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BKM Copper Deposit Preliminary Economic Assessment Update

Asiamet Resources Limited ("ARS" or the "Company") is pleased to advise that a Preliminary Economic Assessment ("PEA") on the Beruang Kanan Main ("BKM") deposit within the Company's 100% owned KSK Contract of Work in Kalimantan, Indonesia, is advancing well in line with plan and budget. The independent PEA is expected to be delivered at the end of the first quarter this year.

The PEA is a conceptual study evaluating the potential economic viability of developing an open pit mine and heap leach SX-EW processing facility to treat near surface copper resources delineated in the 2015 BKM Resource estimate (ARS Announcement October 21, 2015). ARS estimates that approximately 25% of global copper supply is produced using the heap leach, solvent extraction and electro-winning ("SX-EW") process and the opportunity for ARS to assess the application of this proven technology to produce copper metal at the BKM site is expected to greatly enhance the attractiveness of the project.

Significant progress is being made across all of the PEA inputs with positive results reporting from each of the study areas in line with the Company's expectations. Progress for each of the PEA component study areas is summarized as follows:

- **Metallurgy and Resources** – Recent studies have significantly advanced the metallurgical understanding of the deposit. Sequential copper assaying was completed on 1,918 drill samples to characterize the distribution of leachable copper mineralization within the preliminary open pit design. The metallurgical testing program comprises both acid only and bacterially assisted acid bottle rolls, and short acid column tests. The test work program is being undertaken in Core Resources laboratory in Brisbane, and the extended leaching tests are providing encouraging results from both the acid only and bacterial assisted methods. High short term (55 day) recoveries of +70% have been obtained from the acid only leaching. Bacterial leach tests are continuing with recoveries to date consistent with expectations given copper head grade and leach residence time. Leach tests are showing mild acid production in the latter part of the leach, a factor which should help reduce the amount of acid required in the heap leach process and have a positive impact on operating costs.
- **Process Plan Design** – An initial process plant design concept using a partial valley fill and multiple lift heap leach configuration is considered to be suitable for the BKM site, supported by the local topography and competent nature of the mineralized rocks. This configuration will enable the construction of leach pads closer to the mining operation and help reduce haulage costs. Copper rich solution ("PLS") will be collected at the base of the heap into process ponds. Both the leach pads and the ponds will be lined to contain all solutions as part of the environmental management plan. The PLS will be pumped to a solvent extraction plant ("SX") for removal of the copper. From the SX plant the purified and concentrated solution is pumped to the electro-winning ("EW") plant where copper is extracted from solution and plated onto stainless steel sheets using electric current. Copper product from the process is targeted to be London Metals Exchange ("LME") grade A with a copper content of 99.999%. Target markets will include manufacturers within Indonesia and/or nearby South-East Asia.



- **Mine Engineering** – Two open pit mine shells are being engineered by Orelogy to assess the optimum pit wall slopes, shapes and depths, mining equipment type and sizing, and the sequencing of waste and ore mining to meet the requirements of the site civil works development and copper leach pad construction and operations. This work is critical to ensuring optimum and timely development of the mining operations to maximize mining of ore and minimize waste removal while retaining geotechnical stability, all of which have a significant impact on the operating costs. The availability of experienced local Indonesian mining contractors, anticipated low waste to ore stripping ratio's and the short transport distances from mine to leach pads is expected to result in low mine operating costs.
- **Project infrastructure** options covering roads, power, water, mine and process plant infrastructure, accommodation, site utilities and services are all being evaluated and costed with various service providers for feeding into the capital and operating cost estimates. Power is a material cost item for mining operations, and opportunities for low cost small scale hydropower near the BKM site are being evaluated by SMEC, a leading provider of hydropower solutions globally.
- **Transport and logistics** options for the delivery of plant and equipment to the site, ongoing servicing of the mine operations and the distribution of the copper end product are being evaluated and costed by Resindo, an Indonesian company with expertise in bulk materials handling. Options being assessed include road and river barge, both of which are in place and extensively used by the forestry and coal industries for product and supplies movement. Large truck fleets currently utilize the all-weather access roads into the BKM area for logging and a number of river barge ports are currently operational within easy access of the site.
- **Cost estimates and timelines** for the mine and plant development together with the operating cost data are progressively being delivered and fed into the financial model for the project as they become available. This financial analysis will assess the potential economic viability of the project based on the BKM Mineral Resource and provide a range of financial outputs based on standard industry practice for PEA level studies. Assuming a positive outcome from this work a conceptual development plan and scope of work for a feasibility study will be developed.

Asiamet Resources CEO Tony Manini commented

"This initial phase of project design, engineering and economic-financial evaluation of the BKM project represents the most important milestone in the life of the company to date and the highly experienced Asiamet team together with its expert consultants are completing a range of detailed studies aimed at delivering a high quality PEA to time and budget. The combination of a good grade, heap leachable, low stripping ratio copper deposit in a low cost operating environment like Indonesia is highly compelling, and while we still have studies to complete, results to date indicate that the Company has good reason to be optimistic on the PEA outcomes. Success in developing BKM to its full capacity will provide the platform for Asiamet to continue growing its copper and gold production base via the large Beutong copper-gold project and further exploration of its highly prospective land holdings, the key foundation assets upon we are striving to build a leading Asian copper and gold company"

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

Tony Manini, Deputy Chairman and CEO



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