

Asiamet Resources Limited

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

Interim Results for the Six Months Ended 30 June 2023

Asiamet Resources Limited (AIM: ARS) announces its unaudited interim results for the six months ended 30 June 2023 ("H1 2023" or the "Period").

CEO's statement:

The first half of 2023 has been an exciting period for the Company, reaching the important milestones of delivering the updated Feasibility Study ("FS") and Ore Reserve Statement for the Beruang Kanan Main ("BKM") copper project. The updated FS delivers a more efficient and highly profitable project at a time when copper will be in short supply. It can be noted that the 2023 BKM copper project valuation significantly exceeds the current market capitalisation of the Company. This valuation gap is further exacerbated when considering the total JORC compliant resources of base and precious metals at BKM, BKZ and Beutong. It is incumbent on us to continue delivering outcomes that will in time yield a fuller valuation, more representative of the Company's asset base.

Having successfully completed the updated FS, we are well positioned to enter substantive discussions with potential partners and advance project financing. The Company is advancing various financing workstreams and has appointed Grant Samuel Corporate Finance ("Grant Samuel") as its corporate adviser for the BKM copper project financing process. Grant Samuel is a highly regarded corporate finance advisory group operating in the Australasian region with strong working relationships with Indonesian banks. Asiamet has also engaged China Zenith Capital Limited ("Zenith"), a corporate advisory firm based in Beijing, to specifically assist engagement with potential project finance partners in the Chinese market.

During the first half of 2023, the copper market fluctuated significantly with prices rising over the first few months and then pulling back as concerns over the global economic outlook with ongoing inflationary concerns. The copper market has stabilised over the last two months. The medium to longer-term outlook for copper remains very robust due to the strong underlying supply-demand fundamentals driven by the global push towards renewable energy and decarbonisation. This is set against a predicted shortfall in new mine supply whilst M&A activity in the sector is increasing as larger mining groups look to replenish their resource inventories and future growth pipelines.

In summary, a very busy first half of 2023 for the Company during which we made excellent progress towards the development of our first project, the BKM copper mine. Asiamet is very well positioned with a robust, development-ready copper cathode project and one large copper development asset at a time when the copper market is shifting into a supply deficit. With industry analysts forecasting copper prices to rise and quality development-ready copper projects being scarce, it is envisaged that the confluence of these factors should see the Company rewarded for the significant progress we have made, and continue to make, on our projects.

I would like to take this opportunity to thank all of our stakeholders for their ongoing support and look forward to reporting further on progress as we deliver our strategy to build a company delivering much needed energy transition materials.

On behalf of the board

Darryn McClelland
CEO
27 September 2023

H1 2023 Operational Highlights

BKM Copper Project (ARS 100%)

Updated BKM Mineral Reserve statement (JORC 2012) (see announcement dated 10 May 2023)

- 19.0Mt @ 0.7% Cu for 137kt of contained copper in the Proven Reserve category
- 21.8Mt @ 0.6% Cu for 135kt of contained copper in the Probable Reserve category
- 40.8Mt @ 0.7% Cu for 272kt of contained copper in the Proven and Probable Ore Reserves category
- Low strip ratio of 1.2:1
- Ore Reserves are reported based on extraction by open-pit mining and processing by heap-leach and solvent extraction / electro-winning ("SX-EW")

2023 BKM FS Update (see announcement dated 10 May 2023):

- 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 NPV8 \$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.

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 in \$ unless otherwise stated.

Interim condensed consolidated statement of financial position

As at 30 June 2023

		30-Jun 2023	31-Dec 2022
	<i>Note</i>	Unaudited \$'000	Audited \$'000
Assets			
Current assets			
Cash		2,259	5,185
Receivables and other assets	5	60	77
		2,319	5,262
Non-current assets			
Plant and equipment	4	34	36
Right-of-use asset	7b)	8	16
Receivables and other assets	5	65	67
		107	119
Total assets		2,426	5,381
Liabilities and Equity			
Current liabilities			
Trade and other payables		343	657
Provisions	6	294	288
Lease liabilities	7a)	-	59
		637	1,004
Non-current liabilities			
Provisions	6	551	550
		1,188	1,554
Equity			
Share capital		21,831	21,831
Equity reserves		67,303	66,921
Other comprehensive income		72	71
Accumulated deficit		(84,715)	(81,743)
Other reserves		(3,246)	(3,246)
Parent entity interest		1,245	3,834
Non-controlling interest		(7)	(7)
		1,238	3,827
Total liabilities and equity		2,426	5,381

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

	<i>Note</i>	2023 \$'000	2022 \$'000
Expenses			
Exploration and evaluation	3	(951)	(2,236)
Employee benefits		(1,282)	(1,073)
Consultants		(55)	(185)
Legal and Company Secretarial		(60)	(64)
Accounting and audit		(2)	(4)
General and administrative		(134)	(153)
Depreciation		(16)	(20)
Share-based compensation	9	(382)	(104)
		(2,882)	(3,839)
Other Items			
Foreign exchange losses		(8)	(54)
Finance costs		-	(5)
Impairment expense	5	(82)	(146)
Other income		-	1
		(90)	(204)
Net loss for the half year		(2,972)	(4,043)
Items that may not be reclassified subsequently to profit or loss:			
Actuarial gain on employee service entitlements		1	-
Total comprehensive loss for the half year		(2,971)	(4,043)
Net loss attributable to:			
Equity holders of the parent		(2,945)	(3,937)
Non-controlling interests		(27)	(106)
Total comprehensive loss attributable to:			
Equity holders of the parent		(2,945)	(3,937)
Non-controlling interests		(27)	(106)
Basic and diluted loss per common share (cents per share)		(0.15)	(0.21)
Weighted average number of shares outstanding (thousands)		1,942,542	1,942,542

Interim condensed consolidated statement of cash flows (unaudited)

For the six months ended 30 June

	<i>Note</i>	2023 \$'000	2022 \$'000
Operating activities			
Loss for the half year		(2,971)	(4,043)
<i>Adjustment for:</i>			
Depreciation	4	16	20
Share-based compensation	9	382	104
Net foreign exchange gain		(3)	(4)
Impairment expense	5	82	146
Finance cost		1	5
Movements in provisions		7	(80)
<i>Changes in working capital:</i>			
Receivables and other assets		(63)	(145)
Trade and other payables		(314)	180
<i>Other adjustments:</i>			
Interest payments		(1)	(5)
Net cash flows used in operating activities		(2,864)	(3,822)
Investing activities			
Purchase of property, plant and equipment	4	(6)	(6)
Net cash flows used in investing activities		(6)	(6)
Financing activities			
Payment of principal portion of lease liabilities		(58)	(50)
Net cash flows from (used in) financing activities		(58)	(50)
Net decrease in cash		(2,928)	(3,878)
Net foreign exchange differences		2	-
Cash at beginning of the period		5,185	9,060
Cash at 30 June		2,259	5,182

Interim consolidated statement of changes in equity (unaudited)

For the six months ended 30 June 2023

	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 2023	21,831	66,921	71	(81,743)	(3,246)	3,834	(7)	3,827
Loss for the half year	-	-	-	(2,945)	-	(2,945)	(27)	(2,972)
Other comprehensive income			1	-	-	1	-	1
Total comprehensive income	-	-	1	(2,944)	-	(2,944)	(27)	(2,971)
<i>Transactions with owners in their capacity as owners</i>								
Contribution by parent in NCI	-	-	-	(27)	-	(27)	27	-
Share based compensation	-	382	-	-	-	382	-	382
Balance at 30 June 2023	21,831	67,303	72	(84,715)	(3,246)	1,245	(7)	1,238

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

Notes to the condensed consolidated financial statements (unaudited)

For the six months ended 30 June 2023

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 2023 were authorised for issue in accordance with a resolution of the directors on 26 September 2023.

Asiamet Resources Limited (the "Company") is a publicly traded company incorporated under the laws of Bermuda. The Company's shares are quoted on the AIM market of the London Stock Exchange plc ("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 2023 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 2022.

The interim condensed consolidated financial statements for the six months ended 30 June 2023 and 30 June 2022 were not subject to review and were unaudited. The comparative information for the year ended 31 December 2022 was approved by the Board of directors on 27 April 2023 and the Independent Auditor's Report on those accounts was unqualified.

2.2 Going concern

The 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.

For the half year ended 30 June 2023, the Group's current assets exceeded its current liabilities by \$1.682 million (31 December 2022: net current assets of \$4.258 million). The Group also incurred a loss of \$2.972 million (30 June 2022: \$4.043 million) and had cash outflows from operations of \$2.864 million (30 June 2022: \$3.822 million). The Group's cash balance as at 30 June 2023 was \$2.259 million (31 December 2022: \$5.185 million).

Following the completion of the updated Feasibility Study, the Company is actively engaged in financing activities for the BKM Copper Project. These financing activities are expected to be completed in early calendar year 2024.

On 7 November 2022, PT Delta Dunia Makmur Tbk. ("DOID") increased its stake in Asiamet by way of an equity placement (the "Placement"). The Placement raised DOID's interest in the Company from 15.3% to 24.2%. DOID has an option to subscribe for a further \$5 million of shares exercisable within 12 months of the completion date of the Placement.

Notes to the condensed consolidated financial statements (unaudited)

For the six months ended 30 June 2023

2. Significant accounting policies (cont'd)

2.2 Going concern (cont'd)

At this stage, based on discussions with strategic partners and financing institutions for funding and financing arrangements, there are reasonable grounds to believe that debt and/or equity funding will be available to the Group as and when required. The Board considers that the going concern basis of preparation to be appropriate for these interim condensed consolidated financial statements.

In the event that the Group is not successful in concluding debt or equity financing arrangements with strategic partners, there exists a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern and therefore, 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.

The Financial Statements 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 2022, except for the adoption of new standards effective as of 1 January 2023. 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 2023, but do not have an impact on the interim condensed consolidated financial statements of the Group.

Notes to the condensed consolidated financial statements (unaudited)

For the six months ended 30 June 2023

3. Exploration and evaluation expenditures

The details of exploration and evaluation expenditures expensed during the period ended 30 June 2023 and 30 June 2022 are as follows:

	2023	2022
	\$'000	\$'000
KSK CoW		
Administration support	118	217
External relations	113	123
Drilling & Field support	91	443
Technical services	390	604
Tenements	164	378
	876	1,765
Beutong IUP-OP		
Administration support	22	80
External relations	14	346
Drilling & Field support	1	3
Tenements	38	42
	75	471
Total exploration and evaluation expenditures	951	2,236

Notes to the condensed consolidated financial statements (unaudited)

For the six months ended 30 June 2023

4. Plant and Equipment

	30-Jun 2023 \$'000	31-Dec 2022 \$'000
Opening net book amount	36	60
Additions	6	8
Depreciation charge for the year	(8)	(32)
Closing balance	34	36
<i>Net carrying amount:</i>		
Cost	42	583
Accumulated depreciation	(8)	(547)
Closing balance	34	36

5. Receivables and other assets

	30-Jun 2023 \$'000	31-Dec 2022 \$'000
<i>Current</i>		
Receivables – employee advances	34	3
Receivables – other	5	3
Prepayments	21	71
Total current receivables and other assets	60	77
<i>Non-current</i>		
VAT – Indonesia	301	209
Provision for impairment ⁽¹⁾	(301)	(209)
	-	-
Security deposits	65	67
Total non-current receivables and other assets ⁽¹⁾	65	67

(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 \$0.082 million was recognised for the half year ended 30 June 2023 (30 June 2022: \$0.150 million).

Notes to the condensed consolidated financial statements (unaudited)

For the six months ended 30 June 2023

6. Provisions

	30-Jun 2023 \$'000	31-Dec 2022 \$'000
<i>Current</i>		
Annual leave	122	23
Restructuring	172	265
Total current provisions	294	288
<i>Non-Current</i>		
Indonesian Employee Benefits liability	551	550
Total Non-current Provisions	551	550

7. Leases

a) Lease Liabilities

	30-Jun 2023 \$'000	31-Dec 2022 \$'000
As at 1 January	59	159
Addition	-	23
Accretion of interest	(1)	10
Reassessment	-	(4)
Payments	(58)	(116)
Foreign exchange	-	(13)
Closing balance	-	59

The Melbourne office lease has ended as per 14 June 2023.

b) Right-of-use assets

	30-Jun 2023 \$'000	31-Dec 2022 \$'000
Opening net book amount	16	7
Additions	-	23
Depreciation charge for the year	(8)	(14)
Closing balance	8	16

Notes to the condensed consolidated financial statements (unaudited)

For the six months ended 30 June 2023

8. Related party transactions

There have been no new related party transactions other than the arrangements that were in place at 31 December 2022. For details on these arrangements, please refer to the Group's annual financial report as at 31 December 2022.

9. Share based compensation

For the six months ended 30 June 2023, the Group has recognised \$0.382 million (30 June 2022: \$0.104 million) of share-based compensation expense in the statement of profit and loss for performance rights to non-executive Directors in respect of their 2023 director fees.

10. Subsequent events

a) 2022 Directors Fees and Employee Incentive

On 20 July 2023, the Company issued a total of 36,125,985 shares to Directors and certain employees.

The Directors were issued 15,387,780 shares in respect of 2022 director fees pursuant to their letters of engagement. The share price used was 1.08 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 27 April 2023.

A further 20,738,204 performance rights were granted in the form of shares in the Company to certain employees for their contribution to the Company during 2022, including 3,500,512 shares to Tony Manini for his role as Executive Chairman and 6,774,484 shares to Darryn McClelland for his service as Chief Executive Officer for the period.

b) Non-Executive Director Changes

On 22 September 2022, the Company announced the following changes to the Board of Directors:

- Appointment of Mr Matthew Doube as a Non-Executive Director
- Retirement of Non-Executive Director, Mr Faldi Ismail

Mr Doube is a representative of Asiamet's largest shareholder, PT Delta Dunia Makmur Tbk.. Mr Doube brings significant experience in corporate finance, strategy and execution. With the appointment of Mr Doube, Mr Ismail, a long serving Director of the Company and its predecessor Companies will retire from the Asiamet Board.

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