Asiamet Resources Limited

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

Interim Results for the Six Months Ended 30 June 2020

Asiamet Resources Limited (AIM: ARS) announces its unaudited interim results for the six months ended 30 June 2020 ("H1 2020" or the "Period").

Executive Chairman Statement and Operational Highlights

Tony Manini, Executive Chairman commented:

The first half of 2020 was significantly challenged by the impact of the Covid-19 pandemic and the requirement to modify and align our operations accordingly. Fortunately, the impact of Covid-19 on our projects has been minimised with most of our staff working from home to ensure good continuity of our business. While Covid related restrictions have impacted the functions of many government departments we have continued to make steady progress on key project approvals as staff adjusted to work from home routines.

Despite these restrictions our in-country external relations team have continued to make excellent progress on the key borrow-to-use permit ('Pinjam Pakai') required to move the BKM project into the development and construction phase. In May, the Company received endorsement from the Governor of Central Kalimantan for the project to proceed. The Governors approval forms one of the key criteria required to obtain the Pinjam Pakai permit from the Ministry of Environment and Forestry. Obtaining the Pinjam Pakai is an important de-risking milestone for the BKM project and as such remains a key focus for the remainder of 2020.

In March, we completed a strategic private placement with Singapore based commodities trading company Aeturnum Energy Pte Ltd (Aeturnum). The placement which was completed in the midst of a severe market downturn secured a high-calibre investment partner as a 19.9% shareholder and placed the Company on a sound financial footing to continue the development of its assets during highly uncertain times. Aeturnum was also granted a 60-day exclusivity period to undertake technical, legal, commercial and financial due diligence on the KSK Contract of Work (CoW). Upon completion of the due diligence period Asiamet received an offer from Aeternum in relation to the KSK Contract of Work (CoW) and has subsequently entered non-exclusive negotiations with a view to reaching mutually acceptable terms for the acquisition of part or whole of the KSK CoW. Both parties remain fully engaged and committed to achieving an outcome that benefits all stakeholders as soon as is practically possible.

While we continued to advance the key permits for development and construction of the proposed BKM copper mine work also continued to ramp up a number of the value enhancement opportunities identified in the BKM Feasibility Study. In June, we appointed Andrew Neale, a seasoned mining professional with a strong background in process engineering to drive a number of these value enhancement work streams with the potential to significantly improve the overall economics of the project.

Work at our a world-class Beutong copper-gold porphyry deposit focussed on community and social responsibility (CSR) program mapping in preparation for the resumption of field activities later in 2020-21 when Covid related travel restrictions allow. Several reputable groups have expressed an interest in reviewing the project and the Company has entered into confidentiality agreements with these parties in order to assess options for moving the project into the next stage of development.

At a corporate level, the Company made the decision to relocate its corporate head office from Melbourne to Jakarta as the Company moves into the development phase of the BKM project. Peter Bird stepped down as CEO as part of this transition at the end of January 2020 and we thank Peter for his contributions to the Company over the past three years.

Against the challenging backdrop of supply disruptions caused by Covid-19, record low inventories and solid demand, the copper price posted two of its strongest consecutive quarters with prices breaking through $6,500/tonne. The broader market consensus indicates that prices will continue to rise as future mine supply remains constrained to meet the strong demand driven by the transition to renewable power generation, the uptake of electric vehicles and the expected growth in infrastructure investment driven by government stimulus programs post the Covid-19 induced economic downturn.

With our large JORC compliant copper resource inventory and near development ready project at BKM, Asiamet, is very well placed to benefit from this projected increase in copper demand. We are firmly of the view that with the value enhancement work and permitting completed, and the stronger copper price environment we have today, the BKM project will be in a strong position to attract development financing and move into the construction phase.

I would like to take this opportunity to thank our shareholders for their continued support and look forward to reporting further on our progress during 2020.

On behalf of the board

Tony Manini
Executive Chairman
20 August 2020

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 $ unless otherwise noted.

Interim condensed consolidated statement of financial position
As at

	Note	30 Jun 2020 Unaudited $'000	31 Dec 2019 Audited $'000
Assets			
Current assets			
Cash		**2,028**	418
Receivables and other assets	*4*	**414**	50
		2,442	468
Non-current assets			
Plant and equipment	*5*	**93**	197
Right of use asset	*6*	**-**	236
Receivables and other assets	*4*	**137**	86
		230	519
Total assets		**2,672**	987
Liabilities and Equity			
Current liabilities			
Trade and other payables		**287**	396
Provisions	*7*	**246**	89
Lease liabilities	*8*	**272**	78
		805	563
Non-current liabilities			
Provisions	*7*	**434**	473
Lease liabilities	*8*	**-**	237
		434	710
		1,239	1,273
Equity			
Share capital	*10*	**14,703**	10,969
Equity reserves	*10*	**56,535**	56,435
Other comprehensive loss		**74**	74
Accumulated Deficit		**(66,626)**	(64,511)
Other reserves		**(3,246)**	(3,246)
Parent entity interest		**1,440**	(279)
Non-controlling interest		**(7)**	(7)
		1,433	(286)
Total liabilities and equity		**2,672**	987

Interim condensed consolidated statement of comprehensive loss (unaudited)

For the six months ended 30 June

	Note	2020 $'000	2019 $'000
Expenses			
Exploration and evaluation	*3*	**(571)**	(2,528)
Employee benefits		**(960)**	(1,103)
Consultants		**(97)**	(112)
Legal and Company Secretarial		**(148)**	(154)
Accounting and audit		**(3)**	(8)
General and administrative		**(180)**	(175)
Depreciation		**(54)**	(72)
Share-based compensation		**(87)**	(78)
		(2,100)	(4,230)
Other items			
Foreign exchange gains		**283**	22
Interest income		**1**	2
Finance costs	*8*	**(16)**	(3)
Impairment expense	*4,5,6*	**(284)**	-
Other income		**1**	-
		(15)	21
Net loss for the half year		**(2,115)**	(4,209)
Total comprehensive loss for the half year		**(2,115)**	(4,209)
Net loss attributable to:			
Equity holders of the parent		**(2,074)**	(4,108)
Non-controlling interests		**(41)**	(101)
Total comprehensive loss attributable to:			
Equity holders of the parent		**(2,074)**	(4,108)
Non-controlling interests		**(41)**	(101)
Basic and diluted loss per common share		**(0.00)**	(0.00)
Weighted average number of shares outstanding (thousands)		**1,184,961**	977,523

Interim condensed consolidated statement of cash flows (unaudited)

For the six months ended 30 June

	Note	2020 $'000	2019 $'000
Cash provided from (used for):			
Operating activities			
Loss for the year		**(2,115)**	(4,209)
Adjustment for non-cash items:			
Depreciation		**54**	32
Share-based compensation		**-**	78
Net foreign exchange loss/(gain)		**4**	33
Impairment expense	*5,6*	**274**	-
Finance costs	*8*	**11**	3
Changes in non-cash working capital:			
Receivables and other assets		**13**	(3)
Value Added Tax ("VAT")		**-**	(108)
Trade and other payables		**(112)**	(110)
Other adjustments:			
Interest payments on lease liabilities		**(11)**	(3)
Receipt / (payment) for security deposits		**(50)**	7
Movements in provisions		**119**	19
		(1,813)	(4,261)
Investing activities			
Purchase of property, plant and equipment		**-**	(20)
		-	(20)
Financing activities			
Payment of principal portion of lease liabilities	*8*	**(35)**	(30)
Proceeds from warrants and options exercises		**-**	221
Proceeds from equity raising		**3,522**	2,000
Equity raising costs		**(64)**	(126)
		3,423	2,065
Increase/(decrease) in cash		**1,610**	(2,216)
Cash at beginning of the year		**418**	2,679
Cash at end of the half year		**2,028**	463

Interim condensed consolidated statement of changes in equity (unaudited)

For the six months ended 30 June 2020

	Share capital $'000	Equity reserves $'000	Other comprehensive loss $'000	Accumulated deficit $'000	Other reserves $'000	Total equity attributable to the parent $'000	Non-controlling interests $'000	Total $'000
Balance at 1 January 2020	**10,969**	**56,435**	**74**	**(64,511)**	**(3,246)**	**(279)**	**(7)**	**(286)**
Loss for the year	**-**	**-**	**-**	**(2,074)**	**-**	**(2,074)**	**(41)**	**(2,115)**
Total comprehensive income	**-**	**-**	**-**	**(2,074)**	**-**	**(2,074)**	**(41)**	**(2,115)**
Transactions with owners in their capacity as owners								
Equity raising	**3,734**	**164**	**-**	**-**	**-**	**3,898**	**-**	**3,898**
Equity raising costs	**-**	**(64)**	**-**	**-**	**-**	**(64)**	**-**	**(64)**
Contribution by parent in NCI	**-**	**-**	**-**	**(41)**	**-**	**(41)**	**41**	**-**
Balance at 30 June 2020	**14,703**	**56,535**	**74**	**(66,626)**	**(3,246)**	**1,440**	**(7)**	**1,433**

Interim condensed consolidated statement of changes in equity (unaudited)

For the six months ended 30 June 2019

	Share capital $'000	Equity reserves $'000	Other comprehensive (income)/loss $'000	Accumulated deficit $'000	Other reserves $'000	Total equity attributable to the parent $'000	Non-controlling interests $'000	Total $'000
Balance at 1 January 2019	9,983	52,803	10	(57,328)	(3,246)	2,222	(7)	2,215
Loss for the year	-	-	-	(4,108)	-	(4,108)	(101)	(4,209)
Total comprehensive income	-	-	-	(4,108)	-	(4,108)	(101)	(4,209)
Transactions with owners in their capacity as owners								
Equity raising	362	1,638	-	-	-	2,000	-	2,000
Warrant exercises	19	122	-	-	-	141	-	141
Option exercises	22	59	-	-	-	81	-	81
Equity raising costs	-	(126)	-	-	-	(126)	-	(126)
Share based compensation	-	78	-	-	-	78	-	78
Contribution by parent in NCI	-	-	-	(101)		(101)	101	-
Balance at 30 June 2019	10,386	54,574	10	(61,537)	(3,246)	187	(7)	180

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 2020 were authorised for issue in accordance with a resolution of the directors on 20 August 2020.

Asiamet Resources Limited (the "Company" or "Asiamet") is a publicly listed company incorporated under the laws of Bermuda. The Company's shares are listed on the AIM market of the London Stock Exchange ("AIM") under the symbol "ARS". The Company is in the process of transitioning the corporate office from its Melbourne office at Level 22, 303 Collins Street, Melbourne, Australia to its Jakarta office 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 Group's principal mineral property interests are located in Indonesia.

The presentation currency of the Company is the United States dollar.

2. Basis of preparation and changes to the Group's accounting policies

2.1 Basis of preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2020 has been prepared in accordance with IAS 34 *Interim financial reporting*.

The interim condensed consolidated financial information does 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 2019.

The interim condensed consolidated financial statements for the six months ended 30 June 2020 and 30 June 2019 were not subject to review and were unaudited. The comparative information for the year ended 31 December 2019 was approved by the Board of directors on 5 May 2020 and the Independent Auditor's Report on those accounts was unqualified.

2.2 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 2019, except for the adoption of new standards effective as of 1 January 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2020, but do not have an impact on the interim condensed consolidated financial statements of the Group.

Amendments to IFRS 3: Definition of a Business

The amendment to IFRS 3 clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. Furthermore, it clarified that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the consolidated financial statements of the Group but may impact future periods should the Group enter into any business combinations.

Amendments to IFRS 7, IFRS 9 and IAS 39: Interest Rate Benchmark Reform

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments had no impact on the consolidated financial statements of the Group as it does not have any interest rate hedge relationships.

Amendments to IAS 1 and IAS 8: Definition of Material

The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.

Conceptual Framework for Financial Reporting issued on 29 March 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards.

The revised Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the consolidated financial statements of the Group.

2.3 Going concern

The interim condensed 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 six months ended 30 June 2020, the Group incurred a net loss of $2.115 million (30 June 2019: $4.209 million), and as of that date, the Group had an accumulated deficit of $66.626 million (31 December 2019: $64.511 million). The Group's financial position as at 30 June 2020 included cash of $2.028 million, current assets of $0.414 million and current liabilities of $0.805 million.

On 25 March 2020, the Group announced that it had completed a private placement to a Singapore based commodity trader, Aeturnum Energy ("Aeturnum"). Joining this placement were the Directors of the Company and a number of long term and supportive shareholders, raising gross proceeds of $3.898 million. Transaction costs of $0.064 million was paid on the placement. Following this placement, Aeturnum became the Company's largest shareholder with a 19.9% interest. The Company and Aeturnum remain engaged and committed to achieve an outcome that allows for an investment that allows Aeturnum to acquire a majority interest in the KSK project.

Based on the Group's cash forecast, the Board is aware that the Group will require additional funding in the next 12 months to ensure the Group will be able to realise its assets and discharge its liabilities in the normal course of business.

The Board has considered the funding and operational status of the business in arriving at their assessment of going concern, including that:

- The Company has completed a Feasibility Study for the BKM Copper Project which demonstrates a robust copper cathode project with significant upside potential for mine life increase through Resource growth and development of satellite deposits.
- The Company is in advanced discussions with strategic partners for funding and financing arrangements for the BKM Copper Project, including Aeturnum which may result an asset level transaction.
- The Company has the ability to raise funds from equity markets to meet ongoing development, exploration and working capital commitments.
- The Company has the ability to manage the timing of cash flows to meet the obligations as and when they fall due including implementing cost control initiatives and varying expenditure commitments. These actions have been put in place as a direct response to COVID-19.

At this stage, based on discussions with strategic partners, 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 financial statements.

In the event that the Group is not successful in concluding debt or equity financing arrangements with strategic partners, there exists 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.

This interim condensed consolidated 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.

3. Exploration and evaluation

(a) Exploration and evaluation expenditures

The details of exploration and evaluation expenditures expensed during the period ended 30 June 2020 and 30 June 2019 are as follows:

		2020 $'000	2019 $'000
KSK CoW			
	Administration support	**140**	261
	External relations	**48**	41
	Drilling & Field support	**54**	442
	Technical services	**5**	1,339
	Tenements & permits	**222**	86
		469	2,169
Beutong IUP			
	Administration support	**44**	213
	External relations	**4**	13
	Drilling & Field support	**11**	78
	Technical services	**-**	15
	Tenements & permits	**43**	40
		102	359
Total exploration and evaluation expenditures		**571**	2,528

(b) Security deposits

The details of the Group's refundable security deposits for exploration rights are as follows:

	30 Jun 2020 $'000	31 Dec 2019 $'000
KSK CoW	**66**	13
Beutong IUP	**71**	73
	137	86

4. Receivables and other assets

	30 Jun 2020 $'000	31 Dec 2019 $'000
Current		
Receivables – employee advances	**3**	4
Receivables – other (1)	**386**	21
Prepayments	**25**	25
Total current receivables and other assets	**414**	50
Non current		
VAT – Indonesia	**705**	714
Provision for impairment (2)	**(705)**	(714)
	-	-
Security deposits	**137**	86
Total non current receivables and other assets	**137**	86

(1) Includes receivable due from ASIPAC of $0.376 million (GBP0.299 million) from the March 2020 private placement. These funds were received on 2 July 2020.

(2) The Group has provided an allowance for impairment against the Indonesian VAT receivables of $0.010 million (31 December 2019: $0.714 million). The Group is pursuing VAT receivables of $0.284 million. $0.421 million will be recoverable once production commences in accordance with Indonesian regulation.

5. Plant and equipment

	30 Jun 2020 $'000	31 Dec 2019 $'000
Opening net book amount	197	234
Additions	-	38
Impairments and write-offs	(82)	(10)
Depreciation charge for the year	(22)	(65)
Closing balance	**93**	**197**
Net carrying amount:		
Cost	564	684
Accumulated depreciation	(471)	(487)
Closing balance	**93**	**197**

The Group has impaired fixtures and fittings of $0.082 million (31 December 2019: $nil) relating to the Melbourne office lease in line with the decision to relocate the Melbourne head office and corporate function to Jakarta.

6. Right of use asset

	30 Jun 2020 $'000	31 Dec 2019 $'000
Opening net book amount	**236**	304
Impairment	**(192)**	-
Depreciation charge for the year	**(32)**	(68)
Other	**(12)**	-
Closing balance	**-**	236

The Group has impaired the right of use asset relating to the Melbourne office lease in line with the decision to relocate the Melbourne head office and corporate function to Jakarta.

7. Provisions

	30 Jun 2020 $'000	31 Dec 2019 $'000
Current		
Annual leave	**57**	89
Restructuring	**189**	-
Total current Provisions	**246**	89
Non-Current		
Long service leave	**-**	5
Indonesian Employee Benefits liability	**434**	468
Total Non-current Provisions	**434**	473

Restructuring provision

On 22 January 2020, the Group announced its intention to relocate its Melbourne head office and corporate function to Jakarta, Indonesia. The Board considered that a significant increase in corporate and project activities relating to ongoing funding and development of the Group's asset portfolio, in particular the nearer term BKM Copper Project, would be best served by moving the Corporate head office to Jakarta.

Accordingly, a restructuring provision of $0.189 million has been recognised as at 30 June 2020 and primarily reflects the expected cost of redundancies and makegood costs. These costs have been included in the operating expenses in the statement of profit and loss and are in addition to the lease liabilities that will be required to be paid out in the event that the Melbourne office lease is unable to be re-assigned. Refer to note 8 for more details.

8. Lease liabilities

	2020 $'000	2019 $'000
Opening balance	**315**	366
Accretion of interest	**11**	25
Payments	**(46)**	(73)
Foreign exchange	**(8)**	(3)
Closing balance	**272**	315
Current	**272**	78
Non-current	**-**	237
Total lease liabilities	**272**	315

Total lease liabilities have been classified to current liabilities in line with the decision to relocate the Melbourne head office and corporate function to Jakarta. The Group expects to re-assign the Melbourne office lease for the remaining term however in the event that it is unable to be re-assigned, the remaining term of the lease liability will be required to be paid out.

9. Related party transactions

Loans from Directors and Officers

On 13 January 2020, Tony Manini loaned the Group $0.280 million (A$0.410 million). The loan was denominated in Australian dollars, was interest bearing at the rate of 10% per annum, was unsecured and due on demand.

On 20 March 2020, $0.123 million (A$0.200 million) of the loan was converted into equity for 11.784 million common shares as part of the Private Placement completed in March 2020. On 26 March 2020, the balance of the loan was repaid in full together with $4,271 (A$7,002) interest expense.

On 16 March 2020, Dominic Heaton loaned the Group $0.100 million. The loan was denominated in United States dollars, was interest bearing at the rate of 10% per annum, was unsecured and due on demand. On 26 March 2020, the loan was repaid in full together with $260 interest expense.

10. Share capital and reserves

(a) Authorised share capital

	2020	2019
Authorised share capital ($'000)	**25,000**	15,000
No. of common shares ('000)	**2,500,000**	1,500,000
Par value per share	**$0.01**	$0.01
Fully paid share capital ('000)	**1,474,267**	1,100,868

The Shareholders of the Company approved the increase of the authorised share capital at the Annual General Meeting held on 30 June 2020.

(b) Fully paid share capital

Movements in fully paid share capital during the six months ended 30 June 2020:

	Shares thousands	Share capital $'000	Contributed surplus $'000
At 1 January 2020	**1,100,868**	**10,969**	**56,435**
Share issue - 30 March 2020	**373,399**	**3,734**	**164**
Equity raising costs	-	-	**(64)**
At 30 June 2020	**1,474,267**	**14,703**	**56,535**

11. Events after the half year reporting period

On 13 August 2020, the Company issued 4.8 million shares to Directors in respect of 2019 director fees pursuant to their letters of engagement. The share price used for the calculation was the 10-day VWAP over the 10 trading days immediately following publication of the Company's Annual Accounts as released on 5 May 2020 which was 2.64 pence per share.