



ASIAMET RESOURCES

2022 Annual Report

For the year ended 31 December 2022

In USD unless otherwise noted

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Company Information

Directors

Antony (Tony) Manini	Director, Executive Chairman
Dominic Heaton	Non-Executive Director
Peter Pollard	Non-Executive Director
Faldi Ismail	Non-Executive Director
Feng (Bruce) Sheng	Non-Executive Director
Eva Armila Djauhari	Non-Executive Director

Chief Executive Officer

Darryn McClelland

Registered address

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4 Burnaby Street
Hamilton HM12
Bermuda

Independent auditors

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London, EC4M 7JW

Company solicitors (UK)

Bird & Bird LLP
12 New Fetter Lane
London EC4A 1JP

Nominated Advisor

RFC Ambrian Limited
Level 48, Central Park
152-158 St Georges Terrace
Perth WA 6000
Australia

Brokers

Optiva Securities Limited
118 Piccadilly
London W1J 5NW

Registrars

Computershare Investor Services Plc
The Pavilions
Bridgewater Road
Bristol BS13 8AE

Overview

Asiamet Resources Limited (the "Company" or "Asiamet") is an emerging mid-tier exploration and development company focused on copper and copper-gold deposits in Indonesia, with its key projects located on the islands of Kalimantan and Sumatra, adjacent to the key growth markets in Asia. The Company holds two assets in its portfolio:

- The KSK Contract of Work ("KSK CoW") is 100% owned by the Company and is located in the Kalimantan Volcanic Arc, a highly endowed and prospective region of Kalimantan, Indonesia. The KSK project comprises:
 - BKM copper project ("BKM Project" or "BKM"):

Development ready heap-leach Solvent Extraction-Electrowinning ("SX-EW") project. An updated Feasibility Study is due for completion and expected to demonstrate a technically viable and economically robust copper cathode project with significant upside potential.
 - BKZ polymetallic project:

Emerging high-grade polymetallic zinc-lead-silver-gold-copper and copper-silver deposits (800 metres north of the BKM Project). BKZ contains JORC compliant resources of Lead, Zinc and Copper.
 - Exploration portfolio:

The KSK CoW covers a large and highly prospective area where Asiamet has identified a pipeline of fifteen copper, polymetallic and gold targets including the BKM Project and the BKZ deposit.

Specifically, the drilling program at BKZ has identified "Exploration Targets" for the Upper Zinc Zone, Lower Copper Zone and new Precious Metals (Gold/Silver) Zone.
- The Beutong project ("Beutong Project") is 80% owned and is held under an Izin Usaha Pertambangan Operasi Produksi (Operation Production Mining Business Licence) ("IUP-OP") in Aceh Province, Indonesia. The Beutong Project represents a rare opportunity given its key characteristics, that include:
 - Large high-quality copper-gold porphyry development project located in close proximity of existing infrastructure;
 - Contained metal in JORC compliant Resources (100% basis) of 2.43Mt Cu, 2.11Moz Au and 20.9Moz Ag;
 - Significant Resource expansion and exploration upside potential.

Coupled with its exciting project portfolio, Asiamet has a strong technical and commercial team with extensive experience in South-East Asia and a proven track record of bringing mining projects into production.

2022 Highlights

- Completed the BKZ drilling program which focussed on resource extensions and delivered a significant uplift in JORC compliant resources of all metals and discovery of a new gold/silver mineralised zone.
- Completed the first detailed materiality assessment related to Environmental, Social and Governance (“ESG”) elements which will deliver the Company’s first integrated ESG implementation framework to be utilised to develop appropriate policies and procedures.
- Appointment of Chief Executive Officer, Mr Darryn McClelland, who is based in Indonesia.
- Significant BKZ Resource Upgrade including new exploration target identified:
 - 50% increase in contained zinc;
 - 75% increase in contained copper; and
 - Potential for 100-220koz of gold and 10-20Moz silver in newly discovered Exploration Targets.
- Progressed BKM Copper Project Power supply solution survey.
- Continued progress with the BKM Feasibility Study Update engineering workstreams. Delivered new BKM Life of Mine Production Physicals as part of the Feasibility Study Update.
- Completed a capital placing, raising gross proceeds of approximately \$3.0 million with PT Delta Dunia Makmur Tbk. in November 2022.

Chairman's Statement

2022 Overview

I am pleased to report on our progress for 2022. Notable milestones included increasing the Mineral Resource Estimate at the BKZ deposit; completing a bank endorsed Independent Technical Expert ("ITE") review of the 2019 BKM copper project feasibility study and subsequently advancing all workstreams to update the study; obtaining the key environmental permit for the BKM mine development; appointing Darryn McClelland as Chief Executive Officer, and raising gross proceeds of \$3.0 million through a placement to our major shareholder, PT Delta Dunia Makmur Tbk ("Delta Dunia") in November 2022.

The year started with strong commodity prices due to a significant increase in demand, coupled with supply chain delays and staff shortages resulting from the ongoing impacts of Covid-19 and rapid changes in the global geopolitical environment. These factors together with significant increases in energy costs due to the outbreak of war in Ukraine drove strong inflation which in turn impacted the outlook for global economic growth. As copper demand from China increased following the easing of covid lock-down restrictions towards the end of the year, copper supply from large mines in South America simultaneously suffered production challenges pushing the price of copper above \$9,000/t. Most commodities analysts now forecast copper prices to remain at these levels for the foreseeable future as the market moves into longer term deficit.

Following a strategic investment from a leading Indonesian mining contractor PT Delta Dunia Makmur Tbk ("Delta Dunia") in October 2021, the Company completed a follow-on placement of \$3.0 million (£2.649 million) with Delta Dunia in November 2022. This investment enabled Asiamet to complete value engineering work and a bank endorsed independent technical review which determined the requirements for updating the 2019 feasibility study on the BKM copper project. Drilling was completed at the BKZ and BKM deposits leading to a significant resource update for BKZ. Expert consultants were appointed for all BKM feasibility update workstreams and the associated studies were progressed at pace throughout the year. Project financing discussions, including the appointment of an Independent Technical Expert, were advanced with major lenders.

Asiamet operations continued to operate safely throughout the period. Health and safety policies and procedures were updated for covid management and all necessary PPE requirements, protocols for testing, isolating and medical treatment were implemented at all worksites. Staff and contractors were provided with appropriate training and covid protocols were included in health and safety inductions for all personal visiting and working at our sites.

BKM and BKZ Projects

The BKM Project is a Feasibility Study stage copper project with a production profile of up to 20,000 tonnes per annum over an initial nine-year mine life. The project lies in a highly mineralised district on the Company's KSK Contract of Work ("KSK CoW") in Central Kalimantan, Indonesia, with significant scope to add mine life through the conversion of existing Inferred Resources and new discoveries on identified prospects. BKZ is a new zinc-lead-copper-gold-silver deposit discovery which is located 800m north of the BKM deposit and forms part of the same +3km mineralized system. The entire Beruang Kanan district remains very underexplored and the potential for further resource growth through expansions of existing deposits and new discoveries is considered to be very high.

Against a backdrop of industry wide capital and operating cost inflation, studies completed throughout the year focussed on significantly re-scoping and optimising the BKM Project to enhance the overall project economics. In November we announced updated Life of Mine Production Physicals for the proposed BKM copper mine development with these changes representing the most significant feasibility study updates relative to those previously reported in the 2019 study. This very comprehensive piece of work will culminate in the delivery of the updated BKM Copper Project Feasibility Study in Q2 2023.

From a permitting standpoint, a number of the key requirements for conversion of the forestry licence to a mine operational licence were met with the remaining requirements to be finalised in the first half of 2023. Upon completion of this conversion, project development can officially commence.

As part of the value engineering and feasibility study update work relating to the BKM mine infrastructure layout, a modest drilling program was completed in early 2022 to assess potential for resource extensions outside of the current open pit perimeter at BKM and to test for potential extensions of the BKZ polymetallic deposit. The drill results received from BKZ were outstanding with wide intervals of high-grade polymetallic mineralisation intersected down-dip to the east of previously reported high-grade copper and zinc-lead-silver-copper-gold mineralisation. In May 2023, the Company published a new Mineral Resource Estimate (MRE) for BKZ which highlighted significant increases in contained metal compared to the 2018 MRE. This drilling clearly demonstrated that the BKZ deposit remains open in multiple directions and highlights the opportunity for developing a series of mines in and around the proposed BKM copper mine infrastructure.

Beutong Project

The Beutong project in Aceh, Indonesia is a large, high-quality porphyry copper-gold-molybdenum deposit which benefits from proximity to infrastructure and remains a key asset in the Company's portfolio. Asiamet intends to recommence field activities at the Beutong project during 2023 with increased community engagement and a plan to drill extensions below the current defined resource envelope. Some metallurgical test work to better understand the development optionality for the project is also planned.

Corporate Governance

At a corporate level, the key management team was strengthened with the appointment of Darryn McClelland as Chief Executive Officer. Mr McClelland joined Asiamet from PT Agincourt Resources where he was leading all operational functions for the large scale Martabe Gold Mine in North Sumatera, Indonesia. Mr McClelland brings significant capability in mine start-ups, metals open pit mining operations, copper leaching, and extensive Indonesian operating experience. Darryn is currently a member of the Company's Key Management, but is not a Director of the Company.

The Company will continue to grow its senior management, finance and operations teams as it moves into the project financing and development stages during 2023.

Sustainability

From a Sustainability perspective, I am proud to report that the Company continued to make excellent progress on its community development initiatives in and around the KSK CoW. Asiamet has a long-standing partnership with the Yayasan Tambuhak Sinta (YTS) foundation, a highly-respected foundation which attracts funding from a range of donor agencies including the World Bank and other international Non-Governmental Organizations. The YTS foundation supports capacity building, education and agricultural initiatives designed to help deliver tangible benefits to the lives of the local Dayak communities while simultaneously developing a broader awareness of mining in preparation for project construction and operations. Increasing our levels of community engagement at the Beutong Project is a priority objective for 2023 and beyond.

Outlook

At the time of writing this report, many of the major economies have committed to large infrastructure development programs focussed on decarbonisation and the transition to renewable energy and electrification of transport and industry.

Copper as a critically important metal for the global energy transition is expected to be a major beneficiary of these policies and significant additional new supply is required at a time when global copper production, constrained by prolonged underinvestment in exploration and new mine development, is struggling to meet existing demand. Most commodity analysts are forecasting a widening gap between supply and demand and a prolonged period of stronger copper prices.

Indonesia continues to attract investment from large battery manufacturers and original equipment manufacturers and has attracted more than \$30 billion worth of investment over the past five years. The G20 conference held in Bali, Indonesia in November 2022 underlined the countries global status as an important investment destination for mineral development and downstream value-adding.

With our portfolio of development and advanced stage copper assets in Indonesia, Asiamet is very well positioned to benefit from a sustained period of stronger copper prices driven by the energy transition.

Acknowledgements

I would like to extend my gratitude to our shareholders for their continued support over the past year and look forward to reporting further on our progress during 2023.

As a final note, I would like to thank our employees, consultants and contractors for their contributions to the Company over the past year and express my sincere thanks to all our stakeholders in Indonesia and internationally for their ongoing support. It is much appreciated.



Tony Manini
Executive Chairman

Chief Executive Officer's Statement

2022 Overview

It has been an exciting year both for me personally and for the Company and I am pleased to have joined the growing team at Asiamet at this important juncture. My focus to date has been on driving forward the BKM Copper Project Feasibility Study Update and development of the BKM Project to deliver into what is a strong market for copper due to the increases in its consumption from electrification of transport systems and ongoing development of new renewable energy projects.

During the year, we continued to make excellent progress on the various work streams for the update of the BKM Copper Project Feasibility Study which resulted in optimised Life of Mine Production Physicals which we announced in November. In parallel, the Company also signed a Memorandum of Understanding (MoU) with the Indonesian State Electricity Company to evaluate the potential of building a dedicated power line to the BKM Project. Grid power would reduce the operational cost compared to power generated liquid natural gas as per the 2019 Feasibility Study.

I have been very impressed with the exploration activities both at the BKM Project as well as the BKZ Project where we intersected broad intervals of highly mineralised material. Our exploration team has done a stellar job in exposing the mineralisation adjacent to the BKM Project, which has increased our confidence in stating that both BKM and BKZ are part of a larger volcanogenic massive sulphide system of which potentially other deposits will form part of. It has created an exciting set of targeting tools to use in assessing other prospects across the KSK CoW.

Sustainability

I am proud of the progress we have made on the community development initiatives of Asiamet in the local Dayak communities in and around the KSK CoW. Our initiatives have helped deliver tangible improvements to the lives of the local community and our farming and agricultural initiatives have helped local communities become more self-sustaining as well as supplying produce to our camp.

During the year we completed our first detailed materiality assessment related to Environmental, Social and Governance ("ESG") elements in cooperation with internationally recognised sustainability consulting group ERM. This delivered the Company's first integrated ESG implementation framework which will be utilised to develop appropriate policies and procedures as we transition from explorer to producer.

Corporate

On a corporate level, we have seen significant interest from both the investment community as well as large international mining groups in the activities of Asiamet. Indonesia is back on the map of large mining groups due to its prospectivity and ability to host world-class mineral systems. The demand for copper is only likely to increase given the lack of new large new discoveries.

There are few new copper mines coming online across the world and less so in the Asian region and so we are in a fortunate position to have two world-class copper development projects in our portfolio in such a strategic location.

BKM Feasibility Study

The updated feasibility study for the BKM Copper Project is in the final stages of completion. The work has taken longer than anticipated due to the requirement to reassess all aspects of the project against a macro-economic environment of significant inflation and cost escalation. Starting with a new set of production physicals from an updated mine design, all areas of the development of BKM have been interrogated, revised and updated to reflect current best knowledge. Significant additional work has been completed on key technical workstreams which provides further confidence in delivering on the outcomes of the Feasibility Study. The completion and issuance of the updated feasibility study is the critical path for commencing engagement on project financing

which will be the focus of activities moving forward in 2023 with a target of final project approval before the end of 2023.

Acknowledgements

I would like to take this opportunity to thank our shareholders for their patience and continued support during this exciting time of the Company's development and look forward to reporting on our progress during 2023.

A handwritten signature in black ink, appearing to read 'D. McClelland', with a long horizontal flourish extending to the right.

Darryn McClelland
Chief Executive Officer

Strategic Report

Overview of Operations

Asiamet is incorporated in Bermuda and is engaged in the exploration and development of its mineral properties in Indonesia. The Company's shares trade in British Pounds Sterling ("GBP") on the AIM Market in London under the symbol "ARS".

Asiamet has two principal areas of interest:

- The KSK CoW in Central Kalimantan, Indonesia where Asiamet holds a 100% direct interest. The KSK CoW covers multiple copper and gold prospects including the BKM Project and the nearby surrounding BKZ, BKS and BKW prospects. A Mineral Resource Estimate, Ore Reserve Estimate and a Feasibility Study ("BKM FS") have been completed for the BKM Project. The BKM FS technical report was compiled using study inputs from various subject matter experts, all of which were external and independent of the Company. The Mineral Resource and Ore Reserve Estimates were prepared in accordance with the JORC (2012) Reporting Standards.
- The Beutong IUP-OP located on the island of Sumatra, Indonesia where Asiamet holds an 80% direct interest. The Beutong Project covers two porphyry copper-gold-molybdenum prospects (West and East Porphyries) and the Beutong Skarn (copper-gold) project. Beutong is a development project with a large copper-gold Resource and has a production licence.

BKM Project – 2019 Feasibility Study

The BKM Project is a development ready copper project located on the eastern part of the KSK CoW. An update of the BKM FS has been in process since April 2022 through the engagement of several expert consultancies delivering various technical workstreams. The update of the BKM FS is expected to be completed by Q2 2023. Completion of the study will be the key to commencement of discussions relating to project finance.

KSK CoW Exploration

In May 2022, the Company released the final results of the drilling program completed on the BKZ polymetallic deposit with an updated JORC (2012) resource statement also released. The outcomes of the BKZ program, which was modest in terms of meters drilled and funds spent were exceptional:

- 50% increase in Contained Zinc, from 60kt up to 90kt in the Upper Polymetallic Zone (UPZ);
- 75% increase in Contained Copper, from 12kt up to 21kt in the Lower Copper Zone (LCZ);
- Exploration targets for both the UPZ and LCZ defined through this drilling program and would be the first areas to assess in any new program.
- A new Gold/Silver exploration target defined drilling with some exceptional intercepts delivered through the program.

The drilling results have confirmed our enhanced geological understanding of the broader BKM-BKZ system. The BKM-BKZ systems are now considered to be part of the same three-kilometre long Volcanogenic Hosted Massive Sulphide System which remains open in most directions and provides real optionality and upside for the project.

Permitting

In January 2021, the Company received approval for the revised AMDAL permit (Environmental Permit) that allows the BKM Project to proceed to the final step to secure the forestry borrow-to-use permit. Ongoing work

is underway to secure the remaining permits required to enable the Company to move forward into the financing and construction stages.

During November 2021, the Company received conditional approval for the borrow to-use permit Forestry Permit (Persetujuan Penggunaan Kawasan Hutan) by the Ministry of Environment and Forestry (MoEF). The Company will work to complete the necessary conditions as required by the MoEF during the first half of 2023 with a view to have an unconditional borrow to use forestry permit before the end of 2023.

Outlook

In the short term, the focus of the Company will be to:

- Release the BKM Project 2023 Feasibility Study in preparedness for project financing.
- Evaluate project financing options for the BKM Copper Project.
- Conclude key permitting activities, including obtaining approval of definitive borrow to-use Forestry Permit (Persetujuan Penggunaan Kawasan Hutan and supplementary permits for access and logistics.
- Update and submit government related studies and documents related to the updated BKM FS.
- Recommence community engagement at Beutong with a view to undertake field work in H2 2023.

Table 4 - BKM Measured, Indicated and Inferred Mineral Resource (JORC) – June 2019 (100% Basis)

Measured Mineral Resources (JORC, 2012)				
Cut-off Grade Cu %	Tonnes M	Cu Grade %	Contained Copper Kt	Contained Copper Mlbs
0.2	20.6	0.7	148.5	327.3
0.5	14.9	0.8	124.9	275.3
0.7	8.6	1.0	87.6	193.0
Indicated Mineral Resources (JORC, 2012)				
Cut-off Grade Cu %	Tonnes M	Cu Grade %	Contained Copper Kt	Contained Copper Mlbs
0.2	34.1	0.6	212.6	468.8
0.5	21.4	0.8	161.3	355.6
0.7	9.5	1.0	90.6	199.7
Inferred Mineral Resources (JORC, 2012)				
Cut-off Grade Cu %	Tonnes M	Cu Grade %	Contained Copper Kt	Contained Copper Mlbs
0.2	15.0	0.6	90.8	200.3
0.5	10.0	0.7	70.3	154.9
0.7	3.8	0.9	33.5	73.8

Measured Plus Indicated Mineral Resources (JORC, 2012)				
Cut-off Grade Cu %	Tonnes M	Cu Grade %	Contained Copper Kt	Contained Copper Mlbs
0.2	54.7	0.7	361.1	796.1
0.5	36.3	0.8	286.2	630.9
0.7	18.1	1.0	178.1	392.7
Measured Plus Indicated Plus Inferred Mineral Resources (JORC, 2012)				
Cut-off Grade Cu %	Tonnes M	Cu Grade %	Contained Copper Kt	Contained Copper Mlbs
0.2	69.6	0.6	451.9	996.3
0.5	46.3	0.8	356.4	785.8
0.7	21.9	1.0	211.6	466.5

Notes:

1. Duncan Hackman B.App.Sc, MSc, MAIG, a consultant from Hackman & Associates Pty Ltd, is responsible for the 2019 BKM Mineral Resource Estimate and is a Competent Person as defined by the JORC Code (2012 Edition) and a Qualified Person for the purposes of the AIM Rules for Companies and, having reviewed and verified the tabulated resources, consents to the release of the Mineral Resources Estimate included in the 31 December 2022 Annual Report.
2. The 0.2% Cu grade reporting cut-off grade approximates the mineralised domains extents.
3. Mineral Resources for the Beruang Kanan Main Zone mineralisation have been estimated in conformity with generally accepted guidelines outlined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition).
4. In the opinion of Duncan Hackman, the block model Resource Estimate and Resource classification reported herein are a reasonable representation of the copper Mineral Resources found in the defined volume of the Beruang Kanan Main mineralisation.
5. Mineral Resources are not Ore Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resource will be converted into Ore Reserve.
6. Computational discrepancies in the table and the body of the Report are the result of rounding.

Table 5 - The BKM Ore Reserve Estimate is summarised in the table below, June 2019 (100% Basis)

Ore Reserve Category	Volume	Tonnes	Total	Soluble	Contained Copper	
	Mbcm	Mt	Copper	Copper	Total	Soluble
			%	%	kt	kt
Proved Ore						
Chalcocite dominant	5.2	14.9	0.7	0.5	103	77
Covellite/Bornite dominant	1.6	4.4	0.5	0.5	24	20
Chalcopyrite dominant	0.6	1.9	0.6	0.2	11	3
Total Proved Ore	7.4	21.1	0.6	0.5	137	101
Probable Ore						
Chalcocite dominant	5.8	15.4	0.6	0.4	88	63
Covellite/Bornite dominant	2.9	7.8	0.5	0.4	40	31
Chalcopyrite dominant	2.7	7.2	0.5	0.1	38	11
Total Probable Ore	11.4	30.4	0.5	0.3	166	105
Proved + Probable Ore						
Chalcocite dominant	11.0	30.2	0.6	0.5	190	140
Covellite/Bornite dominant	4.5	12.2	0.5	0.4	64	51
Chalcopyrite dominant	3.3	9.1	0.5	0.2	49	14
Total Proved and Probable Ore	18.8	51.5	0.6	0.4	303	206
Waste Rock	33.1	85.0				
Waste : Ore Ratio	1.8	1.7				

Notes: The tonnes and grades shown in the 'Total' rows are stated to a number of significant figures reflecting the confidence of the estimate. The table may nevertheless show apparent inconsistencies between the sum of components and the corresponding rounded totals.

The Ore Reserves are reported within the final pit design forming the basis of the Feasibility Study. They do not include Inferred Mineral Resources. The Ore Reserves treat Inferred Resources within the pit design as waste rock.

The Ore Reserves are reported against a variable economic cut-off grade which takes account of the ore type and varying conditions over the project life.

Other KSK CoW Projects

The technical team has delineated a pipeline of 13 separate copper, gold and polymetallic targets on the KSK CoW additional to the deposits already defined at BKM and BKZ. These targets include the BKW and BKS prospects as well as Beruang Tengah, Gold Ridge, Mamuring, Volcano, Waterfall, Ketambung, Lakapoi, Rinjen, Baroi Central and South, Baroi Far East Zone, Mansur, Huoi and Focus. Previous geophysical, soil sampling and scout drilling programs have identified significant copper, zinc and associated base and precious metal mineralisation warranting further exploration.

BKZ Project

The BKZ Project is located less than 800 metres north of the BKM Project is defined by a strong zinc-lead-copper in soil anomaly measuring 400 metres by 200 metres, coincident with outcrops of massive sulphide.

The Mineral Resource Estimate, prepared in accordance with JORC (2012), for the BKZ polymetallic deposit are included in Table 6 below. The BKZ deposit remains open in multiple directions. During the year, the Company completed a drilling program at BKZ which intersected strong zinc-copper-gold-silver mineralisation. The high-grade gold-silver zone has now been intersected over 250 metres of strike with a thickness of 30 to 70 metres and intercept grades between 1 and 5 g/t Au. Mineralisation is shallow and projects from near surface down to

approximately 200 metres. An update to the Mineral Resource Estimate from the 2021/2022 drilling program was published in May 2022.

Table 6 - BKZ Mineral Resource Estimate, May 2022 (100% basis)

2022 BKZ Polymetallic Deposit Inferred Resource Estimate (JORC Code, 2012)									
Upper Polymetallic Zone. High Grade Zinc Domain. Inferred Resources (JORC 2012) *									
Lower Reporting Cut (Zn%)	Tonnes (kt)	Grade				Contained Metal			
		Zn (%)	Pb (%)	Ag (ppm)	Au (ppm)	Zn (kt)	Pb (kt)	Ag (koz)	Au (koz)
4.0	1,050	8.6	3.5	62	0.31	90	37	2,076	10.5
6.0	890	9.2	3.8	67	0.34	82	34	1,909	9.7
Upper Polymetallic Zone. Low Grade Zinc Domain. Inferred Resources (JORC 2012) **									
Lower Reporting Cut (Zn%)	Tonnes (kt)	Grade				Contained Metal			
		Zn (%)	Pb (%)	Ag (ppm)	Au (ppm)	Zn (kt)	Pb (kt)	Ag (koz)	Au (koz)
1.0	600	1.5	0.4	15	0.21	9	2	295	4.1
2.0	50	2.1	0.5	14	0.29	1	0	23	0.5

* Lowest estimated Zn grade in the UPZ high grade zinc domain is 2.8% Zn. 30kT of the UPZ high grade zinc domain is estimated to host < 4% Zn grade.

** Highest estimated Zn grade in the UPZ low grade zinc domain is 2.6% Zn

Upper Polymetallic Zone. Total Inferred Resource Estimate Combined UPZ High Grade + UPZ Low Grade Domains									
Lower Reporting Cut (Zn%)	Tonnes (kt)	Grade				Contained Metal			
		Zn (%)	Pb (%)	Ag (ppm)	Au (ppm)	Zn (kt)	Pb (kt)	Ag (koz)	Au (koz)
1.0	1,680	6.0	2.4	45	0.27	101	40	2,415	14.6
2.0	1,140	8.1	3.3	59	0.31	92	38	2,155	11.4
4.0	1,050	8.6	3.5	62	0.31	90	37	2,076	10.5
6.0	890	9.2	3.8	67	0.34	82	34	1,909	9.7

2022 BKZ Polymetallic Deposit Inferred Resource Estimate (JORC Code, 2012)

Lower Copper Zone. Copper and Silver Mineralisation							
Lower Reporting Cut (Cu%)	Tonnes (KT)	Grade			Contained Metal		
		Cu (%)	Ag (ppm)	Au (ppm)	Cu (KT)	Ag (Koz)	Au (Koz)
0.5	1,600	1.3	17	0.14	21	895	7.2
1.0	1,060	1.6	20	0.15	17	688	5.1

Notes:

Duncan Hackman B.App.Sc, MSc, MAIG, a consultant from Hackman & Associates Pty Ltd, is responsible for the BKZ 2022 Mineral Resource Estimate and is a Competent Person as defined by the JORC Code (2012 Edition) and a Qualified Person for the purposes of the AIM Rules for Companies and, having reviewed and verified the tabulated resources, consents to the release of the Mineral Resources Estimate included in the 31 December 2022 Annual Report.

Lower Zn and Cu grade reporting cuts approximate the mineralised domains extents. Mineral Resources for the BKZ Polymetallic Project have been estimated and reported under the guidelines detailed in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012). In the opinion of Duncan Hackman, the block model, resource estimate and resource classification reported herein are a reasonable representation of the mineral resources found in the defined area of the BKZ Polymetallic Project. Mineral Resources are not Ore Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resource will be converted into Ore Reserves. Computational discrepancies in the table are the result of rounding.

Continuity confidence associated with Lead-Zinc intercepts in wide spaced drilling to the east of the UPZ resources and Copper intercepts to the north of the LCZ are reported as Exploration Results and not included with the Resources reported here.

Gold mineralisation located to the east and at depth within the BKZ area is reported as Exploration Results and not included with the Resources reported here.

Beutong Project

The Beutong Project is a large porphyry copper-gold system, which comprises the Beutong East Porphyry ("BEP"), Beutong West Porphyry ("BWP") and the Beutong Skarn ("BSK"). The Beutong Project has JORC (2012) compliant Resources as shown in Table 7 below. The near surface mineralisation at BEP and BWP comprises chalcocite, covellite and digenite copper mineralisation with lesser chalcopyrite.

At +600 metres depth there is a notable transition to chalcopyrite-bornite mineralisation, similar to the deeper sections of other large porphyry systems in Southeast Asia such as the giant high-grade Grasberg Indonesia (Freeport-McMoRan Copper & Gold), Wafi-Golpu PNG (Newcrest Mining) and Tujuh Bukit Indonesia (Merdeka Resources) deposits. At depth in the BEP, large clasts of potassic altered (biotite, potassic feldspar and magnetite) diorite porphyry with intense stockwork chalcopyrite-bornite mineralisation occur within a diatreme breccia and are interpreted to have been transported from a high-grade potassic core at depth. The BEP and BWP systems remain open in several directions and the interpreted BEP high-grade core remains untested at depth.

The Beutong Project holds an Izin Usaha Pertambangan Operasi Produksi "IUP-OP", which enables the Company to advance to the development stage. The IUP-OP provides for an initial 20 years of licence tenure which may be extended twice, each for a period of 10 years, totalling 40 years. The Company is committed to meeting in-country processing requirements and will work with companies that have pledged to build local smelters to process copper concentrate.

Table 7 – Beutong Mineral Resource Estimate, January 2019 (80% Basis)

Beutong 2019 Resource Estimate – Report at 0.3% Cu Lower Cut – 80% basis										
Classification	Mineralisation	Tonnes	Grade				Metal			
			Cu%	Au (ppm)	Ag (ppm)	Mo (ppm)	Cu (Kt)	Au (koz)	Ag (Koz)	Mo (Kt)
JORC 2012		(Mt)								
Measured	East Porphyry	27	0.67	0.13	1.68	90	181	114	1,464	2
Indicated	East Porphyry	40	0.57	0.1	1.56	116	225	127	1,988	5
	Skarn	6	0.71	0.28	5.89	8	37	47	995	0.1
Inferred	East Porphyry	66	0.54	0.13	2.32	147	360	278	4,953	10
	West Porphyry	257	0.43	0.13	0.78	121	1,093	1,072	6,434	31
	Outer East Porphyry	5	0.36	0.06	1.12	157	16	9	158	0.80
	Outer West Porphyry	4	0.36	0.1	0.84	54	14	13	106	0.24
	Skarn	4	0.67	0.24	5.1	10	26	30	635	0
Measured	Total	27	0.67	0.13	1.68	90	181	114	1,464	2
Indicated	Total	46	0.58	0.12	2.07	104	262	174	2,983	5
Inferred	Total	336	0.45	0.13	1.14	125	1,509	1,401	12,286	42
	Total	409	0.48	0.13	1.28	120	1,951	1,689	16,734	49

Beutong 2019 Resource Estimate – Report at 0.5% Cu Lower Cut – 80% basis										
Classification	Mineralisation	Tonnes	Grade				Metal			
			Cu%	Au (ppm)	Ag (ppm)	Mo (ppm)	Cu (Kt)	Au (koz)	Ag (Koz)	Mo (Kt)
JORC 2012		(Mt)								
Measured	East Porphyry	22	0.72	0.13	1.74	92	160	93	1,241	2
Indicated	East Porphyry	26	0.64	0.1	1.66	119	168	84	1,400	3
	Skarn	3	0.84	0.34	6.51	7	30	39	749	0.02
Inferred	East Porphyry	37	0.63	0.14	2.49	164	234	166	2,954	6
	West Porphyry	36	0.57	0.11	0.88	142	207	129	1,027	5
	Outer East Porphyry	-	0.55	0.09	1.22	226	1	1	6	0.03
	Outer West Porphyry	-	0.57	0.08	1.84	51	1	0.5	11	0.01
	Skarn	2	0.8	0.27	5.68	8	22	24	498	0.02
Measured	Total	22	0.72	0.13	1.74	92	160	93	1,241	2
Indicated	Total	30	0.66	0.13	2.24	105	198	123	2,149	3
Inferred	Total	76	0.61	0.13	1.83	148	464	320	4,497	11
	Total	128	0.64	0.13	1.91	128	822	536	7,886	17

Notes

1. Duncan Hackman B.App.Sc, MSc, MAIG, a consultant from Hackman & Associates Pty Ltd, is responsible for the Beutong 2019 Mineral Resource Estimate and is a Competent Person as defined by the JORC Code (2012 Edition) and a Qualified Person for the purposes of the AIM Rules for Companies and, having reviewed and verified the tabulated resources, consents to the release of the Mineral Resources Estimate included in the 31 December 2022 Annual Report.
2. The Mineral Resource is reported using a cut-off grade of 0.3% and 0.5% copper.
3. The Mineral Resource is considered to have reasonable potential for eventual economic extraction by open pit and underground mining.
4. Mineral Resources are not Ore Reserves and do not have demonstrated economic viability.
5. This statement uses terminology, definitions and guidelines given in the JORC Code (2012 Edition).
6. The Mineral Resource is reported on an 80% basis – the Asiamet share of the Mineral Resource Estimate.

Sustainability

With many of the major economies focussing on policies for decarbonisation, transition to renewable energy and the electrification of transport, copper is expected to be a major beneficiary as this transition will require significant additional copper supply over and above the current baseload requirements.

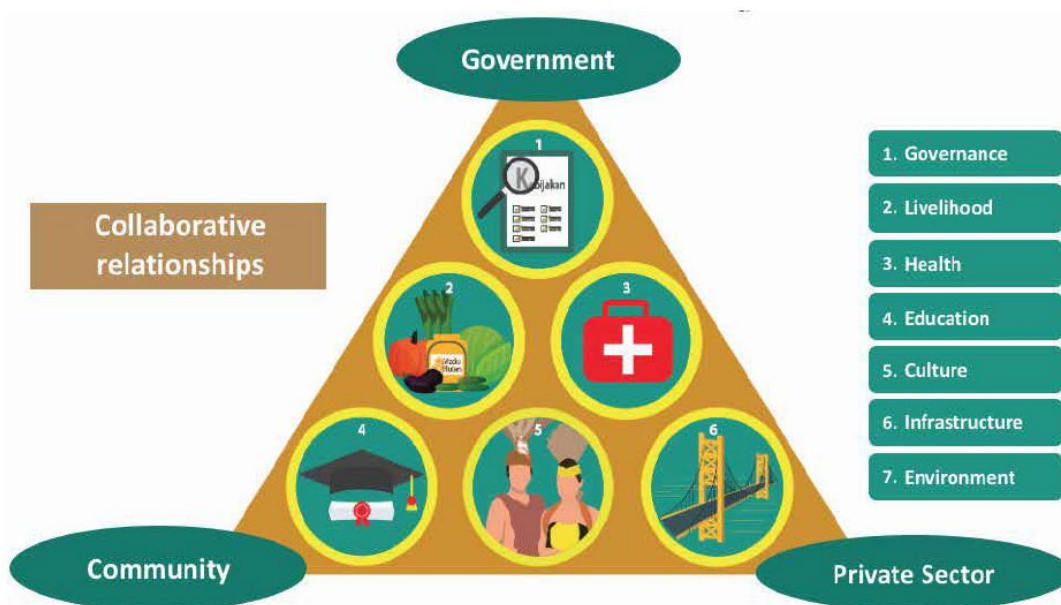
While mining contributes significantly to employment and the global economy, it also provides sustainable benefits for the communities in which it operates. One of the biggest challenges facing mining companies is its ability to build strong relations, trust, acceptance and social support with the local people and government also known as the 'social licence to operate'. It takes substantial time, effort and resources to establish this licence to operate.

Asiamet has a strong understanding and awareness of this principle having established the Yayasan Tambuhak Sinta community development foundation (YTS foundation) in 1997 with the purpose of providing sustainable opportunities for local and regional communities during all phases of the mining lifecycle and enabling the positive and sustainable development of the community to continue beyond the life of mine.

YTS delivers its programs through a holistic, inclusive, and integrated framework called "The Theory of Change", which has an enveloping principle what we call "the Golden Triangle" (Figure 1). This framework's approach to regional development includes the involvement of the Community, the Government and the Private Sector in a collaborative planning and implementation process working under common goals – good governance, sustainable livelihoods, equal and good access to education and health care embracing and preservation of local Dayak culture, appropriate and well-functioning infrastructure all the while respecting and maintaining the environment and gender equality. We believe that through this framework, we can maximise the implementation of ESG and related programs to ensure that they deliver benefits and opportunities to our stakeholder accordingly.

The aim is to have a responsible, conscientious and positive presence in the regions in which we operate, resulting in value for the host country, local communities, employees, contractors and shareholders. We continually monitor and review our approach to sustainability by engaging with and taking into account the views of these stakeholders.

Figure 1. Theory of Change Components within the Golden Triangle



During the year, the Company commissioned ERM Indonesia, a world leading ESG consultancy to review the Company's sustainability policies and implement industry leading ESG playbook for the Company.

Environment

Asiamet understands that climate change is a significant global challenge and that as a responsible citizen we must identify, assess, action and report its response to climate change challenges. Our core focus is on copper as a critical mineral input to decarbonisation, electrification and green technologies. Our approach to climate change and how we manage mitigation and adaptation to climate change impacts, both physical and transitional, as well as the opportunities and risks associated with the transition to a low-carbon future continues to evolve.

We regard environmental stewardship as an integral part of our business and are committed to understanding and minimising potential environmental impacts and risks associated with the activities we undertake across our portfolio. We understand that our environmental reputation and performance is fundamental to our ongoing success in accessing and developing assets in existing and new jurisdictions.

Since 2016, we have had an active nursery plantation program and have revegetated and rehabilitated disturbed areas in and around the BKM area as a result of our exploration and drilling campaigns. The footprint of disturbance has been minimised and through this replantation exercise we have been able to achieve close to full revegetation of disturbed areas with local flora.

During 2022, we commenced a three-year reforestation program over an area of 1,058 hectares in accordance with the forest offset program stipulated by the Indonesian government and as part of the Company's mining rights over the BKM area.

Furthermore, as part of the BKM value enhancement activities, we will be evaluating sources of power to be utilised at site with a view to reducing greenhouse gas emissions through the use of a higher proportion of sustainable energy.

Social and Governance

Since the start of Asiamet's mineral exploration, we have made a genuine contribution to the local economy, providing employment and business opportunities for local people, suppliers and contractors. The Company, in particular the BKM Project, enjoys strong support from much of the local and broader Dayak communities and continues to work with stakeholders who will be directly and indirectly impacted by the project development. To date our ongoing engagement and communication have provided valuable insights on the is requirements for maintaining and strengthening 'our social licence' to operate in the region.

Through the YTS foundation, we have implemented several wide-scale environmental initiatives from mercury reduction and health awareness programs aimed at local artisanal gold mining communities, to social forestry programs that enable local villages to gain legal rights to the use of their forest in a sustainable and productive manner. The foundation has run education programs on sustainable farming and agriculture and have initiated activities to establish nurseries for reforestation, the cultivation of vegetables as well as sustainable fish farming.

The foundation has assisted local government and communities in a range of capacity building programs including IT support, budget and planning meetings, education with respect to healthcare support and educational grants. Local communities are also provided assistance with access to capital through credit unions, generating regional economic activity. With the involvement and participation of local people, YTS has helped establish various forums for local communities, government and businesses to raise and address issues which directly impact them.

During the year, the Company continued to work closely with the local government, the private sector and local communities to harness the positive changes that will continue to foster sustainable development in the vicinity of the BKM Project.

Governance

Stakeholder expectation of mining companies ESG performance and the material landscape is evolving at an unprecedented rate. As a junior explorer and developer, Asiamet continues to navigate this landscape, identifying, assessing and mitigating risks to its business and responding to emerging areas of stakeholder interest.

The Board is accountable for the governance of programs, practices and measures relating to ESG matters and has a comprehensive system of control and accountability for effective corporate governance, reviewed regularly and revised as appropriate. Asiamet continues to be guided by the Quoted Companies Alliance Corporate Governance Code ("QCA Code"). Throughout the past year, the Company complied with all aspects of the QCA Code and completed periodic reviews of its charter in order to maintain the robustness of its governance systems. No material issues were identified over the past twelve months. For more details on the Company's Corporate Governance policy and how the Company applies each of the QCA principles, refer to page 30.

The Company aims to be as transparent and open as possible in dealing with all stakeholders. The Board encourages employees and contractors of the Company and its subsidiaries to use the Company's anonymous whistleblower line to identify issues or irregularities so these can be addressed by the Board and Management.

The Strategic Report has been approved by the Board and signed on its behalf by:



Tony Manini
Executive Chairman
27 April 2023

Board of Directors

Antony (Tony) Manini, Director and Executive Chairman

Tony Manini is a geologist with over 35 years diverse experience in the resources industry. His background covers a wide range of commodities in more than 20 countries and includes technical, commercial, senior management and executive roles in exploration, project evaluation, business development, strategy and operations with Rio Tinto, Oxiana / OZ Minerals, Tigers Realm Group and EMR Capital.

Mr Manini is co-founder of resources private equity firm, EMR Capital. He has been closely involved in the discovery and development of multiple mines and deposits in Laos, Indonesia, Australia and FE Russia and has listed three highly successful junior exploration companies each of which has made a major discovery. Mr Manini is also currently an Executive Director of EMR Capital and Chairman of C3 Metals Inc.

Mr Manini holds an Honors Degree in Geology and is a Fellow of the Australia Institute of Mining and Metallurgy and the Society of Economic Geologists.

Dominic Heaton, Non-Executive Director

Dominic Heaton has over 27 years of global resource industry experience across a diverse range of commodities. Mr Heaton was the Chief Executive Officer of Masan Resources and led the development and operations of the Nui Phao tungsten – polymetallic project in Vietnam. Earlier in his career, he served a variety of management roles at Aurora Gold, Oxiana, OZ Minerals and at MMG where he was General Manager of the 60,000tpa Sepon SX-EW copper project in Laos and as General Manager of Operations of Martabe gold mine in Indonesia.

Mr Heaton holds a Bachelor of Science, a Post Graduate Diploma in Mineral Processing Technology and he has also completed an Advanced Management Program with the Melbourne Business School. Mr Heaton is a member of Australian Institute of Mining & Metallurgy and Australian Institute of Company Directors.

Dr. Peter Pollard, Non-Executive Director

Peter Pollard is a consulting economic geologist with more than 20 years' experience. He holds a PhD from James Cook University, Australia and is a Member of the Australasian Institute of Mining and Metallurgy (Chartered Professional) and a Fellow of the Society of Economic Geologists. Dr Pollard has consulted widely on porphyry copper-gold and iron oxide copper-gold deposits. He has worked on some of the world's major porphyry copper-gold deposits including Grasberg (Indonesia), Escondida Norte (Chile), Oyu Tolgoi (Mongolia) and Ok Tedi (Papua New Guinea). He is also a non-executive director of EMP Metals Corp.

Faldi Ismail, Non-Executive Director

Faldi Ismail has significant experience working as a corporate advisor specialising in the restructure and recapitalisation of a wide range of ASX-listed companies. Mr Ismail has many years of investment banking experience covering a wide range of sectors., with a specific focus on the resources sector. Mr Ismail has been a director of several ASX-Listed companies and is a founding partner of Kaai Capital. Until 12 January 2015, Mr Ismail was the Deputy Chairman and CEO of the Company.

Feng (Bruce) Sheng, Non-Executive Director

Bruce Sheng is the Chairman of Melbourne based Asipac Group Pty Ltd, a diversified company with investments across the resources and financial sectors, and various property businesses. Mr Sheng also currently serves as Vice Chairman of the Australia China Business Council (Victoria) and the Executive Chairman of ASX listed Terramin Australia Ltd, a company developing a portfolio of zinc and gold projects in Australia and Algeria.

Eva Armila Djauhari, Non-Executive Director

Eva Armila Djauhari, a prominent Indonesian lawyer with extensive mining related experience in both the private and public sectors. She is the founding partner of Armila and Rako Law specializing in investments, merger and acquisitions, project financing, restructuring and distressed asset management, compliance, and general corporate matters. As one of the few mining law practitioners in Indonesia, Ms Djauhari has worked extensively with key mining related Associations and Institutes advising the Government of Indonesia on various mining law and policy matters, and the promotion of foreign investment. In 2018 she was appointed by the Government (Director General of Minerals and Coal) to join the National Mining Policy Formulation Team (*Tim Formulasi Kebijakan Tambang*) preparing Indonesian mining policy.

Ms Djauhari has a Bachelor of Law from Padjadaran University (Indonesia), a Master of Law from Queensland University of Technology (Australia) and an MBA from Queensland University of Technology (Australia).

Directors' Report

The Directors present their annual report on the affairs of the Group, together with the Financial Statements and Auditor's Report for the year ended 31 December 2022.

Principal activities

The Group is engaged in the business of exploring and developing its mineral properties in Indonesia. The review of the business and future strategy is covered in the Chairman's Statement on page 6.

Fundraising and share capital

During the year the Company raised \$3.015 million (2021: \$14.089 million) of new equity by the issue of 230.429 million shares (2021: 457.439 million shares). Further details are given in note 15 to the Financial Statements.

Results and dividends

The results of the Group for the year ended 31 December 2022 are set out in the Consolidated Statement of Comprehensive Loss on page 38. The Directors do not recommend the payment of a dividend for the year (2021: nil).

Directors and Directors' interests

The Directors who served during the period to date are as follows:

Tony Manini
Dominic Heaton
Peter Pollard
Faldi Ismail
Bruce Sheng
Eva Armila Djauhari

The direct and beneficial shareholdings of the Board in the Company as at 31 December 2022 were as follows:

	Shares			% of issued Share capital	Options	Warrants
	Direct	Beneficial	Total			
T Manini	7,883,502	43,950,494	51,833,996	2.37%	-	-
D Heaton	10,309,700	-	10,309,700	0.47%	-	-
P Pollard	5,368,770	-	5,368,770	0.25%	-	-
F Ismail	12,132,996	5,979,395	18,112,391	0.83%	-	-
B Sheng	-	123,149,003	123,149,003	5.63%	-	-
E Djauhari	1,353,413	-	1,353,413	0.06%	-	-

The direct and beneficial shareholdings of the Board in the Company as at 31 December 2021 were as follows:

	Shares			% of issued Share capital	Options	Warrants
	Direct	Beneficial	Total			
T Manini	5,206,003	43,950,494	49,156,497	2.53%	6,750,000	-
D Heaton	8,956,287	-	8,956,287	0.46%	-	-
P Pollard	4,015,357	-	4,015,357	0.21%	1,000,000	-
F Ismail	10,779,583	5,979,395	16,758,978	0.86%	800,000	-
B Sheng	-	121,795,593	121,795,593	6.27%	-	-
E Djauhari	-	-	-	-	-	-

Directors remuneration (\$)

Director		Salary / consulting fees	Directors fees ¹	Performance incentives ²	Total remuneration
T Manini	2022	83,624	35,000	67,390	186,014
	2021	90,462	35,000	-	125,462
D Heaton	2022	-	38,500	-	38,500
	2021	-	35,000	-	35,000
P Pollard	2022	-	38,500	-	38,500
	2021	-	35,000	-	35,000
F Ismail	2022	-	38,500	-	38,500
	2021	-	35,000	-	35,000
B Sheng	2022	-	35,000	-	35,000
	2021	-	35,000	-	35,000
E Armila ³	2022	-	46,986	-	46,986
	2021	-	23,014	-	23,014
Total	2022	83,624	232,486	67,390	383,500
	2021	90,462	198,014	-	288,476

(1) Directors received their fees in the form of performance rights.

(2) Includes Short Term Incentives (2021: nil) and Long Term Incentives (fair value of performance rights) earned.

(3) Eva Armila received the 2021 Director fee in full, the under accrual of the 2021 Director fee was recognized in 2022.

Director incentives and performance rights

In the year to 31 December 2022, the Company recorded \$0.220 million of performance rights (2021: \$0.198 million) as payment for director fees. The performance rights are issued after the Audited Annual Accounts have been released and will vest immediately and in accordance with the Company's share trading policy. The number of ordinary shares received will be determined by the share price at the time of issue.

In the year to 31 December 2022, no options were granted to Directors (2021: nil). As at 31 December 2022, nil (2021: 8.55 million) options issued to Directors were outstanding.

Subsequent events

There are no matters or circumstances which have arisen since 31 December 2022 that have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

Corporate governance

The Company has set out its full Corporate Governance Statement on page 30.

Risk management

The Group is exposed to a variety of financial risks and the impact on the Company's financial instruments are summarised in the Risk Management Report on page 26.

This Directors' Report has been approved by the Board and signed on its behalf by:



Tony Manini

Executive Chairman

27 April 2023

Risk Management Report

The Company has undertaken an evaluation of the risks it is exposed to as a result of the environment it operates in. The Company's risk exposures and the impact on the Company's financial instruments are similar to those reported in the previous Annual Report and are summarised as follows:

Credit Risk

Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets, including cash, receivables, and balances receivable from the government. The Company limits the exposure to credit risk in its cash by only investing its cash with high-credit quality financial institutions in business and savings accounts which are available on demand by the Company for its programs. The Company does not invest in money market funds.

Financing Risk

The successful exploration of natural resources on any project requires significant capital investment. The Group currently sources finance through the issue of additional equity capital. The Group's ability to raise further funds will depend on the success of its investment strategy and acquired operations. The Group successfully raised capital recently, which places it in a strong position, however, the Group may not be successful in procuring the requisite funds on terms which are acceptable to take the Project(s) forward and, if such funding is unavailable, the Group may be required to reduce the scope of its investments or anticipated expansion. As the Group is currently in the exploration stage, it does not generate revenue and is therefore reliant on its cash resources and obtaining additional financing to fund its operations. Should the cash resources deplete and should there be a lack of available financing alternatives, the Group may find it difficult to fund its working capital.

Liquidity Risk

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as and when they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations.

Exploration and Development Risk

The exploration and mining business is controlled by a number of global factors, principally supply and demand which in turn is a key driver in global metal prices; these factors are beyond the control of the Group. Exploration is a high-risk business and there can be no guarantee that any mineralisation discovered will result in proven and probable reserves or go on to be an operating mine. At every stage of the exploration process, the projects are rigorously reviewed, both internally and by qualified third-party consultants to determine if the results justify the next stage of exploration expenditure, ensuring that funds are only applied to high priority targets.

The Company undertakes the necessary technical geophysical testing to ensure the target generation exercise is systematic. This data is then prioritised to give the Company the best possible chance to deliver a successful exploration program.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

Interest Rate Risk: The Company is exposed to interest rate risk to the extent that its cash balances bear variable rates of interest. The interest rate risks on cash and short-term investments are not considered significant.

Foreign Currency Risk: The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates against the Company's functional currency, which is the United States dollar ("USD"). The Company generally undertakes equity raises in Great British Pounds ("GBP") in the United Kingdom. The Company conducts its business in Indonesia in Indonesian Rupiah ("IDR") with a significant portion of expenditures being denominated in USD. A portion of the Company's business is conducted in GBP and Australian dollars ("AUD"). As such, it is subject to risks due to fluctuations in the exchange rates between the USD and each of the IDR, GBP and AUD. A significant change in the currency exchange rates between the USD relative to foreign currencies could have an effect on the Company's results of operations, financial position and/or cash flows. The Company has not hedged its exposure to currency fluctuations.

Commodity Price Risk - While the value of the Company's core mineral resource properties, the KSK CoW and the Beutong IUP-OP are related to the price of copper and gold and the outlook for these minerals. The Company currently does not have any operating mines and hence does not have any hedging or other commodity-based risks in respect of its operational activities.

Historically, copper and gold prices have fluctuated and are affected by numerous factors outside of the Company's control, including but not limited to: industrial and retail demand; central bank lending; forward sales by producers and speculators; levels of worldwide production; short-term changes in supply and demand; and other factors related specifically to gold.

Licensing Risk

The Group's exploration and development activities are dependent upon the grant of appropriate licences, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to limitations or performance criteria. Such licences and permits are a matter subject to the discretion of the applicable Government office or regulatory authority. The Group must comply with known standards, existing laws and regulations that may entail costs and delays depending on the nature of the activity to be permitted. The interpretations, amendments to existing laws and regulations, or more stringent enforcement of existing laws and regulations could have a material adverse impact on the Group's results of operations and financial condition. Whilst the Group continually seeks to do everything within its control to ensure that the terms of each licence are met and adhered to, third parties may seek to exploit any technical breaches in licence terms for their own benefit. There is a risk that negotiations with a Government in relation to the grant, renewal or extension of a licence may not result in the grant, renewal or extension taking effect prior to the expiry of the previous licence period, and there can be no assurance of the terms of any extension, renewal or grant.

Political Risk

In conducting operations in Indonesia, the Company is subject to considerations and risks related to the political, economic and legal environments in which the Company operates. Among other things, the Company's results may be impacted by changes in the political and social conditions in Indonesia, and by changes in governmental policies with respect to mining laws and regulations, anti-inflationary measures, currency conversion and remittance abroad, and rates and methods of taxation.

This Risk Management Report has been approved by the Board and signed on its behalf by:



Tony Manini
Executive Chairman
27 April 2023

Stakeholder Engagement Statement

Although not required, the Company has included a Stakeholder Engagement Statement, in line with industry good practice. The Directors believe they have acted in the way most likely to promote the success of the Group for the benefit of its members as a whole.

This Statement should be read in conjunction with the overview of operations in the Strategic Report as well as the Corporate Governance Statement.

Directors are required to act in a way that they consider, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole, taking into account a number of factors. Set out below are those factors and how the Directors have acted accordingly.

1. The likely consequences of any decision in the long term:

The Board is focussed on the development of its two key assets: the BKM Project and the Beutong Project. All decisions are made with the view to the long-term successful development of each of these projects. Further details relating to the various initiatives that have been implemented by the Board in relation to these projects are contained in the Chairman's Statement, Chief Executive Officer's Statement and the Strategic Report. Further, the Risk Management Report contains details of the principal risks confronting the Company and the Corporate Governance Statement contains the principles by which the Board operates to ensure the successful implementation of the Board's strategy.

2. The interests of the Company's employees:

The Board considers the Company's employees and contractors to be key to the successful running of its business and is aware that the objectives of the Company being met will depend on the ability to attract, motivate and retain employees and contractors. The corporate culture of the Company is promoted through its employees and contractors and is underpinned by compliance with local regulations and the implementation and regular review and enforcement of various policies: Health and Safety Policy; Share Dealing Policy; Code of Conduct; Anti-bribery and Corruption Policy, IT, Communications and Systems Policy and Social Media Policy, so that all aspects of the Company are run in a robust and responsible way. The Board recognises that their decisions regarding strategy and risk will impact the corporate culture and that this will impact performance and considers that it has systems in place to ensure that the best interests of the employees and contractors are looked after.

3. The need to foster the Company's business relationships with suppliers, customers and others:

There are a number of key relationships and resources that are fundamental to the Company's success, which include, amongst other things, relationships with suppliers, customers and its shareholders. These relationships are key components to the successful running of the Company's projects and are reviewed by the Board and Management on a regular basis to ensure that all potential risks are mitigated. To the extent any issues or concerns come to light following such review, or upon engagement with such stakeholders, the Company seeks to address matters in an expeditious manner in order to preserve and strengthen relationships. Further details of the how the Company communicates with its shareholders can be found in the Corporate Governance Statement.

4. The impact of the Company's operations on the community and the environment:

The exploration for and development of mineral resources can have significant impact in the areas where the Company and its contractors are active and it is important that the communities in which we operate view Company's activities positively. The Company's Corporate Social Responsibility program is summarised in the Strategic Report. In respect of the environment, the Company has strict obligations to comply with local Indonesian environmental laws and to perform an environmental impact assessment where required as part of the mine development process.

5. The desirability of the Company maintaining a reputation for high standards of business conduct:

As set out in the Chairman's Statement, the Company is focussed on maintaining a corporate culture with adherence to a robust corporate governance regime. The Corporate Governance Statement, specifically principles 8 and 9, set out how the Company achieves these objectives.

6. The need to act fairly between members of the Company:

The Company has a number of key relationships that are fundamental to the Company's success which are reviewed by the Board and Management on a regular basis. To the extent any issues or concerns come to light following such review, or upon engagement with such stakeholders, the Company seeks to address matters in an expeditious manner in order to preserve and strengthen relationships. In addition, the Board is committed to maintaining good communication and having constructive dialogue with its shareholders. Further details are contained in the Corporate Governance Statement.

Corporate Governance Statement

Asiamet continues to be guided by the Quoted Companies Alliance Corporate Governance Code. Throughout the past year, the Company has complied with all aspects of the QCA Code and completed periodic reviews of its charter in order to maintain the robustness of its governance systems. No material issues were identified over the past twelve months.

The Company is committed to maintaining the highest standards in corporate governance throughout its operations and to ensure all of its practices are conducted transparently, ethically and efficiently. The Company believes scrutinising all aspects of its business and reflecting, analysing and improving its procedures will result in the continued success of the Company and improve shareholder value. Therefore, and in accordance with the AIM Rules for Companies (as updated from time to time), the Company has chosen to formalise its governance policies by complying with the UK's Quoted Companies Alliance Corporate Governance Code (the "QCA Code").

The key challenges facing the Company have been set out above in the Chairman's and the Chief Executive Officer's Statements.

QCA Code

The 10 principles set out in the QCA Code are listed below, with an explanation of how the Company applies each of the principles and the reason for any aspect of non-compliance. There were no key governance related matters that occurred during the year.

1. Establish a strategy and business model which promote long-term value for shareholders

The strategic vision of the Company is to build a leading Asia Pacific copper-gold company leveraging off the three core fundamentals it has put in place for delivering on this vision:

1. High quality project pipeline;
2. Highly qualified and experienced team with a proven track record of finding resources and building mines; and
3. Supportive and strategically aligned shareholder base.

The key challenges facing the Company have been set out in the Risk Management report on page 26.

2. Seek to understand and meet shareholder needs and expectations

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting and any other General Meetings that are held throughout the year.

Investors also have access to current information on the Company through its website www.asiametresources.com and through updates as provided by Management, who are available to answer investor relations enquiries. The Company provides regulatory, financial and business news updates through the Regulatory News Service in accordance with the AIM Rules for Companies.

3. Take into account wider stakeholder and social responsibilities and their implications for long term sustainable success

There are a number of key relationships and resources that are fundamental to the Company's success, which include, amongst other things, relationships with local communities, governments, suppliers, contractors, employees and customers. These relationships are key components to the successful running of the Company's projects and are reviewed by the Board and Management on a regular basis to ensure that all potential risks are mitigated. To the extent any issues or concerns come to light following such review, or upon engagement with such stakeholders, the Company seeks to address matters in an expeditious manner in order to preserve and strengthen relationships.

4. Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Board regularly reviews the risks to which the Company is exposed and ensures through its meetings and regular reporting that these risks are minimised as far as possible whilst recognising that its business opportunities carry an inherently high level of risk. The principal risks and uncertainties facing the Company at this stage and in the foreseeable future are detailed in the Risk Management report on page 24 together with risk mitigation strategies employed by the Board.

5. Maintain the Board as a well-functioning, balanced team led by the Chairman

The Board's role is to agree the Company's long-term direction and strategy and monitor achievement of key milestones against its business objectives. The Board meets formally at least four times a year for these purposes and holds additional meetings when necessary to transact other business. The Board receives reports for consideration on all significant strategic, operational and financial matters.

During the year, the Board comprised of an Executive Chairman (Tony Manini) and five NEDs (Peter Pollard, Faldi Ismail, Dominic Heaton, Bruce Sheng and Eva Djauhari). Each Director serves on the Board until the Annual General Meeting following his election or appointment. NEDs are committed to devote at least 12 days per year to the Company.

On 18 March 2022, the Company announced the appointment of Darryn McClelland as Chief Executive Officer, commencing on 13 June 2022. The CEO leads the Company's Key Management Team and is not currently a member of the Board.

The Board considers that appropriate oversight of the Company is provided by the currently constituted Board. The Board as a whole also considers the NEDs to be independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.

The Board delegates certain aspects of its responsibilities to the Board committees which have terms of reference as listed below.

The table below sets out the number of Board Committee meetings held during the year ended 31 December 2022 and each Director's attendance at those meetings.

	Board		Audit ⁽¹⁾		Remuneration & Nomination ⁽¹⁾	
	Held	Attended	Held	Attended	Held	Attended
T Manini	4	6	-	-	1	1
D Heaton	4	6	-	-	1	1
P Pollard	4	6	2	2	-	-
F Ismail	4	5	2	2	1	1
F Sheng	4	3	-	-	-	-
E Djauhari	4	4	-	-	-	-

(1) NEDs who sit on the Audit and Remuneration & Nomination Committees are paid additional fees.

6. Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities

The Board considers the current balance of sector, financial and public market skills and experience which it embodies is appropriate for the size and stage of development of the Company and that the Board has the skills and requisite experience necessary to execute the Company's strategy and business plan whilst also enabling each Director to discharge his fiduciary duties effectively. Details of the current Board of Directors biographies is provided on page 21.

The Board reviews annually, and when required, the appropriateness of its mix of skills and experience to ensure that it meets the changing business needs.

The Company has a professional Company Secretary in the UK who assists the Chairman in preparing for and running effective Board meetings, including the timely dissemination of appropriate information. The Company Secretary provides advice and guidance to the extent required by the Board on the legal and regulatory environment.

7. Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

Review of the Company's progress against the long-term strategy and aims of the business provides a means to measure the effectiveness of the Board. This progress is reviewed in Board meetings held at least four times a year. The Chief Executive Officer's performance is reviewed once a year by the rest of the Board and measured against a definitive list of short, medium and long-term strategic targets set by the Board.

The Company conducts periodic reviews of its Board succession planning protocols which includes an assessment of the number of Board members and relative experience of each Board member vis-a-vis the Company's requirements given its stage of development, with the goal of having in place an adequate and sufficiently experienced Board at all times.

8. Promote a corporate culture that is based on ethical values and behaviours

The corporate culture of the Company is promoted throughout its employees and contractors and is underpinned by compliance with local regulations and the implementation and regular review and enforcement of various policies: Health and Safety Policy; Share Dealing Policy; Code of Conduct; Anti-bribery and Corruption Policy, IT, Communications and Systems Policy and Social Media Policy so that all aspects of the Company are run in a robust and responsible way.

The Board recognises that their decisions regarding strategy and risk will impact the corporate culture of the Company and that this will impact performance. The Board is very aware that the tone and culture set by the Board will greatly impact all aspects of the Company and the way that employees behave. The exploration for and development of mineral resources can have significant impact in the areas where the Company and its contractors are active and it is important that the communities in which we operate view Company's activities positively. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Company to successfully achieve its corporate objectives. The Board places great

importance on this aspect of corporate life and seeks to ensure that this is reflected in all the Company does.

The Company has an established code for Directors' and employees' dealings in securities which is appropriate for a company whose securities are traded on AIM and is in accordance with Rule 21 of the AIM Rules for Companies and the Market Abuse Regulation.

9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board

The Board is responsible for setting the vision and strategy for the Company to deliver value to the Company's shareholders by effectively putting in place its business model.

The roles and responsibility of the Chairman, CEO and other Directors are laid out below:

- The Executive Chairman's primary responsibilities are supporting Management to achieve the long-term objectives of the Company, providing leadership of the Board and ensuring effective conduct of the Board's function and the Company's corporate governance model.
- The CEO is responsible for implementing the strategy of the Board and managing the day-to-day business activities of the Company. The CEO works with the Chairman and NEDs in an open and transparent way and keeps the Chairman and NEDs up to date with operational performance, risks and other issues to ensure that the business remains aligned with the strategy.
- The Company's NEDs participate in all board level decisions and play a particular role in the determination and articulation of strategy. The Company's NEDs provide oversight and scrutiny of the performance of the Executive Directors, whilst both constructively challenging and inspiring them, thereby ensuring the business develops, communicates and executes the agreed strategy and operates within the risk management framework
- The Company Secretary is responsible for ensuring that Board procedures are followed and applicable rules and regulations are complied with.

The Board is supported by the audit and the remuneration and the nomination committee as described below.

Audit Committee

The purpose of the Audit Committee is to monitor the integrity of the financial statements of the Company and assists the Board in meeting responsibilities in respect of external financial reporting and internal controls.

The Audit Committee has two NEDs - currently Peter Pollard and Faldi Ismail and meets at least twice a year. The Company's Chief Financial Officer also attends those meetings.

A copy of the terms of reference of the Audit Committee can be found on the Company's website.

Remuneration and Nomination Committee

The purpose of the Remuneration and Nomination Committee is to review the pay and employment conditions across the Company, including the Board of Directors, approving targets and performance related pay schemes operated by the Company and all share incentive plans and pension arrangements and identifying suitable candidates from a wide range of backgrounds to be considered for positions on the Board.

The Remuneration and Nomination Committee has two NEDs - currently Dominic Heaton and Faldi Ismail and meets at least once a year or as required.

A copy of the terms of reference of the Remuneration and Nomination Committees can be found on the Company's website.

Given the small number of meetings held by of each of the above-mentioned Committees, neither have produced a separate report, however the Company intends to review this requirement on an annual basis.

10. Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company.

The Company also provides regular updates on the progress of the Company, detailing recent business and strategy developments, in news releases which is available on the Company's website www.asiametresources.com and through certain social media channels.

The Company's financial reports can be found on their website www.asiametresources.com. The Company has elected to host its Annual General Meeting in London. The Directors believe hosting the Annual General Meeting in London will enhance engagement with the Company's shareholders by making the meeting more accessible.

The board would be delighted to receive feedback from shareholders. Communications should be directed to info@asiametresources.com. The Management of the Company actively manage the relationship between the Company and its shareholders and will review and report to the Board on any communications received.

The Corporate Governance Report has been approved by the Board and signed on its behalf by:



Tony Manini
Executive Chairman
27 April 2023

Directors' Responsibility Statement

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group Financial Statements for each financial year. The Directors are required by the AIM Rules for Companies of the London Stock Exchange to prepare Group financial statements in accordance with International Financial Reporting Standards ("IFRS") and have elected under Company Law to prepare the Group Financial Statements in accordance with IFRS.

Under Company Law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and its profit or loss for that period.

In preparing the Group Financial Statements, the Directors are required to:

1. select suitable accounting policies and then apply them consistently;
2. make judgements and accounting estimates that are reasonable and prudent;
3. state whether they have been prepared in accordance with IFRS; and
4. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Asiamet website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors' Responsibility Statement has been approved by the Board and signed on its behalf by:



Tony Manini
Executive Chairman
27 April 2023

Financial Statements

For the year ended 31 December 2022

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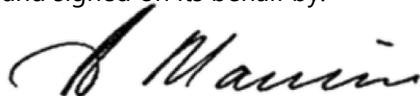
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Consolidated Statement of Financial Position

As at 31 December 2022

	<i>Note</i>	2022	2021
		\$'000	\$'000
Assets			
Current assets			
Cash		5,185	9,060
Receivables and other assets	10	77	33
		5,262	9,093
Non-current assets			
Plant and equipment	11	36	60
Right-of-use assets	14	16	7
Receivables and other assets	8b), 10	67	71
		119	138
Total assets		5,381	9,231
Liabilities and Equity			
Current liabilities			
Trade and other payables		657	537
Provisions	13	288	285
Lease liabilities	14	59	159
		1,004	981
Non-current liabilities			
Provisions for employee service entitlements	13	550	794
		1,554	1,775
Equity			
Share capital	15	21,831	19,393
Equity reserves		66,921	65,975
Other comprehensive income		71	49
Accumulated deficit		(81,743)	(74,708)
Other reserves		(3,246)	(3,246)
Parent entity interest		3,834	7,463
Non-controlling interest	17b)	(7)	(7)
		3,827	7,456
Total liabilities and equity		5,381	9,231

These financial statements were approved by the Board of Directors and authorised for issue on 27 April 2023 and signed on its behalf by:



Tony Manini
Executive Chairman

Consolidated Statement of Comprehensive Loss
For the year ended 31 December 2022

	<i>Note</i>	2022 \$'000	2021 \$'000
Expenses			
Exploration and evaluation	<i>8a)</i>	(3,611)	(2,414)
Employee benefits		(2,259)	(2,147)
Consultants		(216)	(81)
Legal and Company Secretarial		(90)	(142)
Accounting and audit		(47)	(46)
General and administrative		(271)	(287)
Depreciation		(46)	(45)
Share-based compensation	<i>15e)</i>	(369)	(600)
		(6,909)	(5,762)
Other items			
Foreign exchange gain/(loss)		148	(169)
Finance costs	<i>14</i>	(10)	(18)
Impairment expenses	<i>10, 14</i>	(268)	(117)
Other income		4	2
		(126)	(302)
Net loss before tax		(7,035)	(6,064)
Income tax expense	<i>9</i>	-	-
Net loss for the year		(7,035)	(6,064)
Other comprehensive gain/(loss) that may not be reclassified subsequently to profit or loss:			
Actuarial gain/(loss) on employee service entitlements	<i>13</i>	22	(34)
Total comprehensive loss for the year		(7,013)	(6,098)
Net loss attributable to:			
Equity holders of the parent		(6,931)	(5,878)
Non-controlling interests		(104)	(186)
Total comprehensive loss attributable to:			
Equity holders of the parent		(6,909)	(5,912)
Non-controlling interests		(104)	(186)
Basic and diluted loss per common share (cents per share)		(0.36)	(0.33)

Consolidated Statement of Cash Flows

For the year ended 31 December 2022

	<i>Note</i>	2022 \$'000	2021 \$'000
Operating activities			
Loss before tax		(7,035)	(6,064)
<i>Adjustments for:</i>			
Depreciation		46	45
Share-based compensation	15e)	369	600
Net foreign exchange gain		(7)	(9)
Impairment expenses	10, 14	268	117
Finance costs	14	10	18
Adjustment to Provisions	13	(147)	228
<i>Changes in working capital:</i>			
Receivables and other assets		(308)	(133)
Trade and other payables		120	(117)
		(6,684)	(5,315)
Interest payments	14	(10)	(18)
Net cash flows used in operating activities		(6,694)	(5,333)
Investing activities			
Purchases of plant and equipment		(8)	(23)
Net cash flows used in investing activities		(8)	(23)
Financing activities			
Payment of principal portion of lease liabilities	14	(111)	(111)
Proceeds from equity raising		3,015	14,089
Equity raising costs		-	(734)
Net cash flows from financing activities		2,904	13,244
Net (decrease)/increase in cash		(3,798)	7,888
Net foreign exchange differences		(77)	(14)
Cash at beginning of the year		9,060	1,186
Cash at end of the year		5,185	9,060

Consolidated Statement of Changes in Equity
For the year ended 31 December 2021

	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 2021	14,752	56,661	83	(68,644)	(3,246)	(394)	(7)	(401)
Loss for the year	-	-	-	(5,878)	-	(5,878)	(186)	(6,064)
Other comprehensive loss	-	-	(34)	-	-	(34)	-	(34)
Total comprehensive loss	-	-	(34)	(5,878)	-	(5,912)	(186)	(6,098)
<i>Transactions with owners in their capacity as owners</i>								
Equity raising	4,574	9,515	-	-	-	14,089	-	14,089
Equity raising costs	-	(734)	-	-	-	(734)	-	(734)
Reclassify shares issued to directors	52	(52)	-	-	-	-	-	-
Share-based compensation	15	585	-	-	-	600	-	600
Contribution by parent in NCI (note 17b)	-	-	-	(186)	-	(186)	186	-
Balance at 31 December 2021	19,393	65,975	49	(74,708)	(3,246)	7,463	(7)	7,456

Consolidated Statement of Changes in Equity
For the year ended 31 December 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 year	-	-	-	(6,931)	-	(6,931)	(104)	(7,035)
Other comprehensive income	-	-	22	-	-	22	-	22
Total comprehensive loss	-	-	22	(6,931)	-	(6,909)	(104)	(7,013)
<i>Transactions with owners in their capacity as owners</i>								
Equity raising	2,304	711	-	-	-	3,015	-	3,015
Reclassify shares issued to directors	81	(81)	-	-	-	-	-	-
Share-based compensation	53	316	-	-	-	369	-	369
Contribution by parent in NCI (see note 17b)	-	-	-	(104)	-	(104)	104	-
Balance at 31 December 2022	21,831	66,921	71	(81,743)	(3,246)	3,834	(7)	3,827

Notes to the Consolidated Financial Statements

For the year ended 31 December 2022

1. Corporate Information

The Consolidated Financial Statements of Asiamet Resources Limited (the "Company" or "Asiamet") and its subsidiaries (collectively, the "Group") for the year ended 31 December 2022 were authorised for issue in accordance with a resolution of the Directors on 27 April 2023. The Company 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'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. Information on the Group's structure is provided in note 17. Information on other related party relationships of the Group is provided in note 12.

2. Significant accounting policies

2.1 Basis of preparation

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

The Consolidated Financial Statements have been prepared on the historical cost basis except for financial assets and liabilities which are required to be measured at fair value. In addition, these Consolidated Financial Statements have been prepared using the accrual basis of accounting. The Consolidated Financial Statements are presented in United States dollar and all values are rounded to the nearest thousand (\$'000), except when otherwise indicated.

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 year ended 31 December 2022, the Group's current assets exceeded its current liabilities by \$4.258 million (2021: net current assets of \$8.112 million). The Group also incurred a net loss of \$7.035 million (2021: \$6.064 million) and had cash outflows from operations of \$6.694 million (2021: \$5.333 million). The Group's cash balance as at 31 December 2022 was \$5.185 million (2021: \$9.060 million).

On 7 November 2022, PT Delta Dunia Makmur Tbk. ("DOID") increased its stake in Asiamet. 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 this Placement.

The Company is currently closing out optimisation of the BKM Copper Feasibility Study update (FS Update). This important work focuses on reducing the overall mine footprint through more efficient mining of the most readily accessible ore in order to deliver a higher-margin mine plan and heap leach operation. Current studies have taken into consideration recommendations from the bank endorsed Independent Technical Expert engaged to review the BKM Project at an initial stage in the project financing process.

The FS Update is expected to be completed during Q2 2023. Upon completion the Company will enter into a financing process with a number of banks. The Company has been in discussions with a number of financial institutions and is likely to reach financial close on a debt arrangement before the end of the 2023 calendar year.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2022

2.2 Going concern (continued)

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

- The FS Update for the BKM Copper Project incorporates a number of technical workstreams, including but not limited to, mine planning and design, geotechnical/hydrogeology/hydrology, processing/metallurgy, civil earthworks engineering, infrastructure development, transport and logistics, power and ESG framework development and generation of operational and capital cost estimates delivering overall economics of the project.
- DOID increased their investment and shareholding in the Company from 15.3% to 24.2%, demonstrating their commitment to the BKM Copper Project and the Company longer term.
- The Company has initiated discussions with major financing institutions for funding and financing arrangements for the BKM Copper Project.
- 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 varying expenditure commitments and implementing cost control initiatives.

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 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 Basis of consolidation

The Consolidated Financial Statements comprise the Financial Statements of the Company and its subsidiaries as at 31 December 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2022

2.3 Basis of consolidation (continued)

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

Profit or loss and each component of Other Comprehensive Income ("OCI") are attributed to the equity holders of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.4 Summary of significant accounting policies

(a) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2022

2.4 Summary of significant accounting policies (continued)

(b) Plant and equipment

Plant and equipment are carried at cost net of accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the items and restoring the site on which it is located.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

	Years
Building & site equipment	4
Office equipment	4
Furniture & fixtures	4
Vehicles	8

The Group reviews the estimated residual values and expected useful lives of assets at least annually.

An item of equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in profit or loss.

Where an item of equipment is composed of major components with different useful lives, the components are accounted for as separate items of equipment. Expenditures incurred to replace a component of an item of equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalised.

(c) Provisions

General

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

Restructuring

Restructuring provisions are recognised only when the Group has a constructive obligation, which is when: (i) there is a detailed formal plan that identifies the business or part of the business concerned, the location and number of employees affected, the detailed estimate of the associated costs, and the timeline; and (ii) the employees affected have been notified of the plan's main features.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2022

2.4 Summary of significant accounting policies (continued)

(d) Goods and Services Tax (“GST”) / Value Added Tax (“VAT”)

Revenues, expenses and assets are recognised net of the amount of GST and VAT except:

- where the GST/VAT incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST/VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST/VAT included.

The net amount of GST/VAT recoverable from, or payable to, the taxation authority is included as part of other receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST/VAT components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

(e) Pension and other post-employment benefits

The Group provides post-employment benefits for its employees in Indonesia in accordance with Indonesian Government Regulation No.35 Year 2021 (“PP No.35/2021”) that was promulgated and put into effect on February 2, 2021 which governed implementation of certain provisions of Omnibus Law No.11/2020 concerning Job Creation Law (“Cipta Kerja”). The termination benefits are unfunded. The liability for termination benefits recognised is the present value of the defined benefit obligation at the reporting date. The obligation is calculated by independent actuaries using the projected unit credit valuation method. Actuarial gains and losses arising from the changes in actuarial estimates are recognised immediately in other comprehensive income and losses. Past service costs arising from the introduction of the defined benefit plan or changes in the benefits payable of an existing plan are recognised immediately in the income statement if the benefits have vested immediately following the introduction of, or changes to, the defined benefit plan.

(f) Exploration and evaluation expenditures

The Group expenses all exploration and evaluation costs incurred on mineral properties to which it has secured exploration rights prior to the establishment of proven and probable reserves. Exploration and evaluation costs include costs relating to the acquisition and exploration of the mineral property, less recoveries, and do not necessarily reflect present or future values. When proven and probable reserves are determined for a property, a Feasibility Study has been prepared with respect to the property and a decision to proceed with development has been approved, then subsequent exploration and development costs of the property will be capitalised and amortised over the useful life of those reserves.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2022

2.4 Summary of significant accounting policies (continued)

(g) Foreign currency translation

Transactions in foreign currencies are initially translated to United States dollars, the functional currency of the Group, at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are re-translated to the functional currency at the exchange rate at that date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on re-translation is recognised in profit or loss.

(h) Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purpose. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable operations, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2022

2.4 Summary of significant accounting policies (continued)

(i) Impairment

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

(j) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

For leases that contain both a lease and non-lease component, the Group does not separate these and instead account for each lease component and any associated non-lease component as a single lease component

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, cost of dismantling and restoration and lease payments made at or before the commencement date less any lease incentives received. The right-of-use assets are depreciated on a straight-line basis over the lease terms between 2 to 4.5 years.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2022

2.4 Summary of significant accounting policies (continued)

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

See note 14 for more details on the Group's lease liabilities.

Short term leases and leases of low value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets (under \$5,000) recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

(k) Financial instruments – classification and fair value

The Group recognises financial assets and liabilities on the balance sheet when the Group becomes party to the contractual provisions of the instrument.

- Cash and cash equivalents – Cash and cash equivalents include cash on hand, deposits held with banks, and other short term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are classified and measured at amortised cost.
- Accounts receivable and accounts payable – Accounts receivable and accounts payable are non-interest bearing and are initially measured at fair value, subsequently recorded at amortised cost which approximates fair value due to the short term to maturity. In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2022

2.4 Summary of significant accounting policies (continued)

Derecognition

A financial asset is primarily derecognised when the right to receive cash flows from the asset has expired and the Group has transferred the rights to receive cash flows.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

Impairment of financial assets

At each reporting date, the Group measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the credit risk of the financial asset has not increased significantly since initial recognition, the Group measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses. Impairment losses on financial assets carried at amortised cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognised. Generally, receivables are written-off if past due for more than one year and are not subject to enforcement activity.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the Consolidated Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(l) Loss per share

The Group presents basic and diluted earnings (loss) per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the parent by the weighted average number of common shares outstanding during the period. Diluted earnings per share is calculated by dividing the earnings (loss) by the weighted average number of common shares outstanding assuming that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

In the Company's case, the diluted earnings per share is the same as basic loss per share because the diluted earnings per share is increased when taking into account the effect of the outstanding share options and share purchase warrants. As these are anti-dilutive, they are excluded from the calculation of diluted earnings per share.

(m) Share capital

Common shares are classified as share capital. Incremental costs directly attributable to the issue of common shares are recognised as a deduction from equity.

(n) Equity reserves

Equity reserves comprises of amounts subscribed for share capital in excess of nominal value ("share premium"), net share issue costs and the cumulative cost of share-based payments and warrants.

(o) Accumulated deficit

Accumulated deficit comprises the losses in respect of the Group and the equity contribution made by the Group on behalf of a non-controlling interest.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2022

2.4 Summary of significant accounting policies (continued)

(p) Other reserves

Other reserves comprise the difference between the consideration to acquire non-controlling interest and the initial value of non-controlling interests.

(q) Share-based compensation

The Group has used shares, share options and warrants as payments as consideration for goods and services received from suppliers and employees.

Share-based payments to employees and others providing similar services are measured at fair value at the date of grant. The fair value determined at the grant date of an equity-settled share-based instrument is expensed recognised as a share-based compensation expense with a corresponding increase in equity over the vesting period. Consideration paid on the exercise of share options and warrants are credited to share capital and the fair value reclassified from reserves to share capital.

Equity-settled share-based payment transactions with other parties are measured at the fair value of the goods or services received, except where the fair value cannot be estimated reliably or excess fair value of the identifiable goods or services received, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. The fair value determined at the grant date of such an equity-settled share-based instrument is expensed since the shares vest immediately. Where the services are related to the issue of shares, the fair values of these services are recognised in equity.

Fair value of share options and warrants are measured using the Black-Scholes model. The expected life used in the model has been adjusted based on Management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

2.5 Changes in accounting policies and disclosures

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

No new standards and interpretations issued by the International Accounting Standards Board ("IASB") had a significant impact on the Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2022

3. Significant accounting judgements, estimates and assumptions

The preparation of the Group's Consolidated Financial Statements requires Management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

3.1 Judgements

In the process of applying the Group's accounting policies, Management has made the following judgements, which have the most significant effect on the amounts recognised in the Consolidated Financial Statements:

Determination of functional currency

In accordance with IAS 21, Management determined that the functional currency of the Company and its subsidiaries is the United States dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21. Significant changes to those underlying factors could cause a change to the functional currency.

Exploration and evaluation expenditure

The Group expenses all exploration and evaluation costs incurred on mineral properties to which it has secured exploration rights prior to the establishment of proven and probable reserves. Whilst the BKM Copper Project has proven and probable reserves and a completed Feasibility Study, an update to the Feasibility Study is expected to be completed in Q2 2023 with updated parameters for project financing requirements expected to commence in H2 2023. A decision to proceed with development is dependent upon satisfying certain legal and commercial criteria for the Project.

Impairment of Indonesian VAT Receivables

The Group has VAT receivables relating to its wholly owned subsidiaries in Indonesia which are anticipated to be recovered through the offset of future VAT payable. Management has assessed the recoverability of the asset based on the expected production date and the expected expiry dates of the VAT receivables in accordance with Indonesian regulation. As at 31 December 2022, a provision for the full balances of the VAT receivables has been recognised.

The Group will continue to perform recoverability assessment testing on its VAT receivables at each future reporting date and will consider further adjustments should conditions allow for the reversal of earlier provisions.

3.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the Consolidated Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Provision for employee service entitlements

The provision for employee service entitlements estimation is based upon several actuarial inputs, assumptions, calculations, and estimates using the projected unit credit actuarial valuation method. Because the actuarial model requires the input of highly subjective assumptions, including interest rates, retirement dates, and mortality rates, changes in subjective input assumptions can materially affect the provision estimate.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2022

3. Significant accounting judgements, estimates and assumptions (continued)

3.2 Estimates and assumptions (continued)

Implementation of Attributing Benefit to Periods of Service in accordance with IAS 19 "Employee benefits"

In April 2022, Dewan Standar Akuntansi Keuangan Ikatan Akuntan Indonesia ("DSAK IAI") issued an explanatory material through a press release regarding attribution of benefits to periods of service in accordance with PSAK 24 Employee Benefits which was adopted from IAS 19 Employee Benefits. The explanatory material conveyed the information that the fact pattern of the pension program in Indonesia is similar to those responded and concluded in the IFRS Interpretation Committee ("IFRIC") Agenda Decision Attributing Benefit to Periods of Service (IAS 19). The press release clarified that an entity should attribute pension benefit only to each year in which an employee rendered service from the age of 33 to the age of 57, which is 24 years before retirement age. In preparing the Company's Financial Statements as at and for the year ended 31 December 2022, Management reconsidered the interpretation of facts, circumstances and the applicable accounting treatment.

4. Financial assets and financial liabilities

The following tables disclose the carrying amounts of each class of financial assets and financial liabilities at year end. The financial assets and financial liabilities are recognised at amortised cost in the Financial Statements. The carrying approximate their fair value due to their short-term maturities or the impact of discounting is not considered significant.

	2022	2021
	\$'000	\$'000
Financial assets		
Cash	5,185	9,060
Security deposits	67	71
Other receivables	77	33
	5,329	9,164
Financial liabilities		
Trade and other payables	657	537
Lease liabilities	59	159
	716	696

The Group's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy.

The three levels of the fair value hierarchy are:

- Level 1 – Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Valuation based on directly or indirectly observable inputs (other than Level 1 inputs) such as quoted interest or currency exchange rates; and
- Level 3 – Valuation based on significant inputs that are not based on observable market data such as discounted cash flow methodologies based on internal cash flow forecasts.

As at 31 December 2022, the Group did not have any financial instruments recognised at fair value.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2022

5. Financial risk management

The Group's risk exposures and the impact on the Group's financial instruments are summarised as follows:

(a) Liquidity Risk

Liquidity risk is the risk that the Group will not have the resources to meet its obligations as they fall due. The Group manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations.

(b) Maturities of financial liabilities

The table below summarises the maturity profile of the Group's financial liabilities based on the remaining period at the reporting date to the contractual maturity date.

	Weighted average rate	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual flows	Carrying amount of liabilities
	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 31 December 2022							
Payables ⁽¹⁾		657	-	-	-	657	657
Lease liabilities	8	60	-	-	-	60	59
Total		717				717	716
As at 31 December 2021							
Payables ⁽¹⁾		537	-	-	-	537	537
Lease liabilities	8	112	52	-	-	164	159
Total		649	52			701	696

(1) Balance of payables due within 90 days.

(c) Credit Risk

Credit risk is the risk of potential loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations. The Group's credit risk is primarily attributable to its liquid financial assets, including cash, receivables, and balances receivable from the government. The Group limits the exposure to credit risk in its cash by only investing its cash with high-credit quality financial institutions in business and savings accounts which are available on demand by the Group for its programs.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2022

5. Financial risk management (continued)

(d) Political Uncertainty

In conducting operations in Indonesia, the Group is subject to considerations and risks related to the political, economic and legal environments in which the Company operates. Among other things, the Group's results may be impacted by changes in the political and social conditions in Indonesia, and by changes in governmental policies with respect to mining laws and regulations, anti-inflationary measures, currency conversion and remittance abroad and rates and methods of taxation.

(e) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

- *Interest Rate Risk*

The Group is exposed to interest rate risk to the extent that its cash balances bear variable rates of interest. The interest rate risks on cash and short-term investments and on the Group's obligations are not considered significant.

- *Commodity price risk*

While the value of the Group's core mineral resource properties, the KSK CoW and the Beutong IUP-OP are related to the price of copper and gold and the outlook for these minerals, the Group currently does not have any operating mines and hence does not have any hedging or other commodity-based risks in respect of its operational activities.

Historically, gold and copper prices have fluctuated and are affected by numerous factors outside of the Group's control, including but not limited to: industrial and retail demand; central bank lending; forward sales by producers and speculators; levels of worldwide production; short-term changes in supply and demand because of speculative hedging activities; and other factors related specifically to gold.

- *Foreign Currency Risk:*

The Group is exposed to the financial risk related to the fluctuation of foreign exchange rates against the Group's functional currency, which is the United States dollar ("USD"). The Group generally undertakes equity raises in the United Kingdom in Great British Pounds ("GBP"). The Group conducts its business in Indonesia in Indonesian Rupiah ("IDR") with a significant portion of expenditures being denominated in USD. A portion of the Group's business is conducted in GBP and Australian dollars ("AUD"). As such, it is subject to risks due to fluctuations in the exchange rates between the USD and each of the IDR, GBP and AUD. A significant change in the currency exchange rates between the USD relative to foreign currencies could have an effect on the Group's results of operations, financial position and/or cash flows. The Group has not hedged its exposure to currency fluctuations.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2022

5. Financial risk management (continued)

The Group's exposure to the foreign currency amounts in USD on financial instruments is as follows:

	Currency	2022		2021	
		Foreign currency amount	Amount in US dollars	Foreign currency amount	Amount in US dollars
		'000	\$'000	'000	\$'000
Cash	GBP	305	367	363	490
	AUD	213	144	224	163
	IDR	3,829,104	246	201,024	14
	HKD	57	7	-	-
Trade and other payables	GBP	(2)	(2)	(15)	(20)
	AUD	(339)	(229)	(62)	(45)
	IDR	(4,880,603)	(313)	(4,518,484)	(317)
Net exposure			220		286

Based upon the above net exposures and assuming that all other variables remain constant, a 10% depreciation of the USD against the IDR, GBP, HKD and AUD currencies would result in an increase in the loss of approximately \$0.0220 million (2021: increase in loss of \$0.0286 million). This sensitivity analysis includes only the outstanding foreign currency denominated financial instruments.

6. Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so as to maintain an adequate capital base sufficient to maintain future exploration and progress of its projects.

In order to maintain or adjust the capital structure, the Group may issue new shares. The Group's focus has been to raise sufficient funds through equity to fund exploration and evaluation activities, and currently has no external borrowings.

There were no changes in the Group's approach to capital management during the year. Risk management policies and procedures are established with regular monitoring and reporting.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

7. Segment disclosures

The Group operates in the mineral exploration and development industry within Indonesia. With the exception of cash, all of the Group's significant assets are held in Indonesia.

The Chief Operating Decision Maker ("CODM") who is responsible for allocating resources and assessing performance of the operating segments is the Chief Executive Officer.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2022

7. Segment disclosures (continued)

The CODM receives regular consolidated cash flow information as well as Consolidated Statement of Financial Position and Statement of Comprehensive Income information that is prepared in accordance with IFRS. The CODM does not currently receive segmented Statement of Financial Position and Statement of Comprehensive loss information. The Board manages exploration activities of each permit area through review and approval of budgets, cash calls and other operational information. Information regarding exploration expenditure for each area is contained in note 8.

8. Exploration and evaluation

The Group's exploration and evaluation assets comprise the KSK CoW porphyry copper prospect in Central Kalimantan, Indonesia (held by PT KSK) and the Beutong IUP-OP in Aceh, Sumatra, Indonesia (held by PT SIM).

(a) Exploration and evaluation expenditures

The details of exploration and evaluation expenditures expensed for the Group's exploration and evaluation assets during the period ended 31 December 2022 and 31 December 2021 are as follows:

	2022	2021
	\$'000	\$'000
KSK CoW		
Administration support	323	328
External relations	244	202
Drilling & Field support	515	665
Technical services	1,695	738
Tenements	427	279
VAT refund	-	(334)
	3,204	1,878
Beutong IUP-OP		
Administration support	104	437
External relations	256	45
Drilling & Field support	5	3
Technical services	-	8
Tenements	42	43
	407	536
Total exploration and evaluation expenditures	3,611	2,414

(b) Security deposits

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

	2022	2021
	\$'000	\$'000
Beutong IUP-OP	4	5
KSK CoW	63	66
Total security deposits	67	71

Notes to the Consolidated Financial Statements

For the year ended 31 December 2022

9. Income tax

The Company is a tax-exempt Bermuda corporation, and its shares are listed for trading on AIM. Profits generated by the Group's exploration and evaluation assets are taxed in Indonesia at the maximum corporate rate of 22%.

In Indonesia, tax losses for CoWs and IUPs may be carried forward for a period of five years. The Group defers its mineral exploration costs in Indonesia for tax purposes. The Group has total unrecognised tax losses and temporary differences of \$47.987 million (2021: \$42.027 million), for both the KSK CoW and Beutong IUP-OP, which may be carried forward and offset against future taxable income. No deferred tax assets have been recognised because it is not yet probable that future taxable profit will be available against which the Group can utilise the benefit.

The gross amount of estimated tax losses and temporary differences carried forward that have not been tax effected expire as follows:

	Indonesia \$'000	Australia \$'000	Singapore \$'000	Total \$'000
<i>Income tax losses</i>				
No later than 5 years	4,302	-	-	4,302
Unlimited	-	4,014	241	4,255
	4,302	4,014	241	8,557
<i>Temporary differences</i>				
Unlimited	38,925	505	-	39,430
Gross amount of tax losses/temporary differences not recognised	43,227	4,519	241	47,987

The following table provides a reconciliation of the income tax expense and the statutory income tax rates:

	2022 \$'000	2021 \$'000
Accounting loss before tax	(7,035)	(6,064)
Tax benefit at Bermudan statutory income tax rate of 0% (2021: 0%)	-	-
Non-deductible expenses/(income) for tax purposes	87	(259)
Effect of difference in the rate between parent and foreign subsidiaries	(1,375)	(1,085)
Temporary difference & tax losses not recognised	1,288	1,344
Income tax expense	-	-

As at the end of the report period, the Company and its subsidiaries did not have any corporate income tax payable in any of the jurisdictions it operates.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2022

10. Receivables and other assets

	2022	2021
	\$'000	\$'000
<i>Current</i>		
Receivables – employee advances	3	4
Receivables – other	3	7
Prepayments	71	22
Total current receivables and other assets	77	33
<i>Non-current</i>		
VAT receivable – Indonesia ⁽¹⁾	209	393
Provision for impairment	(209)	(393)
	-	-
Security deposits	67	71
Total non current receivables and other assets	67	71

(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. There was a \$0.272 million impairment loss for 2022 (2021: \$0.130 million).

11. Plant and equipment

	2022	2021
	\$'000	\$'000
Opening net book amount	60	39
Additions	8	23
Depreciation charge for the year	(32)	(38)
Transfer from assets classified as held for sale	-	36
Closing balance	36	60
<i>Net carrying amount:</i>		
Cost	583	578
Accumulated depreciation	(547)	(518)
Closing balance	36	60

Notes to the Consolidated Financial Statements

For the year ended 31 December 2022

12. Related party transactions

(a) Remuneration of Directors and Officers

The remuneration of Directors and Officers, including amounts disclosed above, during the year ended 31 December 2022 and 2021 were as follows:

	2022	2021
	\$'000	\$'000
Consulting fees	84	90
Salaries, wages and related costs	562	294
Share-based compensation ⁽¹⁾	369	232
Total remuneration	1,015	616

(1) Includes \$0.232 million (2021: \$0.198 million) director fees in the form of performance rights. The performance rights will be issued after the Audited Annual Accounts have been released and will vest immediately and in accordance with the Company's share trading policy. The number of ordinary shares received will be determined by the share price at the time of issue. See note 15(e) for more details.

(b) Other related party transactions

(i) EMR Capital

The Group's other related party transactions consist of transactions made with companies that are controlled by its Directors and/or Officers.

EMR Capital is a company controlled by the Executive Chairman, Tony Manini. The recharges represent expense claims and other expenses incurred on behalf of the Group, charged at cost.

The aggregate value of transactions related to related companies were as follows:

	2022	2021
	\$'000	\$'000
<i>EMR Capital</i>		
Cost recharges	21	-
Total fees and costs	21	-

The outstanding balances due to EMR Capital as at 31 December 2022 was \$0.002 million (2021: \$nil).

(ii) Armila and Rako Law

Eva Armila Djauhari is a partner of the Indonesian legal firm, Armila and Rako Law. Armila and Rako Law has provided legal services to the Company and its Indonesian subsidiaries for a number of years on normal commercial terms and conditions. The amount of legal fees recognised as an expense for the year ended 31 December 2022 was \$0.099 million (2021: \$0.083 million). The outstanding balance due to Armila and Rako Law as at 31 December 2022 was \$0.001 million (2021: \$0.009 million).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2022

12. Related party transactions (continued)

(b) Other related party transactions (continued)

(iii) PT Delta Dunia Makmur Tbk. ("DOID")

On 7 November 2022, DOID increased its investment in Asiamet through a Placement of \$3.0 million (£2.649 million) at an issue price of 1.15 pence per share. As part of the Placement, the Asiamet Board approved the following:

- DOID will be entitled to nominate two Directors to the Asiamet Board for as long as their shareholding in the Company remains above 19.9% ("Prescribed Threshold") of the issued share capital of the Company. If DOID's (direct or indirect) shareholding falls below the Prescribed Threshold of 19.9% of issued capital, DOID has the right to nominate one (1) Director to the Board of the Company.
- DOID (or its nominated subsidiary) has an option ("DOID Option") to subscribe for a further \$5 million of shares exercisable at any time after the earlier of DOID's two Directors being appointed and within 12 months of the completion date of the Placement. Any new shares issued through the DOID Option will be priced at a 20% premium to the 10-day VWAP at the time of exercise.

13. Provisions

	2022	2021
	\$'000	\$'000
<i>Current</i>		
Annual leave	23	99
Restructuring	265	186
Total Current Provisions	288	285
<i>Non-Current</i>		
Indonesian Employee Benefits liability	550	794
Total Non-current Provisions	550	794

Annual leave

The provision for annual leave represents the amount which the Group has a present obligation to pay resulting from employees' services provided up to the end of each reporting period. Leave entitlements that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Those cash outflows are discounted using market yields on corporate bonds with terms to maturity that match the expected timing of cash flows.

Restructuring

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. The closure is expected to be completed by Q2 2023.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2022

13. Provisions (continued)

The provision primarily reflects the expected cost of redundancies and makegood costs for the Melbourne office lease. 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 for the Melbourne office lease. Refer to note 14 for more details.

Indonesian Employee Benefits liability

The Indonesian employee termination benefits arrangement is regulated under the Government Regulation No.35 Year 2021 ("PP No.35/2021") that was promulgated and put into effect on February 2, 2021 which governed implementation of certain provisions of Omnibus Law No.11/2020 concerning Job Creation Law ("Cipta Kerja"), which require companies to provide a minimum level of benefits to employees upon employment termination, based on the reason for termination and the employee's years of service. The benefits are not funded, and the provision is recognised based on independent actuarial valuation reports. The following assumptions are used in the calculation:

	2022	2021
Discount rate (% per annum)	7.3%	6.8%
Future salary increases (% per annum)	10%	10%
Normal retirement age	57	57
Indonesian Mortality Table	2019 (TMI 4)	2019 (TMI 4)
Disability rate (per annum)	10% x TMI 4	10% x TMI 4

The following tables summarise the amount recognised in the statement of financial position, movements in the liability and the components of employee benefit expense recognised in the income statement:

	2022	2021
	\$'000	\$'000
<i>Indonesian Employee Benefits liability</i> ⁽¹⁾		
Opening balance	794	81
Employee benefits expense	128	198
Foreign exchange adjustment	(72)	(7)
Benefits paid	(61)	(2)
Charged directly to OCI - remeasurement adjustments	(22)	34
Other adjustment (new attribution) ⁽²⁾	(4)	-
Past service cost ⁽³⁾	(213)	-
Transfer from (to) liabilities directly associated with the assets held for sale	-	490
Closing balance	550	794
<i>Employee benefits expense</i>		
Current service cost	108	172
Interest cost	20	26
	128	198

(1) Represents the present value of defined benefit obligation – unfunded.

(2) The impact of adopted explanatory material for employee benefits provision.

(3) The impact of implementation of Job Creation Law.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2022

13. Provisions (continued)

A sensitivity analysis for significant assumptions at 31 December 2022 is shown below:

	Discount rate		Future salary increases	
	1%	1%	1%	1%
	increase \$'000	decrease \$'000	increase \$'000	decrease \$'000
Increase/(decrease) in Indonesian Employee Benefits liability	(27)	31	31	(28)

The expected payments to be made in future years in relation to the defined benefit obligation are set out below:

	2022 \$'000	2021 \$'000
Within 1 year	214	415
2-5 years	125	180
6-10 years	196	268
After 10 years	768	989
	1,303	1,852

The expected payments represent future undiscounted amount of benefits payable assuming all employees who reach the age of 57 years remain in continuous employment with the Group until retirement. The average duration of the defined benefit obligation at the end of the reporting period is 10.7 years (2021: 9.8 years).

14. Leases

The Group has lease contracts for various items of offices, warehouses, vehicles and other equipment used in its operations. Leases of offices, warehouses and vehicles generally has lease terms of 1 to 12 months but may have extension options. All leases are reassessed prior to the end of the lease period to determine whether the Group will renew the existing lease or renegotiate a new lease on terms and/or conditions more favourable to the Group. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

The lease contracts for warehouse for its operations are of two-year terms and have been fully paid in advance. The lease contracts for office buildings are one-year terms but may have extension options with rent payable annually in advance.

The lease for the Melbourne office is a non-cancellable lease with a five-year term, with rent payable monthly in advance. Rental provisions within the Australian property lease agreement require the minimum lease payments be increased by 4% per annum. An option exists to renew the lease at the end of the five-year term for an additional five years. In January 2020, the Board made a decision to relocate the Australian head office to Jakarta, accordingly, the extension option was not included in the calculation of the lease term.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2022

14. Leases (continued)

Set out below are the carrying amounts of right-of-use assets recognised and movements during the period:

	2022 \$'000	2021 \$'000
As at 1 January	7	3
Additions	23	8
Depreciation charge for the year	(14)	(7)
Transfer from (to) assets classified as held for sale	-	3
As at 31 December	16	7
<i>Net carrying amount:</i>		
Cost	30	14
Accumulated depreciation	(14)	(7)
Closing balance	16	7

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2022 \$'000	2021 \$'000
As at 1 January	159	278
Additions	23	-
Accretion of interest	10	18
Reassessment	(4)	(13)
Payments	(116)	(108)
Foreign exchange	(13)	(16)
As at 31 December	59	159
Current	59	159
Non-current	-	-
As at 31 December	59	159

The maturity analysis of lease liabilities is disclosed in note 5(b). The Melbourne office lease is expected to be settled within 12 months after the end 31 December 2022.

The following are amounts recognised in profit or loss:

	2022 \$'000	2021 \$'000
Depreciation for right-of-use assets	14	7
Interest on lease liabilities	10	18
Rent expense - short-term leases	154	163
Total amounts recognised in profit or loss	178	188

Notes to the Consolidated Financial Statements
For the year ended 31 December 2022

15. Share capital and reserves

(a) Authorised share capital

	2022	2021
Authorised share capital (\$'000)	30,000	30,000
No. of common shares ('000)	3,000,000	3,000,000
Par value per share	\$0.01	\$0.01
Fully paid share capital ('000)	2,187,065	1,943,217

(b) Fully paid share capital

	Shares thousands	Share capital \$'000	Equity reserves \$'000
At 1 January 2021	1,479,114	14,752	56,661
Share issue	457,439	4,574	9,515
Reclassify par value of shares issued to directors ⁽¹⁾	5,171	52	(52)
Shares issued to employees & contractors	1,493	15	35
Shares issued on exercise of warrants	-	-	352
Share-based compensation	-	-	198
Equity raising costs	-	-	(734)
At 31 December 2021	1,943,217	19,393	65,975
Share issue	230,429	2,304	711
Reclassify par value of shares issued to directors ⁽¹⁾	8,120	81	(81)
Shares issued to employees & contractors	5,298	53	-
Share-based compensation	-	-	316
At 31 December 2022	2,187,064	21,831	66,921

(1) Shares issued to Directors in respect of performance rights.

Notes to the Consolidated Financial Statements For the year ended 31 December 2022

15. Share capital and reserves (continued)

(c) Common share purchase warrants

The continuity of common share purchase warrants for the year ended 31 December 2022 is as follows:

Expiry date	Exercise price	Balance	Granted	Exercised	Expired	Balance
		31-Dec-21 ⁽¹⁾				31-Dec-22
	GBP	'000	'000	'000	'000	'000
10 May 22	0.04	2,240	-	-	(2,240)	-
20 Aug 22	0.04	2,500	-	-	(2,500)	-
5 Mar 24	0.02	22,045	-	-	-	22,045
		26,785	-	-	(4,740)	22,045
Weighted average exercise price ⁽²⁾		0.02	-	-	-	0.02
Weighted average exercise price ⁽³⁾		0.03	-	-	-	0.03

(1) All of the outstanding balances of warrants are exercisable.

(2) Calculated in GBP.

(3) USD equivalent.

The weighted average remaining contractual life of the common share purchase warrants outstanding as at 31 December 2022 was 1.18 years (2021: 1.06 years).

The continuity of common share purchase warrants for the year ended 31 December 2021 is as follows:

Expiry date	Exercise price	Balance	Granted	Exercised	Expired	Balance
		31-Dec-20 ⁽¹⁾				31-Dec-21 ⁽¹⁾
	GBP	'000	'000	'000	'000	'000
10 May 22	0.04	2,240	-	-	-	2,240
20 Aug 22	0.04	2,500	-	-	-	2,500
5 Mar 24	0.02	-	22,045	-	-	22,045
		4,740	22,045	-	-	26,785
Weighted average exercise price ⁽²⁾		0.04				0.02
Weighted average exercise price ⁽³⁾		0.05				0.03

(1) All of the outstanding balances of warrants are exercisable.

(2) Calculated in GBP.

(3) USD equivalent.

(d) Stock Options

The Company has a shareholder approved "rolling" stock option plan (the "Plan"). Under the Plan the maximum number of shares reserved for issuance may not exceed 10% of the total number of issued and outstanding common shares at the time of granting. The exercise price of each stock option shall not be less than the market price of the Company's stock at the date of grant. Options can have a maximum term of ten years and typically terminate 90-days following the termination of the optionee's employment or engagement, except in the case of retirement or death. Vesting of options is at the discretion of the Board of Directors at the time the options are granted. The Company continues to operate under the Plan.

Notes to the Consolidated Financial Statements For the year ended 31 December 2022

15. Share capital and reserves (continued)

(d) Stock Options (continued)

The continuity of stock options for the year ended 31 December 2022 is as follows:

Expiry date	Exercise price		Balance 31-Dec-21	Granted	Exercised	Cancelled/ Expired	Balance 31-Dec-22	Exer- cisable
	CAD ⁽¹⁾	GBP	'000	'000	'000	'000	'000	'000
1 Nov 22 ⁽²⁾	0.07		6,650	-	-	(6,650)	-	-
5 Oct 22		0.07	9,050	-	-	(9,050)	-	-
			15,700	-	-	(15,700)	-	-
Weighted average exercise price ⁽³⁾			0.06	-	-	0.06	-	-
Weighted average exercise price ⁽⁴⁾			0.08	-	-	0.08	-	-

(1) Exercise price of CAD options will be converted to GBP equivalent at the date the options are exercised.

(2) Expiration date was extended from 1 November 2021 to 1 November 2022.

(3) Calculated in GBP.

(4) USD equivalent.

The continuity of stock options for the year ended 31 December 2021 is as follows:

Expiry date	Exercise price		Balance 31-Dec-20	Granted	Exercised	Cancelled/ Expired	Balance 31-Dec-21	Exer- cisable
	CAD ⁽¹⁾	GBP	'000	'000	'000	'000	'000	'000
1 Nov 22 ⁽²⁾	0.07		6,650	-	-	-	6,650	6,650
5 Oct 22		0.07	9,050	-	-	-	9,050	9,050
11 Jan 21 ⁽³⁾		0.12	800	-	-	(800)	-	-
			16,500	-	-	(800)	15,700	15,700
Weighted average exercise price ⁽⁴⁾			0.06			0.12	0.06	0.06
Weighted average exercise price ⁽⁵⁾			0.08			0.16	0.08	0.08

(1) Exercise price of CAD options will be converted to GBP equivalent at the date the options are exercised.

(2) Expiration date was extended from 1 November 2021 to 1 November 2022.

(3) 0.550 million options vested on completion of a base model for BKM Project, 0.150 million options vested on completion of the BFS of the BKM Project and 0.100 million options was to vest on completion of project/development financing for the BKM Project. All expired on 11 January 2021.

(4) Calculated in GBP.

(5) USD equivalent.

The weighted average remaining contractual life of the stock options outstanding as at 31 December 2021 was 0.8 years.

Notes to the Consolidated Financial Statements For the year ended 31 December 2022

15. Share capital and reserves (continued)

(e) Share-based compensation

The table below provides the breakdown of share-based compensation recorded:

		2022	2021
		\$'000	\$'000
Warrants granted	(i)	-	352
Performance rights granted – Director fees	(ii)	232	198
Performance rights granted – employees and contractors	(iii)	137	50
		369	600

(i) Warrants granted

There were no share-based compensation expense for warrants that were granted during 31 December 2022 (2021: \$0.352 million).

The fair value of each warrant granted in 2021 was estimated on the date of grant using the Black-Scholes option pricing model.

The table below lists the assumptions used in the Black-Scholes pricing model to determine the fair value of the warrants:

Grant date	5-Mar-21
Warrant/option	Warrant
Risk free interest rate	0.08%
Expected volatility	139%
Expected life	3
Expected dividend	0
Foreign exchange	GBP/USD
Foreign exchange rate	1.39
Fair value granted (\$'000)	352
Number granted ('000)	22,045
Fair value per option/warrant (\$)	0.02

(ii) Performance rights granted – Director fees

During the year ended 31 December 2022, the Company recorded \$0.232 million (2021: \$0.198 million) in performance rights granted to non-executive Directors in respect of director fees. The performance rights will be issued after the Audited Annual Accounts have been released in accordance with the Company's share trading policy and will vest immediately. The number of ordinary shares received will be determined by the share price at the time of issue.

(iii) Performance rights granted – employees and contractors

During the year ended 31 December 2022, the Company recorded \$0.137 million (2021: \$0.050 million) in performance rights granted in the form of shares in the Company to certain employees and contractors for their contribution to the Company during 2021.

Notes to the Consolidated Financial Statements For the year ended 31 December 2022

16. Cash flow information

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented:

	2022 \$'000	2021 \$'000
Cash and cash equivalents	5,185	9,060
Lease liabilities	(59)	(159)
Net debt	5,126	8,901

See note 14 for the reconciliation of the net movement in lease liabilities.

17. Group information

(a) Information about subsidiaries

The Consolidated Financial Statements of the Group include:

Name of subsidiaries	Place of incorporation	Proportion of ownership interest	Principal activity
Indokal Limited	Hong Kong	100%	Holding company
PT Pancaran Cahaya Kahayan ("PCK")	Indonesia	100%	Holding company
PT Kalimantan Surya Kencana ("KSK")	Indonesia	100%	Owner of KSK CoW
Tigers Copper Singapore No. 1 Pte Ltd. ("TC Sing")	Singapore	100%	Holding company
Beutong Resources Pte Ltd. ("BRPL")	Singapore	100%	Holding company
PT Sumber Indonesia Makmue ("SIM") ⁽¹⁾	Indonesia	80%	Owner of Beutong IUP-OP

(1) PT Emas Mineral Murni has changed its name to PT Sumber Indonesia Makmue on 17 March 2022.

(b) Non-controlling interests – PT Media Mining Resources ("Media"), 20% owner of Beutong IUP-OP

The Group is responsible for funding 100% of all costs related to each of BRPL and SIM until a decision to mine. At decision to mine, the Group and Media shall contribute to expenditure and other contributions in accordance to their respective interest. The Group controls each of the entities and makes all decisions regarding work programs.

18. Subsequent Events

There are no matters or circumstances which have arisen since 31 December 2022 that have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

Independent Auditor's Report to the Members of Asiamet Resources Limited

Opinion

We have audited the consolidated financial statements of Asiamet Resources Limited and its subsidiaries (the "Group") for the year ended 31 December 2022, which comprise:

- the consolidated statement of financial position as at 31 December 2022;
- the consolidated statement of comprehensive loss for the year ended 31 December 2022;
- the consolidated statement of cash flows for the year then ended;
- the consolidated statement of changes in equity for the year then ended; and
- the notes to the consolidated financial statements, including significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

In our opinion the financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 December 2022 and of the Group's loss for the period then ended; and
- have been properly prepared in accordance with IFRS as issued by the IASB.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 2.2 in the consolidated financial statements, which indicates that the Group is reliant on raising further funding within the next twelve months in order to continue its operations. As stated in note 2.2, these events or conditions, along with the other matters as set forth in note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the consolidated financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the consolidated financial statements is appropriate. Our evaluation of the directors' assessment of the Group's ability to continue to adopt the going concern basis of accounting included:

- Reviewing management's projections for the Group for a period of twelve months from the date of approval of the consolidated financial statements;
- Checking the numerical accuracy of management's projections;
- Challenging management on the assumptions underlying those forecasts;
- Obtaining the most recent financial information following the year end to assess how management is progressing against the projections;
- Performed sensitivity analysis on key inputs to the projections and considering the impact on the Group's ability to continue as a going concern;

- Discussing with directors as to how they intend to raise the funds necessary to continue as a going concern in the required timeframe. This has principally focused on consideration of the Group's previous successful equity fundraisings, in order to finance non-discretionary expenditure;
- Assessing the completeness and accuracy of the matters described in the going concern disclosure within the significant accounting policies as set out in note 2.2.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group financial statements as a whole to be \$350,000 (2021 \$275,000), based on approximately 5% of loss before taxation (2021: approximately 4.5% of loss before taxation). As the Group is currently expensing the costs of exploration, we consider that a measure based on the financial result is most appropriate to the Group.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. This is set at \$260,000 for the Group.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of \$20,000 (2021: \$13,750). Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

There are three significant components in the Group, being the parent company, PT Kalimantan Surya Kencana and PT Sumber Indonesia Makmue. The parent company was subject to a full scope audit by ourselves, and PT Kalimantan Surya Kencana and PT Sumber Indonesia Makmue were audited by a component auditor. We directed the component auditor regarding the audit approach at the planning stage and issued instructions that detailed the significant risks to be addressed and the information we required to be reported on. The group audit team, including the engagement partner interacted with the component auditor to review their working papers, discuss key findings directly with the component audit team and component audit partner and conclude on the significant risks relating to those components.

As the Group is currently in the exploration stage of its operations and has not commenced with development activity, the Group audit team did not consider it necessary to make a visit to the location of the Group's operations in Indonesia. Documentation and explanations from Indonesia were obtained remotely, in addition to the work performed by the component auditor.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The only key audit matter identified was going concern, which is commented on in the section "material uncertainty related to going concern" above.

This is not a complete list of all risks identified by our audit.

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

Other information

The directors are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the consolidated financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated financial statements

As explained more fully in the directors' responsibilities statement set out on page 35, the directors are responsible for the preparation of the consolidated financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks within which the Group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The most significant identified were IFRSs, AIM rules, and the laws and regulations associated with the Group's exploration licenses in Indonesia. Our work included enquiry of the directors, review of board minutes, legal expenses and appropriate correspondence.
- We communicated the relevant laws and regulations identified to all members of the engagement team, and remained alert to any indication of non-compliance with laws and regulations, or potential fraud, throughout our audit work.
- We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals by agreeing to supporting documentation and reviewing accounting estimates for bias.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organized schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Leo Malkin (Senior Statutory Auditor)
for and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

27 April 2023