Asiamet Resources Limited

(the "Group", the "Company" or "ARS")

Interim Results for the Six Months Ended 30 June 2021

Asiamet Resources Limited (AIM: ARS) announces its unaudited interim results for the six months ended 30 June 2021 ("H1 2021" or the "Period").

Executive Chairman's Statement

The first half of 2021 has been a busy period for Asiamet. Amidst the backdrop of the continuing global COVID 19 pandemic, the Company made solid progress in a number of key areas. A $14 million (£10 million) equity raising was successfully completed to enable the company to progress the BKM copper project to a construction ready stage and for further drilling to expand resources at both the KSK and Beutong projects. Value engineering works continued, and an IP geophysical survey was completed as part of preparations for resource extension drilling at the BKM and BKZ deposits. Permitting for the proposed BKM copper mine development also made good progress. Substantial engagement with high calibre potential project development partners continued throughout the half with three parties actively progressing with diligence activities. Eva Armila Djauhari, a prominent Indonesian mining lawyer joined the Asiamet Board as a non-executive director and Andrew Neale was appointed to the position of General Manager for the KSK project.

The health and safety of our employees, contractors and local communities is of the utmost importance to the Company. Unfortunately, the COVID-19 situation in Indonesia dramatically worsened in May-June 2021 and as a result all field activities had to be suspended in line with Indonesian government edicts. Geophysical surveys were able to be completed in the northern part of the BKM area prior to the implementation of lockdowns, however our planned drill program has been delayed by several weeks. Field activities will recommence when conditions are safe do so and when government restrictions on the movement of people and equipment is lifted.

During the period, the copper price continued to outperform and reached in excess of $10,000/tonne in April 2021, levels that have not been seen since early 2011. The copper price growth over the course of the 12 months has been driven primarily by supply-demand fundamentals relating to a rebound in the Chinese economy, growing optimism for a strong global economic recovery following COVID-19 and worldwide government stimulus programs targeted at transitioning economies to renewable energy sources.

The Company made solid progress on the value enhancement initiatives in progress for the BKM Project. Capital and operating cost estimates for a concentrate-tank leach process flowsheet (vs heap leach) are expected during Q3 2021. This will enable the Company to update the project economics, undertake a trade-off study on the alternative processing options and progress with a clear pathway to development. Other initiatives related to logistics, renewable power and a reduction in the environmental footprint are also being progressed in parallel with the technical review. These initiatives clearly demonstrate the Company's strong environmental, social and governance (ESG) credentials which are at the forefront of prerequisites for financiers and partners seeking to contribute towards the development of the BKM copper and the broader Asiamet portfolio.

Following consultation with Ministry of Environment and Forestry, the permitting process for the Borrow-to-use Forestry Permit ("Pinjam Pakai") for the BKM copper project has been deferred until the value engineering works and drilling program is completed. The primary reason for the deferral is to allow the outcomes of these programs, and any subsequent adjustments, to be incorporated into the final BKM project footprint prior to issue of the conditional Pinjam Pakai.

The Company continued with the roll out of its community engagement programs in preparation for a mine development at BKM. Ongoing strong local level support has been highly beneficial in efforts to obtain all the required approvals, secondary permits, and land acquisition processes.

At the Beutong copper-gold project work, programs continued to focus on local community engagement initiatives in line with the Company's ESG policies. Field activities centred around drilling to test for deeper high grade mineralisation is planned for the latter part of H2 2021.

At a corporate level, with strong support from both new institutional investors and existing shareholders, a $14 million (£10 million) equity financing was completed in late February 2021 to strengthen the Company's balance sheet. The proceeds of the equity capital raising will be directed to financing, permitting, ESG programs and development activities for the BKM copper project, and community engagement initiatives, drilling and metallurgy programmes at Beutong.

I would like to take this opportunity to thank all our stakeholders for their ongoing support and look forward to reporting further on progress as we advance our strategy to build a highly successful Asian copper mining business.

On behalf of the board

Tony Manini
Executive Chairman
24 August 2021

Notice to reader

These interim condensed consolidated financial statements of Asiamet Resources Limited have been prepared by management and approved by the Audit Committee of the Board of Directors of the Company. The Company discloses that its external auditors have not reviewed these interim financial statements and the accompanying notes to financial statements.

The Company publishes its accounts in United States dollars ($) and all figures in the accounts and this report are $ unless otherwise noted.

Interim condensed consolidated statement of financial position
As at

	Note	30-Jun 2021 Unaudited $'000	31-Dec 2020 Audited $'000
Assets			
Current assets			
Cash		**11,941**	1,179
Receivables and other assets	*5*	**28**	4
		11,969	1,183
Assets classified as held for sale	*3*	**-**	125
		11,969	1,308
Non-current assets			
Plant and equipment	*6*	**61**	39
Right-of-use asset		**4**	3
Receivables and other assets	*4b,5*	**70**	5
		135	47
Total assets		**12,104**	1,355
Liabilities and Equity			
Current liabilities			
Trade and other payables		**552**	391
Provisions	*7*	**235**	253
Lease liabilities		**214**	278
		1,001	922
Liabilities directly associated with the assets classified as held for sale	*3*	**-**	753
		1,001	1,675
Non-current liabilities			
Provisions	*7*	**569**	81
Total liabilities		**1,570**	1,756
Equity			
Share capital	*10*	**19,326**	14,752
Equity reserves		**65,442**	56,661
Other comprehensive income		**83**	83
Accumulated deficit		**(71,064)**	(68,644)
Other reserves		**(3,246)**	(3,246)
Parent entity interest		**10,541**	(394)
Non-controlling interest		**(7)**	(7)
		10,534	(401)
Total liabilities and equity		**12,104**	1,355

Interim condensed consolidated statement of comprehensive loss (unaudited)

For the six months ended 30 June

	Note	2021 $'000	2020 $'000
Expenses			
Exploration and evaluation	*4a)*	**(1,003)**	(571)
Employee benefits		**(912)**	(960)
Consultants		**(41)**	(97)
Legal and Company Secretarial		**(99)**	(148)
Accounting and audit		**(1)**	(3)
General and administrative		**(182)**	(180)
Depreciation		**(20)**	(54)
Share-based compensation	*9*	**(92)**	(87)
		(2,350)	(2,100)
Other items			
Other gains		**122**	-
Foreign exchange gain/(loss)		**(150)**	283
Interest income		**-**	1
Finance costs		**(10)**	(16)
Impairment expense		**(33)**	(284)
Other income		**1**	1
		(70)	(15)
Net loss for the half year		**(2,420)**	(2,115)
Net loss attributable to:			
Equity holders of the parent		**(2,335)**	(2,074)
Non-controlling interests		**(85)**	(41)
Total comprehensive loss attributable to:			
Equity holders of the parent		**(2,335)**	(2,074)
Non-controlling interests		**(85)**	(41)
Basic and diluted loss per common share		**(0.00)**	(0.00)
Weighted average number of shares outstanding (thousands)		**1,625,081**	1,184,961

Interim condensed consolidated statement of cash flows (unaudited)

For the six months ended 30 June

	Note	2021 $'000	2020 $'000
Operating activities			
Loss for the half year		**(2,420)**	(2,115)
Adjustment for:			
Depreciation		**20**	54
Share-based compensation	*9*	**92**	-
Net foreign exchange loss/(gain)		**(18)**	4
Impairment expense		**33**	274
Finance costs		**10**	11
Movements in provisions		**(20)**	119
Changes in working capital:			
Receivables and other assets		**(12)**	13
Trade and other payables		**(194)**	(112)
Other adjustments:			
Interest payments		**(10)**	(11)
Payment for security deposit		**-**	(50)
Net cash flows used in operating activities		**(2,519)**	(1,813)
Investing activities			
Purchases of plant and equipment		**(5)**	**-**
Net cash flows used in investing activities		**(5)**	**-**
Financing activities			
Payment of principal portion of lease liabilities		**(75)**	(35)
Proceeds from equity raising		**14,089**	3,522
Equity raising costs		**(735)**	(64)
Net cash flows from financing activities		**13,279**	3,423
Increase in cash		**10,755**	1,610
Cash at beginning of the year		**1,186**	418
Cash at 30 June		**11,941**	2,028

Interim consolidated statement of changes in equity (unaudited)

For the six months ended 30 June 2021

	Share capital $'000	Equity reserves $'000	Other comprehensive income $'000	Accumulated deficit $'000	Other reserves $'000	Total equity attributable to the parent $'000	Non-controlling interests $'000	Total $'000
Balance at 1 January 2021	**14,752**	**56,661**	**83**	**(68,644)**	**(3,246)**	**(394)**	**(7)**	**(401)**
Loss for the half year	-	-	-	(2,335)	-	(2,335)	(85)	(2,420)
Total comprehensive income	-	-	-	(2,335)	-	(2,335)	(85)	(2,420)
Transactions with owners in their capacity as owners								
Equity raising	4,574	9,516	-	-	-	14,090	-	14,090
Equity raising costs	-	(735)	-	-	-	(735)	-	(735)
Contribution by parent in NCI	-	-	-	(85)	-	(85)	85	-
Balance at 30 June 2021	**19,326**	**65,442**	**83**	**(71,064)**	**(3,246)**	**10,541**	**(7)**	**10,534**

Interim consolidated statement of changes in equity (unaudited)

For the six months ended 30 June 2020

	Share capital $'000	Equity reserves $'000	Other comprehensive income $'000	Accumulated deficit $'000	Other reserves $'000	Total equity attributable to the parent $'000	Non-controlling interests $'000	Total $'000
Balance at 1 January 2020	10,969	56,435	74	(64,511)	(3,246)	(279)	(7)	(286)
Loss for the half year	-	-	-	(2,074)	-	(2,074)	(41)	(2,115)
Total comprehensive income	-	-	-	(2,074)	-	(2,074)	(41)	(2,115)
Transactions with owners in their capacity as owners								
Equity raising	3,734	164	-	-	-	3,898	-	3,898
Equity raising costs	-	(64)	-	-	-	(64)	-	(64)
Contribution by parent in NCI	-	-	-	(41)	-	(41)	41	-
Balance at 30 June 2020	14,703	56,535	74	(66,626)	(3,246)	1,440	(7)	1,433

1. Corporate Information

The interim condensed consolidated financial statements of Asiamet Resources Limited and its subsidiaries (collectively, the Group) for the six months ended 30 June 2021 were authorised for issue in accordance with a resolution of the directors on 24 August 2021.

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 finalising the transition of the corporate office from its Melbourne office at Level 22, 303 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.

2. Basis of preparation and changes to the Group's accounting policies

2.1 Basis of preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2021 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The Group has prepared the financial statement on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast doubt significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2020.

The interim condensed consolidated financial statements for the six months ended 30 June 2021 and 30 June 2020 were not subject to review and were unaudited. The comparative information for the year ended 31 December 2020 was approved by the Board of directors on 24 May 2021 and the Independent Auditor's Report on those accounts was unqualified.

2.2 New standards, interpretations and amendments adopted by the Group

New and amended standards and interpretations

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2020, except for the adoption of new standards effective as of 1 January 2021. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2021, but do not have an impact on the interim condensed consolidated financial statements of the Group.

2.2 New standards, interpretations and amendments adopted by the Group (continued)

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an Interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

These amendments had no impact on the interim condensed consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

3. Held for sale group and discontinued operations

On 24 December 2020, the Company announced it had entered into a conditional binding Sale and Purchase Agreement ("SPA") with PT Wasesa Indo Nusa ("PT WIN") to acquire its wholly-owned subsidiary, Indokal Limited. Indokal is the 100% owner of the KSK CoW, including the BKM Copper Project ("Indokal Group"). Total consideration of the sale was $163.4 million comprising of:

- $10 million cash upon the execution of a binding SPA payable in two instalments, a non-refundable $2.5 million to be paid in cash within 10 days from the date of execution of the SPA, with a further $7.5 million to be paid by 31 January 2021;
- $40 million cash upon the successful Initial PO of PT WIN on the IDX; and
- a 22.5% shareholding in an Indonesian Stock Exchange ("IDX") listed PT WIN 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.

In accordance with the International Financial Reporting Standards, as at 31 December 2020, Indokal Group was classified as a held for sale group and a discontinued operation.

On 25 January 2021, the Company terminated the SPA with PT WIN following material breach of the performance obligations as part of the SPA. Following the termination of the SPA, the Indokal Group was reclassified from a held for sale group and discontinued operations.

3. Held for sale group and discontinued operations (continued)

The major classes of assets and liabilities of Indokal Group classified as held for sale as at 31 December 2020 are as follows:

	$'000
Assets	
Cash	7
Receivables and other assets [(1)]	13
Plant and equipment	36
Right-of-use assets	3
Receivables and other assets	66
Assets classified as held for sale	125
Liabilities	
Trade and other payables	(263)
Provisions	(490)
Liabilities directly associated with assets classified as held for sale	(753)
Net liabilities directly associated with disposal group	(628)

(1) Includes Indonesian VAT receivables of $0.761 million which have been fully impaired.

4. Exploration and evaluation

(a) Exploration and evaluation expenditures

The details of exploration and evaluation expenditures expensed during the period ended 30 June 2021 and 30 June 2020 are as follows:

		30-Jun 2021 $'000	30-Jun 2020 $'000
KSK CoW			
	Administration support	**144**	140
	External relations	**60**	48
	Drilling & Field support	**71**	54
	Technical services	**260**	5
	Tenements	**189**	222
		724	469
Beutong IUP-OP			
	Administration support	**207**	44
	External relations	**23**	4
	Drilling & Field support	**2**	11
	Technical services	**4**	-
	Tenements	**43**	43
		279	102
Total exploration and evaluation expenditures		**1,003**	571

4. Exploration and evaluation (continued)

(b) Security deposits

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

	30-Jun 2021 $'000	31-Dec 2020 $'000
KSK CoW	**65**	66
Beutong IUP-OP	**5**	5
	70	71
Transfer to assets classified as held for sale	**-**	(66)
Total security deposits	**70**	5

5. Receivables and other assets

	30-Jun 2021 $'000	31-Dec 2020 $'000
Current		
Receivables – employee advances	**3**	-
Receivables – other	**7**	4
Prepayments	**18**	-
Total current receivables and other assets (2)	**28**	4
Non-current		
VAT – Indonesia	**787**	44
Provision for impairment (1)	**(787)**	(44)
	-	**-**
Security deposits	**70**	5
Total non-current receivables and other assets (2)	**70**	5

(1) The Group has provided an allowance for impairment against the Indonesian VAT receivables which will be recoverable once production commences in accordance with Indonesian regulation. An impairment expense of $0.047 million was recognised for the half year ended 30 June 2021 (30 June 2020: $0.010 million).

(2) The 31 December 2020 balances excludes receivables and other assets of the Indokal Group which was transferred to assets classified as held for sale.

6. Plant and equipment

	30-Jun 2021 $'000	31-Dec 2020 $'000
Opening net book amount	**39**	197
Additions	**5**	-
Impairments & write-offs	**-**	(81)
Depreciation charge for the year	**(18)**	(41)
Transfer from (to) assets classified as held for sale	**35**	(36)
Closing balance (1)	**61**	39
Net carrying amount:		
Cost	**80**	84
Accumulated depreciation	**(19)**	(45)
Closing balance (1)	**61**	39

(1) The 31 December 2020 balances excludes plant and equipment of the Indokal Group which was transferred to assets classified as held for sale.

7. Provisions

	30-Jun 2021 $'000	31-Dec 2020 $'000
Current		
Annual leave	**75**	89
Restructuring	**160**	164
Total Current Provisions	**235**	253
Non-Current		
Indonesian employee benefits liability (1)	**569**	81
Total Non-current Provisions	**569**	81

(1) The 31 December 2020 balance excludes the Indonesian employee benefits liability for the Indokal Group which was transferred to liabilities directly associated with the assets classified as held for sale.

8. Related party transactions

Eva Armila Djauhari, who joined the Board as a non-executive Director on 5 May 2021, is a partner of the Indonesian legal firm, Armila and Rako Law. Armila and Rako Law has provided legal services to the Company and its Indonesian subsidiaries for a number of years on normal commercial terms and conditions. The amount of legal fees recognised as an expense for the six months ended 30 June 2021 was $0.053 million (30 June 2020: $0.037 million). The outstanding balance due to Armila and Rako Law as at 30 June 2021 is $0.012 million (31 December 2020: $0.054 million).

Other than the above, there have been no significant changes to the related party transactions disclosed in the last Annual Report.

9. Share-based compensation

For the six months ended 30 June 2021, the Group has recognised $0.092 million of share-based compensation expense in the statement of profit and loss for performance rights to non-executive Directors in respect of their 2021 director fees (30 June 2020: $0.087 million).

10. Share capital and reserves

(a) Authorised share capital

	30-Jun 2021	31-Dec 2020
Authorized share capital ($'000)	**30,000**	25,000
No. of common shares ('000)	**3,000,000**	2,500,000
Par value per share	**$0.01**	$0.01
Fully paid share capital ('000)	**1,936,553**	1,479,114

The Shareholders of the Company approved the increase of the authorised share capital at the Annual General Meeting held on 30 June 2021.

(b) Fully paid share capital

Movements in fully paid share capital during the six months ended 30 June 2021:

	Shares thousands	Share capital $'000	Contributed surplus $'000
At 1 January 2021	**1,479,114**	**14,752**	**56,661**
Equity raising	**457,439**	**4,574**	**9,516**
Equity raising costs	**-**	**-**	**(735)**
At 30 June 2021	**1,936,553**	**19,326**	**65,442**

11. Events after the half year reporting period.

On 6 July 2021, the Company announced that Antman Holdings Pty Ltd (Antman) an entity associated with Mr Tony Manini, sold and purchased 3,848,018 shares on 5 July 2021. The weighted average price for each transaction was 2.25 pence per share. The sale and purchase transactions resulted in no change to the overall voting rights of Antman (1.11%) and Mr Manini at (2.48%) in the Company.

On 3 August 2021, the Company issued 5.1 million shares to Directors in respect of 2020 director fees pursuant to their letters of engagement. The share price used for the calculation was the 10-day VWAP over the 10 trading days immediately following publication of the Company's Annual Accounts as released on 24 May 2021 which was 2.39 pence per share.

There were no other significant subsequent events occurring after balance date.