and port access are being progressed with good support from the relevant authorities, local businesses, and communities. Evaluation of various power supply alternatives for the project are being advanced including a renewable energy solution utilising a BOOT (build, own, operate, transfer) model. Discussions with third party suppliers of renewables power plants indicates this to be an economically feasible option that would also improve the environmental credentials of the project and enhance development financing alternatives.

Drilling and IP Geophysics

Mobilizing personal and heavy equipment for site preparation and drilling has been delayed due the COVID-19 restrictions in place across Indonesia as a result of the pandemic, however we have managed to get the program underway with the first hole of a 3,000 metre program completed.

As previously announced (see press release 1 June 2021) the Company completed a total of 34.4-line kms of geophysical IP survey which has now been processed and the results used to inform the upcoming drill program.

The planned 3,000 metre drilling program designed by Chief Geologist Patrick Creenaune aims to significantly expand the copper and polymetallic Mineral Resources at both the BKM and BKZ deposits which remain open in multiple directions. Several highly promising targets generated from a review of previous work combined with the geophysical survey data will also be tested. A full overview of the program will be provided shortly.

Permitting Update / Community Engagement

Following consultation with Ministry of Environment and Forestry, the Company has made a decision to delay progressing the borrow to use forestry permit (Pinjam Pakai) to the conditional approval stage, until the current drilling and value engineering programs are completed. This will enable all results and any adjustments to be incorporated into the BKM project footprint prior to issue of the Pinjam Pakai, following which no amendments are able to be made prior to the commencement of mining.

The Company's local CSR teams in partnership with Yayasan Tambuhak Sinta (YTS) continued to roll out engagement programs with local communities, local government, and enterprise in Central Kalimantan in preparation for a mine development. Support from all stakeholders for the project continues to be strong.

Financing/Partnering

Solid progress is being made for a project development partnership with a small group of high calibre investors. Five parties have signed non-disclosure agreements and are at various stages of due diligence. Commercial partnering discussions are being advanced simultaneously for a deal construct aimed at seeing the project funded through to construction.

Discussions with several European and Asian mining finance banks were progressed. Initial feedback is positive with solid interest in lending to mining projects with strong ESG credentials. Asiamet's comprehensive long term community development partnership with YTS and high industry standard environmental studies see the project well positioned.

Tony Manini, Executive Chairman of Asiamet Resources commented

“While we have had some very real challenges with COVID 19 impacts in Indonesia, Asiamet is very pleased with the substantive progress being made on its development path for the BKM copper project. With a strong focus on the health and wellbeing of our employees and contractors as our first priority, financing and development related activities are continuing at pace and closing in on a number of important project enabling milestones. Drilling underway to expand the BKM and BKZ Resources is expected to demonstrate the potential for significant production growth and mine life upside at this important time for project financing and partner discussions. We look forward to keeping stakeholders updated on our progress at this exciting time for the Company”

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 Cambrian 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

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