

20 March 2023

BKM Copper Project FS Update - Capital Cost Estimate

Asiamet Resources Limited ("Asiamet" or "the Company") is very pleased to advise that the workstream relating to the Capital Cost Estimate ("Capex" or "Capex Estimate") for the BKM Copper Project ("BKM Copper") has recently concluded with exceptionally positive results.

The updated BKM Feasibility Study ("FS") capital cost estimate based on high confidence, present day input cost forecasts is \$236.5 million^[1] (including \$26.6 million in growth allowance & contingency), only slightly above the \$223.4 million capital estimate for the 2019 study. The Company considers this to be an exceptional outcome in the current highly inflationary environment being experienced by mining projects globally. Initiatives undertaken to re-size the project and deliver a higher margin / more profitable, smaller footprint project have also served to significantly de-risk the project capital cost and are highly encouraging for the overall economics of the BKM Copper Project.

Highlights

- Updated Capital Cost Estimate (inc. \$26.6M contingency) of \$236.5M¹ considered to be an exceptional outcome vs significant industry cost inflation,
- Project capital costs significantly de-risked and highly encouraging for the overall economics of BKM, which remains a robust and attractive copper project which is forecast to generate more than USD 1.3 Billion in revenues over its mine life higher long term copper price projections,
- Significant opportunity remains for further optimisation of Capex post delivery of FS,
- Full BKM Copper Feasibility Study nearing completion pending delivery of full operating cost model,
- Completion of updated feasibility study enables financing process for development of BKM which in turn unlocks the very considerable upside potential identified on the KSK CoW, including the larger BKM sulphide copper resource and the high-value BKZ polymetallic project.

Key reasons control of Capex costs have been realised:

- Reduced scope/size of the project leading to:
 - Reduced mine/waste rock dump footprint (area reduced by 17% compared to 2019 FS)
 - Reduced heap leach facility footprint (area reduced by 59% compared to the 2019 FS)
 - Reduction in size of processing facility equipment (reduced capacity from 8Mtpa to 4.5Mtpa)
- Consolidation of several packages of work under BUMA Infrastructure to deliver cost synergies, particularly in overheads/indirect costs.
- Engagement with an Indonesian EPCM Group, Rexline Engineering, delivering a highly cost-effective solution for packages relating to materials handling, various ancillary facilities and some bulk materials.
- Engagement with BGRIMM, a leading Chinese engineering design group on SX-EW plant equipment and detailed Engineering and Procurement costs.

Opportunities identified to further reduce BKM Copper pre-production capex will be investigated as part of ongoing project cost optimisation. These include:

- Relocation and updated design of the Heap Leach Facility ("HLF") to reduce earthworks

volumes and shorten the construction period,

- Optimisation of engineering services and construction management costs through further review and assessment of source and location of these services,
- Potential for cost savings through financing heavy equipment fleet used in project construction which can then be transferred to the mining operation. This optimisation seeks to compare the current base case scenario where all construction equipment is rental fleet versus purchasing the fleet and amortising the cost over the life of mine.

Delivery of the final BKM Copper FS update requires close out of project operational costs. Detailed internal cost models have been prepared for Processing and General & Administration areas with the final component, Mining costs, currently under review and pending third-party verification. There has been significant cost inflation related to mining operations, most notably Ammonium Nitrate used in blasting and biodiesel as required for mining fleet. To assist in mitigating these cost increases the Company has reviewed the scope of work under a contract mining scenario and elected to take additional responsibility for certain activities outside of the mining contract scope. A first principles cost estimate for mining operations is being prepared to benchmark cost estimates provided by third parties.

Finalisation of the pre-production capex cost for the BKM Copper project is a critical step in the development of Asia's newest producer of LME Grade A copper cathode direct to the growing copper consuming markets across Asia.

Darryn McClelland, Chief Executive Officer commented:

"An enormous amount of high-quality work has been completed to deliver this Capital Cost Estimate with the final outcome being only marginally above the 2019 pre-production capex. The widespread industry cost inflation seen across the global mining industry, especially in the latter half of 2022 required us to revisit every aspect of the project in considerable detail. As a result, we have been able to deliver a Capex Estimate which we are confident will support a robust and commercially viable project - one that is well timed for a forecast major uptick in the copper cycle 2-3 years from now.

We have successfully reshaped the entire project and thoroughly reviewed all inputs to this cost estimate. The additional time spent engaging with in-country engineering groups and honing the considerable number of input variables to the estimate have saved many millions in potential capital expenditure and delivered tangible benefits for the project and its shareholders.

The favourable capex cost update ensures that BKM remains a robust and attractive copper project which, when considering nameplate production levels and higher long term copper price forecasts of between \$3.80 to \$4.00/lb, is projected to generate more than USD 1.3 Billion in revenues over its mine life. The Capex estimate released today is not the end point and we will continue to assess opportunities to further optimise the project throughout the financing process and independent technical review.

We are in the final stages of developing the full operating cost model and are looking forward to delivering the full BKM Copper Feasibility Study and progressing to the next stage of project financing. As one of the very few new sources of copper cathode into the Asian market, interest in the BKM Copper Project is high and the Company looks forward to progressing discussions once the FS is delivered."

Tony Manini, Executive Chairman commented:

"On behalf of all stakeholders I would like to congratulate Darryn and his wider team on the capital cost estimate delivered today for the BKM copper project. By any measure this an exceptional outcome given the very significant inflationary pressures being experienced across the global mining industry. The reshaped and re-optimised pit design has achieved significant benefits across the spectrum of capital inputs and delivered excellent results. While there is still further scope to improve the capital cost, these assessments will take place after the release of the updated Feasibility Study, which is our near-term priority. Work on the last remaining operating cost inputs to finalise the Feasibility Study update is nearing completion and we are looking forward to closing these out and releasing the results to market shortly.

Completion of the updated feasibility study not only provides the backbone for securing finance for the initial mine development at BKM, it also establishes a foundation to unlock the very considerable upside potential identified on the KSK CoW, including the larger BKM sulphide copper resource and the high-value BKZ polymetallic project."

ON BEHALF OF THE BOARD OF DIRECTORS

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[1] Note the capital cost estimate provided in this market release is subject to final board approval. All \$ are US dollars unless otherwise stated.

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