

22 August 2024

ASIAMET RESOURCES LIMITED
("Asiamet" or the "Company")

Material Capex Reductions from BKM Copper Mine Development Engineering

Asiamet Resources Limited is pleased to announce that following the Company's strategic decision to reduce the scale of the initial BKM Copper Project ("BKM" or the "Project"), that ongoing optimisation work has resulted in substantial cost savings and efficiencies which are expected to significantly strengthen project financing options.

Highlights:

- Initial Capex Savings:**Current optimisation work has identified potential material capital cost savings of in excess of US\$26 million, with further cost savings expected.
- Total Project Savings:** Pre-production capex savings are expected to range between US\$50-80 million, significantly reducing the US\$235.4 million estimated in the 2023 Feasibility Study. The Company looks forward to progressively advising the market on further results from this optimisation work as it is received from our engineering partners over the coming weeks.
- Strategic Financing Benefits:** Reducing the upfront capital requirements will significantly lower the total funding required for project development.
- Advancing Engineering Work:** Revised equipment selection, reduced bulk earthworks and flowsheet simplification by engineering groups Rexline Engineering and BGRIMM is expected to deliver further material cost savings, noted above.
- Infrastructure Developments:** An environmental permit has been secured to commence a limestone resource definition drilling programme at the proximal Rinjen Limestone area, immediately to the north of the Project, as a local source of lime for copper processing. Strong interest has been received from leading power equipment suppliers for the Biomass Power Station. These are critical path items for the Project.

The optimisation process for the Project has been focused on a staged construction strategy and reducing upfront capital expenditures to reduce the total funding required for project development. These optimisation efforts have identified significant cost savings in excess of US\$26 million primarily due to new equipment selection, process flowsheet simplification, and material reductions in earthworks relative to the 2023 Feasibility Study ("2023 FS") designs. A breakdown of key areas where savings have been realised to date can be seen in the table below:

Table 1

Key Area of Saving	Amount Saved
ARD Water Treatment:	US\$7M
Crushing Circuit:	US\$5M
Non-Process Infrastructure:	US\$5M
Heap Leach Saddle Dams/Spillways:	US\$4M
Agglomeration & Heap Leach Stacking	US\$3M
Project Indirects	US\$2M

Neutralisation	US\$1M
Total	US\$27M

A key strategic objective for the Company is to reduce pre-production capex and ultimately total funding requirements for the Project. The reductions listed in this announcement plus ongoing capital optimisation work is aligned with achieving this strategic objective.

In addition to the greater than US\$26 million reduction in initial capex, further data on reduced bulk earthworks volumes are expected to contribute additional savings. Furthermore, adopting a higher grade, lower strip ratio mine design will require a smaller mining fleet and workforce leading to notable reductions in infrastructure costs.

The Company anticipates pre-production capital expenditure savings of between US\$50-80 million, representing a considerable reduction from the capex estimate detailed in the 2023 Feasibility Study.

Engineering work continues to advance an updated capital cost estimate and the further analysis of equipment pricing and assessments of bulk earthworks costs that are in process now, will further refine the estimate.

The Company's 'front-end' process plant design partner, Rexline Engineering, has successfully delivered an initial round of savings with a more detailed update to follow shortly. The Company's 'copper recovery' engineering partner, BGRIMM, is also expected to deliver further savings related to the BKM SX-EW plant. The Company looks forward to progressively advising the market on further results from this capex optimisation work as it is received from our engineering partners over the coming weeks.

In addition to these engineering improvements, the Company has secured environmental approvals necessary to commence the Rinjen Limestone deposit evaluation, with the exploration forestry permit expected to be granted in Q4 2024, allowing drilling to commence shortly thereafter. This is a crucial step for the Project as limestone is essential for the neutralisation process of acid in the copper leaching process.

Securing a power solution is an important critical path item and the Biomass Power Station project is progressing well with multiple major equipment suppliers and EPC contractors working to provide inputs into a comprehensive update of the capital and operating cost model for biomass power generation. Strong interest from Independent Power Producers in delivering the preferred Build, Own, Operate model enhances the Project's appeal. The Company will select a preferred set of partners to deliver a long-term Power Purchase Agreement for the Project.

Darryn McClelland, Chief Executive Officer, commented:

"Our key focus is on delivering material updates to shareholders, the first of which is a reduction in upfront capex in excess of US\$26 million. The resizing of equipment, revisions of suppliers and simplification of the process flowsheet for the staged construction of BKM are key drivers of these savings, and we expect anticipate further updates to detail significant additional capex reductions as we finalise our engineering assessments.

It is particularly exciting that these material savings will not only reduce overall funding requirements but also enhance our ability to secure favourable financing terms, which will be a positive development for our shareholders.

Solid progress is being made on multiple fronts, including evaluation of a local process limestone source and advancing the Biomass Power Supply project. These developments, combined with the optimisation programme, will enable us to re-engage project lenders with a more highly competitive and financially robust project in hand.

The medium to long-term fundamentals of the copper market remain strong and BKM is well-positioned to benefit by delivering copper cathode into a future market characterised by increasing demand and constrained supply. This leverage to rising prices bodes well for longer term financial outcomes.

Several workstreams have completed, and others are progressing extremely well. As we report above, we are pleased that our optimisation plans have already demonstrated savings in excess of US\$26 million in capex, and we are confident this number will grow. We look forward to building upon this momentum and sharing more news related with shareholders in the near future."

capex-related wins with shareholders in the near future.

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014, as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended.

ON BEHALF OF THE BOARD OF DIRECTORS

Darryn McClelland, Chief Executive Officer

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