

Asiamet Resources

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Asiamet Resources burnishing exciting copper and polymetallic projects in Indonesia

- Focused on two large copper-gold and polymetallic deposits
- Flagship BKM project on the Indonesian island of Kalimantan
- Beutong on the adjacent island of Sumatra

What Asiamet Resources does:

Asiamet Resources Limited (LON:ARS) is an AIM-listed dynamic junior miner focused on the exploration and development of its portfolio of large copper-gold and polymetallic deposits on the Indonesian islands of Kalimantan and Sumatra. Both the deposits are adjacent to the key growth markets in Asia.

The group's 'flagship' Beruang Kanan Main (BKM) Copper Project is located northwest of Palangkaraya, the regional capital of Central Kalimantan, and is part of the Kalimantan Surya Kencana (KSK) district projects which are 100%-owned by the company.

The Beruang Kanan Zinc (BKZ) polymetallic project is situated within the south-eastern area of the KSK, less than 800 metres north of the BKM copper project.

The wider KSK district also incorporates a number of targets in addition to BKM and BKZ, including the BK South (BKS) and BK West (BKW) copper prospects, and the Baroi polymetallic system prospect.

On Sumatra, the Beutong Project - in which Asiamet has an 80% equity interest - is located near Aceh and comprises the Beutong East Porphyry (BEP), Beutong West Porphyry (BWP) and the Beutong Skarn (BSK).

How's it doing:

Asiamet announced on 20 March 2019 that it is continuing to make progress with its latest round of drilling at BKM, where 37 resource evaluation holes have now been completed, alongside four geotechnical holes, as part of an ongoing bankable feasibility study.

It said highlights from the most recent drilling include 19 metres at 1.16% copper, 27 metres at 0.67% copper, 14 metres at 0.81% copper, and three metres at 0.68% copper.

Earlier in the month, Asiamet said it had received two key approvals for the BKM project, with the Government of Indonesia having formally approved the feasibility study for the project, along with the environmental impact assessment (AMDAL).

Back in November 2018, Asiamet raised US\$3.3mln (£2.6mln) in an oversubscribed share placing to help fund the BKM feasibility study, issuing around 60.7mln new shares at a price of 4.25p each.

Once it comes into production, the plan is to use the cash flows generated from BKM to fund the development of BKZ.

Price: 2.8

Market Cap: £25.97 m

1 Year Share Price Graph



October 2018 April 2019 October 2019

Share Information

Code: ARS

Listing: AIM

52 week	High	Low
	10	2.73

Sector: General mining & base metals

Website: www.asiametresources.com

Company Synopsis:

Asiamet Resources Limited is a dynamic junior company focused on the exploration and development of its portfolio of large copper-gold and polymetallic deposits on the Indonesian islands of Kalimantan and Sumatra, adjacent to the key growth markets in Asia.

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Drilling at BKZ has successfully tested an upper zone of polymetallic Zn-Pb-Cu-Ag-Au massive sulphide and vein style mineralisation and a lower zone of vein and massive sulphide hosted copper-silver mineralisation, the footprint of which still remains open in several directions.

The results from BKZ have provided the company with confidence that the deposit may become a standalone operation, which could be very likely to benefit from sharing infrastructure with any proposed mine development at the adjacent BKM Copper Project.

Then, only after developing BKZ, will Beutong - which is about six times the size of BKM - become the main focus for Asiamet.

Beutong has JORC compliant resources containing 2.4mln tonnes copper, 2.1mln ounces of gold and 20.6mln ounces silver on a 100% basis, according to the firm's website.

In January 2018, Asiamet and its Indonesian partner PT Emas Mineral Murni (EMM) were granted the key production licence, required to advance the Beutong project to the development stage.

On the financials front, Asiamet recorded a net loss of US\$6.2mln (H1 17: US\$2.0mln) for the six months ended 30 June 2018, reflecting increased exploration costs.

The company, which carries no debt on its balance sheet, ended its first half with cash resources of US\$4.0mln against US\$3.1mln as of 31 December 2017.

What the boss says - chief executive Peter Bird:

"The additional program of thirty-seven resource evaluation and four geotechnical drilling holes required for the BKM bankable feasibility study have been completed on schedule.

"The results received to date align well with expectations and further strengthen the robustness of our resource models as we move into the final phase of mine and process design to generate an initial ore reserve for the BKM project. Results from the final nine holes will be reported as they become available later this month."

Blue Sky:

City broker Arden Partners reckons that Asiamet's share price can follow the same trajectory as fellow copper explorer SolGold plc (LON:SOLG) over the coming months and years.

SolGold, which is developing the much-hyped Cascabel copper-gold project in Ecuador, has seen its share price rise more than 2,000% over the past three years.

In a note to clients, Arden said: "Asiamet is a relatively unknown gem with the potential for similar gains in its share price as it nears closer to the release of a bankable feasibility study at BKM and further drilling at Beutong."

Arden thinks that Beutong is the "jewel in the crown for Asiamet" but notes that it is the long-term focus, with the near-term focus revolving around BKM.

On the demand side, it's all about Chinese infrastructure, new technologies and the "green revolution," according to the broker.

Arden has a target price of 24p on the stock, almost four times the current share price of 6.85p.

But it sees the potential for that target to soar in the future as Beutong is further developed and has a 'strong buy' rating on Asiamet.

Arden named the exploration company as one of its top four copper picks for 2019, with others including SolGold, MOD Resources Ltd (ASX:MOD) and Central Asia Metals Ltd (LON:CAML).

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