



Asiamet Resources Limited (the "Group", the "Company" or "ARS")

Interim Results for the Six Months Ended 30 June 2022

Asiamet Resources Limited (AIM: ARS) announces its unaudited interim results for the six months ended 30 June 2022 ("H1 2022" or the "Period").

Chairman's Statement

The first half of 2022 was marked by supply chain and travel disruptions globally following the Covid pandemic lock downs and restrictions. These disruptions coupled with the war in Ukraine and its impact on the energy market have driven significant supply side inflation. Even though commodity prices generally tend to do well in these environments, the potential for a global economic recession has depressed the commodities market.

Against this backdrop, Asiamet continues to make solid progress. Notable milestones included the BKZ resource update, the appointment of Mr Darryn McClelland as Chief Executive Officer (CEO), continued Feasibility Study update works for the BKM Copper Project and completion of the due diligence process with PT Delta Dunia Makmur Tbk. (DOID) including a first phase diligence by an independent technical expert recommended by a financial institution.

The Company's focus over the coming months will be to update the BKM Feasibility Study including all technical work streams and economic outcomes, including an update of the financial model for the project. As part of the BKM Feasibility Study update, the study team is reviewing key elements of the project including logistics and power sourcing which includes the potential for the inclusion of renewable energy. The update of the BKM Feasibility Study is anticipated to be completed before the end of the year.

BKZ Mineral Resources

Following the completion of an 8,630-metre drilling program at BKZ in early 2022, an update of the BKZ Mineral Resource was announced with a significant increase in JORC compliant copper and zinc Mineral Resource estimates over those reported in 2018. Potential for a very significant gold and silver deposit immediately adjacent to the copper and zinc resources was also delineated, with limited further metallurgy and drilling required to convert the current gold-silver Exploration target to a Mineral Resource. This limited 2021-2022 drilling program delivered significant value with a 50% increase in contained zinc and a 75% uplift in contained copper. These results provide further confirmation of the very high prospectivity of the Beruang Kanan District. This rapid increase in the mineral inventory at BKZ illustrates the potential pipeline of organic growth opportunities that are available to the Company following the establishment of a mining operation and associated infrastructure at BKM.

Corporate

At the corporate level, the management team was strengthened with the appointment of Mr Darryn McClelland as the Chief Executive Officer of the Company. Darryn brings over 25 years of mining development, operations and senior management experience across Australia, Indonesia, Laos, Vietnam, Eritrea and Ghana. Of particular relevance to Asiamet is his extensive experience in mine start-ups and commissioning of copper and polymetallic

open pit mining operations, including copper leaching, and over seven years of direct operating experience in Indonesia. Prior to joining Asiamet, Darryn was the Chief Operating Officer for PT Agincourt Resources leading the operational and exploration functions of the +300,000 ounce per annum Martabe Gold Mine in North Sumatera, Indonesia.

We are very pleased to have a mining professional of Darryn's calibre join the Company as CEO, and the team looks forward to working with him to complete the feasibility study update and project financing, and to progress the BKM Copper Project into the mine development stage later this year.

As announced on 29 June 2022, Asiamet's largest shareholder, DOID, completed its due diligence on the BKM Copper Project. This process covered all technical workstreams including completion of a first phase of due diligence by a bank recommended Independent Technical Expert with no red flags or fatal flaws of a technical nature identified. The Company remains in continued discussions with DOID in respect to consolidating a strategic partnership to advance the BKM Copper Project through to project financing and mine development.

The Beutong copper-gold Project remains an important strategic asset for Asiamet. The Company continues to engage with the local community to better understand their long term needs and alignment with the Company's overall project execution plans.

The copper price came under pressure during the first half of 2022 as a result of inflationary pressures and a subdued outlook for global economic growth in the near term. However, the medium-longer-term fundamentals for copper remain very robust due to the strong underlying supply-demand fundamentals driven by urbanisation and industrialisation in the developing world, a global push towards renewable energy and decarbonisation, against a predicted shortfall in new mine supply. With one of the few near-term copper development projects in the Asian region, Asiamet remains well positioned to benefit from the predicted stronger copper price environment.

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 copper mining business.

On behalf of the board

Tony Manini
Chairman
17 August 2022

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

	<i>Note</i>	30-Jun 2022 Unaudited \$'000	31-Dec 2021 Audited \$'000
Assets			
Current assets			
Cash		5,182	9,060
Receivables and other assets	5	27	33
		5,209	9,093
Non-current assets			
Plant and equipment	4	46	60
Right-of-use assets		5	7
Receivables and other assets	5	68	71
		119	138
Total assets		5,328	9,231
Liabilities and Equity			
Current liabilities			
Trade and other payables		820	537
Provisions	6	283	285
Lease liabilities		99	159
		1,202	981
Non-current liabilities			
Provisions	6	714	794
Total liabilities		1,916	1,775
Equity			
Share capital		19,393	19,393
Equity reserves		65,975	65,975
Other comprehensive income		49	49
Accumulated deficit		(78,752)	(74,708)
Other reserves		(3,246)	(3,246)
Parent entity interest		3,419	7,463
Non-controlling interest		(7)	(7)
		3,412	7,456
Total liabilities and equity		5,328	9,231

Interim condensed consolidated statement of comprehensive loss (unaudited)
For the six months ended 30 June

	<i>Note</i>	2022 \$'000	2021 \$'000
Expenses			
Exploration and evaluation	3	(2,236)	(1,003)
Employee benefits		(1,073)	(912)
Consultants		(185)	(41)
Legal and Company Secretarial		(64)	(99)
Accounting and audit		(4)	(1)
General and administrative		(153)	(182)
Depreciation		(20)	(20)
Share-based compensation	8	(104)	(92)
		(3,839)	(2,350)
Other items			
Other gains		-	122
Foreign exchange losses		(54)	(150)
Finance costs		(5)	(10)
Impairment expenses		(146)	(33)
Other income		1	1
		(204)	(70)
Net loss for the half year		(4,043)	(2,420)
Net loss attributable to:			
Equity holders of the parent		(3,937)	(2,335)
Non-controlling interests		(106)	(85)
Total comprehensive loss attributable to:			
Equity holders of the parent		(3,937)	(2,335)
Non-controlling interests		(106)	(85)
Basic and diluted loss per common share (cents per share)		(0.21)	(0.15)
Weighted average number of shares outstanding (thousands)		1,942,542	1,625,081

Interim condensed consolidated statement of cash flows (unaudited)

For the six months ended 30 June

	<i>Note</i>	2022	2021
		\$'000	\$'000
Operating activities			
Loss for the half year		(4,043)	(2,420)
<i>Adjustment for:</i>			
Depreciation		20	20
Share-based compensation	8	104	92
Net foreign exchange gains		(4)	(18)
Impairment expenses		146	33
Finance costs		5	10
Movements in provisions		(80)	(20)
<i>Changes in working capital:</i>			
Receivables and other assets		(145)	(12)
Trade and other payables		180	(194)
<i>Other adjustments:</i>			
Interest payments		(5)	(10)
Net cash flows used in operating activities		(3,822)	(2,519)
Investing activities			
Purchases of plant and equipment		(6)	(5)
Net cash flows used in investing activities		(6)	(5)
Financing activities			
Payment of principal portion of lease liabilities		(50)	(75)
Proceeds from equity raising		-	14,089
Equity raising costs		-	(735)
Net cash flows from/(used in) financing activities		(50)	13,279
Increase/(decrease) in cash		(3,878)	10,755
Cash at beginning of the year		9,060	1,186
Cash at 30 June		5,182	11,941

Interim consolidated statement of changes in equity (unaudited)

For the six months ended 30 June 2022

	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 2022	19,393	65,975	49	(74,708)	(3,246)	7,463	(7)	7,456
Loss for the half year	-	-	-	(3,937)	-	(3,937)	(106)	(4,043)
Total comprehensive loss	-	-	-	(3,937)	-	(3,937)	(106)	(4,043)
<i>Transactions with owners in their capacity as owners</i>								
Contribution by parent in NCI	-	-	-	(106)	-	(106)	106	-
Balance at 30 June 2022	19,393	65,975	49	(78,752)	(3,246)	3,419	(7)	3,412

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 loss	-	-	-	(2,335)	-	(2,335)	(85)	(2,420)
<i>Transactions with owners in their capacity as owners</i>								
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

Notes to the condensed consolidated financial statements (unaudited)

For the six months ended 30 June 2022

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 2022 were authorised for issue in accordance with a resolution of the directors on 17 August 2022.

Asiamet Resources Limited (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's corporate office is located 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. Significant accounting policies

2.1 Basis of preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2022 have been prepared in accordance with IAS 34 Interim Financial Reporting.

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 2021.

The interim condensed consolidated financial statements for the six months ended 30 June 2022 and 30 June 2021 were not subject to review and were unaudited. The comparative information for the year ended 31 December 2021 was approved by the Board of directors on 3 May 2022 and the Independent Auditor's Report on those accounts was unqualified.

2.2 Going concern

The interim consolidated financial statements have been prepared on a going concern basis which assumes that the Group will be able to realise its assets and discharge its liabilities in the normal course of business in the foreseeable future.

At 30 June 2022, the Group had \$5.182 million in cash on hand and net current assets of \$4.007 million. The Group also incurred a loss of \$4.043 million for the six months ended 30 June 2022 (30 June 2021: \$2.420 million) and had cash outflows from operations of \$3.822 million (30 June 2021: \$2.519 million).

Based on the Group's cash forecast, the Board is aware that the Group will require additional funding within the next 12 months to ensure the Group will be able to realise its assets and discharge its liabilities in the normal course of business. In order to meet this requirement, the Group is able to seek an investment through a strategic partner, raise additional funds from the equity markets and manage its cash flows in line with available funds.

As announced on 29 June 2022, the Company remains in discussions with its largest shareholder PT Delta Dunia Makmur Tbk. (DOID) with respect to the next steps of consolidating the strategic partnership between the companies and advancing the BKM Copper Project through to financing and development.

At this stage, based on discussions with DOID and the Group's history of successful fundraisings in the equity market, there are reasonable grounds to believe that funding will be available to the Group as and when required. Therefore, the Board considers that the going concern basis of preparation to be appropriate for these financial statements.

Notes to the condensed consolidated financial statements (unaudited)

For the six months ended 30 June 2022

In the event that the Group is not successful in concluding the transaction with DOID or raising equity funds, there exists uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern and whether it will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the report.

This interim condensed financial report does not contain any adjustments relating to the recoverability and classification of recorded assets or to the amounts or classification of recorded assets or liabilities that might be necessary should the Group not be able to continue as a going concern.

2.3 New standards, interpretations and amendments adopted by the Group

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 2021, except for the adoption of new standards effective as of 1 January 2022. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2022, but do not have an impact on the interim condensed consolidated financial statements of the Group.

3. Exploration and evaluation expenditures

The details of exploration and evaluation expenditures expensed during the period ended 30 June 2022 and 30 June 2021 are as follows:

	2022	2021
	\$'000	\$'000
KSK CoW		
Administration support	217	114
External relations	123	60
Drilling & Field support	443	71
Technical services	604	260
Tenements	378	189
	1,765	724
Beutong IUP-OP		
Administration support	80	207
External relations	346	23
Drilling & Field support	3	2
Technical services	-	4
Tenements	42	43
	471	279
Total exploration and evaluation expenditures	2,236	1,003

Notes to the condensed consolidated financial statements (unaudited)

For the six months ended 30 June 2022

4. Plant and Equipment

	30-Jun 2022 \$'000	31-Dec 2021 \$'000
Opening net book amount	60	39
Additions	6	23
Depreciation charge for the half year	(20)	(38)
Transfer from assets classified as held for sale	-	36
Closing balance	46	60
<i>Net carrying amount:</i>		
Cost	584	578
Accumulated depreciation	(538)	(518)
Closing balance	46	60

5. Receivables and other assets

	30-Jun 2022 \$'000	31-Dec 2021 \$'000
<i>Current</i>		
Receivables – employee advances	6	4
Receivables – other	6	7
Prepayments	15	22
Total current receivables and other assets	27	33
<i>Non-current</i>		
VAT – Indonesia	381	393
Provision for impairment ⁽¹⁾	(381)	(393)
	-	-
Security deposits	68	71
Total non-current receivables and other assets	68	71

(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 \$0.150 million was recognised for the half year ended 30 June 2022 (30 June 2021: \$0.047 million).

Notes to the condensed consolidated financial statements (unaudited)

For the six months ended 30 June 2022

6. Provisions

	30-Jun 2022 \$'000	31-Dec 2021 \$'000
<i>Current</i>		
Annual leave	107	99
Restructuring	176	186
Total current provisions	283	285
<i>Non-Current</i>		
Indonesian Employee Benefits liability	714	794
Total Non-current Provisions	714	794

(a) Movements in Indonesian Employee Benefits liability

	30-Jun 2022 \$'000	31-Dec 2021 \$'000
Opening balance	794	81
Employee benefits expense	-	198
Foreign exchange adjustment	(3)	(7)
Benefits paid	(77)	(2)
Charged directly to OCI - remeasurement adjustments	-	34
Transfer from liabilities directly associated with the assets held for sale	-	490
Closing balance	714	794

7. Related party transactions

There have been no new related party transactions other than the arrangements that were in place at 31 December 2021. For details on these arrangements, please refer to the Group's annual financial report as at 31 December 2021.

8. Share-based compensation

For the six months ended 30 June 2022, the Group has recognised \$0.104 million (30 June 2021: \$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 2022 director fees.

Notes to the condensed consolidated financial statements (unaudited)

For the six months ended 30 June 2022

9. Subsequent events

On 3 August 2022, the Company issued a total of 13.418 million shares to Directors and certain employees.

The Directors were issued 8.120 million shares in respect of 2021 director fees pursuant to their letters of engagement. The share price used was 2.08 pence per share, calculated using the 10-day VWAP over the 10 trading days immediately following publication of the Company's Annual Accounts as released on 4 May 2022.

A further 5.298 million performance rights were granted in the form of shares in the Company to certain employees for their contribution to the Company during 2021, including 1.324 million shares to Tony Manini for his role as Executive Chairman for the period.

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