
27 March 2024

Sustainable Power Solution for Remote Mining: KSK Biomass Feedstock Study Highlights

Asiamet Resources Limited (“Asiamet” or the “Company”) is pleased to announce the successful completion of the KSK Biomass Feedstock Study, a crucial milestone in progressing a power solution for the Company’s BKM copper cathode project in Central Kalimantan, Indonesia (“BKM” or the “BKM Copper Project”). Undertaken in collaboration with Britmind Mining Services Singapore Pte Ltd, the study is a comprehensive assessment aimed at establishing a sustainable power solution for the BKM Copper Project within and/or proximal to Asiamet’s KSK licence area, in which BKM is located.

The study, emphasising Asiamet's commitment to a renewable energy solution for the proposed greenfield BKM Copper Mine, addressed key parameters crucial for the development of a biomass power station in a remote mining region. All aspects referenced below will be developed in further detail once project execution and project development partners for the biomass power station are locked in, which are expected to be achieved in Q2 2024.

Highlights

- **Abundant Biomass Feedstock Resources:** Through an extensive in-field investigation, data collection and analysis, the study has identified ample biomass feedstock sourced primarily from palm oil mills within a 100km radius of the proposed power plant location that could feed a biomass power station dedicated to the BKM Copper Project. Robust feedstock supply not only ensures operational sustainability but also aligns with Asiamet's commitment to a renewable energy solution for BKM.
- **Remote Mining Power Solution:** The biomass power station offers a reliable, renewable energy solution for producing copper cathode at BKM. By leveraging local biomass resources, the project contributes to increased economic empowerment in the direct project area.
- **Power Plant Location Assessment:** Comprehensive evaluation concluded, proposing a unique cost-effective and lower carbon footprint transportation solution optimising available biomass transportation routes and significantly reducing the distance of the High-Voltage transmission line.
- **Partnership model:** Following the framework outlined in the 2023 Feasibility Study, the biomass power plant will be operated by a third party who will be responsible for its construction, operation and maintenance. Asiamet is actively engaged in advanced discussions with potential partners interested in fully financing the dedicated biomass power plant for the BKM Copper Project and will make a further announcement relating to an MOU or similar agreement once this is complete.
- **Sustainability Focus:** The study underscores Asiamet's commitment to sustainable development by prioritising the use of renewable energy solutions to power BKM. Biomass feedstock sourcing from palm oil mills promotes circular economy principles and reduces reliance on fossil fuels.

Biomass Feedstock Study Scope of Work

The scope of work for the KSK Biomass Feedstock Study encompassed several key components aimed at establishing a sustainable power solution for the BKM Copper Project; these were as follows:

Identification of Palm Oil Mills

Initial efforts focused on identifying and evaluating biomass feedstock sources, with a particular emphasis on palm oil mills located within a 100km radius of the proposed power plant location. Rigorous field investigations and data analysis were conducted to assess the suitability and availability of biomass feedstock, ensuring a robust supply chain for the biomass power station. The palm oil derived biomass material is of value for its energy content however it remains a stranded asset due to its location. This opens the opportunity for use in power generation for the BKM Copper Project at relatively low cost.

Optimal Power Plant Location

Simultaneously, the study optimised biomass transportation routes by evaluating existing infrastructure and potential transport networks. This entailed detailed assessments to minimise transportation distances and associated costs while maximising logistical efficiency.

Site evaluations were then undertaken to identify suitable locations for the biomass power station, considering factors such as accessibility, environmental impact, and proximity to biomass feedstock sources.

Cost Analysis of Feedstock Transportation

Thorough analysis of transportation costs considers distance, terrain challenges, and environmental sustainability. Strategies to minimise carbon footprint and optimise logistical efficiency are integrated into transportation planning models.

Viability of Transmission Line Construction

Detailed assessments of transmission line route feasibility addressed terrain complexities and potential cost implications. Emphasis was placed on minimising environmental impacts and optimising energy transmission efficiency. Moreover, the feasibility of constructing high-voltage transmission lines to connect the biomass power station to the BKM Copper Project site was thoroughly assessed. This involved conducting detailed surveys to identify potential routes, evaluate terrain challenges, and assess environmental impact and regulatory requirements.

Integration of Sustainability Principles

Throughout the study, sustainability principles were paramount, with a focus on the use of renewable biomass feedstock and minimising environmental disruption aligning with Asiamet's commitment to responsible resource development and environmental stewardship.

Darryn McClelland, Chief Executive Officer, commented:

"In addition to our other ongoing workstreams and corporate development activity, the KSK Power Study exemplifies Asiamet's commitment to sustainable mining practices and renewable energy initiatives. By prioritising environmental stewardship and community engagement, Asiamet aims to set a benchmark for responsible resource development in remote mining regions."

“Securing a consistent, sustainable power supply is paramount for any mining project, and the proposed Biomass Power Station enhances the environmental sustainability of the BKM Copper Project. We are particularly encouraged by substantial interest from potential partners in financing the power plant. Further details will be shared in due course.

“Considering the recent material uplift in the copper price, our projects are being increasingly recognised for their strategic importance. According to analyst reports copper supply will be constrained for years to come necessitating the fast-tracking or acquisition of new projects to meet global demand; the lack of exploration in copper and new discoveries will mean copper prices will likely be at new higher levels for a prolonged period. With a defined power solution now coupled with its high-quality resources, Asiamet has a clear pathway to production at BKM and is well-positioned to capitalise on these trends. The Board and management remain highly committed to delivering value from our asset base for all stakeholders.

“We also look forward to providing a further update this quarter, specifically regarding the appointment of partners for the BKM front end engineering design (“FEED”) and project execution. We believe that early engagement of our project execution partners will be key to BKM’s success and underscores our focus on efficient and effective advancement of the BKM copper mine development.”

ON BEHALF OF THE BOARD OF DIRECTORS

Darryn McClelland, Chief Executive Officer

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