Asiamet Resources Limited: BKM Resource Update

28.06.2017 | FSCwire

Copper contained in Measured and Indicated Resources increases 207%

Vancouver - Asiamet Resources Limited ("ARS" or the "Company") is pleased to report an updated Mineral Resource estimate for the Beruang Kanan Main ("BKM") deposit within the Company's 100% owned KSK Contract of Work in Kalimantan, Indonesia. The Resource has been independently estimated by Duncan Hackman of Hackman & Associates Pty Ltd (Australia) and a Technical Report compliant with NI 43-101 will be published and available on the Company's website and SEDAR (www.sedar.com) within 45 days of publication of this news release. As required under NI 43-101 Measured, Indicated and Inferred Resources are reported separately below.

HIGHLIGHTS

- Resource confidence significantly upgraded with contained copper in Measured and Indicated Resources increased by 207% in comparison to the October 21, 2015 BKM Mineral Resource estimate. The BKM Copper deposit is now estimated to contain Measured and Indicated Resources of 49.2 million tonnes at 0.70% copper containing 711.3MIbs (322,600 tonnes) of copper at a 0.2% copper cut-off grade (see Table 1 for details).

- Additional 66MIbs (30,000 tonnes) of contained copper (0.2% copper cut-off grade) added to the BKM Resource inventory.

- Beruang Kanan Main Resources are now estimated as:
º Measured Resources of 20.5 million tonnes at 0.7% Cu containing 325.7MIbs (147,700 tonnes) of copper at a 0.2% copper cut-off grade (refer Table 1). The October 21, 2015 BKM Mineral Resource estimate contained no Measured Resources.

º Indicated Resources of 28.7 million tonnes at 0.6% Cu containing 385.6MIbs (174,900 tonnes) of copper at a 0.2% copper cut-off grade (refer Table 1). The October 21, 2015 BKM Mineral Resource estimate contained 15.0 million tonnes at 0.7% Cu containing 231MIbs (105,000 tonnes) of copper.

º Inferred Resources of 17.7 million tonnes at 0.6% Cu containing 241.0MIbs pounds (109,300 tonnes) of copper at a 0.2% copper cut-off grade (refer Table 1). The October 21, 2015 BKM Mineral Resource estimate contained 49.7 million tonnes at 0.6% Cu containing 657MIbs (298,000 tonnes) of copper.

- 73% of the copper contained in Resources is within the April 2016 BKM Preliminary Economic Assessment ("PEA") conceptual open pit mine design.

The 2017 updated Mineral Resource estimate will be the subject of ongoing mining engineering and metallurgical studies as part of a BKM Feasibility Study and further optimisation of the BKM PEA open pit design is expected.

A leachable copper model for the BKM deposit will be constructed using sequential copper analysis data from all post 2013 drill core samples and an initial Mineral Reserve will in turn be generated from the Measured and Indicated component of this leachable copper Resource model. The Company expects to complete the feasibility study in early 2018 and make a development decision at that time.

The BKM Mineral Resource estimate is based on assays from 269 diamond drill core holes that were drilled from 1998 to 2007, from 2012 to 2013 and by ARS from 2015 to 2017. Mineralisation is contained within a near-surface, shallow-dipping and strongly mineralised system, that extends over an area of 1300m (N-S) and 800m (E-W) with depth extents ranging from surface to between 100m and 400m below surface (top to bottom). The 2015 Resource drilling programme undertaken by ARS was designed to delineate the extent and continuity of the BKM mineralisation and the 2016-2017 Resource drilling program designed to test for geological and grade continuity of the BKM mineralisation. Both programmes were completed successfully, meeting their objectives of both expanding and increasing the robustness and integrity of the Mineral

Resource estimate.

Asiamet Resources CEO Peter Bird commented: The outcomes from the Resource evaluation work completed on the BKM deposit over the past year have been outstanding. Copper grades and tonnages have proven to be very robust with a 207% increase in the higher confidence level Measured and Indicated Resources and approximately 30,000 tonnes of copper added to the overall copper inventory. Most importantly 75% of the contained copper is now in high confidence Resources and 73% sits inside the PEA pit design. As such the conversion to Mineral Reserves is anticipated to be strong when mining and metallurgical studies are completed in coming months. We are very pleased with the outcome of Resource work and expect it will provide a solid base to build upon an already very robust Preliminary Economic Assessment.

Mineral Resource Estimate - Beruang Kanan Main Deposit – June 2017

Table 1 – Measured, Indicated and Inferred Mineral Resource (NI 43-101)

Measured Mineral Resources

Reporting cut (Cu %)	Tonnes (‘000)	Cu Grade (Cu %)	Contained Cu (‘000 tonnes)	Contained Cu (‘000,000 lbs)
0.2	20.5	0.7	147.7	325.7
0.5	15.4	0.8	126.8	279.6
0.7	8.5	1.0	85.8	189.2

Indicated Mineral Resources

Reporting cut (Cu %)	Tonnes (‘000)	Cu Grade (Cu %)	Contained Cu (‘000 tonnes)	Contained Cu (‘000,000 lbs)
0.2	28.7	0.6	174.9	385.6
0.5	16.9	0.8	127.7	281.6
0.7	7.7	1.0	73.8	162.7

Inferred Mineral Resources

Reporting cut (Cu %)	Tonnes (‘000)	Cu Grade (Cu %)	Contained Cu (‘000 tonnes)	Contained Cu (‘000,000 lbs)
0.2	17.7	0.6	109.3	241.0
0.5	12.1	0.7	86.2	190.1
0.7	4.7	0.9	41.9	92.4

Notes: Mineral Resources for the BKM deposit have been estimated in conformity with generally accepted CIM “Estimation of Mineral Resource and Mineral Reserves Best Practices” guidelines. 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 area of the BKM mineralisation. Mineral Resources are not Mineral 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 Mineral Reserve. Computational discrepancies in the table and the body of the Release are the result of rounding.

Methodology

The Mineral Resource estimate incorporates data from ARS’s drilling programs undertaken in 1998 through to 2007, August 2012 to July 2013, June 2015 to September 2015 and June 2016 to April 2017. Drill spacing of westerly drilled holes across the BKM mineralisation now stands at a nominal 50m by 50m spacing. Seventeen holes have been drilled with easterly azimuths, two northerly, seven southerly and sixteen vertically. Mineralisation considered for Measured Resources is restricted to those areas where holes are drilled in multiple orientations that confirms the geological and mineralisation continuity in these areas. The 2017 Resource estimate dataset totals 269 drill holes for 44,214 metres of diamond core, an increase of 124 holes and 12,614m over the dataset utilised in generating the 2015 Resource estimate. Mr. Hackman verified components of the exploration activities and mineralisation features during site visits conducted between the 4th and 6th September 2014, between the 21st and 28th June 2015 and again between 22nd and 23rd June 2016.

The 2017 Resource model covers the 1300m north-south strike extent and 800m width of the BKM vein style mineralised system. Mineralisation crops out to the west, is closed-off by drilling to the north and has some potential to be extended to the north-east and south. Three deep holes under the main zones have failed to intersect significant copper mineralisation, however the depth repetition of mineralisation has not been fully

tested. There are indications from the structural interpretation that repeat systems at depth and proximal to the BKM zone may exist.

Copper mineralisation occurs as covellite, chalcocite, bornite and chalcopyrite replacement of pyrite in veins and less common fracture fill settings. The copper is of both hypogene and supergene origin. Veins and mineralisation are hosted in both blocky fractured volcanics and sediments, mainly in the south of the prospect and, in strongly sheared and tectonically milled breccias related to thrusting mainly in the central and northern sections of the prospect. Phyllic-style alteration is pervasive throughout the prospect.

Modelled copper mineralisation has been intercepted in 868 nominal 3m drill intervals (2486m) in historical drill holes, in 1920 nominal 1m drill intervals (2377m) in holes drilled in 2015 and in 5014 nominal 1m intervals (5131m) in holes drilled from 2016 to 2017. Topographic control is achieved through the use of a highly detailed LIDAR generated surface to which all drill hole collar coordinates comply. Sample data was composited to 3m intervals and flagged by domains defined from copper assay grades and directed by the Hackman and Associates and ARS structural interpretation. Three passes of Ordinary Kriging grade interpolation methodology were employed to interpolate copper grades within domains into a sub-blocked model (parent block size of 25mE x 25mN x 10mRL). High grade copper assays were included in the interpolation with limits to their area of influence applied. The Mineral Resource estimate has been classified based on data density, data quality and reliability, confidence in the geological interpretation, confidence in the copper grade modelling and interpolation and confidence in tonnage factors employed.

The limits of the BKM Mineral Resource are mostly defined by the historic and ARS Resource drilling, mapping and sampling campaigns. Pending funding, Stage IV infill and expansion drilling will focus on confirming mineralisation and geological continuity and tonnage factors in areas currently classified as Indicated Resources in the north and central areas of the BKM mineralisation to facilitate the conversion of part or all of these areas to the Measured Resource Category.

The Company is currently undertaking sequential copper analysis on all post 2013 drill core samples which assayed above 0.1% copper to determine the leachable copper within each sample. Approximately 8000 samples have been sent for analysis and the results, expected in late July, will be used to create a leachable copper model for the BKM deposit. A similar process completed for the PEA using sequential assays undertaken in 2015-2016 estimated the average leachable copper within the BKM Resource to be 74% of the total copper grade.

Exploration Potential

Other priority targets in the vicinity of the BKM deposit are the focus of planned scout drilling programs, and include Beruang Kanan South (“BKS”), Beruang Kanan West (“BKW”) and KSK’s standalone polymetallic BKZ (BKZ) prospect; each within 1.5km of the BKM Mineral Resource (Figure 1). Geologic observations during field mapping and geochemical data from drill core and/or surface rock chip samples at BKS and BKW prospects indicate near surface and similar style copper mineralisation to BKM. Prospect details are summarised as follows:

- BKS prospect: Drill hole KBK-28 (151.30m end of hole ‘EOH’) intersected 10.5 metres @ 0.88% Cu from 14.5 metres depth and BKM30500-01 (63.9m EOH) intersected 10.0 metres @ 2.52% Cu from 19.5 metres depth. Drill hole KBK-28 also intersected high grade gold mineralisation from 11.5m, returning 3m @ 11.52g/t Au, including 1.5m @ 21.7g/t Au (refer ARS Release February 23, 2017)

- BKW prospect: Multiple copper mineralised sheeted vein zones with wide spread alteration similar to BKM are observed within a 2.5 sqkm area, and three well defined copper in soil anomalies occur coincident with these sheeted vein zones, the largest measuring 1.7km x 1km. Historic rock chip sampling yielded highly anomalous copper values, with individual rock chip samples assaying up to 7.1% Cu.

- BKZ Polymetallic prospect: A continuous 15m rock channel sample averaged 19.5% Zinc, 8.1% Lead, 121g/t Silver, 0.69g/t Gold and 0.50% Copper (refer ARS Release June 9, 2017). Drill hole BKZ-1 (300.0m deep) tested outcropping massive sulphide style mineralisation and intersected 16m @ 5.75% Zn, 2.78% Pb, 0.64g/t Au, 57.5g/t Ag and 0.16% Cu, including 6m @ 11.63% Zn, 5.99% Pb, 0.71g/t Au, 98g/t Ag and 0.32% Cu (refer ARS Release February 23, 2017) A grid-based soil sampling program defined a 400m by 200m anomalous zone of Pb-Zn soil geochemistry, which remains untested.

https://www.fscwire.com/sites/default/files/NR/792/17363_ARSIMG1.png
Figure 1: Beruang Kanan District project location map, showing copper in soils

KSK Contract of Work

The Beruang Kanan project is located within the KSK Contract of Work. The holder of the KSK Contract of Work (“KSK CoW”) is PT Kalimantan Surya Kencana ("KSK"). ARS holds 100% of the shares of Indokal Limited ("Indokal"). KSK is owned 75% by Indokal and 25% by PT Pancaran Cahaya Kahayan ("PCK"). Indokal owns 100% of PCK.

On February 16, 2017, the Company formally established with the Government of the Republic of Indonesia that the KSK CoW has now entered the Feasibility Study Period which runs for not less than two years, is extendable, and provides time to complete studies and identify the area for mining. The KSK CoW has a total of 30+ years remaining for exploration, development and operations.

The Company has previously signed a non-binding Memorandum of Understanding ("MOU") with the Government of the Republic of Indonesia (“GOI”) covering amendments to its KSK CoW. KSK continues discussions with the GOI regarding possible amendments to some of the KSK CoW terms in order to achieve closer alignment with the current Law No. 4/2009.

Qualified Person

Duncan Hackman (B. App.Sc., MSc., MAIG) of Hackman & Associates Pty Ltd (Australia) is the independent Qualified Person within the meaning of NI 43-101 and the AIM Rules for Companies for the purposes of Mineral Resource estimates contained within this press release. Data disclosed in this press release have been reviewed and verified by ARS’s qualified person, Stephen Hughes, P. Geo. a director of ARS and a Qualified Person within the meaning of NI 43-101 and the AIM Rules for Companies.

ON BEHALF OF THE BOARD OF DIRECTORS

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This news release contains forward-looking statements that are based on the Company's current expectations and estimates. Forward-looking statements are frequently characterised by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "suggest", "indicate" and other similar words or statements that certain events or conditions "may" or "will" occur. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause actual events or results to differ materially from estimated or anticipated events or results implied or expressed in such forward-looking statements. Such factors include, among others: the actual results of current exploration activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; possible variations in ore grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing; and fluctuations in metal prices. There may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

This announcement contains inside information as stipulated under the Market Abuse Regulations (EU) no. 596/2014 ("MAR").

Glossary of Technical Terms
https://www.fscwire.com/newsrelease/asiamet-resources-bkm-resource-update