
08 August 2023

Corporate Update – Project Financing

Asiamet Resources Limited (“Asiamet”, “ARS” or “the Company”) is pleased to report that considerable progress is being made across all project financing workstreams for the development of the Company’s wholly owned, feasibility stage, BKM copper mine project located in Central Kalimantan, Indonesia. Senior bank debt and offtake finance engagements which represent potentially large components of the proposed BKM mine development capital structure are progressing well.

Highlights

- Following consultation with potential lead banks for BKM debt finance, ARS appointed SRK Consulting (Perth) (“SRK”) as Independent Technical Expert (“ITE”). SRK also reviewed the 2019 feasibility study in 2022 providing important input into workstreams addressed in recent feasibility study update.
- Two separate due diligence visits to the BKM project site were completed by a potential lead bank and the ITE over the past three weeks.
- Several leading international metals trading groups are undertaking detailed due diligence for financing tied to copper cathode offtake.
- Growing interest from Chinese Engineering, Procurement and Construction (“EPC”) contractors and proposed project partners introduced through China based advisor, Zenith Capital. Engagement with Indonesian EPC and Engineering, Procurement, Construction and Management (“EPCM”) groups has also commenced.
- Preparation for early engineering design works is underway with specialist engineering contractors and equipment suppliers.
- Grant Samuel, Australasia’s leading independent corporate advisor, is engaging with a potential lead financier and supporting ARS to finalise its financing model and prepare related valuation metrics.

Due diligence site visits to the BKM copper project have recently been completed by a globally recognised bank experienced in resource project financing and the bank-ratified ITE, SRK. These site visits are an important step in the due diligence process required for first phase bank credit approval, which is targeted for completion before the end of this calendar year.

Simultaneously, there is an escalating interest in securing the copper cathode off-take for the BKM project. Several leading international metals trading groups are advancing their due diligence to provide indicative term sheets for pre-payment financing tied to copper cathode off-take.

In parallel with the debt financing, engagement with parties introduced by our China based advisors, Zenith Capital, has also been very positive with several discussions ongoing for a range of financing models which will support the development of the BKM project. These include various forms of equipment and EPC related finance.

Darryn McClelland, Chief Executive Officer commented:

We are pleased to report that progress on the BKM Copper Project financing is accelerating. Representatives of both a potential lead finance bank and the appointed Independent Technical Expert, SRK Consulting, recently completed visits to Central Kalimantan and the proposed BKM mine development site as part of their due diligence processes. Visits to the Company's drill core storage facility, which houses all drill core from across the entire KSK contract of work, enhanced the project's credibility and provided an opportunity to demonstrate the considerable upside potential of KSK. A key outcome of the site visits was the establishment of the financiers' expectations for engagement of project execution contractors. Considerable engagement is continuing with both parties targeting completion of all requirements for first stage credit approvals before the end of this year.

Simultaneously with the work on the senior debt financing several other financing workstreams are being advanced. Detailed discussions are in progress with several globally recognised metals trading groups interested in securing copper offtake linked to an upfront pre-payment. Offtake finance is expected cover a sizeable portion of the overall project finance, which would bring considerable benefits for both the project and shareholders.

Additionally, early engagement with parties introduced by our China advisors, Zenith Capital, has also been positive. Several different project financing models involving the supply of equipment and/or construction services as well as partnering to financially support development of the project are being discussed.

The outlook for copper remains very robust, with medium to long term demand forecast to remain strong and the supply-side response challenged to meet this growing demand. New copper projects are few and far between and the BKM copper heap leach project is strategically positioned to deliver LME grade A copper cathode into a supply constrained Asian market.

Asiamet is progressing the financing process and driving the BKM Copper Project towards a successful development as quickly as possible. We are grateful for the continued support of investors and stakeholders through this period and will keep the market informed with regular updates on our progress."

BKM Copper Project Site Visit

Site visits were recently completed by a potential lead financier ("PLF") and the bank ratified ITE, SRK. The site visit by the PLF is an important step in the due diligence process required for first phase credit approval targeting to be completed before the end of this year. The site visit for both the PLF and ITE included the following key areas:

- An overview of the logistics route, travel from Palangkaraya to site, and assessing some of the to be developed access roads.
- An inspection of proposed locations of various site facilities, most notably the BKM Mining Area.
- An overview of the geology and visit to the core storage facility near Palangkaraya.
- Various discussions on all aspects of the BKM project feasibility study update.
- A presentation on community engagement and ESG development provided to the PLF.

- Meetings with lead contributors on BKM open pit geotechnical and hydrogeology studies.

It is envisaged the PLF will work together with top tier Indonesian banks on the overall debt financing package for the BKM copper project.

Grant Samuel, Australasia's leading independent corporate advisor, is supporting Asiamet on the various financial workstreams and engagements. Photos from the two recent project finance related site visits are provided below.



Photo 1: Potential lead bank representatives at the BKM site with Asiamet KSK project team.



Photo 2: Potential lead bank representatives inspecting drill core at the KSK Core Storage Facility.



Photo 3: BKM Core Inspection with representative of Independent Technical Expert, SRK Consulting.

ON BEHALF OF THE BOARD OF DIRECTORS

Darryn McClelland, Chief Executive Officer
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FORWARD-LOOKING STATEMENT

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