

For Immediate Release

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TSX Venture Exchange

and AIM

Symbol: "ARS"



**Asiamet
RESOURCES**

Limited

Listed On TSX-V & AIM

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Asiamet Resources Half-Year Results 2016

The Asiamet Resources Limited (the "Company" or "ARS") Financial Statements and Management Discussion & Analysis – Quarterly Highlights ("MD&A - QH") for the six months ended June 30, 2016 are available for viewing on www.sedar.com or www.asiametresources.com.

The highlight of the half year to June 30, 2016 was the announcement on April 5, 2016, of the results of the independently prepared Preliminary Economic Assessment ("PEA") study of the Beruang Kanan Main ("BKM") Copper Deposit. Following completion of this highly positive PEA study, and a successful capital raise completed on April 27, 2016, Asiamet initiated feasibility studies on the BKM copper project.

As at June 30, 2016, the Company had working capital of \$1,801,904. On April 27, 2016, the Company closed a brokered private placement and issued and settled through CREST 48,387,097 common shares at a price of GBP 3.1 pence per share for total gross proceeds of £1.5 million (equivalent to \$2.2 million) all of which has been received by the Company.

Exploration and evaluation expenditures on Asiamet projects for the six months ended June 30, 2016 totaled \$1,333,349, before deducting the net VAT recovery of \$993,641 and before adding non-cash depreciation of \$37,427 for a total of \$375,524 compared to \$945,880 in the six months ended June 30, 2015. In the three months ended June 30, 2016, the subsidiary that holds the KSK CoW was refunded VAT (value added tax) of IDR 13.2 billion the approximate equivalent of \$1 million. The Company expensed this VAT as it was incurred and has now recorded the refund as a taxation recovery against exploration expenses. Beginning with fiscal year 2016 the Company is treating VAT as a current asset which at June 30, 2016 was \$86,430 relating to VAT in calendar 2015 and year to date 2016. Administration expenses for the six months ended June 30, 2016 totaled \$468,047 compared to \$585,614 in the six months ended June 30, 2015. The Company has increased its marketing awareness program focused on the AIM marketplace where the great majority of the Company's shares trade.

The Company announced the results of the independently prepared PEA study of the Beruang Kanan Main Copper Deposit on April 5, 2016. The PEA is the first study undertaken to evaluate the economics of developing an open pit mine and heap leach solvent extraction electro-winning facility ("SX-EW") to directly produce copper cathode based on the near surface copper deposit reported in the 2015 BKM Resource estimate (refer ARS NR October 21, 2015).

Results of the PEA study demonstrate excellent potential for developing a robust, low strip ratio, low capital intensity copper project with low operating costs, strong cash flow generation capacity and significant upside potential through further Resource growth. The PEA is available for viewing on www.sedar.com or www.asiametresources.com.

Following on from the strong results demonstrated in the BKM PEA, a feasibility study fully assessing the proposed mine development has been initiated. The feasibility study represents a major de-risking phase for the project, the outcomes of which will be used by a wide range of stakeholders, including potential financiers, to assess the project's viability.



The Company engaged a Study Manager to lead the owner's team for the feasibility study and also contracted a number of the key consultants and service providers required to oversee the long lead time items in each of the key study disciplines. Local Indonesian consultants, service providers and manpower are being utilized wherever possible.

At the BKM site a comprehensive Resource infill and extension drilling program began at the end of May and continues at the time of this report. The drill program is planned to upgrade a majority of the Inferred Mineral Resource i.e. 49.7million tonnes grading 0.6% Cu containing 657 million pounds of copper at (0.2% Cu reporting cut), to the Measured and Indicated Mineral Resource categories. Two drills are currently operational. Two large diameter (PQ size) core holes have also been completed to collect fresh bulk samples for detailed metallurgical testwork. Approximately 100 holes/9000 meters of Resource drilling and 15 holes/2000 meters of metallurgy drilling is planned. Drill results of the first 12 holes were announced on July 21, 2016, August 4, 2016, and August 17, 2016.

The excellent thickness and continuity of near surface high grade 1-3% copper mineralization intersected in feasibility study drilling to date further strengthens the key fundamentals of the BKM project. The delineation of these discrete zones of continuous, shallow, higher grade mineralization that is easily accessible for early mining has the potential to lower operating costs and further enhance project economics.

Other activities undertaken in the six months ended June 30, 2016 have been focused on corporate initiatives aimed at further strengthening the company's project delivery capability and financial position and on the conversion of the Beutong and Jelai exploration IUP's (Izin Usaha Pertambangan) to production IUP's. Approval of the IUP Production secures long term mining title valid for 20 years, extendable for two subsequent periods each of 10 years duration.

Conversion of both the Beutong IUP and Jelai IUP has been significantly delayed due to changes to the regulatory process and the responsible regulatory bodies and personnel within the Government of Indonesia, however the process is now nearing completion and a decision on the grant of an IUP production for both projects is expected shortly.

Under Indonesian Mining law the holder of an IUP exploration is guaranteed an IUP production provided all requirements have been met, and an IUP exploration cannot be terminated if there has been an application made to convert to an IUP production.

Qualified Person

Data disclosed in this press release have been reviewed and verified by ARS's qualified person, Stephen Hughes, P. Geo, Vice President Exploration of the Company and a Qualified Person within the meaning of NI 43-101 and for the purposes of the AIM Rules.

ON BEHALF OF THE BOARD OF DIRECTORS

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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 characterized 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.



ASIAMET RESOURCES LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(unaudited – expressed in United States dollars)

| | June 30, 2016 | December 31, 2015 |
|--|---------------------|----------------------|
| ASSETS | | |
| Current assets | | |
| Cash | \$ 1,961,683 | \$ 778,634 |
| Receivables and other assets | 184,445 | 99,911 |
| | <u>2,146,128</u> | <u>878,545</u> |
| Non-current assets | | |
| Equipment | 62,424 | 91,799 |
| Security deposit | 92,835 | 92,374 |
| | <u>155,259</u> | <u>184,173</u> |
| TOTAL ASSETS | \$ 2,301,387 | \$ 1,062,718 |
| LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY) | | |
| Current liabilities | | |
| Trade and other payables | \$ 344,224 | \$ 349,243 |
| Non-current liabilities | | |
| Provision for employee service entitlements | 44,355 | 42,377 |
| | <u>388,579</u> | <u>391,620</u> |
| Shareholders' equity | | |
| Share capital | 6,190,610 | 5,706,741 |
| Equity reserves | 31,534,532 | 29,967,939 |
| Deficit | (35,805,306) | (34,996,554) |
| | <u>1,919,836</u> | <u>678,126</u> |
| Non-controlling interest | (7,028) | (7,028) |
| | <u>1,912,808</u> | <u>671,098</u> |
| TOTAL LIABILITIES AND EQUITY | \$ 2,301,387 | \$ 1,062,718 |



ASIAMET RESOURCES LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(unaudited – expressed in United States dollars)

| | Note | For the three months ended | | For the six months ended | |
|---|------|----------------------------|---------------------|--------------------------|-----------------------|
| | | June 30, 2016 | June 30, 2015 | June 30, 2016 | June 30, 2015 |
| Expenses | | | | | |
| Accounting and audit | | \$ 27,545 | \$ 2,345 | \$ 26,887 | \$ 2,345 |
| Consultants and shared office costs | | 149,375 | 215,373 | 301,088 | 473,101 |
| Exploration and evaluation expenditures | 8 | (122,500) | 512,712 | 375,524 | 945,880 |
| Investor relations | | 25,499 | 421 | 35,888 | 839 |
| Legal | | - | 3,163 | 2,558 | 6,471 |
| Office and administrative services | | 14,493 | 7,426 | 20,269 | 10,374 |
| Transfer agent and regulatory fees | | 49,448 | 54,789 | 76,120 | 79,902 |
| Travel and accommodation | | 4,958 | 12,582 | 5,237 | 12,582 |
| | | <u>148,818</u> | <u>808,811</u> | <u>843,571</u> | <u>1,531,494</u> |
| Other items | | | | | |
| Foreign exchange (loss) gain | | 31,664 | (7,461) | 33,080 | (4,628) |
| Impairment loss on asset acquisition | | - | - | - | (3,866,813) |
| Interest income | | 1,641 | (48) | 1,739 | (18) |
| | | <u>33,305</u> | <u>(7,509)</u> | <u>34,819</u> | <u>(3,871,459)</u> |
| Loss and comprehensive loss for the period | | \$ (115,513) | \$ (816,320) | \$ (808,752) | \$ (5,402,953) |
| Loss attributable to: | | | | | |
| Equity holders of the parent | | \$ (115,513) | \$ (804,897) | \$ (808,752) | \$ (5,361,053) |
| Non-controlling interest | | - | (11,423) | - | (41,900) |
| | | <u>\$ (115,513)</u> | <u>\$ (816,320)</u> | <u>\$ (808,752)</u> | <u>\$ (5,402,953)</u> |
| Basic and diluted loss per common share | | \$ (0.00) | \$ (0.00) | \$ (0.00) | \$ (0.01) |
| Weighted average number of shares outstanding | | 574,597,071 | 426,900,370 | 591,706,321 | 396,095,858 |



ASIAMET RESOURCES LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(unaudited – expressed in United States dollars)

| | For the six months ended | |
|--|--------------------------|---------------------|
| | June 30, 2016 | June 30, 2015 |
| Cash provided from (used for): | | |
| Operating activities | | |
| Loss for the period | \$ (808,752) | \$ (5,402,953) |
| Adjustment for non-cash items: | | |
| Depreciation | 37,427 | 69,768 |
| Exploration and evaluation expenditures acquired | - | 3,866,813 |
| Unrealized foreign exchange loss (gain) | 1,517 | (3,856) |
| Changes in non-cash working capital: | | |
| Receivables and other assets | (84,534) | (84,244) |
| Trade and other payables | (5,019) | 5,837 |
| | <u>(859,361)</u> | <u>(1,548,635)</u> |
| Investing activities | | |
| Beutong acquisition transaction costs | - | 13,618 |
| Purchase of equipment | (8,052) | (1,102) |
| | <u>(8,052)</u> | <u>12,516</u> |
| Financing activities | | |
| Share issues | 2,154,807 | 3,018,184 |
| Share issue costs | (104,345) | (154,326) |
| | <u>2,050,462</u> | <u>2,863,858</u> |
| Effect of foreign exchange on cash | - | 3,092 |
| Increase in cash | <u>1,183,049</u> | <u>1,330,831</u> |
| Cash, beginning of the period | <u>778,634</u> | <u>30,382</u> |
| Cash, end of the period | <u>\$ 1,961,683</u> | <u>\$ 1,361,213</u> |
| Supplementary information: | | |
| Interest paid | \$ 708 | \$ - |
| Income taxes paid | - | - |
| Non-cash investing and financing activities | | |
| Fair value of shares issued exploration and evaluation expenditures | \$ - | \$ 3,333,483 |
| Fair value of warrants issued for the acquisition of a subsidiary | - | 455,327 |
| Fair value of warrants issued to brokers included in share issue costs | 86,808 | 103,712 |