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10 May 2023

## **Updated BKM Feasibility Study Delivers Excellent Economic Outcomes**

Asiamet Resources Limited (Asiamet or the Company) is pleased to announce the results of the updated Feasibility Study (FS) for its 100% owned BKM Project located in Central Kalimantan, Indonesia.

In line with significant changes in the macro-environment for new projects, a very comprehensive update to the previously announced 2019 FS for the BKM copper deposit has now been completed. The updated 2023 study is based on open pit mining, and heap leaching of crushed ore followed by solvent extraction and electrowinning ('SX-EW') to produce LME Grade-A copper cathode (the 'Project') for sale into local and export markets.

Completion of the updated study enables the Company to accelerate its engagement with key financial institutions, commodity traders and equipment suppliers for a project finance package to develop the BKM copper mine. The proposed development timeline for the BKM Copper Project is well timed to take advantage of the looming copper supply constraints predicted by leading industry analysts. Development of this initial mine and associated infrastructure is expected to unlock significant potential for further mine developments based on deposits already identified within the KSK Contract of Work.

A summary of the highlights of the Feasibility Study are detailed below and the Executive Summary of the Feasibility Study is available on the Company's website at [www.asiametresources.com](http://www.asiametresources.com)

### **Highlights - 2023 BKM FS Update:**

- **Initial 9.2 year mine life producing up to 20ktpa of copper cathode per annum**
- **Life of Mine ('LOM') Revenue of \$1.4 billion and EBITDA of \$655.3 million**
- **Capital cost of \$208.7 million (excluding growth and contingency \$26.7 million)**
- **Post Tax NPV<sub>8</sub> \$162.8 million, IRR 21.0% (post tax, excluding closure costs)**
- **Payback Period 3.4 years**
- **C1 cash costs of \$1.91/lb and AISC of \$2.25/lb**
- **Base case uses consensus long term copper price of \$3.98/lb**
- **Total Measured, Indicated and Inferred Resources unchanged at 69.6Mt @ 0.6% Cu for 451.9kt of contained copper.**
- **Updated Ore Reserves of 40.8M tonnes @ 0.7% total Cu (272kt contained total copper) and 0.5% soluble Cu (198kt contained soluble copper).**
- **Additional opportunities identified to further reduce capital will be explored through the engineering design phase.**
- **Strategic starter project – establishes infrastructure springboard for delivering future phases of development from the Beruang Kanan district and KSK Contract of Work.**
- **PPKH (approval to use forest area) permit requirements well advanced. All aspects of the project maintained in compliance with regulatory requirements.**

The majority of commodities analysts are predicting elevated long term copper prices primarily driven by the inability of mine supply to meet demand as the build out of renewable energy infrastructure and transport systems accelerates to meet the 2050 net zero emissions targets committed to by many of the advanced economies. Development of the BKM copper project is well timed to capture this opportunity.

Table 1 compares 2023 BKM FS key economic metrics using a US\$3.98/lb long term copper price, the year to date (1 January 2023 to 28 April 2023) average of \$4.06/lb, and a recent Goldman Sachs long term copper price forecast of \$4.54/lb.

**Table 1 BKM Copper Project Sensitivity to Copper Price**

		2023 BKM FS	Avg YTD Price Case <sup>(1)</sup>	Goldman Sachs (Incentive Case) <sup>(2)</sup>
Copper Price	US\$/lb	3.98	4.06	4.54
Revenues	US\$M	1,396.6	1,415.0	1,580.5
EBITDA	US\$M	655.3	673.2	833.7
NPAT	US\$M	378.6	396.2	552.5
NPV <sub>8</sub> (post-tax, excl. closure)	US\$M	162.8	171.2	260.9
IRR (post-tax, excl. closure)	%	21.0	21.3	27.3
Payback Period	Yrs	3.4	3.4	2.8

1. Average YTD copper price 1 January 2023 to 28 April 2023

2. Goldman Sachs Copper Top Projects 2022, A Deficit on the Horizon

## Next Steps

The release of this 2023 Feasibility Study is a significant de-risking milestone for the Company. Along with the indicative timeline (as per appendix) the following key milestones are expected to be completed leading into the first phase construction:

- Completion and compilation of all Chapters of the 2023 BKM Project FS Update.
- Formally appoint lead bank for the project financing.
- Lead bank-appointed Independent Technical Expert ('ITE') will complete a detailed review of the 2023 FS documentation. Likely to be the same ITE that reviewed the 2019 FS on behalf of the Company prior to commencing the update studies.
- Close out outstanding work on capital and operating costs savings opportunities as outlined in the Project Opportunities section (as detailed in the Appendix).
- Commence engineering design works.
- Commence formal project financing including engaging parties in relation to product offtake finance, equipment finance, and export credit finance.
- Commence early works at site.

### **Darryn McClelland, Asiamet's Chief Executive Officer commented:**

*I am pleased to be able to release the details of the 2023 BKM Copper Project FS update today, delivering what is a significant milestone for the company. The time has come to deliver BKM to the market, with a project that not only has strong operating and financial fundamentals on current long-term copper pricing, but offers significant upside considering forecast supply/demand imbalance in the copper market looking 2-3 years into the future. The work completed during the BKM copper project Feasibility Study*

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*(BKM FS) update has given all those involved greater confidence in the execution of this important project with risk areas investigated, understood, and accounted for in the current project design. Delivering a smaller footprint project with higher grade has delivered a robust technical and financial outcome, reduced the disturbance area, and contributed to a lower overall level of environmental impact for the development.*

*Formally releasing the outcome of the FS update is a trigger to progress several activities related to project finance. The Company can now accelerate discussions with banks on debt financing and commence the engagement with a bank-appointed ITE as soon as practicable. In parallel with this the Company will engage with various groups on opportunities for delivering the significant equity funding component of the project financing including those interested in securing the Grade-A copper cathode BKM will produce. The Company is looking forward to discussing opportunities for co-operation with parties who see the value of advancing BKM to production and unlocking the much bigger opportunity to develop multiple mines within the broader Beruang Kanan mineral district and greater KSK Contract of Work.*

*To reiterate, we are very pleased to be able to share the positive outcomes of the BKM FS update, however, this is just one step on the exciting journey towards becoming Asia's newest copper mine. Asiamet greatly appreciates the strong support received from all its stakeholders to date. We are now focused on delivering the project in a safe, environmentally conscious manner, and effectively engaging with our local communities to ensure the benefits of development are realised. I would like to thank all who have contributed to the BKM FS Update and look forward to working with them as we take the project into the next phase of development.*

#### **Investor Call**

*A management presentation to discuss the results of the updated Feasibility Study on the Investor Meet Company platform will take place at 11am-12pm tomorrow (Thursday 11 May 2023). To register for the presentation, investors can sign up to Investor Meet Company and add to meet ASIAMET RESOURCES LIMITED via: <https://www.investormeetcompany.com/asiamet-resources-limited/register-investor> Investors who already follow ASIAMET RESOURCES LIMITED on the Investor Meet Company platform will automatically be invited.*

#### **Qualified Person and Competent Person's Statement**

The Ore Reserves referred to in this release have been completed by Australian Mine Design and Development Pty Ltd ("AMDAD") and are reported in accordance with the requirements of the JORC Code (2012) (see RNS dated 10 May 2023).

The information in this release and the report to which this statement is attached that relates to the estimation of Ore Reserves is based on information compiled by Mr John Wyche, a full-time employee of AMDAD, and who has acted as the Competent Person on the Ore Reserve Estimation of the BKM Project. Mr Wyche is a Member of The Australasian Institute of Mining and Metallurgy. He has 35 years of relevant experience in operations and consulting for open pit metalliferous mines, being sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Wyche consents to the inclusion in the report and this release of the matters based on his information in the form and context in which it appears. Mr Wyche confirms that he is not aware of any new information or data that materially affects the information included in the relevant market announcements, and that the form and context in which the information has been presented has not been materially modified.

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Data disclosed in this press release has been reviewed and verified by Mr John Wyche, FAusIMM (Fellow of the Australian Institute of Mining and Metallurgy) acting as a qualified appointed adviser to Asiamet. Mr Wyche is a Competent Person within the meaning of the JORC Code 2012 and a Qualified Person for the purposes of the AIM Rules for Companies.

**ON BEHALF OF THE BOARD OF DIRECTORS**

Darryn McClelland, Chief Executive Officer

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**-Ends-**

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*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").*

## APPENDIX – BKM PROJECT FEASIBILITY STUDY DETAILS

The BKM Feasibility Study Life of Mine key metrics are included in Table 2 below. The following economic assumptions were utilised:

- Long term copper price of \$3.98/lb LME (London Metal Exchange);
- Discount rate 8% (after tax, Real);
- Indonesian corporate income tax ('CIT') rate of 22%<sup>1</sup>; and
- Indonesian Government Royalty of 2% (of revenue).

Note : All references to (\$) dollars in the tables below are US Dollars. Tables with decimals may not add due to rounding.

**Table 2: Summary LOM BKM Feasibility Study Metrics**

Area	Measure	Unit	Feasibility Study
<b>Production</b>	Ore mined	Mt	38.4
	Waste mined	Mt	52.5
	Strip ratio	Waste:Ore	1.37:1
	Average soluble copper grade	%	0.51
	Soluble copper recovery (from Heap Leach)	%	78.6
	Copper cathode produced	Kt	156.3
<b>Capital</b>	Initial project capital (ex. contingency)	\$M	208.7
	Contingency	\$M	26.7
	Sustaining capital	\$M	35.4
<b>Closure and Rehabilitation</b>	Closure costs	\$M	45.7
<b>Economic Assumptions</b>	Copper price	\$/lb	3.98
	Discount factor	% (real)	8.00
<b>Financials</b>	Revenue	\$M	1,396.6
	Operating costs (ex. royalties)	\$M	657.3
	Other indirect costs (inc. royalties)	\$M	38.3
	NPV <sub>8</sub> post-tax	\$M (real)	146.9
	NPV <sub>8</sub> post-tax, pre-closure	\$M (real)	162.8
	IRR post-tax	% (real)	20.4
	IRR post-tax, pre-closure	% (real)	21.0
	Payback period	Years	3.4
	Initial mine life	Years	9.2
	EBITDA	\$M	655.3
	NPAT	\$M	378.6
	C1 costs	\$/lb	1.91
	AISC	\$/lb	2.25

<sup>1</sup> Tax holiday (subject to successful application of regulation, PMK-130 (130/PMK.010/2020)) of a 100% Corporate Income Tax reduction for 7 years followed by a further 2 years at a 50% reduction.

The estimated initial construction capital costs are summarised in Table 3 below.

**Table 3: Capital Costs**

<b>Plant Area</b>	<b>Capital Estimate \$M</b>
Mining Facilities	5.4
Crushing, Agglomeration and Stacking	19.0
Heap Leach	31.7
SX-EW (incl. Neutralisation)	27.1
Process Area Services and Utilities	17.6
On Site Infrastructure and Bulk Earthworks	30.9
Off Site Infrastructure	14.2
<b>Sub-Total Direct Costs</b>	<b>145.9</b>
Construction Indirect Costs	27.7
Spares and First Fills	6.9
EPCM & Owners Costs	28.1
<b>Total Capital Estimate (excluding contingency)</b>	<b>208.7</b>
Contingency	26.7
<b>Total Capital Estimate</b>	<b>235.4</b>

The capital cost estimate in Table 3 relates to the project construction costs and excludes sustaining capital and mine closure costs. These costs have been included as part of the financial model and can be referred to in Table 4.

The total Life of Mine (LOM) operating costs for the Project as adopted in the financial model are shown in Table 4.

**Table 4 LOM Operating Costs**

<b>Site Operating Costs</b>	<b>\$M</b>	<b>Cost \$/lb</b>
Mining	305.9	0.89
Processing	234.3	0.68
Transport, Logistics and Support Services	117.1	0.34
<b>LOM C1 Cash Cost</b>	<b>657.3</b>	<b>1.91</b>
Other Indirect (incl. Royalties)	38.3	0.11
Sustaining Capex	35.4	0.10
Rehabilitation and Closure	45.7	0.13
<b>AISC</b>	<b>776.8</b>	<b>2.25</b>

Approximately 70% of the total operating costs are incurred in the mining and processing activities. A mine operations life of 9.2 years and heap leach operations life of 10 years leads to no major replacement or rebuilds being necessary on major equipment. Sustaining capex needs for the project are dominated by required increases in ARD water management capacity in the mine and processing. The other primary requirement for sustaining capital relates to the planned installation of inter-lift liners within the heap leach facility.

The majority of the mining works, namely site preparation, blast hole drilling and load and haul requirements will be performed by a primary mining contractor. Some smaller pieces of the mining scope will be completed by support contractors. The mining LOM cost is forecast to be \$3.37 per tonne

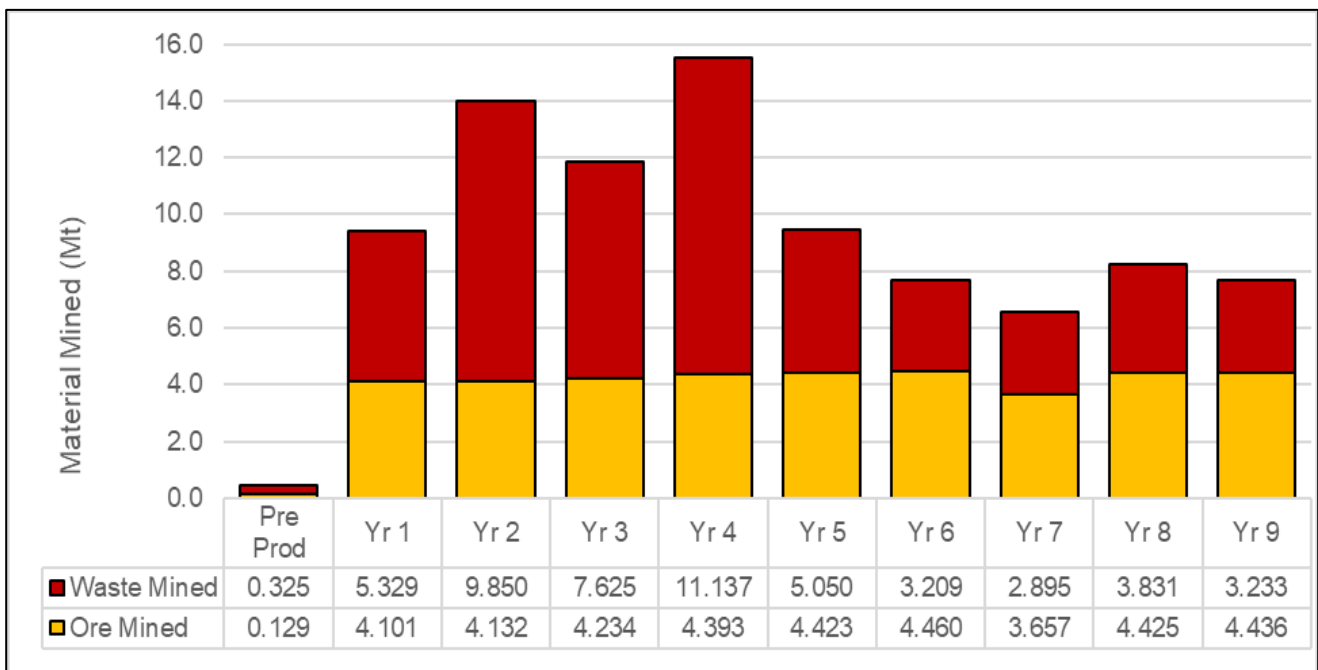
of material mined inclusive of mine geology (including dedicated grade control) and ancillary mining activities.

The LOM processing costs equate to \$6.10 per tonne ore stacked, with the key component being electricity consumption. Power is proposed to be sourced from the development of a new, dedicated biomass power station located within 135km of the site with a dedicated transmission line connecting the power station and BKM. The biomass power station will be built and operated by a third-party supplier. The current cost model adopted for the project delivers an average unit cost of 11.4c per kilowatt hour over the life of the heap leach facility.

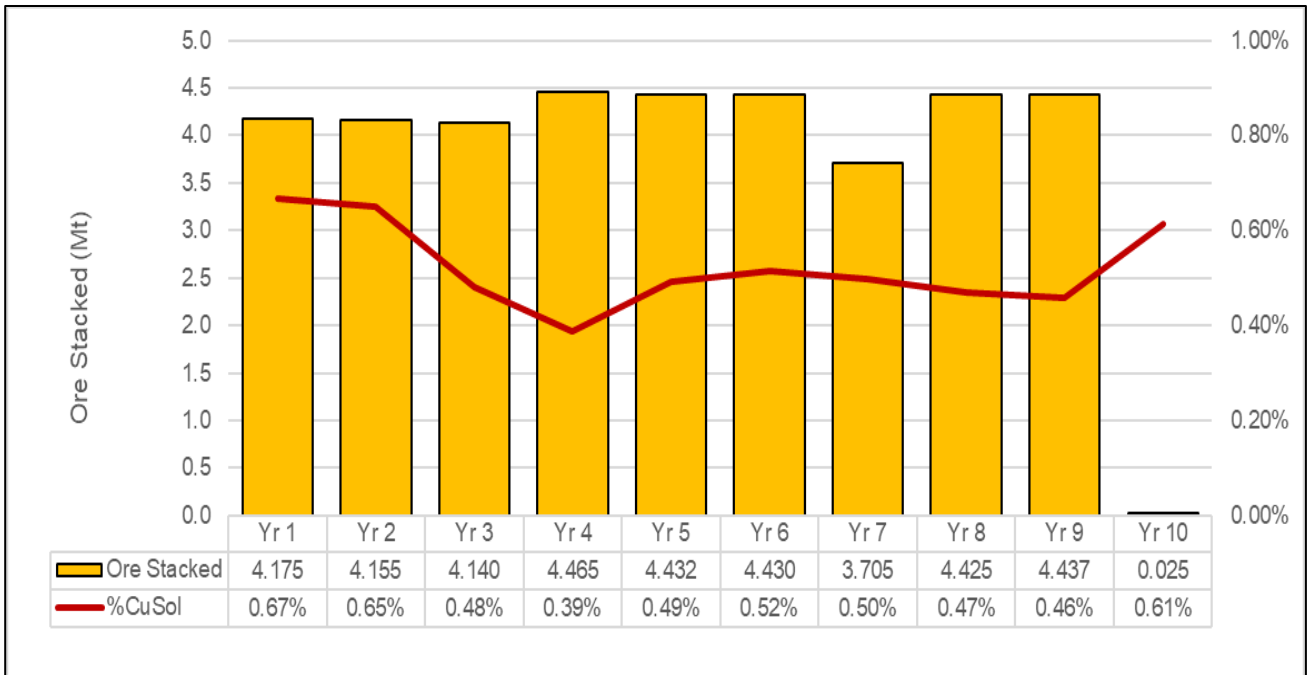
Support Service costs include transport and logistics (contracted), site camp services (contracted), Supply Chain Management, Information Technology, Environmental, Sustainability and Governance and overhead administration activities. The LOM unit cost of these activities in the financial model is \$3.05 per tonne ore processed or \$0.34 per pound copper produced.

The charts below show the Life of Mine (LOM) production (Figure 1) and cash flows after tax (Figure 3). Ore mined is slightly lower in years 1-3 as higher grades of soluble copper are mined first (Figure 2), delivering strong early-stage cash flows to the project. The LOM strip ratio is low at 1.37:1, adding to the high margin and highly profitable project.

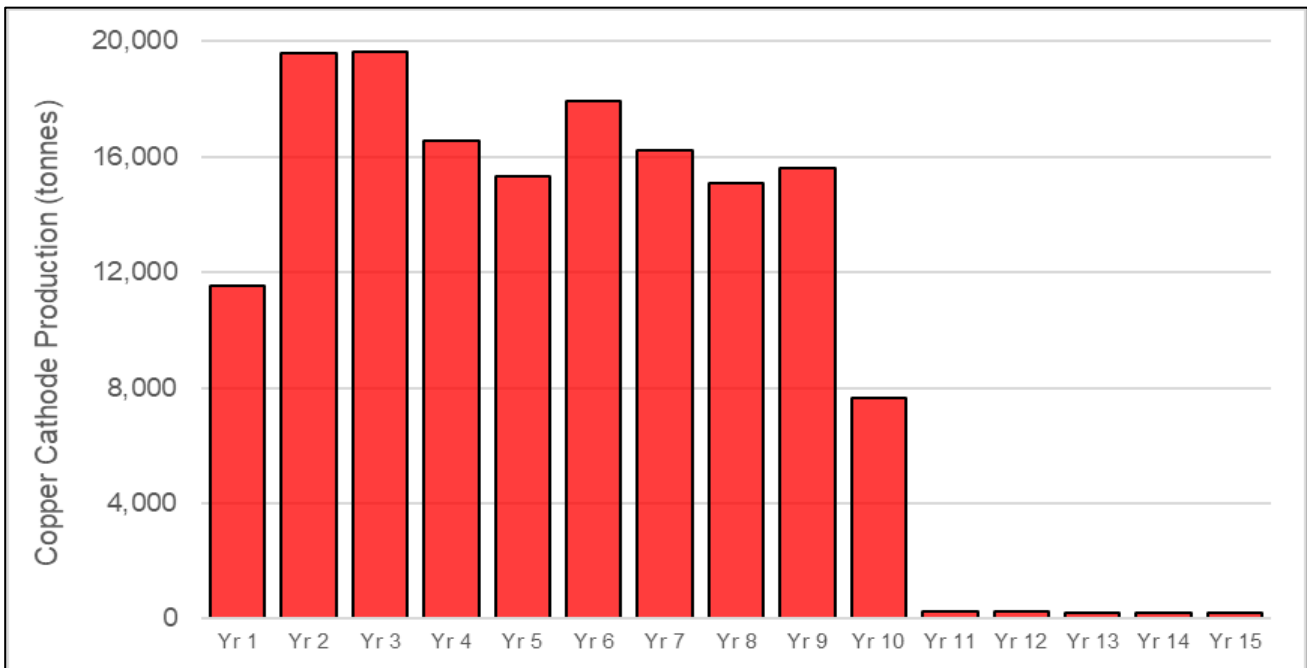
**Figure 1 LOM Mining Production**



**Figure 2 LOM Ore Stacked and Soluble Copper Grade**

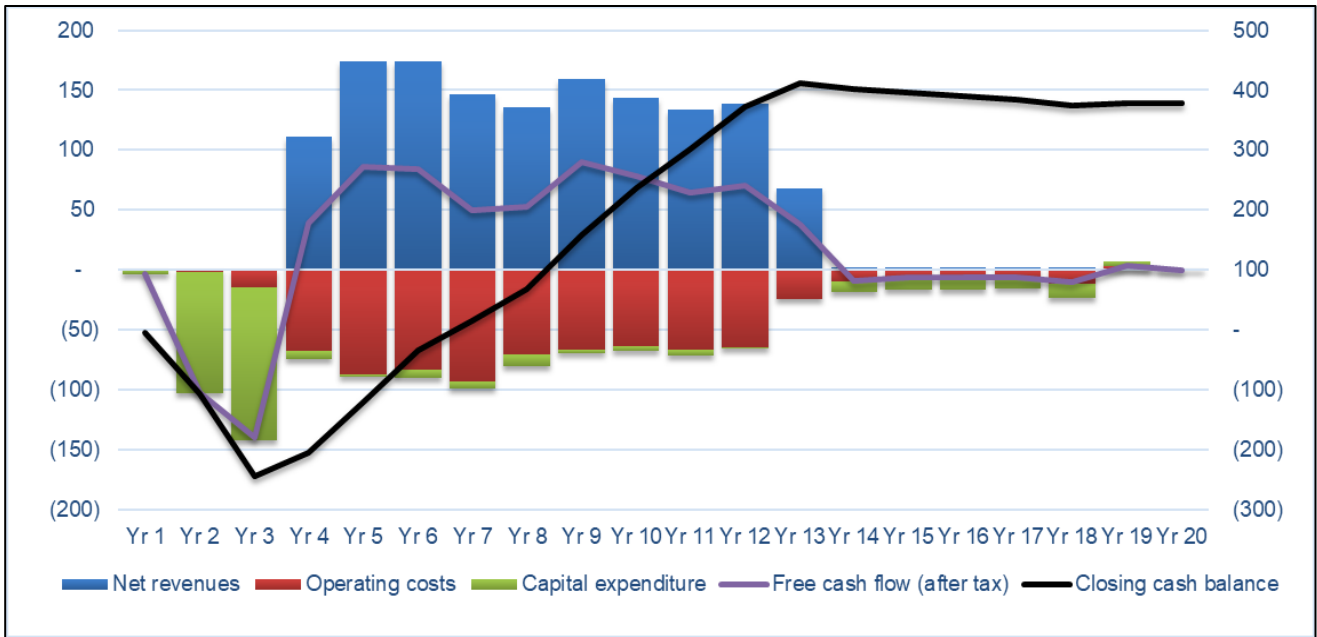


**Figure 3 LOM Copper Cathode Production**





**Figure 4 LOM Project Cash Flows – US\$M<sup>1</sup>**



1. Yr1 Figure 4 represents first year of expenditure on the project, Yr4 represents Yr1 of production as shown in the production figures.

Strong free cash flow generation is expected from the project with the LOM net operating cash flows of \$695.1 million. This strong cash flow generation underpinned by a long-term copper price of \$3.98/lb results in a 3.4 year payback period for the Project.

As part of the Feasibility Study, a sensitivity analysis was conducted to determine the effect of key variables on the base case NPV<sub>8</sub> of \$162.8 million (post tax and excluding closure costs). The results of this analysis are shown in Figure 5 and Table 5.

**Figure 5 Project Sensitivities – US\$M Base NPV<sub>8</sub> (Post-tax, Real)**

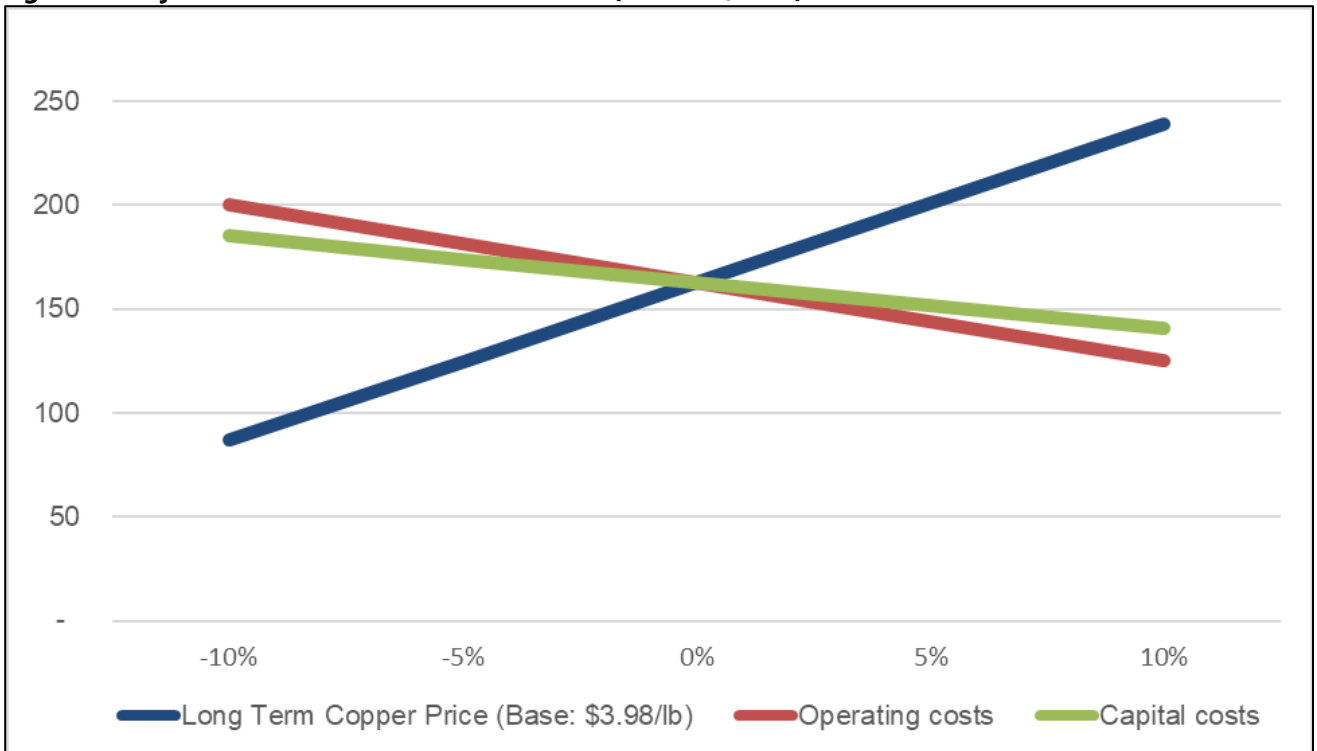


Table 5 provides a sensitivity of +/- 2% for the Company's 8% weighted average cost of capital (WACC).

**Table 5 Weighted Average Cost of Capital Sensitivity**

<b>NPV +/- 2%</b>	<b>NPV<sub>6</sub></b>	<b>Base Case NPV<sub>8</sub></b>	<b>NPV<sub>10</sub></b>
NPV Post-tax	189.8	146.9	111.1
NPV Post-tax (pre-closure)	210.7	162.8	123.3

## **Project Opportunities<sup>2</sup>**

Several opportunities to further de-risk the project will be addressed prior to, and during, the detailed engineering design phase. Promising outcomes from this work will be used as the basis for detailed engineering design. These include:

- **Relocation of the Heap Leach Facility** – an expected 25% to 30% reduction in earthworks volume associated with Heap Leach Pad construction. A more straightforward location to build with an expected reduction in costs, material movement and an overall reduction in construction time.
- **Open Pit Mine Design and Schedule** – iterative design review of the open pit slopes based on outcomes of the geotechnical and hydrogeological study completed as part of FS update. Opportunity to review pit slope parameters in certain areas of the open pit that could lead to reduced waste mining.
- **Engineering services review** – review options to execute additional engineering services in Indonesia and China through partnerships established during development of the FS update. This is part of the Company's overall lower-cost sourcing initiative.
- **Contracting Strategy** – full review of contracting strategy for execution of the project and the transition from construction to operations.
- **Acid Mine Drainage Water Treatment** – review wider range of options for treatment of mine impacted water with a specific focus on the opportunity to increase recovery of copper.

<sup>2</sup> Asiamet cautions the Project Opportunities described above are preliminary in nature and have only been subjected to high-level preliminary assessment. It is uncertain if further evaluation and or exploration work will result in the implementation of any of the potential opportunities or whether any additional economic benefit will be realised.