
3 November 2021

Strategic Development Partner Secured for BKM Copper Project

Asiamet Resources Limited (“Asiamet” or the “Company”) is pleased to announce it has entered into a Heads of Agreement (“HoA”) with PT Delta Dunia Makmur Tbk. (“DOID”), an Indonesian public company and one of the largest mining services companies in Indonesia. Subject to completing the key conditions precedent DOID will earn a 51% interest Asiamet’s wholly-owned subsidiary, Indokal Limited (“Indokal”) by contributing \$50 million towards the BKM mine development via a series of cash payments and in kind expenditure (the “Proposed Transaction”).

Indokal holds the Kalimantan Surya Kencana Contract of Work (“KSK CoW”), including the BKM Copper Project (“BKM”), located in Central Kalimantan, Indonesia.

The deal is expected to create significant value for all Company stakeholders with the BKM project well-funded towards production and able to leverage off DOID’s extensive Indonesian operational capability and expertise in mining and mine development related services including mining and earth moving, civil works, process plant and mine infrastructure construction.

All references to \$ are US Dollars.

Proposed Transaction Highlights

- \$50 million contributed towards the development of the BKM copper project and unlocking further value in the KSK CoW, split as follows:
 - Upon execution of Binding Agreement, \$10 million, paid in cash to complete value engineering works and expand the mineral inventory and mine life through additional resource expansion drilling (“Tranche 1”)
 - \$10 million, paid in cash to undertake Front End Engineering Design works (“Tranche 2”)
 - \$20 million, either in cash or in kind for civil and mine engineering-construction works (“Tranche 3”)
 - \$10 million, contributed towards long lead time capital items (“Tranche 4”).
- Upon completion of a staged earn-in to the KSK CoW (Tranches 1-4), DOID will have an effective 51% interest in the project.
- DOID through its strong financing capability and relationships (especially in debt and project finance) will assist the Company in delivering a project financing solution that will ensure the project is fully financed through to production.

As set out below, the Proposed Transaction is subject to, inter alia, the completion of outstanding technical, commercial and financial due diligence by both parties. In this regard, the Company will grant DOID an exclusivity period of up to 90 days to finalise its due diligence, which is well advanced.

Simultaneously, the parties will progress negotiations and prepare the Binding Agreement to be signed upon satisfactory completion of all due diligence activities. Following the execution of the Binding Agreement, Asiamet will seek shareholder approval for the Proposed Transaction.

Tony Manini, Executive Chairman of Asiamet Resources commented:

“The Asiamet Board endorses and fully supports the proposed transaction which establishes a clear path for the financing and development of the BKM copper project and the broader KSK Contract of Work. DOID is a major player in the contract mining services business across Indonesia and its recent acquisition of a large contract mining businesses in Australia clearly indicates its plans to grow. Through the establishment of this strategic partnership with Asiamet, DOID intends to build a platform for expansion in the future facing base and precious metals sector.

Retaining a substantial interest in the BKM copper project and the broader KSK CoW enables the Company to continue benefiting from the significant upside potential still to be evaluated on the property, as demonstrated by recent drilling and value engineering work.

We are confident DOID as a strategic partner brings the necessary technical, commercial capability and experience to support Asiamet in meeting its objectives for the development of both the BKM copper project and its broader business.

The Company will now work exclusively with DOID to complete the required due diligence and binding documentation for shareholder approval.”

Ronald Sutardja, President Director of DOID commented:

“Asiamet represents a very attractive strategic opportunity for us to enter into the copper mining business. We have been actively looking to diversify DOID (and our subsidiary, BUMA) businesses beyond contract mining services and this transaction is a key step in our diversification strategy.

BKM is an attractive project with robust economics and has a clear pathway to development. The Asiamet management team is seasoned and has an enviable track record in developing mineral projects. DOID and Asiamet’s partnership is highly complementary with both parties bringing necessary skillsets for the development of the BKM copper project. We look forward to completing our due diligence and contributing to the development of BKM.”

Summary of the Proposed Transaction and other key terms

The key terms of the HoA allow for the completion of due diligence activities by DOID, both parties completing binding transaction documentation and satisfaction of the relevant condition’s precedent. These details are set out below:

- DOID, a 15.36% shareholder in Asiamet, through a series of cash payments and in kind contributions towards mine development, has the ability to earn up to a 51% interest in Indokal, the 100% owner of the KSK-CoW. The earn-in funding is described as follows:
 - Tranche 1 funding; Upon signing the Binding Agreement, DOID will pay Indokal \$10 million in cash. This funding will be directed towards completing value engineering studies and further drilling aimed at enlarging the mineral inventory and potentially extending mine life. At the completion of Tranche 1, DOID will have earned a 10% equity interest in Indokal;

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- Tranche 2 funding; DOID will pay Indokal \$10 million in cash. This funding will be directed towards Front End Engineering and Design works for mine development to earn an additional 10% equity interest in Indokal Limited. At the completion of Tranche 2, DOID will have earned an additional equity interest of 10%, for a cumulative total of 20% equity interest in Indokal.
 - Tranche 3 funding; DOID will contribute a further \$20 million either in cash or in-kind (to be agreed by the parties) towards the BKM Copper Project civil and mine engineering works, including preparation for construction of processing facilities, mine buildings and associated site and river port infrastructure. At the completion of Tranche 3, DOID will earn an additional 20% equity interest for a cumulative total of 40% equity interest in Indokal.
 - Tranche 4 funding; DOID will contribute a further \$10 million towards the capital development of the BKM copper project through the placement of orders for long lead plant and equipment items. At the completion of Tranche 4, DOID will earn an additional 11% equity interest for a cumulative total of 51% equity interest in Indokal Limited.
 - Upon successfully completing Tranche's 1-4 and earning a 51% interest, DOID at its election can transfer the earned equity interest from Indokal to PT Kalimantan Surya Kencana ("PT KSK"), the owner of the KSK CoW.
 - On payment of Tranche 1, KSK will change the composition of the Board of Directors, to a minimum of four representatives, two board seats being nominated by Asiamet, with DOID entitled to nominate at least two board seats.
 - DOID will leverage its extensive financing capabilities to assist the Company to secure project financing for the development and construction of the BKM Copper Project through to commercial production.
 - This strategic alliance also allows for the Company and DOID to co-operate and jointly develop future minerals mining related assets.
 - The parties agree to engage DOID or any of its subsidiaries to undertake mining and secondary services for the development of the BKM Copper project provided that it is commercially reasonable to do so.
 - The key conditions precedent are:
 - All customary and regulatory approvals required in Indonesia
 - Asiamet shareholder approval following execution of the binding agreement between the Company and DOID
 - Completion of technical, legal and commercial due diligence by DOID
 - Exclusivity Period : the Company will grant DOID up to a 90 day exclusivity period to enable it to finalise due diligence on the KSK-CoW.
 - Throughout the exclusivity period and the execution of the Binding Agreement, both parties are restricted from acquiring shares in each other, unless otherwise approved by their respective Board of Directors.
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About PT Delta Dunia Makmur Tbk. (DOID)

DOID is a publicly listed company on the Indonesian Stock Exchange. Through its operating subsidiary PT Bukit Makmur Mandiri Utama better known as "BUMA", DOID is one of the largest mining services company in Indonesia with extensive capability in the following key areas:

- Engineering Design, Procurement and Construction
- Contract mining
- Design and construction of mine infrastructure
- Early works execution
- Material handling solutions and logistics
- Energy and Power
- Safety, as a local contractor working to international standards
- Environmental management and community relations

With a strong balance sheet and a clear strategy to expand its footprint outside contract mining services into copper and other future facing minerals projects, DOID sees the KSK-CoW as a unique opportunity to advance this growth strategy.

Further details about DOID can be found on its website at www.deltadunia.com.

Timeline

The timeline for key events/milestones is as follows:

- DOID will be granted an exclusivity period of up to 90 days from execution of the HoA to finalise:
 - all outstanding due diligence on the KSK-CoW and obtain the necessary regulatory approvals; and
 - enter into Binding Agreement with the Company
- Asiamet will seek shareholder approval as soon as possible following the execution of the Binding Agreement.

Related Party Information

DOID is a substantial shareholder in the Company, currently holding 15.36% of the issued share capital. The Proposed Transaction is therefore a related party transaction pursuant to Rule 13 of the AIM rules for Companies. The Directors consider, having consulted with its nominated adviser, that the terms of the transaction are fair and reasonable insofar as its shareholders are concerned.

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 in a General Meeting. The Company, on signing of the Binding Agreement, or as soon as practicable thereafter will publish a circular convening the General Meeting containing details of the disposal and any proposed changes to the business.

Description of Business

The Company has previously announced it was examining strategic options for the KSK CoW, and was subsequently in discussions with a number of interested parties including DOID. Indokal Limited is the 100% owner of the Kalimantan Surya Kencana Contract of Work ("KSK CoW"), covering 39,443 hectares, including the BKM copper project, located in Central Kalimantan, Indonesia. The Company delivered a feasibility study for the BKM copper project in June 2019. Some key metrics include an initial 9 year life of mine producing up to 25,000 tonnes of copper cathode per annum from Ore Reserves of 51.5Mt @ 0.6% Cu, for 303k contained tonnes of copper in the Proved and Probable category (see RNS's dated 14 June 2019). Total Measured, Indicated and Inferred JORC Compliant Resources comprise 69.6Mt @ 0.6% Copper for 451.9Kt of contained copper (see RNS dated 14 June 2019).

Further upside potential, including possible mine life extensions, at BKM is evident through existing high potential exploration targets adjacent to the proposed mine development area. Asiamet has previously identified four key "near mine" targets, notably the BKM-BKZ 'Link' Zone, IP geophysical targets at BKW, the BKM 'Deep' Zone, and the BK 'South' Zone.

Shareholder Update

Tony Manini, Executive Chairman of Asiamet, will update Shareholders on this Transaction. A separate news release will be provided advising of a webinar, which will be uploaded to the Company's website www.asiametresources.com.

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").