PROSPECTUS

For the initial offering of 47,619,048 New Shares in Nusantara Resources Limited ACN 150 791 290 at an offer price of A$0.42 with a Minimum Subscription of 35,714,286 New Shares (to raise A$15,000,000 before costs and up to A$20,000,000 before costs). The Closing Date of this Offer is 18 July 2017.

Lead Manager
PATERSONS SECURITES LIMITED

NUSANTARA
RESOURCES LIMITED

IMPORTANT INFORMATION This is an important document and should be read in its entirety. If after reading this Prospectus you have any questions about the Shares being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

CORPORATE DIRECTORY

Directors
Martin Pyle (Non-Executive Chairman)
Rob Hogarth (Non-Executive Director)
Mike Spreadborough (Managing Director)
Boyke Abidin (Executive Director)

Company Secretary
Jane Rose

Registered Office
Level 2, 175 Flinders Lane
Melbourne Vic 3000

Website
www.nusantararesources.com

Corporate Adviser and Lead Manager
Patersons Securities Limited
Level 15
333 Collins Street
Melbourne Vic 3000

Solicitors to the Offer
Thomson Geer
Level 39
525 Collins Street
Melbourne Vic 3000

Independent Technical Expert
CSA Global Pty Ltd
Level 2, 3 Ord Street
West Perth WA 6005

Investigating Accountant
Ernst & Young
200 George Street
Sydney NSW 2000

Auditor
Ernst & Young
200 George Street
Sydney NSW 2000

Share Registry
Computershare Investor Services Pty Limited
Yarra Falls
452 Johnston Street
Abbotsford Vic 3067

CONTENTS

AWAK MAS GOLD PROJECT HIGHLIGHTS

Awak Mas Gold Project

Nusantara owns a 100% interest in the Awak Mas Gold Project, Sulawesi, Indonesia under a 7th Generation Contract of Work (CoW).

- Permitting for project construction is advancing. The Environmental Impact Statement (AMDAL) has been approved by the Provincial Government of South Sulawesi, and the Group is preparing the application to move into the CoW Construction Phase.
- A new geological model developed from reappraisal of geological data including some of the 1,000 historic drill holes which are stored at site.
  - 1.74 Moz gold Mineral Resource estimated (Cube Consulting Pty Ltd April 2017, **section 3.8**) and 0.3 - 0.5 Moz Exploration Target[1];
  - Broad continuous zones of mineralisation defined at Awak Mas deposit over a 1.7km x 1.0km area;
  - Higher grade sub-vertical feeder structures that open up the potential at depth and in basement rocks;
  - Two satellite resources at Salu Bulo and Tarra; and
  - 10 km regional trend.
- Extensive technical evaluation work since 1991 by a succession of international exploration and development companies, providing an enhanced launching point for completing a Definitive Feasibility Study (DFS).

Strategy

Increase shareholder value through advancing the Awak Mas Gold Project to development.

- Focussed drilling aiming to upgrade Mineral Resource category and convert Mineral Resources into Ore Reserves.
- Extensional drilling seeking to confirm mineralisation that has potential to expand Mineral Resources and ultimately convert to Ore Reserves and is likely to be value accretive for the project.
- Conduct DFS commencing in 2017 to update and expand on previous work and favourable logistics including low cost grid power.
- Aiming for decision point for development in mid to late 2018.

Indicative timetable	
Lodgement of Prospectus with ASIC	15 June 2017
Opening Date of the Offer	23 June 2017
Closing Date of the Offer	18 July 2017
Issue of New Shares and Distribution of In-Specie Shares	24 July 2017
Despatch of holding statements	25 July 2017
Quotation of shares on ASX	26 July 2017

This timetable is indicative only and may change. The Company reserves the right to extend the Closing Date or close the Offer early without notice, in its absolute discretion. Quotation of Shares on ASX is at the discretion of ASX and is subject to the Company satisfying the listing requirements of ASX.

Key offer terms and proposed capital structure upon listing	
Price per share	A$0.42
In-Specie Shares to be distributed upon completion of the Demerger Conditions	58,969,876[2]
Minimum number of New Shares offered under the Offer	35,714,286
Maximum number of New Shares offered under the Offer	47,619,048
Minimum amount to be raised (before costs) under the Offer	A$15,000,000
Maximum amount to be raised (before costs) under the Offer	A$20,000,000
Maximum number of Shares on issue following the Offer (assuming Maximum Subscription)	106,588,924

Note: The Company's free float at the time of listing will not be less than 20%.

1. The potential quantity and grade of the Exploration Target estimate is conceptual in nature. There has been insufficient exploration completed in the areas of the Exploration Target and it is uncertain if further exploration will result in the estimation of a Mineral Resource or an upgrade of resource category.
2. As a condition of the Offer, One Asia's shareholders are required to approve the distribution of the 58,969,876 In Specie Shares held in Nusantara at no cost on a 1 for 3 distribution to One Asia Shareholders who are holders as at 20 July 2017. See **section 11.6** for details.

IMPORTANT NOTICE

This Prospectus is dated 15 June 2017 and was lodged with ASIC on that date. No securities will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Application will be made for listing of the Company's Shares offered by this Prospectus to the ASX within 7 days after the date of this Prospectus. The fact that the ASX may list the securities of the Company is not to be taken in any way as an indication of the merits of the Company or the listed securities.

None of the ASX, ASIC nor any of their officers take any responsibility for the contents of this Prospectus or the merits of the investment to which the Prospectus relates.

Website – Electronic Prospectus

A copy of this Prospectus is available and can be downloaded from the website of the Company at www.nusantararesources.com. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia. Persons who access the electronic version of this Prospectus should ensure that they download and read the entire Prospectus.

The Corporations Act prohibits any person passing onto another person an application form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company. If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the application form. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus or both.

Suitability of Investment & Risks

Before deciding to invest in the Company, prospective investors should read this Prospectus in its entirety and, in particular, the summary of the Company's project in **section 3** and the risk factors in **section 4**. They should carefully consider these factors in the light of their personal circumstances (including financial and taxation issues) and seek professional advice from their accountant, stockbroker, lawyer or other professional adviser before deciding to invest. Any investment in the Shares of the Company should be regarded as speculative.

Definitions

Certain terms and abbreviations used in this Prospectus have defined meanings which are explained in the Glossary in section 13.

Exposure Period

This Prospectus is subject to an exposure period of 7 days from the date of lodgement with ASIC. This period may be extended by ASIC for a further period of up to 7 days. The purpose of this exposure period is to enable this Prospectus to be examined by market participants prior to the raising of funds. If this Prospectus is found to be deficient, any applications received during the exposure period will be dealt with in accordance with section 724 of the Corporations Act. Applications received prior to the expiration of the exposure period will not be processed until after the exposure period. No preference will be conferred on applications received in the exposure period and all applications received during the exposure period will be treated as if they were simultaneously received on the opening date.

Privacy

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related body corporates, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If an Applicant becomes a Shareholder, the Corporations Act requires the Company to include information about the Shareholder (including name, address and details of the Shares held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a Shareholder. Information contained in the Company's register is also used to facilitate distribution of payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application. An Applicant has the right to gain access to the information that the Company holds about that person subject to certain exceptions under law. A fee may be charged for access. Such requests must be made in writing to the Company's registered office.

Forward-looking statements

This Prospectus contains forward-looking statements which incorporate an element of uncertainty or risk, such as 'intends', 'may', 'could', 'believes', 'estimates', 'targets' or 'expects'. These statements are based on an evaluation of current economic and operating conditions, as well as assumptions regarding future events. These events, as at the date of this Prospectus, are expected to take place, but there is no guarantee that such will occur as anticipated or at all given that many of the events are outside the Company's control.

Accordingly, the Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur. Further, the Company may not update or revise any forward-looking statement if events subsequently occur or information subsequently becomes available that affects the original forward-looking statements.

International Offer Restrictions

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. This document does not constitute an offer of Shares in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the Shares may not be offered or sold, in any country outside Australia except with respect to the One Asia capital reduction and to the extent permitted below.

Canada

This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in Canada. No securities commission or similar authority in Canada has reviewed or in any way passed upon this document, the merits of the Shares and any representation to the contrary is an offence. No prospectus has been, or will be, filed in any province in Canada with respect to the Shares or the resale of such securities. Any resale of the Shares in Canada must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements.

Hong Kong
WARNING: The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Indonesia
A registration statement with respect to the Shares has not been, and will not be, filed with the Capital Market and Financial Institutions Supervisory Agency (Bapepam-LK) of the Republic of Indonesia. Therefore, the Shares may not be offered or sold or be the subject of an invitation for subscription or purchase. Neither this document nor any other document relating to the offer or sale, or invitation for subscription or purchase, of the Shares may be circulated or distributed, whether directly or indirectly, in the Republic of Indonesia or to Indonesian citizens, corporations or residents, except in a manner that will not be considered as a "public offer" under the law and regulations in the Republic of Indonesia.

Mauritius
In accordance with The Securities Act 2005 of Mauritius, no offer of the Shares may be made to the public in Mauritius without the prior approval of the Mauritius Financial Services Commission. Accordingly any distribution of Shares is being made on a private placement basis only and does not constitute a public offering. As such, this document has not been approved or registered by the Mauritius Financial Services Commission and is for the exclusive use of the person to whom it is addressed. The document is confidential and should not be disclosed or distributed in any way without the express written permission of the Company.

Philippines
THE SECURITIES BEING OFFERED OR SOLD HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES REGULATION CODE. ANY FUTURE OFFER OR SALE THEREOF IS SUBJECT TO REGISTRATION REQUIREMENTS UNDER THE CODE UNLESS SUCH OFFER OR SALE QUALIFIES AS AN EXEMPT TRANSACTION.

United States
This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

Singapore
This document and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares, may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document is being made available to less than 50 persons in Singapore. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Switzerland
The Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Shares may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of Securities will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

This document is personal to the recipient only and not for general circulation in Switzerland.

United Kingdom
Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the Shares.

This document is issued on a confidential basis to fewer than 150 persons (other than "qualified investors" (within the meaning of section 86(7) of FSMA)) in the United Kingdom, and the Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 FSMA) received in connection with the issue or sale of the Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who fall within Article 43 (members or creditors of certain bodies corporate) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005, as amended, or (ii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this document relates is available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

01 CHAIRMAN'S LETTER

Dear Investor

On behalf of the Directors, it is with great pleasure that I invite you to participate in the initial public offering (IPO) of Nusantara Resources Limited (**Nusantara** or the **Company**).

The Company is seeking to raise a Minimum Subscription of A$15 million (before costs) through the issue of approximately 35.7 million New Shares and up to A$20 million (before costs) through the issue of approximately 47.6 million New Shares (Offer). The Company also intends to issue 1 Loyalty Option for every 3 Shares held at no cost approximately two months after Nusantara's listing on ASX (under a separate prospectus), and to apply for quotation of the Loyalty Options.

Immediately prior to the Offer, One Asia Resources Limited (One Asia) will undertake a demerger of Nusantara which owns a 100% interest in the Awak Mas Gold Project. The Awak Mas Gold Project, located in Sulawesi Indonesia, is held under a 7th Generation Contract of Work (CoW) a foreign investment framework granted by the Government of Indonesia (GOI). The CoW covers an area of 14,390 hectares and allows for a construction period of three years and an operating period of 30 years. Within the Masmindo CoW a 1.74 million ounce gold Mineral Resource Estimate (MRE) plus a further 0.3-0.5 million ounce Exploration Target[3] reported in accordance with JORC Code (2012) guidelines has been estimated.

The Awak Mas Gold Project has been the focus of modern day exploration since 1991 by a succession of international exploration and gold mining companies including Battle Mountain, Lone Star, Placer Dome and Vista Gold. Nusantara's experienced technical team assembled under the supervision of Nusantara Managing Director, Michael Spreadborough, has recently reviewed historic data including drilling, metallurgical testwork and studies, along with a number of development studies. This has resulted in a new geological model and MRE completed by Cube Consulting Pty Ltd and reviewed by CSA Global Pty Ltd. This work built upon re-logging, re-assaying and interpretation work completed by Company geologists and consultants on the extensive core library of a representative sample set taken from the 1,000 drill holes stored at site. The total Indicated and Inferred Resource is reported at 38.4 Mt at 1.41 g/t Au for 1.74 Moz[4] which Directors believe is a major step forward for the Awak Mas Gold Project.

The Awak Mas Gold Project encompasses a large 1.7 km by 1.0 km area of mineralisation with accompanying satellite resources at Salu Bulo and Tarra. Multiple zones of gold mineralisation and gold anomalies derived from limited historical regional exploration, including scout drilling and trenching results along a 10km regional trend within the Masmindo CoW, support the Directors' view that there is excellent potential for expanding Mineral Resources. An initial 8,050 metre drill program is planned for 2017 to improve MRE confidence and increase drill density in extensions of the known Mineral Resource with an Exploration Target[3] of 0.3 – 0.5 million ounces. In addition, further drilling is planned to test extensional and regional targets.

Directors believe the historic mining, metallurgical and infrastructure testwork and studies along with advanced permitting, provides an enhanced launching point to rapidly take the project forward, with a definitive feasibility study planned for 2018 leading to a decision point for development in mid to late 2018.

Permitting for project construction is advancing. The AMDAL (environmental impact assessment) and Indonesian feasibility permits have been received, and the CoW is currently undergoing the process to transition from the 'Feasibility Phase' to the three-year 'Construction Phase' of the CoW, after which a 30-year production period applies.

Exploration, mining and Indonesian specific risk factors amongst others will be high on the Directors' minds as we progress the project and the Nusantara team are working hard to carefully anticipate and manage these risks. Details of these risks are set out in **section 4** of this Prospectus. Nusantara will benefit from the long involvement since 2000 at the Awak Mas Gold Project of Director Boyke Abidin who has continuously managed community and government relations during this period. However, the Nusantara Directors wish to highlight that risks and uncertainties will remain and bring to prospective investors' attention the ongoing negotiations between the Group and the GOI regarding possible amendments to the CoW, with the GOI seeking to more closely align the CoW with current mining law introduced many years after the CoW was signed. Nusantara has been negotiating in good faith with the GOI, including in principle agreement to adopt prevailing taxes and royalties. To date no amendment agreement has been executed and negotiations are on-going, with the key outstanding issue being the staged divestment to Indonesian entities after a period of commercial production.

I encourage you to read the Prospectus carefully and in its entirety before making your investment decision and where necessary consult your professional adviser. In particular, you should consider the investment risks outlined in **section 4** before deciding whether or not to participate in the Offer.

We look forward to your support of the IPO and joining us in the exciting prospect of ultimately developing the Awak Mas Gold Project for the benefit of community, Nusantara stakeholders and Indonesia.

Yours faithfully

Martin Pyle
Chairman

3. The potential quantity and grade of the Exploration Target estimate is conceptual in nature. There has been insufficient exploration completed in the areas of the Exploration Target and it is uncertain if further exploration will result in the estimation of a Mineral Resource or an upgrade of resource category.
4. The May 2017 Mineral Resource is reported at a cut-off grade of 0.5 g/t Au and constrained within US$1,400 per ounce optimised pit shells – refer **section 3.8.**

02 INVESTMENT OVERVIEW

This information is a selective overview only and is not intended to provide full information for investors intending on applying for Shares offered under this Prospectus. Prospective investors should read the Prospectus in full, including the experts' reports in this Prospectus before deciding to invest in Shares.

Topic	Summary	Refer to section
Introduction		
Who is issuing this Prospectus?	Nusantara Resources Limited (ACN 150 791 290), a company incorporated in New South Wales, Australia on 9 May 2011 (**Company** or **Nusantara**).	3.2
What is Nusantara and what does it do?	Nusantara is an Australian company with a 100% interest in a gold mining exploration area located in the Luwu Regency of South Sulawesi Province in Indonesia (the **Awak Mas Gold Project**).	3.2
What is the Company's capital structure prior to and following the completion of the Offer?	Prior to the completion of the Offer the Company will have 58,969,876 Shares on issue (the In-Specie Shares) and on completion of the Offer will have up to 106,588,924 Shares (assuming Maximum Subscription is raised) and 4,897,000 unlisted options on issue. Lion Selection Group Limited (a shareholder in One Asia which will receive In-Specie Shares) has committed to invest A$4.5 million in the Offer, resulting in an undiluted relevant interest of 33% in the share capital of the Company (including the holding of its affiliated fund), with 22% being escrowed for 24 months from the IPO, assuming the Minimum Subscription is raised under the Offer.	11.3
What is the Offer under this Prospectus?	The **Offer** of between 35,714,286 and 47,619,048 Nusantara Shares at A$0.42 for subscription is open to any Australian resident to raise a minimum of $15,000,000 and up to $20,000,000.	10
What is the purpose of the Offer and proposed use of funds?	The purpose of the Offer and the proposed use of funds raised from the Offer is to: • Fund in-fill and exploration drilling of the Awak Mas Gold Project; • Fund the completion of a DFS on the Awak Mas Gold Project; • Fund the expenses of the Offer and the associated costs of listing the Company on ASX; • Meet the ongoing administrative costs of the Company, current liabilities and provide working capital; • Provide a liquid market for Shares and an opportunity for new Shareholders to invest in the Company; and • Provide the Company with access to the equity capital markets. In conjunction with the Offer, the Company is seeking admission to the Official List of ASX and quotation of its Shares.	3.22

Description	Minimum Subscription	Maximum Subscription
Available funds	**(A$'000)**	**(A$'000)**
Funds to be raised under the Prospectus	15,000	20,000
Total funds available	15,000	20,000
Expenditure		
Drilling – Resource and Exploration	4,600	9,300
Awak Mas operations	1,600	1,600
Definitive Feasibility Study	3,800	3,800
Advisory and equity raising fees of the Offer	1,300	1,600
Administrative costs, current liabilities and working capital	3,700	3,700
Total expenditure	**15,000**	**20,000**

What are the conditions for the Offer?	Shares will not be issued pursuant to, or transferred under, this Prospectus until the following conditions (the Demerger Conditions) are met: (a) Nusantara receiving subscriptions for New Shares for the Minimum Subscription of A$15 million; (b) Nusantara obtaining a conditional admission letter from ASX on terms satisfactory to Nusantara's Directors, acting reasonably; (c) One Asia Shareholders approving the Capital Reduction Resolution; and (d) Final approval of One Asia's directors.	11.6

Topic	Summary	Refer to section
What are the In-Specie Shares?	Upon satisfaction of the Demerger Conditions, Nusantara will undertake a 1 for 3 distribution of In-Specie Shares which will be transferred at no cost to One Asia Shareholders who are holders as at 20 July 2017.	11.6
Is the Offer underwritten?	No, the Offer is not underwritten. As at the date of this Prospectus the Lead Manager to the Offer has received Firm Commitments for an aggregate amount of A$13.1 million representing 87% of the Minimum Subscription amounts.	10.12
Will the One Asia Shareholders be subject to escrow?	ASX has determined that In-Specie Shares distributed to Directors, other related parties and promoters (including Lion Selection Group) should be subject to ASX imposed mandatory escrow for a period of 24 months from the date of quotation of the Shares on ASX. ASX has also determined that In-Specie Shares issued to non-related parties who received their shares in One Asia in the 12 months prior to quotation of the Shares on ASX should be subject to ASX imposed mandatory escrow for a period of 12 months from the date those shares were issued. The Company will enter into escrow agreements with shareholders who are subject to mandatory escrow as set out above in accordance with Chapter 9 of the Listing Rules. None of the Shares offered under this Prospectus will be treated as restricted securities and will be freely transferable from their date of allotment.	10.6
Will Loyalty Options be issued?	Yes. Nusantara intends to offer Shareholders one free Loyalty Option for every three Shares held to all Nusantara Shareholders on a record date approximately two months from the date Nusantara is admitted to the Official List under a separate prospectus. The exercise price is proposed to be A$0.42 per share and the Loyalty Options will expire in September 2018. The Company will apply to ASX for quotation of the Loyalty Options. Shareholders who have sold their Nusantara shares before the record date will not be entitled to free Loyalty Options.	11.4
Awak Mas Gold Project		
What is the Awak Mas Gold Project?	The Awak Mas Gold Project is held under a 7th Generation CoW and is owned 100% by PT Masmindo Dwi Area (**Masmindo**), a wholly owned subsidiary of Nusantara. The CoW covers an area of 14,390 hectares and allows for a construction period of three years and an operating period of 30 years.	3.3, 9
What is a Contract of Work?	A CoW is an agreement between the Government of Indonesia and a company, as contractor, to carry out all mining activity periods, which include general survey, exploration, feasibility study, construction, exploitation and the marketing and sale of the relevant minerals in the area covered by the CoW. The provisions in the CoW provide timelines as to when each period must be completed. However, it is possible to obtain extensions to the relevant periods, subject to approval of the Mining Authority. The original intention behind the CoW was to create an attractive 'fixed' set of contractual provisions that would not fluctuate with the changes in law and circumstances, particularly in respect of taxes, royalties, permitted mining area, share divestment obligations, term and dispute resolution process. There have been ongoing negotiations between the Group and the GOI regarding possible amendments to the Masmindo CoW, with the GOI seeking to more closely align the CoW with current mining law.	9, 3.3
Is a forestry permit required?	No forestry permit is anticipated to be required for the Awak Mas Gold Project. The key areas of the Awak Mas Gold Project including Mineral Resources, identified Exploration Targets, and anticipated processing areas are on Area Penggunaan Lain (APL), or land for other uses. Accordingly, Nusantara does not expect to need to obtain a forestry permit as long as the activities will not be in any of the forestry areas within the CoW. APL land is specifically characterised as land outside forest land that may be designated for other purposes, and can be occupied or unoccupied. Jurisdiction over APL land comes under the administration of the National Land Agency, and proper title can be applied for over APL land, such as the 'right to build' (known as Hak Guna Bangunan title) which would give the holder the right to construct and own buildings on the relevant land.	9
Will local people require resettlement?	Nusantara anticipates it will need to enter into agreements with the owners of land to allow access to and use of the land necessary for the Awak Mas Gold Project including crops and a limited number of houses. Consistent with Indonesian regulations, Nusantara will be required to provide land compensation for resettlement and loss of crops planted on the land that the Awak Mas Gold Project operations is expected to impact. There are no artisanal miners known to operate on the Awak Mas Gold Project.	3.17, 9
Does Nusantara have a local partner?	Foreign exploration and mining companies operating in Indonesia sometimes have a local partner holding an interest in the project company to share and mitigate the risks of operating in a different jurisdiction. As the ultimate holder of a CoW, Nusantara is able to own 100% of the Awak Mas Gold Project, and at this stage does not have a local partner. Nusantara intends to undertake a process to introduce a local partner as the Awak Mas Gold Project progresses.	

Topic	Summary	Refer to section
Financial		
What will be the financial position of the Company following completion of the Offer?	Refer to section 7 for further information on the Historical and Pro Forma Historical Statements of Financial Position including details of the pro forma adjustments. The 31 December 2016 financial report of the Company is included in Appendix 1. The Board is satisfied that upon completion of the Offer, the Company will have sufficient working capital to meet its stated objectives.	7
What material contracts has Nusantara entered into?	Nusantara has entered into the following material contracts: • Awak Mas Contract of Work; • Corporate advisory and lead manager mandate with Patersons Securities Limited; • Convertible loan agreement with One Asia; • Services agreements with Michael Spreadborough (Managing Director), Boyke Abidin (Executive Director) Colin McMillan (General Manager Geology) and the Non-Executive Directors; • Services agreements with Lion Manager Pty Ltd and PT Selaras Karya Gemilang; and • Tax Sharing Agreement with One Asia and its subsidiaries.	11.1
What are the tax implications of investing in the New Shares?	The tax consequences of any investment in New Shares will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding to invest.	
Will the Company pay dividends?	The Company's initial focus will be on mineral exploration and development through which capital growth is targeted. As the Company is a mineral exploration and development company and is not generating revenue, Nusantara is unlikely to declare or distribute dividends in the near term.	11.15
Key Risks There are a number of risks associated with investing in the share market generally and in the Company specifically. The following is a summary of the key risks that may affect the financial position of the Company, the value of an investment in the Company, as well as the Company's operations. Further details of these risks are set out in **section 3.3** and **section 4** of this Prospectus. Please consider the risks described below and the information contained in other sections of this Prospectus. You should also consider consulting with your professional adviser before deciding whether or not to apply for New Shares.		
Mineral Resource estimates	Mineral Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates, which were valid when made, may change significantly when new information becomes available. In addition, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Should Nusantara encounter mineralisation different from that predicted by past sampling and drilling, resource estimates may have to be adjusted and mining plans may have to be altered in a way which could have either a positive or negative effect on Nusantara's operations.	4.2
Exploration and operating risks	The business of mineral exploration, project development and mining by its nature contains elements of significant risks and uncertainties. The current and future operations of Nusantara, including exploration, appraisal, development and possible production activities may be affected by a range of exploration and operating factors. Whether or not income will result from projects undergoing exploration and development programs depends on the successful establishment of mining operations. Factors including costs, integrity of mineralisation, consistency and reliability of ore grades and commodity prices affect successful project development and mining operations.	4.2
Amendment to terms of the Awak Mas Contract of Work	There have been ongoing negotiations between the Group and the GOI regarding possible amendments to the CoW, with the GOI seeking to more closely align the CoW with current mining law introduced many years after the CoW was signed. The Group has been negotiating in good faith with the GOI, including in principle agreement to adopt prevailing taxes and royalties, with both parties envisaging that these negotiations would result in a CoW amendment agreement. To date no amendment agreement has been executed and negotiations are on-going. The most significant GOI request outstanding surrounds the requirement for staged divestment following commercial production. The GOI is seeking divestment to Indonesian entities commencing in the fifth year of production (20% divestment) through to the tenth year of production (51% divestment), versus the Group's position of divestment of 40% at fair market value. While a specific divestment requirement does not apply to the CoW, this issue is being dealt with through on-going re-negotiations and it is possible that a divestment requirement will become applicable at some point. Notably, the GOI proposed sale pricing mechanism is unclear, and if adopted may result in divestment at a price lower than the market value.	3.3, 11.10

Topic	Summary	Refer to section
Indonesia	Nusantara is subject to risks relating to the general economic, regulatory, legal, social and political environment in the jurisdictions in which it operates. Nusantara's principal asset is located in Indonesia. Indonesia has experienced, and may continue to experience, political and social instability and may in some cases have less established judicial or legal systems, a more volatile political environment and/or more challenging trading conditions than in some other parts of the world. Moreover, Nusantara's business, financial condition and results of operations could be materially adversely affected by changes in economic, political, judicial, administrative, taxation or other regulatory factors or foreign policy in the areas in which Nusantara operates or will operate, sells or expects to sell its minerals and metals, and holds or will hold its major assets, as well as other unforeseen matters. Unlawful, selective, discriminatory or arbitrary government action could have a material adverse effect on Nusantara's business, results of operations, financial condition and prospects.	4.3
Additional Funding Requirements	At the date of this Prospectus, Nusantara has no income producing assets and will generate losses for the foreseeable future. Nusantara must fund a significant amount of capital expenditure in order to commence production at the Awak Mas Gold Project. Nusantara will use the proceeds of the Offer to fund further drilling and work programs to progress the Awak Mas DFS however, funds raised under the Offer will not be sufficient for expenditure expected to be required for any development of the Awak Mas Gold Project beyond this milestone, including the works required to complete construction of, and commence production at, the project.	4.3
General Risks	Economic risks, commodity prices, environment, mining tax and royalties, contract risk or encumbrances on title, funding and unforeseen risks exist in all mineral-based endeavours.	4.4
Directors and Management		
Who are the Directors of the Company?	The Board comprises: • Mr Martin Pyle (Non-Executive Chairman); • Mr Robert Hogarth (Non-Executive Director); • Mr Michael Spreadborough (Managing Director); and • Mr Boyke Abidin (Executive Director). The profile of each Director is detailed in **section 5.1**. Details of the personal interests in the Company of each of the above individuals are in **sections 5.2** and **5.3.**	5.1
Who is the management of the Company?	Mr Craig Smyth (Chief Financial Officer); and Mr Colin McMillan (General Manager Geology). The profiles of each of these individuals are detailed in **section 5.6.**	5.6
Will employee options be issued at some future date?	Nusantara has established an Incentive Plan to provide opportunity to eligible participants to benefit from the Company's future growth and provide an incentive to contribute to that growth. Upon IPO, 4,897,000 options will be on issue to executives, including 4,425,000 under the Incentive Plan.	11.13
Are there any relationships between the Company and parties involved in the Offer that are relevant to investors?	Details of Director remuneration and interests in the securities of the Company are provided in **sections 5.3** and **5.4.** Details of related party transactions are provided in **section 5.7**.	5.3 5.4 5.7
Miscellaneous		
How do I apply for Shares?	Applications for New Shares under the Offer must be made by completing the application form attached to this Prospectus in accordance with the instructions relating to it.	10
Where will the Shares be quoted?	An application will be made to ASX for quotation of the Shares within 7 days from the date of this Prospectus. Nusantara has reserved the trading symbol 'NUS'.	10
How can I obtain further advice?	By speaking to your financial adviser, accountant, stockbroker or other professional adviser. If you require assistance or copies of the Prospectus, please contact the Company on +61 3 9620 0718.	

03 COMPANY AND PROJECT OVERVIEW

3.1 Introduction

This section provides a high level summary of the Awak Mas Gold Project and should be read in conjunction with the Independent Technical Assessment Report (ITAR) prepared by CSA Global Pty Ltd in **section 6**. Key findings with respect to the CoW and the Awak Mas Gold Project are set out in the Indonesian Solicitor's Report on Mining Tenements in **section 9**.

The Awak Mas Gold Project is located in Sulawesi, Indonesia. The project is located in an established gold province and in the Directors' view has excellent potential for expanding Mineral Resources through a planned exploration program.

Located in the Luwu Regency of the Province of South Sulawesi, the Awak Mas Gold Project has an Indicated and Inferred Resource of 38.4 Mt at 1.41 g/t Au for 1.74 million ounces of gold.

3.2 Corporate Structure of Nusantara following the Demerger

The Awak Mas Gold Project is held under a 7th Generation Contract of Work (CoW) and is owned 100% by Masmindo, a wholly owned subsidiary of Nusantara. The CoW covers an area of 14,390 hectares and allows for a construction period of three years and an operating period of 30 years. The CoW is currently undergoing the process to transition from the 'Feasibility Phase' to the 'Construction Phase' of the CoW.

The Company was incorporated on 9 May 2011. The corporate structure of the Group upon listing will be as follows:

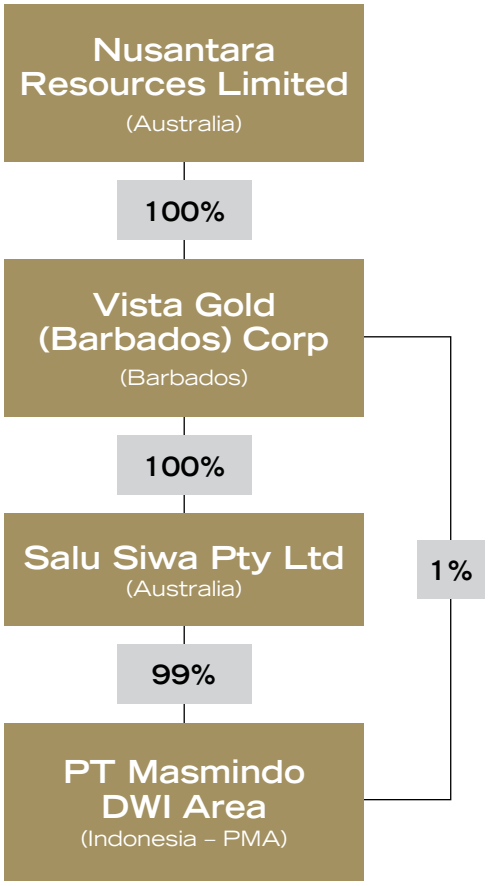

Figure 1: Awak Mas Gold Project Location in South Sulawesi. (Source: One Asia Resources)

3.3 Awak Mas Gold Project

In relation to the Awak Mas Gold Project, the Indonesian Solicitor's Report on Mining Tenements in **section 9** of this Prospectus provides a legal analysis of the type of interest that Nusantara has in Masmindo, the Indonesian company that is the holder of the CoW, and of various compliance matters under the CoW. The Indonesian Solicitor's Report on Mining Tenements also provides a summary and opinion on the validity of the CoW and examines the relevant environmental permits required to be held by Masmindo in carrying out its operations.

Under the 2009 Mining Law, existing contracts of work, such as the Masmindo CoW, are required to be adjusted to be consistent with the provisions of the 2009 Mining Law. Therefore, the terms of the CoW may be required to be amended accordingly. The amendments are subject to negotiations between the GOI and the relevant CoW holder. There have been ongoing negotiations between the Group and the GOI regarding possible amendments to the CoW. The Group has been negotiating in good faith with the GOI, including in principle agreement to adopt prevailing taxes and royalties, with both parties envisaging that these negotiations would result in a CoW amendment agreement. To date no amendment agreement has been executed and negotiations are on-going. Refer to **section 11.10** for further details.

The most significant GOI request outstanding surrounds the requirement for staged divestment following commercial production. The GOI is seeking staged divestment to Indonesian entities commencing in the fifth year of production (20% divestment) through to the tenth year of production (51% divestment), versus the Group's position of divestment of 40% at fair market value. While a specific divestment requirement does not currently apply to the CoW, this issue is being dealt with through on-going re-negotiations and it is possible that a divestment requirement will become applicable at some point. Notably the GOI proposed sale pricing mechanism is unclear, and if adopted may result in divestment at a price lower than the market value.

Annexure II of the Indonesian Solicitor's Report on Mining Tenements sets out a brief overview of the relevant Indonesian laws and regulations that are relevant for mining projects in Indonesia, and to the Awak Mas Gold Project in particular.

3.4 Location

The Awak Mas Gold Project is located in the Luwu Regency of South Sulawesi Province, Indonesia. The nearest major town is the coastal port city of Palopo, which is 67 km northeast of the project site. Access from Makassar, capital of Sulawesi and Indonesia's fifth largest city, to the site is via a 370 km paved road to Belopa, then approximately 45 km on a gravel road to site. A regional airport, hosting daily flights from Makassar, is located within a 2.5 hour drive from the Awak Mas Gold Project camp.

Figure 2: Location of Awak Mas Gold Project. Source: One Asia Resources

3.5 History of Project

Since discovery of the Awak Mas Gold Project in 1991, work at the project has been undertaken by a number of operators including New Hope Consolidated Industries, Battle Mountain Gold, Lone Star Exploration NL, Gascoyne Gold Mines NL, JCI Limited, Masmindo Mining Corporation Limited, Placer Dome Inc., Vista Gold Corp, and most recently One Asia Resources Limited.

To date over approximately 125,000m of drilling, diamond and reverse circulation, and several development studies have been completed. Drill core from past drilling activities is stored at site.

3.6 Geology and Mineralisation Model

The island of Sulawesi has complex geology and is believed to have formed as a result of the convergence of the Australian-New Guinea plate (moving from south to north), the Pacific plate (moving from east to west) and the relatively stable Asian plate. During this convergence, late Tertiary to Miocene age sea floor (ophiolite) and sea floor sediments were thrust westward over Cretaceous-Eocene greenschist and blueschist metamorphic complexes. These metamorphosed sedimentary rocks are exposed over the majority of Awak Mas Gold Project to the west of the major north-northwest trending thrust fault. The east to west thrusting has resulted in extensive shearing, imbrication and displacement. Regional geological studies indicate that after thrusting, there followed a period of extension, during which normal faults developed.

A new geological model for the mineralisation at the main Awak Mas deposit has been developed by One Asia (Figure 3). Gold mineralisation throughout the project area is thought to have been sourced from fluids derived from or mobilised by late stage intrusive or magmatic events, that occurred in the late Miocene or Pliocene age (less than about 8 million years ago).

It is proposed that as mineralising fluids sourced from the intrusive magmas migrated upwards, they were possibly focussed or concentrated along a suite of North to North-East striking faults as well as along earlier more horizontal foliations or imbricate thrust and/or extensional faults (Figure 3). This has resulted in a combination of dominantly shallowly dipping (foliation parallel) mineralisation and steeply dipping cross-cutting mineralisation locally with higher grades (Figure 4). The mineralisation appears to occur within a variety of different host rocks, including meta-sedimentary sequences and basement gneisses and intrusives.

3.7 Mineralisation and Structure

The current Mineral Resources at the Awak Mas Gold Project occur within three distinct and spatially separate deposits known as Awak Mas, Salu Bulo, and Tarra Main deposits.

The Awak Mas deposit is centrally located in the CoW area, and mineralisation is structurally controlled by oblique normal faults, extensional shears and fractures that developed in response to extensional deformation. Awak Mas is comprised of five mineralised domains (Mapacing, Ongan, Lematik, Tanjung and Rante) defined by location relative to three faults (the Chinese, Garlic and Discovery Faults).

As noted in **section 3.9**, Nusantara has planned drilling to aid in the conversion of currently Inferred Mineral Resources to Indicated Mineral Resources and to potentially define additional material in the area of, but presently outside of, the current MRE[5]. Figure 6 shows a typical section and proposed drill holes.

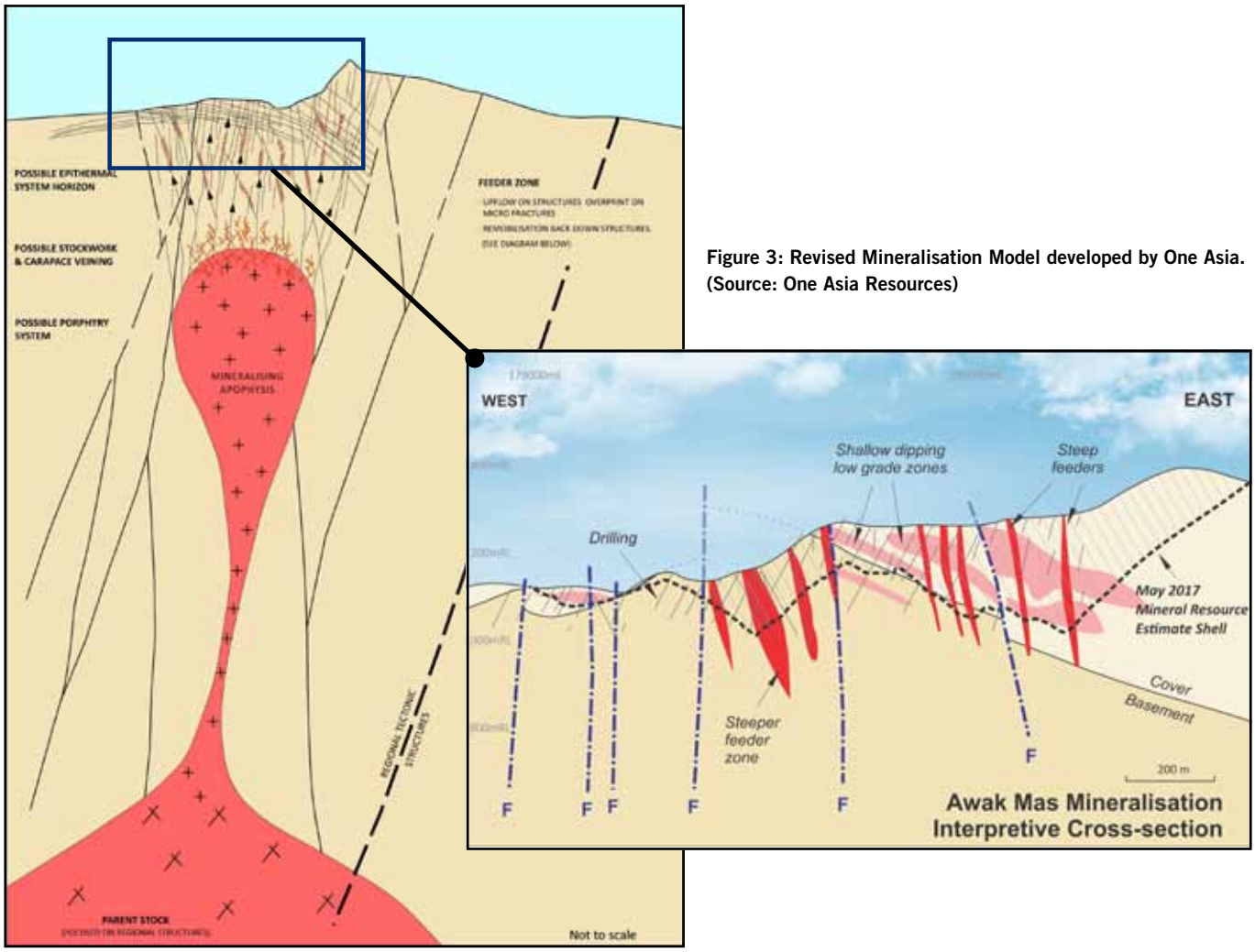

Figure 3: Revised Mineralisation Model developed by One Asia. (Source: One Asia Resources)

5. The potential quantity and grade of the targeted MRE upgrade and Exploration Target estimate are conceptual in nature. There has been insufficient exploration completed in the areas of the targeted MRE upgrade and Exploration Target and it is uncertain if further exploration will result in the estimation of a Mineral Resource or an upgrade of resource category.

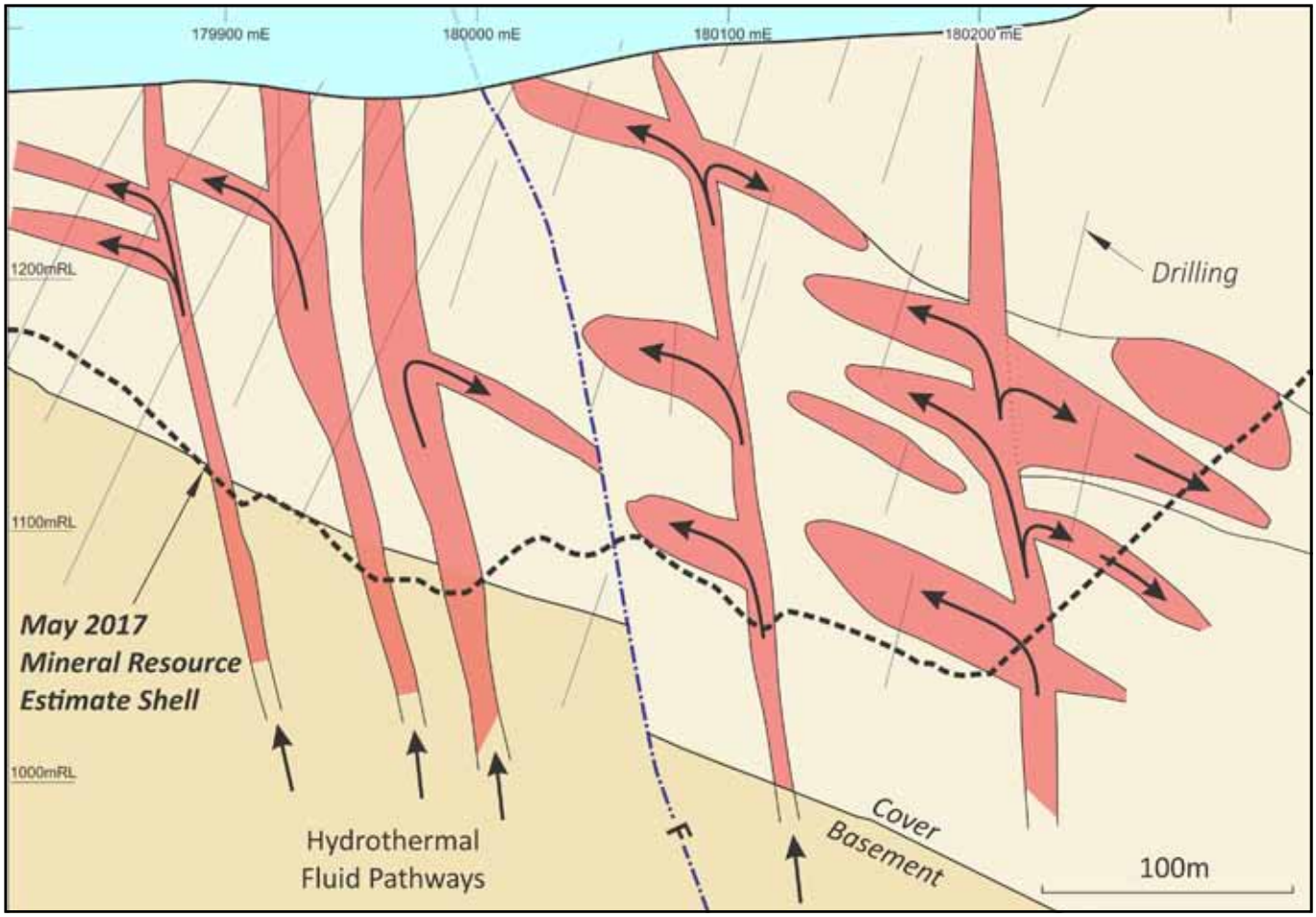

Figure 4: Cartoon cross section of mineralisation model developed by One Asia (Source: One Asia)

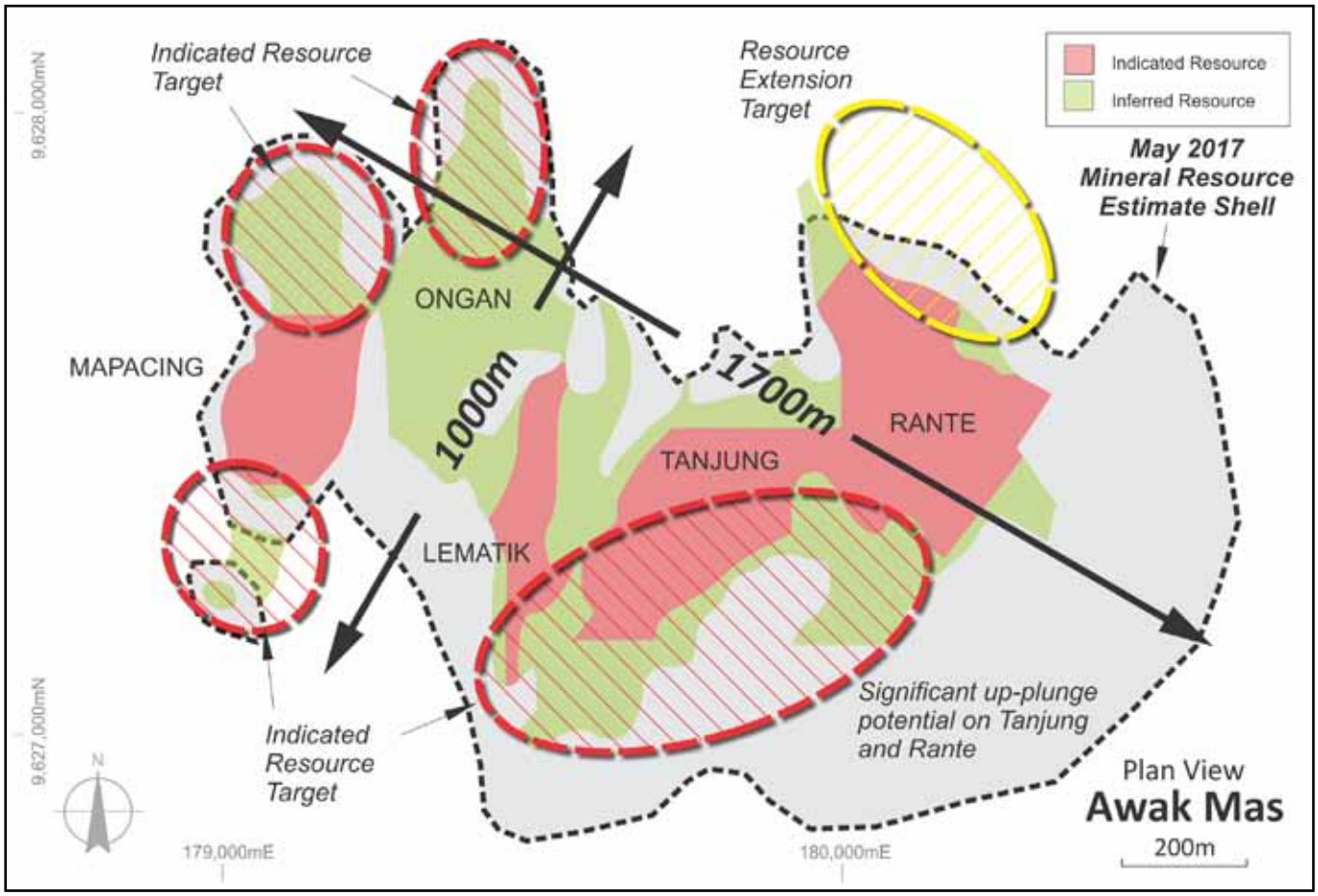

Figure 5. – Awak Mas Deposit Domains

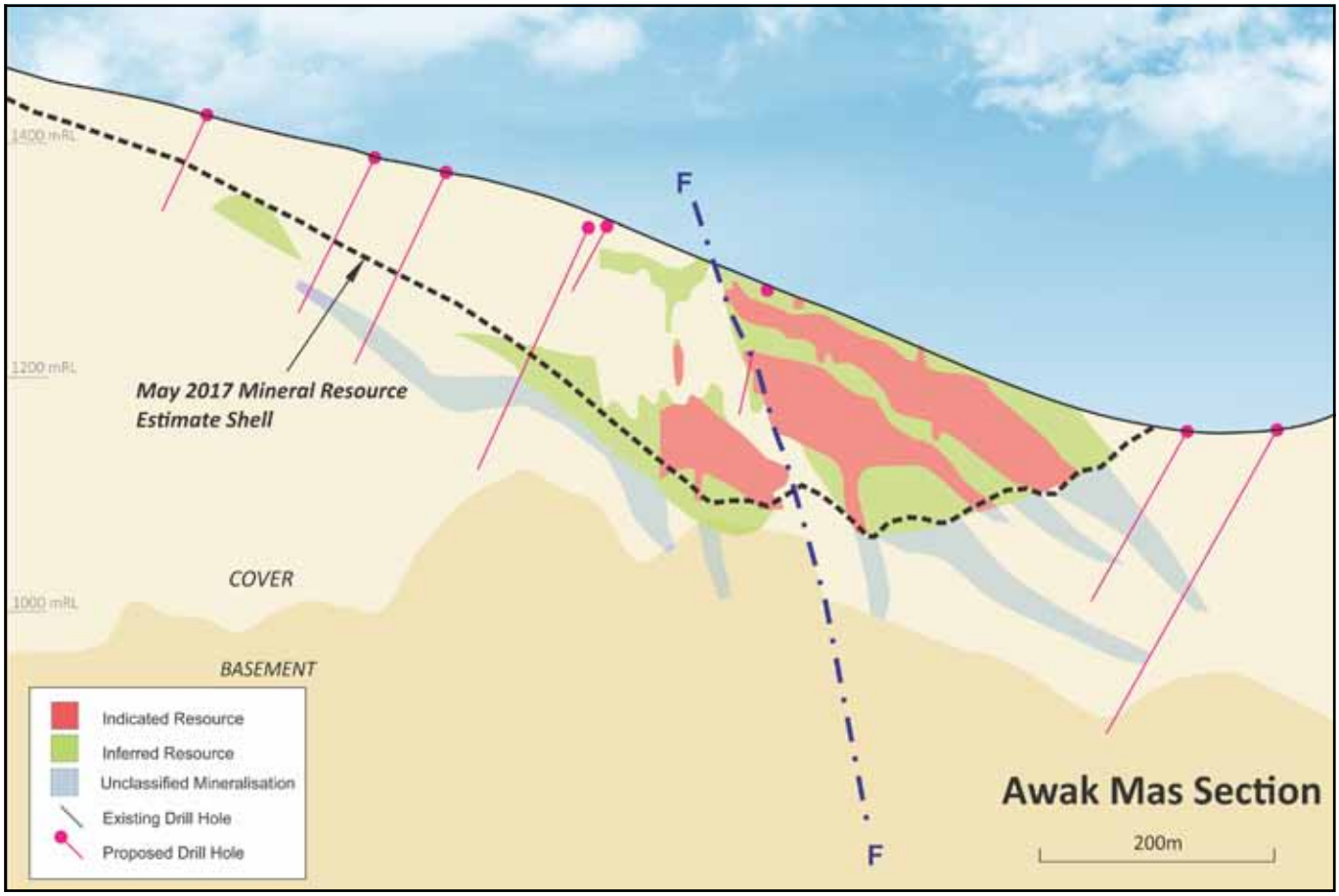

Figure 6 – Awak Mas Deposit Typical Section and proposed drill holes.

The Awak Mas deposit has mineralisation related to silica-albite-pyrite alteration and there is good correlation between pyrite content and gold grades. The two principal styles of mineralisation identified at Awak Mas are:

Near-Horizontal or Foliation Parallel: this style is prevalent in the Mapacing, Ongan, Rante and Tanjung domains, where quartz veins have formed in sediments of the cover sequence with alteration. The zones of quartz mineralisation, normally a series of sub-horizontal layers, generally follow bedding, foliation, or early stage, pre-mineralisation age faults. This mineralisation style has broad, lateral extent, and greatly exceeds the thickness of the quartz vein zones. Low-angle faults between these mineralised bodies are the main controls on gold mineralisation, perhaps because these faults allowed easy migration of the mineralising fluids.

Steeply Dipping: this style of mineralisation is found in the Lematic domain, and also at Salu Bulo and Tarra deposits. It is characterised by intense quartz stockworks and breccias in strongly silicified host rock. The mineralisation is associated with high angle faults cutting both the flysch cover sequence and basement metamorphic rocks. Quartz breccias are common, and breccia clasts are composed of quartz and silicified host rocks. Higher grade gold intercepts are thought to represent the main feeder zones to the mineralisation at Awak Mas.

The Salu Bulo deposit is located 1.8km to the southeast of the main Awak Mas deposit (see Figure 11) and contains a number of primary mineralised breccia structures (the Biwa, Bandoli and Lelating structures).

Figure 7: Core Photo – foliation conformable mineralisation from drill hole AMD142. (Approx. 65m downhole depth)

Figure 8: Core Photo – Steeply dipping mineralisation from drill hole AMD142 (81.6m down hole depth)

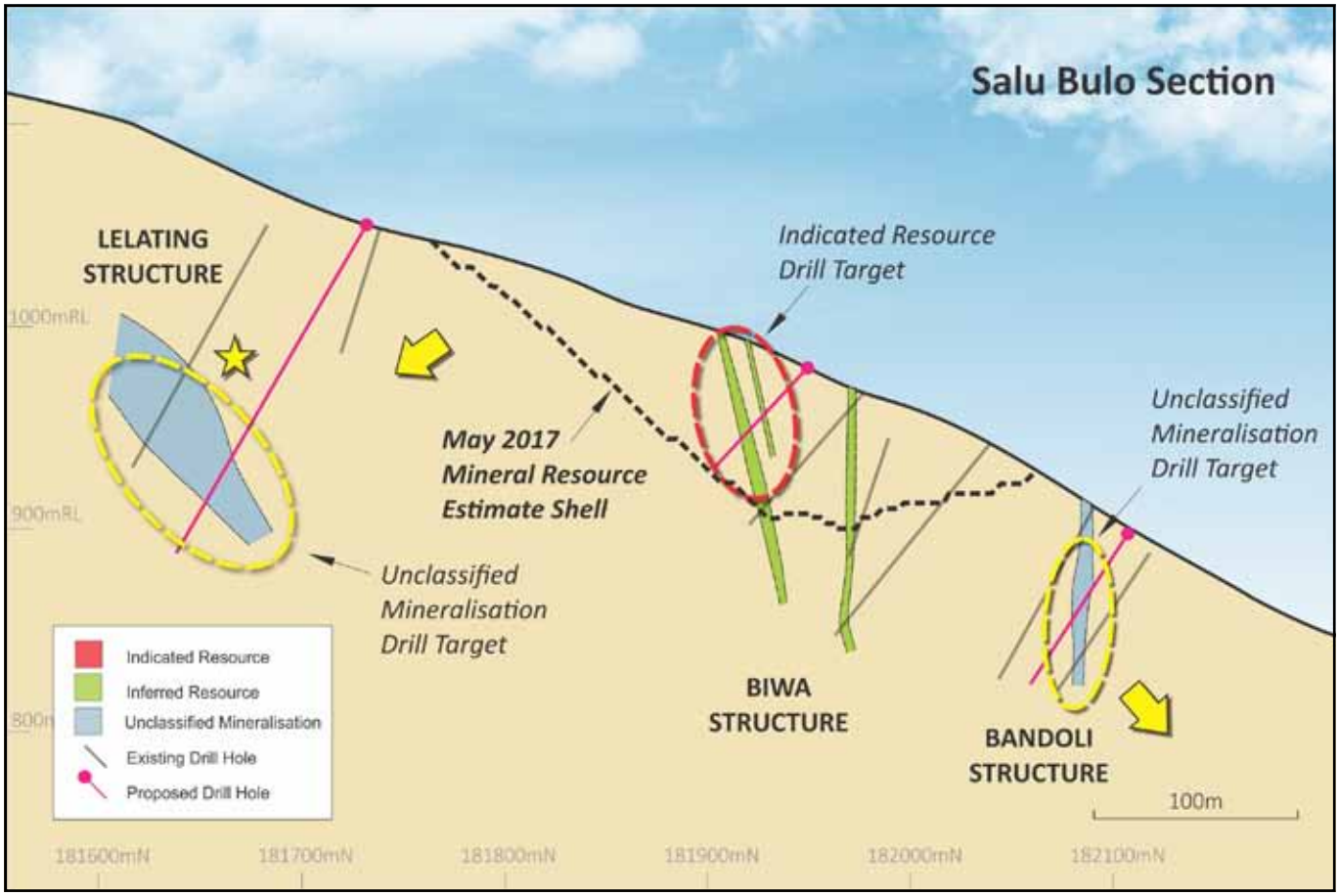

Figure 9: East-West stylised section through Salu Bulo deposit

Mineralisation at Salu Bulo remains open to the north and south and Nusantara plans to undertake additional mapping and surface sampling to fully test the extent of the mineralisation at this priority target. The current target is in excess of 700m long and 400m wide.

The Tarra deposit is located approximately 4km north of the Awak Mas deposit. The host-rock lithology at Tarra is dominantly poorly foliated meta-sedimentary rocks and deformed mafic intrusives. Mineralisation is associated with a zone of intense brecciation in the hangingwall to significant west dipping fault. The 1997 drill program indicated that mineralisation continues for 500m along strike of the basal fault structure.

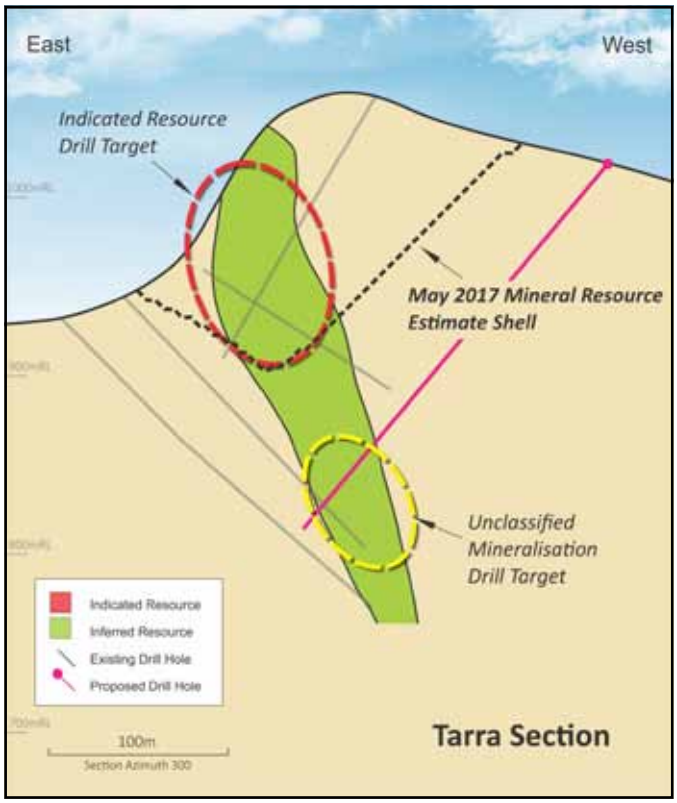

Figure 10: East-West stylised section through Tarra deposit.

3.8 Mineral Resources

The JORC 2012 Mineral Resource estimates for the Awak Mas Gold Project (announced 9 May 2017) as tabulated below in Table 1 using a 0.5 g/t Au cut off.

A material component of the estimated Mineral Resources are in the "Inferred" category, which is the lowest resource categorisation under the JORC Code. According to the commentary accompanying the JORC Code, "the Inferred category is intended to cover situations where a mineral concentration or occurrence has been identified and limited measurements and sampling completed, but where the data are insufficient to allow the geological and/or grade continuity to be confidently interpreted. Commonly, it would be reasonable to expect that the majority of Inferred Mineral Resources would upgrade to Indicated Mineral Resources with continued exploration. However, due to the uncertainty of Inferred Mineral Resources, it should not be assumed that such upgrading will always occur. Confidence in the estimate of Inferred Mineral Resources is usually not sufficient to allow the results of the application of technical and economic parameters to be used for detailed planning. For this reason, there is no direct link from an Inferred Resource to any category of Ore Reserves. Caution should be exercised if this category is considered in technical and economic studies."

3.9 Targeted MRE Upgrade and Exploration Target

Nusantara has planned an initial drill program of 8,050m to aid in the conversion of currently Inferred Mineral Resources to Indicated Mineral Resources which lie within the US$1,400 pit shell optimised to the current MRE. In addition, Nusantara has identified an Exploration Target to define additional material in the area of, but presently outside of, the current MRE. **The potential quantity and grade of the targeted MRE upgrade and Exploration Target estimate are conceptual in nature. There has been insufficient exploration completed in the areas of the targeted MRE upgrade and Exploration Target and it is uncertain if further exploration will result in the estimation of a Mineral Resource or an upgrade of resource category.**

The MRE category upgrade is targeting up-grading approximately 0.2-0.4 Moz Au from Inferred to Indicated category, which comprises 7-8 Mt at 1.0-1.5 g/t Au within a constraining US$1,400 pit shell optimised to the current MRE. If successful, up to 90% of the Awak Mas MRE may be in the Indicated Resource category.

The potential MRE upgrade of approximately 0.2-0.4 Moz Au is based on the following methodology:

- Areas of Inferred Mineral Resources being targeted by the drilling were wireframed to give approximate boundaries of

Table 1: Awak Mas Mineral Resource Estimate (May 2017) at 0.5 g/t Au cut-off and constrained by US$1,400/oz pit shell.

Mineral Resource Estimates – May 2017				
	Classification	Tonnes Mt	Au Grade g/t	Contained Gold Moz
Awak Mas	Measured	-	-	-
	Indicated	25.8	1.45	1.20
	Inferred	8.9	1.14	0.33
	Sub-total	34.7	1.37	1.53
Salu Bulo	Measured	-	-	-
	Indicated	0.7	2.65	0.06
	Inferred	0.6	2.39	0.05
	Sub-total	1.4	2.53	0.11
Tarra	Measured	-	-	-
	Indicated	-	-	-
	Inferred	2.3	1.34	0.10
	Sub-total	2.3	1.34	0.10
Total	Measured	-	-	-
	Indicated	26.5	1.48	1.26
	Inferred	11.9	1.25	0.48
	Total	**38.4**	**1.41**	**1.74**

Note:
1. All Mineral Resources are reported in accordance with the JORC Code (2012).
2. The May 2017 Mineral Resource is reported at a cut-off grade of 0.5 g/t Au and constrained within US$1,400 per ounce optimised pit shells.
3. All figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding.

material that could be upgraded to Indicated. The estimated grades and tonnes within these defined areas were reported from the model; and

- Mineralisation (>0.5 g/t Au) that lies within or adjacent to the US$1,400 pit shell were wireframed where reasonable continuity at 0.5 g/t Au could be assumed (Awak Mas deposit only). These areas define the drilling targets for additional resources and the average MRE grade and density (2.65 t/m3) were assigned to the mineralised volume to enable quantification of the Exploration Target size.

The Exploration Target is defined as 0.3 Moz to 0.5 Moz Au of material comprising 7-10 Mt at 1.3-1.5 g/t Au outside of the current MRE, but within or adjacent to a constraining US$1,400 pit shell optimised to the MRE.

The Exploration Target has been derived using the following methodology:

- Potential additional resources are in areas of mineralisation previously defined by drilling that lies between the MRE US$1,200 pit shell and the outer bounding US$1,400 pit shell as optimised to the current MRE; and
- The volume of influence from the proposed drilling in these areas was wireframed and the average grade and density (2.65 t/m^3) from the current MRE were assigned to enable quantification of the Exploration Target size.
- For Salu Bulo this also included the mineralised but poorly defined Lelating area which lies 300m to the west along a parallel structure and lies outside of both the pit shells.

Please refer to the ITAR in **section 6** for additional information including images outlining the related planned drilling programs.

In the event that more than the Minimum Subscription is raised, the net funds are intended to be applied to further drilling planned to target extensions of the known deposits and prioritised regional targets.

3.10 Exploration Areas

Nusantara has planned an additional 800-1,000m of drilling proposed to be completed to test regional prospects to assess their potential to define additional resources within the Awak Mas Gold Project area. The CoW is over 14,390 hectares in area and within which

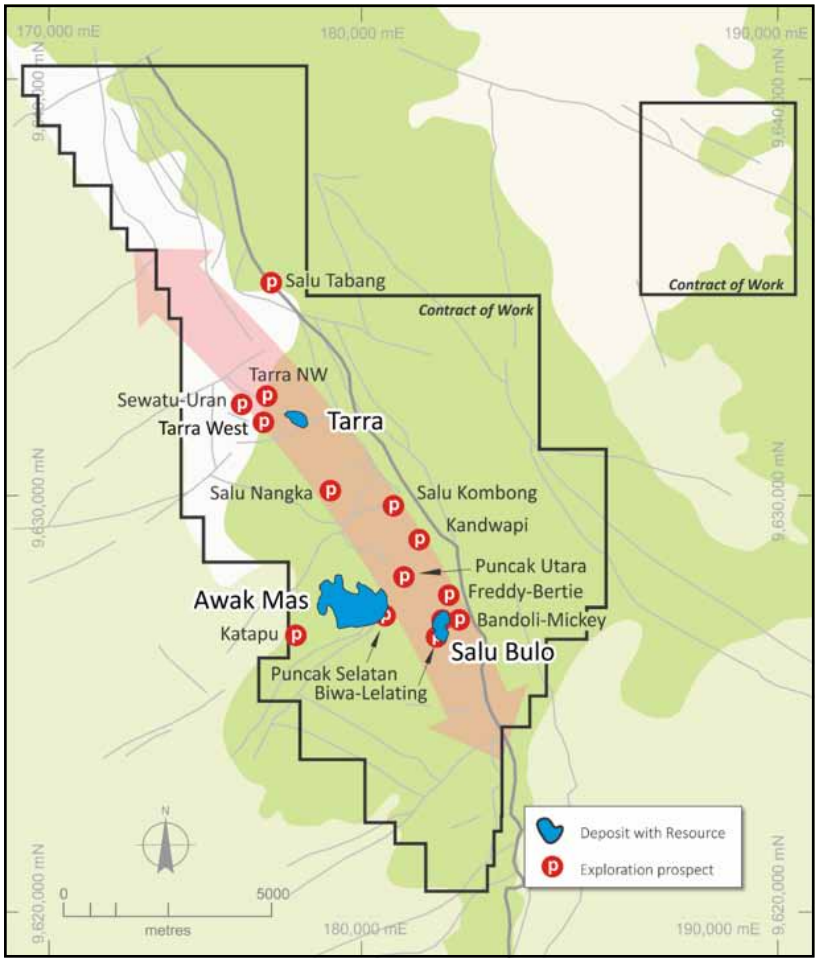

Figure 11: Corridor of defined exploration prospects within the Awak Mas Gold Project.

multiple additional prospects have been identified (Figure 11). These range from early surface geochemical anomalism to mid-stage drill projects with significant drilling intercepts. The majority of these targets occur in a generally north-northwest to northwest trending corridor adjacent to a major geological break between lower Latimojong Metamorphic Complex to the west and overlying thrust emplaced Lamasi Complex to the east. Figure 12 summarises some of the results obtained from drilling associated with these prospects and highlights the additional exploration potential.

3.11 Development Study History

CSA Global Pty Ltd completed a review of past pre-feasibility studies related to previous MREs. Results and findings focussed on the December 2012/ February 2013 PFS prepared by Australian Mine Design and Development Pty Ltd and AMEC Australia Limited as well as the updated PFS in November 2014 completed by Resindo Resources Indonesia. The findings are further documented in the ITAR. However, since these initial studies, the MRE has materially changed. Nusantara plans to undertake a DFS on the Awak Mas Gold Project to define the scope and scale of the project and document the investment case. The DFS aims to upgrade the previous study work for the processing, engineering, tailings storage facility and support areas to DFS accuracy. Key decisions for the DFS include optimising the mine design, schedule and operation and confirming the optimal processing flowsheet and engineering and costing of the final plant.

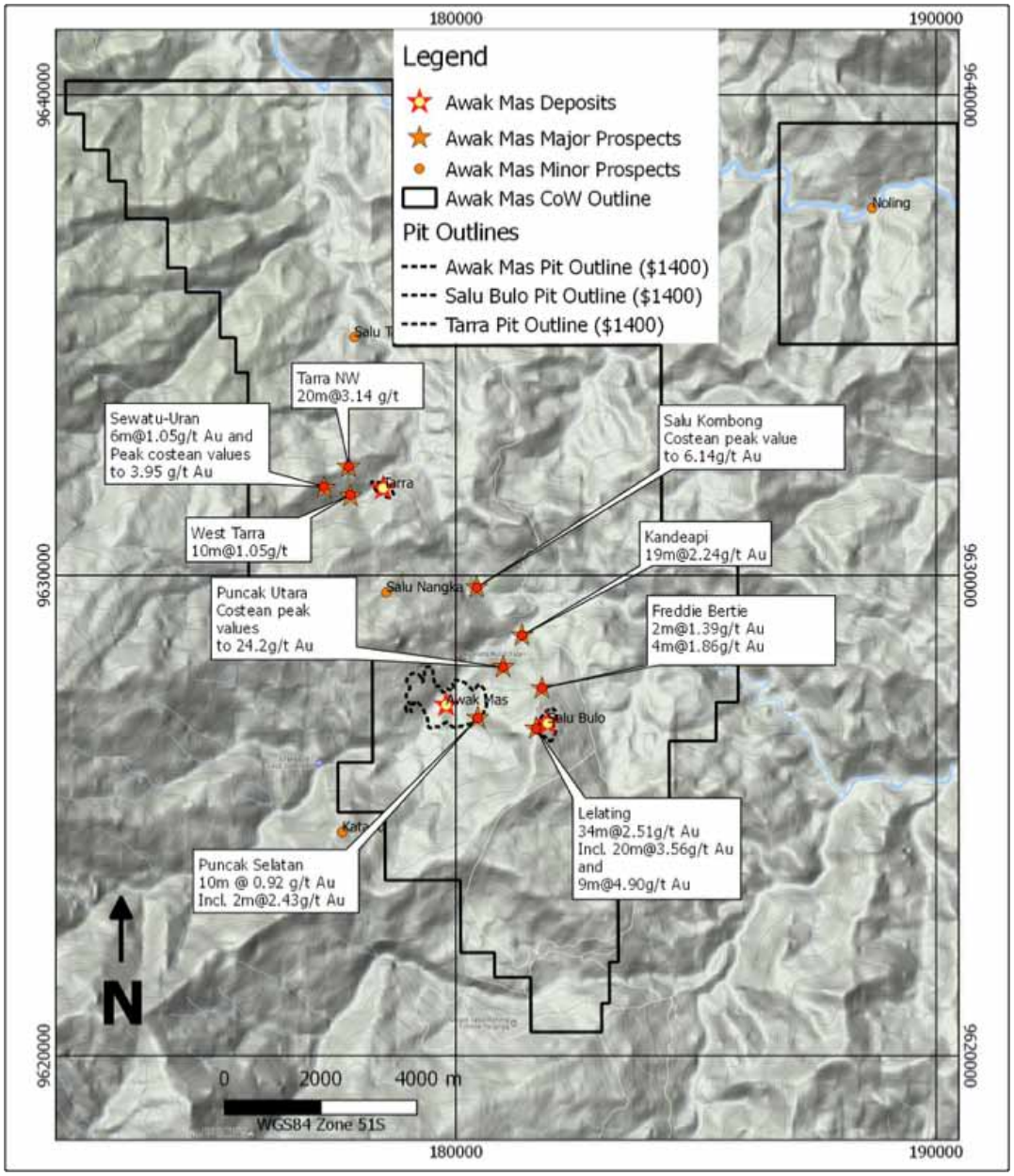

Figure 12: Awak Mas deposits and regional prospect locations showing selected significant intercepts. For more detail consult the ITAR in section 6.

3.12 Mining Options

All pit optimisations associated with the revised MRE completed in May 2017 by Cube Consulting Pty Ltd were undertaken at US$1,400 per ounce of gold, generated in Whittle software and, subsequently, modifying factors associated with potential mine scenarios were investigated with respect to the generated theoretical pit shells. Key conclusions by Cube Consulting Pty Ltd, include:

- Work to date for Awak Mas indicate that the deposits are best suited to open cut mining using a conventional mining fleet and excavators. Conventional open pit mining is planned using contract mining. Awak Mas and Salu Bulo final pit slopes range in angle from 35° in weathered rock to 43° in fresh rock with 12m high benches. Berms in weathered rock are 5m wide and 6m wide in fresh rock. The key challenge is topography with a high pit wall on the southern side of Awak Mas. One operational benefit is the flexibility bestowed by several pits rather than a single pit;
- Selection of suitable mining equipment will be a key decision in order to suit the geometry of the Awak Mas orebody and the site conditions. For the 2014 PFS, a mining fleet with the same dump truck capacity matched with two differently sized excavators had been selected with a preference for a contractor style arrangement. The DFS will need to examine these options in terms of project value and operational risk profile; and
- Hydrology studies to date have been generally sound, but have been based on limited site visits, limited topographic data and limited ground water test work and data. These updates need to take place in the DFS due to site factors such as rugged terrain, high rainfall, potential for landslides and water management.

3.13 Processing Options

The 2012 PFS was based on a plant throughput of 3.5 Mtpa whereas the 2014 PFS was based on a 2.5 Mtpa throughout. The 2.5 Mtpa plant option would have significantly lower capital costs and provide a reduced footprint for a site with steep terrain.

The Company has developed a processing flow sheet based on extensive testwork involving:

- 2 stage crushing;
- Gravity circuit;
- Ball & Semi Autogenous Grinding Mills;
- Flotation Circuit; and
- Cyanide Leach.

Combining recoveries between gravity captured free gold, flotation on gravity tails, and fine grinding with cyanidation of the concentrate, based on existing metallurgical testwork, shows indicative recoveries of approximately 90%.

Recent work undertaken suggests that the deposit is also amendable to treatment by a standard CIL circuit. Test work indicates that the ore is of moderate hardness but with a high degree of variability.

3.14 Infrastructure

The Awak Mas Gold Project is located in the Luwu Regency of Southern Sulawesi and the nearest major town is the coastal port of Palopo which is approximately 67 kms northeast of the project site, and is intended to be used for hauling fuel and providing services for the project.

Awak Mas has a well-established camp and access road. Approximately 45 km of the road from the regional highway to the mine site will require upgrading. An abundant water supply is available from the local river system. Opportunities for grid power exist within the area, with high voltage grid power transmission infrastructure being installed along the East Coast of Southern Sulawesi passing approximately 30km from the Awak Mas Gold Project. Nusantara has been in advanced discussions with the Indonesian power utility, PT Perusahaan Listrik Negara (PLN), with PLN providing an indicative quote for providing transmission infrastructure and electricity to the site.

All process plant residues are planned to be detoxified prior to being gravity fed by pipeline to the Tailings Storage Facility (TSF) located in the Kandeapi Valley 2.5 km east of the processing facility.

3.15 Permitting and Approvals

Permitting for project construction of the Awak Mas Gold Project is advancing with key AMDAL (environmental impact assessment) and Indonesian feasibility permits received, and the CoW is currently undergoing the process to transition from the 'Feasibility Phase' to the three-year 'Construction Phase' of the CoW, after which a 30-year production period applies.

The majority of the CoW, and all active areas for anticipated operations, is situated in land classified as Area Penggunaan Lain (APL) (land for other uses), a non-protected forest area that allows for activities beyond agriculture such as mining.

3.16 Vista Royalty

Nusantara granted a 2% net smelter return royalty to Vista Gold Corp on the first 1.25 Moz of gold production and 2.5% on the next 1.25 Moz as part of the acquisition of the project in December 2013.

Nusantara holds a right of first refusal in the event that Vista Gold Corp intends to sell all of its right, title and interest to the royalty.

3.17 Environment and Community

Nusantara acknowledges that support of the local community is key to achieving the successful development of the Company's Awak Mas Gold Project. Nusantara's proposed community and social development plans are directed at establishing a solid, long-term relationship and encouraging communities to become active partners in the development of the mineral resources found in their areas.

The review work undertaken to date by the Company of key environmental and community impacts identified with the construction and operation of a gold mine in this setting included:

- Local and downstream impacts due to mine runoff, acid mine drainage, soil and land stability, waste rock and overburden management, and flooding;
- Terrestrial and aquatic biodiversity impacts; and
- Rehabilitation and de-commissioning of project facilities and infrastructure, and mine closure.

From a social perspective, potential impacts were identified as being associated with loss of land due to project infrastructure and possible community household relocation, impacts on amenity and social infrastructure, in-migration, local administration capacity, landowner concerns, increased direct employment opportunities and family incomes, improvement in infrastructure and post-closure maintenance of infrastructure and revenue streams.

Nusantara has engaged with the community and government departments to ensure that these impacts are manageable. Careful management and additional environmental and social investigations are required to adequately address these and support the development of appropriate avoidance, management and mitigation measures would be compiled in a comprehensive environmental management plan for the operations.

Stakeholder engagement is a vital component of all stages of Nusantara's activities. Aligned with Nusantara's 'Community Development Programs', the aim is to create a safety conscious environment that supports Nusantara's vision and is friendly and beneficial for the local community. Nusantara is aware that community development and corporate social responsibility are important factors to the success and sustainability of our business. It is hoped that continuous involvement of Nusantara,

together with key stakeholders, will improve the quality of facilities and infrastructure available to the communities around the immediate mining area.

In consultation with the local community, Nusantara has launched and assisted with social development programs that focus on improving education, health, and social well-being of its community partners.

In accordance with prevailing Indonesian regulations, budgets for corporate and social responsibility will become part of Nusantara's development plans to be detailed in the DFS.

3.18 Safety

Nusantara is committed to the safety of its employees and contractors at site. The Awak Mas Gold Project has a designated Safety Officer and a designated incident response team for any on-site emergencies. Training is also provided to local employees on Nusantara's safety procedures. To date, Nusantara has a zero incidence of any severe on-site injuries.

3.19 Land Ownership

Nusantara anticipates it will need to enter into agreements with the owners of land to allow access to and use of the land necessary for the Awak Mas Gold Project.

Nusantara will commence negotiations with the owners of any additional relevant land required for the development of a potential mine site or associated infrastructure upon determining the viability of such an operation. Further discussion of possible risks related to entering into arrangements with the owners of the relevant land is contained in **section 4** of this Prospectus. The Company has defined a three-stage strategy to address issues related to required land acquisition:

- Survey owner land boundaries within the Awak Mas Gold Project development area with the owner required to provide evidence of ownership;
- Socialise Company policy to locals providing the owner with the opportunity to negotiate, agree and sign-off on the price of their land with the Company; and
- Pay out the agreed and signed compensation to the land owner.

3.20 Doing Business in Indonesia

Indonesia is an archipelago of more than 17,000 islands, of which about 6,000 are populated, straddling the equator in southeast Asia. The country has 33 provinces sub-divided into regencies and cities, which are collectively the key administrative units responsible for providing government services. Indonesia is a developing nation with an estimated population of 253 million people, who are predominantly Muslim with an estimated GDP per capita of US$3,500. The country is a republic with a democratically elected President who is both chief of state and head of government.

Indonesia currently has a high growth rate with a real GDP growth rate of 5.02% year-on-year to 2016 and has a forecast growth rate of 5.1% for 2017. Indonesia is the sixteenth largest economy in the world and is classified as 'newly industrialised'.

Indonesia has a large domestic economy with a growing middle to upper class. As a unitary state, power is concentrated in the central government. Following the resignation of President Suharto in 1998, Indonesia's political and government structures have undergone major reforms. Indonesia's foreign relations since the Suharto "New Order" have included economic and political cooperation with Western Nations. Indonesia maintains close relationships with its neighbours in Asia, and is a founding member of ASEAN and the East Asia Summit as well as a member of the G20.

In 2016, Indonesia was the world's 9th largest gold producer, with production of some 100 metric tonnes. Minerals and related products are some of Indonesia's most important sources of foreign currency. The country is home to one of the world's largest gold mines, Freeport-McMoRan Inc.'s Grasberg operation in West Papua Province. Other mining operations includew PT Amman Mineral Nusa Tenggara's Batu Hijau copper-gold mine in West Sumbawa, Newcrest Mining Limited's Gosowong gold mine on Halmahera Island, PT Archi Indonesia's Toka Tindung mine in North Sulawesi, PT Agincourt Resources' Martabe project in Sumatra and Merdeka Copper and Gold's Tujuh Bukit gold heap leach project in East Java.

3.21 Legal framework of Indonesia

The laws and regulations that regulate the mining industry are divided into those laws that directly regulate mining activities and those that do not specifically regulate mining, but must be complied with when carrying out mining or related activities. These laws are explained in detail in the Appendix to the Indonesian Solicitor's Report on Mining Tenements.

See **section 3.3** for further details on the mining and regulatory regime in Indonesia, and **section 4** for further detail on risks relating to Indonesia.

3.22 Purpose of the Offer and Use of funds

The purpose of the Offer and the proposed use of funds raised from the Offer is to:

- Fund in-fill and exploration drilling of the Awak Mas Gold Project;
- Fund the completion of a DFS on the Awak Mas Gold Project;
- Fund the expenses of the Offer and the associated costs of listing the Company on ASX;
- Meet the ongoing administrative costs of the Company, current liabilities and provide working capital;
- Provide a liquid market for Shares and an opportunity for new Shareholders to invest in the Company; and
- Provide the Company with access to the equity capital markets.

In conjunction with the Offer, the Company is seeking admission to the Official List of ASX and quotation of its Shares.

Details of the cost of the Offer are set out in **section 10.10.**

In the event that more than the Minimum Subscription is raised, the net funds are intended to be applied to further drilling to target extensions of the known deposits and prioritised regional

Description	Minimum Subscription	Maximum Subscription
Available funds	**(A$'000)**	**(A$'000)**
Funds to be raised under the Prospectus	15,000	20,000
Total funds available	15,000	20,000
Expenditure		
Drilling – Resource and Exploration	4,600	9,300
Awak Mas operations	1,600	1,600
Definitive Feasibility Study	3,800	3,800
Advisory and equity raising fees of the Offer	1,300	1,600
Administrative costs, current liabilities and working capital	3,700	3,700
Total expenditure	**15,000**	**20,000**

targets.

Expenditure for current liabilities as reflected within the pro forma Historical Statement of Financial Position in **section 7**, with anticipated payments of approximately A$850,000 with respect to provisions for VAT, and withholding tax, and penalties.

The use of funds set out above represents Nusantara's current intentions based upon the present plans and business conditions. The amounts and timing of the actual expenditures may vary significantly and will depend upon numerous factors, including the timing and success of Nusantara's exploration and development efforts.

04 RISK FACTORS

4.1 Introduction

There are a number of risks and uncertainties, both specific to Nusantara and of a general nature, which may, either individually or in combination, affect the future operating and financial performance and/or financial position of Nusantara, its prospects, and/or the value of the Shares. Many of the circumstances giving rise to these risks are beyond the control of Nusantara, its Directors and management.

This section describes certain specific areas that Nusantara believes to be the key risks associated with an investment in Nusantara. Investors should specifically consider the factors contained in this section in light of their own investment objectives and financial circumstances, and should consider seeking professional advice from their accountant, stockbroker, lawyer or other professional advisor before deciding whether to invest in Shares.

Prospective investors should note that this section is not an exhaustive list of the risks associated with an investment in Nusantara and it should be considered in conjunction with other information disclosed in this Prospectus. Additional risks and uncertainties that Nusantara is unaware of, or that it currently does not consider to be material, may also become important factors that may have an adverse effect on Nusantara's future financial performance and financial position.

There can be no guarantee that Nusantara will achieve its stated objectives, that forecasts will be met or that forward-looking statements will be realised. In addition, the price of Shares may rise or fall and the prices at which Shares are traded may be above or below the Offer price.

Prior to deciding whether to invest in Nusantara, potential investors should read the entire Prospectus and consider at least the following risk factors in light of their personal circumstances and investment objectives (including financial and taxation issues) and seek professional advice from their accountant, stockbroker, lawyer and other professional adviser.

The operating and financial performance and position of the Group, the value of Shares and the amount and timing of any dividends that the Company may pay will be influenced by a range of factors. Many of these factors will remain beyond the control of the Group and the Directors. Accordingly, these factors may have a material effect on the Group's performance and profitability which may cause the market price of Shares to rise or fall over any given period.

This section identifies the areas the Directors regard as major risks associated with an investment in the Company. This list is not intended to be an exhaustive list of the risk factors to which the Group is exposed.

4.2 Specific Risks Related to the Industry and Operations

The business activities of Nusantara are subject to a number of risks and uncertainties that could affect Nusantara and the industry in which it operates. If such risks are realised, these factors may substantially impact Nusantara's future financial performance and/or financial position. The Directors have identified a number of specific risks related to Nusantara's business that should be taken into account before investors make an investment decision, including the following:

Estimation of Mineral Resources

Estimating the quantity and quality of Mineral Resources is an inherently uncertain process and the Mineral Resources stated in this Prospectus and any Mineral Resources or Ore Reserves that Nusantara states in the future are and will be estimates and may not prove to be an accurate indication of the quantity and/or grade of mineralisation that Nusantara has identified or that it will be able to extract, process and sell.

MREs (including those contained in this Prospectus) are expressions of judgement based on knowledge, experience and industry practice. MREs are necessarily imprecise and depend to some extent on interpretations and geological assumptions, the application of sampling techniques, estimates of commodity prices, cost assumptions, and statistical inferences which may ultimately prove to have been unreliable.

The inclusion of MREs should not be regarded as a representation that these amounts can be economically exploited and investors are cautioned not to place undue reliance on MREs, particularly Inferred Resource estimates, which, as discussed in **section 3.8**, are highly uncertain.

Consequently, MREs are often regularly revised based on actual production experience or new information and are therefore expected to change. Furthermore, should Nusantara encounter mineralisation or formations different from those predicted by past drilling, sampling and similar examinations, Nusantara's MREs may have to be adjusted and mining plans, processing and infrastructure may have to be altered in a way that might adversely affect Nusantara's operations. Moreover, a decline in the price of gold, increases in production costs, decreases in recovery rates or changes in applicable laws and regulations, including environment, permitting, title or tax regulations, that are adverse to Nusantara, may mean the volumes of mineralisation that Nusantara can feasibly extract may be significantly lower than the MREs indicated in this Prospectus. If it is determined that mining of certain of Nusantara's Resources and the Reserves derived from them have become uneconomic, this may ultimately lead to a reduction in the quantity of Nusantara's aggregate Resources being mined, or result in Nusantara deciding not to proceed with the project.

If Nusantara's actual Resources are less than current estimates, Nusantara's prospects, value, business, results of operations and financial condition may be materially adversely affected.

Exploration and Operations

The current and future operations of Nusantara, including exploration, appraisal, development and possible production activities may be affected by a range of exploration and operating factors, including:

a) Geological conditions;
b) Limitations on activities due to seasonal or adverse weather patterns;
c) Alterations to program and budgets;
d) Unanticipated operational and technical difficulties encountered in geophysical surveys, drilling, metallurgical laboratory work and production activities;
e) Mechanical failure of operating plant and equipment, industrial and environmental accidents, acts of terrorism or political or civil unrest and other force majeure events;
f) Industrial action, disputation or disruptions;
g) Unavailability of transport or drilling equipment to allow access and geological and geophysical investigations;
h) Unavailability of suitable laboratory facilities to complete metallurgical testwork investigations;
i) Failure of metallurgical testing to determine a commercial viable product;
j) Shortages or unavailability of manpower or appropriately skilled manpower;
k) Unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment;
l) Prevention or restriction of access by reason of inability to obtain consents or approvals.

Development Issues

If Nusantara makes a decision to proceed with developing the Awak Mas Gold Project to the production stage, the process of developing and constructing the mine will be subject to additional risks, including those set out in this section.

While Nusantara would make a decision to proceed to production only after completing feasibility studies, which will be prepared with a higher level of detailed investigation and therefore a higher degree of assumed accuracy than the work completed to date, there will remain a risk that economic and technical estimates and assumptions will prove to be inaccurate, and unforeseen factors will result in outcomes that are materially less favourable than those estimated or assumed in the feasibility study.

There are many uncertainties that are inherent in developing a mining project, including:

- The availability of capital to finance feasibility studies, construction and development activities;
- The timing and cost of constructing mining and processing facilities and related infrastructure;
- The availability and cost of skilled labour, power, water and transport; and
- The need to obtain necessary governmental permits and the timing of those permits.

As with any mining project, Nusantara may experience unexpected problems and delays during development, construction and mine start-up. Even if mining commences, there is a risk that the geology of the mines will be more complex than Nusantara's geological investigations have indicated, and that the ore extracted will be lower grade or have different metallurgy than anticipated, which may increase mining costs, increase processing costs or result in lower recoveries.

Additional Funding Requirements

At the date of this Prospectus, Nusantara has no income producing assets and will generate losses for the foreseeable future. Nusantara must fund a significant amount of capital expenditure in order to commence production at the Awak Mas Gold Project.

Nusantara will use the proceeds of the Offer to fund further drilling and work programs to progress the Awak Mas DFS however, funds raised under the Offer will not be sufficient for expenditure expected to be required for any development of the Awak Mas Gold Project beyond this milestone, including the works required to complete construction of, and commence production at, the project.

The Company expects to raise additional funds for working capital and in order to finance its projected capital expenditure at the Awak Mas Gold Project, potentially by raising debt and/or equity, or through entry into joint venture arrangements. However, if these funding alternatives do not eventuate or are insufficient the Company may need to raise additional equity. Any additional equity financing may be dilutive to Shareholders, and debt financing (including lease financing of equipment), if available, may involve restrictions on financing and operating activities.

There is no assurance that the Company will be able to obtain or access additional funding when required, or that the terms associated with that funding will be acceptable to the Company. If such funding is not obtained, Nusantara will be unable to proceed with the Awak Mas Gold Project, which would adversely affect its business, financial condition and operating results and its ability to continue as a going concern or its ability to pay its debts as and when they fall due. It could also jeopardise Nusantara's ownership of the CoW.

Also, no guarantee or assurance can be given as to whether the Awak Mas Gold Project can be developed to the stage where it will generate positive cashflow or the timing of this development. As such, the Awak Mas Gold Project is dependent on many factors, for example exploration success, positive DFS outcomes, subsequent mine development, commissioning and operational performance.

These conditions, along with the other matters as set forth in **section 7** indicate the existence of a material uncertainty that may cast significant doubt about Nusantara's ability to continue as a going concern and to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the Nusantara pro forma historical statement of financial position.

Lack of Operating History

Nusantara has never developed or managed a fully operational mining operation facility. Nusantara was incorporated on 9 May 2011 and its only operation is in connection with the Awak Mas Gold Project. Accordingly, Nusantara has no experience in building or operating mining or processing facilities.

While Nusantara's Directors and management have substantial experience in the mining industry, there can be no assurance that the Awak Mas Gold Project will experience results similar to those achieved by other companies or projects in which its Directors and management have been involved in the past. Nusantara's financial condition will depend upon the commercial viability and profitability of the Awak Mas Gold Project. Nusantara cannot provide any assurance that it will be able to commission or sustain the successful operation of the Awak Mas Gold Project, or that it will achieve commercial viability.

No Alternative Means of Generating Revenue

The Awak Mas Gold Project is the only business activity that Nusantara intends to undertake in the near term. Almost all of Nusantara's assets and resources will be employed in the DFS and potentially the development of the Awak Mas Gold Project. Until completion, the Awak Mas Gold Project will not generate income sufficient to cover Nusantara's expenses and until that time, Nusantara will have limited means of generating income or other gains (apart from interest, divestment of Masmindo shares or asset sales) or positive cash flows. If the Awak Mas Gold Project is not completed on schedule and in the manner anticipated, there could be a material adverse effect on Nusantara's financial condition.

Operations

Nusantara's future mining operations will be subject to operating risks that could result in decreased production which could reduce its revenues. Operational difficulties may impact the amount of gold produced, delay or increase the cost of mining for a varying length of time. Such difficulties include (but are not limited to) unexpected maintenance or technical problems; failure of key equipment; depletion of Mineral Resources; increased or unexpected reclamation costs; interruptions due to transportation delays; industrial and environmental accidents; industrial disputes; unexpected shortages or increases in the costs of consumables and spare parts; availability of water; availability and cost of power and other utilities; fires; adverse weather conditions and other natural disasters. Other difficulties may arise as a result of variations in mining conditions from those projected from drilling, such as geotechnical issues, variations in the amount of waste material, variations in geological conditions and the actions of potential contractors engaged by Nusantara to operate the Awak Mas Gold Project (including any breach of contract or other action outside the control of Nusantara). CSA Global Pty Ltd note in the ITAR in **section 6** that there is a medium to high geotechnical risk associated with the project due to the high rainfall, rugged topography, low permeability of the rock mass and potential for landslides.

Unforeseen geological, geotechnical or operational difficulties could also cause a loss of revenue due to lower production than expected, higher operating and maintenance costs and/or ongoing unplanned capital expenditure to meet production targets. Any such geological conditions may adversely affect Nusantara's financial performance.

A failure to obtain access (whether under a contractual arrangement or otherwise) to an adequate supply of capital equipment or consumables for use in Nusantara's operations could result in delays to the commencement of operations at the Awak Mas Gold Project, reduced production rates and increased costs.

Nusantara may consider opportunities for expansion and/or opportunities to acquire other mining and processing rights in the future. There can be no certainty that any expenditures made by Nusantara towards the search for, acquisition of or evaluation of mineral deposits or rights will result in commercial discoveries or acquisitions.

Licences and Permits

Nusantara is required under applicable laws and regulations to seek governmental concessions, permits, authorisations, licenses and other approvals, including in connection with its operating, producing, exploration and development activities. The Directors cannot predict whether the Company will be able to obtain all required permits or other authorisations for its current and future operations. Obtaining, retaining or renewing the necessary governmental concessions, permits, authorisations, licenses (including with respect to environment and water use) and approvals can be a complex and time-consuming process and may involve substantial costs or the imposition of unfavourable conditions. There can be considerable delay in obtaining the necessary permits and other authorisations and in certain cases the relevant government agency may be unable to issue a required permit or other authorisation in a timely manner.

The duration and success of permit applications are contingent on many factors that are outside Nusantara's control (including objections from local communities, non-government organisations or special interest groups). Failure to obtain a material licence or permit in connection with the Awak Mas Gold Project would adversely impact the ability to mine the Awak Mas Gold Project in an economically viable manner or at all.

Land Access

The Awak Mas Gold Project is situated on state-owned land in Indonesia. Under Indonesian law, a party may use state-owned land, provided that it has been granted the necessary land use rights by the competent local, federal or governmental authority.

In addition, there are certain regulatory requirements requiring agreements with other users of the land in respect of the Awak Mas Gold Project, including both legal land users and informal land users. Nusantara does not currently have such agreements in place, and will require land compensation arrangements to be agreed by both parties.

The cost and time of completing such agreements is contingent on many factors that are outside Nusantara's control (including objections from local communities, non-government organisations or special interest groups), and may not be able to be concluded. Failure to obtain such agreements in connection

with the Awak Mas Gold Project would adversely impact the ability to mine the Awak Mas Gold Project in an economically viable manner or at all.

Local Communities and Landowners

The development of the Awak Mas Gold Project will depend in part on maintaining good relations with the relevant local communities, particularly with respect to negotiations with a number of land owners which will be required to gain access to areas covered by the Awak Mas Gold Project. See **section 9** for additional information on surface rights. Not meeting community and social expectations with respect to compensation for land access, employment opportunities, impact on local businesses or other aspects of the Awak Mas Gold Project may lead to local dissatisfaction with the Awak Mas Gold Project, which in turn may lead to disruptions in Nusantara's proposed operations.

Mineral Title

Title to the mineral property rights held by Nusantara may be challenged or impugned. In Indonesia, the State is the sole authority able to control mineral property rights, and Nusantara's ability to maintain mineral rights will be partly dependent on government policy, rules for the use of minerals and compliance with any special conditions. In addition, some of the properties that Nusantara has acquired may be subject to prior claims, and Nusantara's rights to the properties may be affected by, among other things, undetected title defects.

Certain concessions, permits, authorisations, licenses or approvals held by Nusantara in respect of its operations, development of the Awak Mas Gold Project may be terminated under certain circumstances, which include the following:

(i) Failure by Nusantara to comply with any of its material general or special licence conditions or to gain an extension to the time period required for compliance with such conditions;
(ii) Failure to complete construction within the required timeframe;
(iii) Environmental and safety standards are not met;
(iv) Employment standards are not met;
(v) Nusantara operates in the licensed areas in a manner that violates applicable law;
(vi) Nusantara fails to provide information required or requested by authorities; or
(vii) Liquidation of the immediate license holder.

It is not always possible to comply with, or obtain waivers with respect to such requirements and it is not always clear whether the requirements have been properly complied with, or whether it is possible or practical to obtain evidence of compliance. In some cases, failure to comply with such requirements or to obtain relevant evidence may call into question the validity of the actions taken. Termination by any relevant governmental authority of any one or more of Nusantara's mining, development, exploration or other concessions, permits, authorisations, licenses or approvals could have a material adverse effect on Nusantara's business, results of operations, financial condition and prospects and may result in Nusantara being unable to proceed with the development, exploration or continued operation of the Awak Mas Gold Project.

The Mining Authority must notify Masmindo in writing if Masmindo is in non-payment default of the Masmindo CoW. Masmindo will have up to 90 days after receipt of such notice to remedy such default, failing which the Mining Authority may terminate the Masmindo CoW.

There have been ongoing negotiations between the Group and the GOI regarding possible amendments to the CoW, with the GOI seeking to more closely align the CoW with current mining law introduced many years after the CoW was signed. The Group has been negotiating in good faith with the GOI, including in principle agreement to adopt prevailing taxes and royalties (refer **section 11.10** for further details), with both parties envisaging that these negotiations would result in a CoW amendment agreement. To date no amendment agreement has been executed and negotiations are on-going.

The most significant GOI request outstanding surrounds the requirement for staged divestment following commercial production. The GOI is seeking staged divestment to Indonesian entities commencing in the fifth year of production (20% divestment) through to the tenth year of production (51% divestment), versus the Group's position of divestment of 40% at fair market value. While a divestment requirement does not apply to the CoW, this issue is being dealt with through on-going re-negotiations and it is possible that a divestment requirement will become applicable at some point. Notably the GOI prevailing sale pricing mechanism is unclear, and if adopted may result in divestment at a price lower than the market value. Refer to the Indonesian Solicitor's Report on Mining Tenements in **section 9** for further information.

Infrastructure and Utilities

A number of factors could disrupt the operation of the Awak Mas Gold Project, including natural events.

The Awak Mas Gold Project will require a power source sufficient to permit the conduct of the mining activities contemplated by Nusantara's mine plans. Currently, there is no high voltage power supply and infrastructure at the Awak Mas Gold Project, although Nusantara has been in advanced discussions with the Indonesian power utility, PT Perusahaan Listrik Negara (PLN), with PLN providing an indicative quote for providing transmission infrastructure and electricity. Any failure to procure such infrastructure or reliable power supply could have a material adverse effect on Nusantara's ability to carry out its business and mine plans and to achieve expected production at the Awak Mas Gold Project.

Water is used in mining operations for various purposes. Due to factors such as changing or difficult climate conditions (including drought), changes in allocations or government policy, continuing access to water cannot be guaranteed.

Commodity Prices

Nusantara may derive some of its future revenue from the sale of commodity products. Consequently, any earnings will be closely related to the price of these commodities.

Commodity prices fluctuate and are affected by numerous factors beyond the control of Nusantara. These factors include worldwide and regional supply, physical and investment demand for the specific commodity, prevailing commodity trading terms general world economic conditions and the outlook for interest rates, inflation and other economic factors on both a regional and global basis. These factors may have a positive or negative effect on Nusantara's exploration, project development and production plans and activities, together with the ability to fund those plans and activities.

Capital and Operating Costs

Nusantara's business, results of operations and financial condition may vary with fluctuations in capital and operating costs. An increase in Nusantara's production or capital costs could have a material impact on its potential Reserves estimates. Nusantara's main production expenses are expected to be contractor costs, materials (including construction materials, fuel and mining and processing consumables), personnel costs and energy, and its main capital costs are expected to be the development capital expenditure for the Awak Mas Gold Project. Changes in the costs of Nusantara's mining and processing operations as well as its capital costs could occur as a result of unforeseen events, including international and local economic and political events, and could result in changes in reserve estimates.

Many of these factors may be beyond Nusantara's control. In past resource cycles, operating and capital costs have tended to increase as commodity prices have increased but have not necessary decreased as quickly as commodity prices decrease. Thus, Nusantara may be faced with higher than currently expected operating and capital costs in the future.

Foreign Currency Fluctuations

Nusantara will operate in a number of currencies. The majority of Nusantara's sales will provide for payment in US dollars, the same currency in which Nusantara's financial position and results will be presented. However Nusantara shares will be listed in Australian dollars, and costs are likely to be incurred in a mixture of Australian dollars, US dollars and Indonesian Rupiah. Movements in these foreign currency exchange rates may have a positive or negative effect on Nusantara's exploration, project development and production plans and activities, together with the ability to fund those plans and activities.

The Board will consider whether to manage currency fluctuation risk by hedging however, there can be no assurance that the Company will hedge its exchange rate exposure, nor that it will be able to hedge such exposure on acceptable terms in the future or that any exchange rate hedging conducted by the Company will be effective or will not result in an adverse financial impact arising from the inability to benefit from a favourable movement in exchange rates.

Environmental Matters

The Awak Mas Gold Project is subject to Indonesian laws and regulations regarding environmental matters and the discharge of hazardous wastes and materials. As with all mining projects, the Awak Mas Gold Project would be expected to have a variety of environmental impacts should development proceed. There is a risk that owners' rights and environmental requirements may restrict or prevent Nusantara from carrying out its exploration, development and mining activities.

Nusantara intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws and industry standards. Areas disturbed by Nusantara's activities are intended to be rehabilitated as required by applicable laws.

The Company's future operations are subject to the extensive environmental risks inherent in the mining and processing industry. Nusantara's operations may substantially impact the environment or cause exposure to hazardous materials. Nusantara will use hazardous materials and will generate hazardous waste in connection with its mining operations. Nusantara may be subject to claims for toxic torts, natural resource damages, and other damages as well as the investigation and clean-up of soil, surface water, groundwater, and other media. Such claims may arise, for example, out of current or former activities at sites that Nusantara owns or will operate. Mining operations can also impact flows and water quality in surface water bodies and remedial measures may be required, such as lining of stream beds, to prevent or minimise such impacts.

These and other impacts that Nusantara's operations may have on the environment, as well as exposures to hazardous substances or wastes associated with Nusantara's operations and environmental conditions at Nusantara's properties, could result in costs and liabilities that would have a material adverse impact on the financial position and operating results of Nusantara.

A violation of environmental laws relating to a mine or other operating facilities, or failure to comply with the instructions of the relevant environmental authorities, could lead to, amongst other things, a temporary shutdown of all or a portion of the mine or relevant facility, a loss of the right to operate the relevant facility, the imposition of costly compliance procedures and fines, or serious reputational damage to Nusantara.

Environmental legislation and permitting requirements and the manner in which these are enforced are likely to evolve in a manner which will increase standards and enforcement criteria, as well as increase fines and penalties for non-compliance. Gold production is an emissions intensive industry. Compliance with changes in laws, regulations and obligations relating to climate change could result in substantial capital expenditure, taxes, reduced profitability from changes in operating costs and revenue generation and strategic growth opportunities being impacted.

The Directors are unable to predict the extent and effect of additional environmental laws and regulations that may be adopted in the future, and if environmental standards evolve

in such a manner, this could have a material adverse effect on Nusantara's business, results of operations, financial condition and prospects.

The Company's operations are subject to inspections, including spot checks, by various regulators.

Health and Safety

The Awak Mas Gold Project is subject to a variety of Indonesian industry-specific health and safety laws and regulations which are formulated to improve and protect the health and safety of employees and contractors. Exploration, mining and processing operations have inherent risks and liabilities associated with the health and safety of employees, contractors and impacted communities. This exposure is due to a range of activities including the use of heavy equipment, working in conditions subject to ground failure or at height or in confined spaces, lifting objects and the handling of hazardous materials, explosives and hazardous waste. In addition, the location of the Awak Mas Gold Project involves extensive travel by employees and contractors.

While the Company intends to implement training and management strategies on site to ensure and improve the health and safety culture of local workers, the occurrence of any industrial accidents, workplace injuries or fatalities may result in workers' compensation claims, related common law claims and potential occupational health and safety prosecutions. This could lead to, amongst other things, a temporary shutdown of all or a portion of the mine or relevant facility, a loss of the right to operate the relevant facility, the imposition of costly compliance procedures and fines, or serious reputational damage to Nusantara.

Nusantara intends to conduct its activities in a responsible manner and in accordance with applicable health and safety laws and industry standards.

Exploration

The exploration of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge will not fully eliminate. While the discovery of a mineral deposit may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish Ore Reserves and to construct mining and processing facilities at a particular site. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which include the particular attributes of the deposit, such as size, quality and proximity to infrastructure; commodity prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in Nusantara not receiving an adequate, or any, return on invested capital for any exploration activities that may be undertaken in the future.

Dependence on Key Personnel

The loss of key personnel and the failure to recruit sufficiently qualified staff could affect Nusantara's future performance. Nusantara has entered into employment contracts with several key personnel, and has engaged consultants on a full time and part-time basis, whose expertise and experience in the mining industry is important to the continued development and operation of its mining interests.

Due to Management's experience and the important role they have taken in developing Nusantara's mining, business and financial plans, Nusantara could be adversely affected if any members of Management cease to actively participate in the Management of Nusantara or leave Nusantara entirely. There may be a limited number of persons with the requisite experience and skills to serve in Nusantara's Management positions if existing Management leave or become otherwise unavailable to Nusantara. Nusantara may not be able to locate or employ qualified executives on acceptable terms or at all. Nusantara does not currently maintain "key person" insurance. If Nusantara cannot attract, train and retain qualified managers or key consultants become unavailable, Nusantara may be unable to successfully manage its growth or otherwise compete effectively in the international gold industry.

Other Regulatory Factors

Government regulations will impose significant costs on Nusantara's mining operations, and future regulations could increase those costs or limit Nusantara's ability to produce gold. The mining industry is subject to increasingly strict regulation with respect to matters such as limitations on land use, employee health and safety, mine permitting and licensing requirements, reclamation and restoration of mining properties, air quality standards, water pollution, protection of human health, plant life and wildlife, the discharge of materials into the environment, surface subsidence from underground mining and the effects of mining on groundwater quality and availability.

The possibility exists that new legislation and/or regulations and orders may be adopted that may materially adversely affect Nusantara's mining operations, cost structure and/or the ability of Nusantara to sell its products. New legislation or administrative regulations (or new judicial interpretations or administrative enforcement of existing laws and regulations), including proposals related to the protection of the environment that would further regulate and tax the industry, may also require Nusantara or its customers to change operations significantly or incur increased costs.

Other changes in government regulation may impact on Nusantara's business. These include changes to taxation laws, fiscal, monetary and regulatory policy changes and changes to export regulation in countries which the Company holds assets.

Insurance Cover

Nusantara's business is subject to a number of risks and hazards generally, including adverse environmental conditions, health and safety accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, unexpected metallurgical characteristics, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, earthquakes and fires. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to Nusantara's properties or the properties of others, delays in development or mining, monetary losses (and associated economic loss) and possible legal liability. Although Nusantara intends to maintain insurance to protect against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with its operations.

Nusantara may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability or may contain clauses which exclude liability in certain instances. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to Nusantara or to other companies in the mining industry on acceptable terms. Nusantara might also become subject to liability for pollution or other hazards which may not be insured against or which Nusantara may elect not to insure against because of premium costs or other reasons. Losses from these events may cause Nusantara to incur significant costs that could have a material adverse effect upon its financial performance and results of operations. To the extent that Nusantara incurs losses not covered by its insurance policies, the funds available for sustaining the current operations and for the development of future operations and exploration will be reduced.

4.3 Issues Specific to Nusantara's Foreign Operations

Nusantara is subject to risks relating to the general economic, regulatory, legal, social and political environment in the jurisdictions in which it operates. Other than Nusantara's head office in Australia, its principal asset is located in Indonesia. Nusantara's corporate holding structure also means Nusantara holds those assets through legal entities incorporated in Barbados. As part of its growth program, Nusantara may pursue opportunities in other jurisdictions in the future. Accordingly, Nusantara's business, financial condition and results of operations could be materially adversely affected by factors specific to investing in these jurisdictions.

Some of these jurisdictions have experienced, and may continue to experience, significant political and social instability and may in some cases have less established judicial or legal systems, a more volatile political environment and/or more challenging trading conditions than in some other parts of the world. Moreover, Nusantara's business, financial condition and results of operations could be materially adversely affected by changes in economic, political, judicial, administrative, taxation or other regulatory factors or foreign policy in the areas in which Nusantara operates or will operate, sells or expects to sell its products, and holds or will hold its major assets, as well as other unforeseen matters. Unlawful, selective, discriminatory or arbitrary government action could have a material adverse effect on Nusantara's business, results of operations, financial condition and prospects.

Nusantara's operations may also be adversely affected by laws and policies of Australia or other jurisdictions in which or through which Nusantara operates affecting foreign trade, taxation and investment. In the event of a dispute arising in connection with its operations, Nusantara may be subject to the exclusive jurisdiction of a foreign court or may not be successful in subjecting foreign persons to the jurisdiction of courts in Australia or enforcing Australian judgments in foreign jurisdictions.

Investment in Emerging Markets

The Indonesian economy is vulnerable to market downturns and economic slowdowns elsewhere in the world, and, generally, investing in emerging markets such as Indonesia involves greater risk than investing in more developed markets, including in some cases significant legal, economic and political risks. Investors should also note that emerging markets such as Indonesia are subject to rapid change. Global financial or economic crises in any large emerging market country tend to adversely affect prices in equity markets of most or all emerging market countries as investors move their money to more stable, developed markets.

As has happened in the past, financial problems or an increase in the perceived risks associated with investing in emerging economies could dampen foreign investment in Indonesia and adversely affect the economy. In addition, during such times, businesses that operate in emerging markets can face severe liquidity constraints as foreign funding sources are withdrawn. Accordingly, investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in light of those risks, their investment is appropriate. Potential investors are urged to consult with their own legal and financial advisors before making an investment in the Company.

Expropriation, Nationalism and Commercial Disputes

As the Company's assets are located primarily in Indonesia which is an emerging market country, its assets and income are subject to certain political, economic and other uncertainties, including the risk of expropriation, nationalisation and commercial disputes.

Indonesia has been seeking to develop a value added downstream sector including the requirement for domestic processing and refining, bans on the export of unprocessed ores, use of local content, domestic market obligations and staged divestment to local parties. These laws and regulations

may result in sub-optimal outcomes for Nusantara and the Awak Mas Gold Project, and there is the possibility that the Indonesian legislation and regulations currently applicable to Nusantara and the Awak Mas Gold Project may become more nationalistic to the detriment of Nusantara.

While legislation exists in Indonesia that would require the payment of compensatory amounts in the event of an expropriation or nationalisation of assets and the CoW specifically includes the availability of international arbitration, there is no assurance that such protections could be enforced and the amount of any such compensation may be lower than the price for which the expropriated asset could be sold in a free-market sale or the value of the asset as part of an ongoing business. Any expropriation or nationalisation of the Company's assets in Indonesia may have a material adverse effect on the Company's financial position and results of operations.

Commercial disputes arise in Indonesia as they do in most jurisdictions. Foreign owned Indonesian companies may face local commercial pressures and legal challenges to asset ownership and value which are time consuming, costly and disrupt harmonious business relationships.

While legislation exists in Indonesia to protect commercial rights, there is no assurance that such protections could be enforced and commercial settlements may be lower than the price for which disputed assets could be sold in a free-market sale or the value of the asset as part of an ongoing business. Any commercial disputes regarding the Company's assets in Indonesia may have a material adverse effect on the Company's financial position and results of operations.

Physical Infrastructure

Whilst Indonesia continues to invest in improving its physical infrastructure, certain elements remain in poor condition, which may lead to interruptions in effective financial and economic activity. Particularly affected are parts of the rail and road networks, power-generation and transmission networks, communication systems and building stock. This poor physical infrastructure potentially disrupts the transportation of goods and supplies as well as communications and adds costs to doing business, which could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

Since 2015 there have been significant advances in the electricity sector and generation and transmission/distribution of power through a major nationwide capital works program initiated by the GOI. Of specific benefit to the Company has been the upgrading of power reticulation and capacity in Southern Sulawesi including a new high-voltage power line passing through the town of Belopa approximately 45 km from the Awak Mas Gold Project.

Corruption in Indonesia

The local and international press has reported that high levels of corruption exist in Indonesia. The demands of corrupt officials or potential future claims that the Company has been involved in official corruption could result in negative publicity or disrupt its ability to conduct its business effectively, which could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

The Indonesian Tax System

Nusantara is subject to a broad range of taxes payable at federal, regional and local levels in Indonesia. Indonesian tax laws, regulations and court practice are subject to frequent change, varying interpretations and inconsistent and selective enforcement. Tax audits or inspections may result in additional costs to the Company if the relevant tax authorities conclude that the Company did not satisfy its tax obligations in any given year. Such audits or inspections may also impose additional burdens on the Company by diverting the attention of management resources. The outcome of these audits or inspections could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

The Group is subject to VAT and withholding tax audits by the Indonesian tax department at the time of this Prospectus and has been issued with revised assessments with respect to certain periods. The historical statement of financial position as at 31 December 2016 includes a provision reflecting the estimated exposure to additional VAT, withholding tax and penalties at the date of that report, and the use of funds of this Offer includes estimated payments for amounts assessed. The Group is in the process of disputing some of these assessments, however this is subject to due process, the outcome is uncertain, and these estimates may be insufficient. The Group may also be subject to tax audits for other periods from which additional claims could arise.

If the tax authorities and/or courts adopt a different interpretation of various tax laws and regulations from that followed by Nusantara and its legal and tax advisors, Nusantara may have to pay taxes of a different type and quantum currently anticipated. This could have a material adverse effect on Nusantara's business, results of operations, financial condition and prospects.

There is the possibility that the Indonesian taxation and/or royalty regime currently applicable to Nusantara and the Awak Mas Gold Project may change to the detriment of Nusantara, without adequate consultation or compensation. This could have a material impact upon the Company and the economic feasibility of the Awak Mas Gold Project.

Additionally, dividends paid by an Indonesian legal entity to a foreign legal entity are generally subject to Indonesian withholding income tax, although this tax rate may be reduced under an applicable double taxation treaty. Although the Company will seek to claim treaty protection, there is a risk that the applicability of the reduced rate of may be challenged by the Indonesian tax authorities. As a result, there can be no assurance that the Company would be able to benefit from the reduced withholding income tax rate which, in practice, could have a material adverse effect on the results of the Company's operations and financial condition.

The Indonesian Legal System and Legislation

Risks associated with the Indonesian legal system include, to varying degrees, the following:

- There is the possibility that the Indonesian legislation and regulations currently applicable to Nusantara and the Awak Mas Gold Project may change to the detriment of Nusantara, without adequate consultation or compensation. This could have a material impact upon the Company and the economic feasibility of the Awak Mas Gold Project;
- Inconsistencies between: (i) federal laws; (ii) decrees, orders and regulations issued by the President, the Government and federal ministers; and (iii) regional and local laws, rules and regulations;
- A lack of judicial and administrative guidance on interpreting legislation as well as a lack of sufficient commentaries on judicial rulings and legislation;
- The relative unavailability of Indonesian legislation and court decisions in an organised manner that facilitates understanding of such legislation and court decisions;
- The relative inexperience of judges and courts in interpreting newly adopted legislation and complex commercial arrangements;
- Substantial gaps in the legal framework due to the delay or absence of implementing regulations for certain legislation;
- A lack of judicial independence from political, social and commercial forces;
- Alleged corruption within the judiciary and governmental authorities;
- Problematic and time-consuming enforcement of both Indonesian and non-Indonesian judicial orders and international arbitration awards;
- A high degree of discretion on the part of governmental authorities, leaving significant opportunities for arbitrary and capricious government action; and
- Bankruptcy procedures that are not well developed and are subject to abuse.

These weaknesses and others could affect Nusantara's ability to enforce its rights under contracts or statutes, or to defend itself against claims by others or enforce or safeguard its property rights.

Foreign Investment Regulation in Indonesia

The Indonesian regulatory regime in relation to foreign investments imposes certain restrictions on the acquisition by foreign investors of direct or indirect interests in Indonesian companies, including offshore loan regulations and repatriation of funds. Changes in the regulatory regime could consequently have a material adverse effect on Nusantara's business and financial condition.

4.4 General Risks Related to the Offer

Stock Market Fluctuations and Economic Conditions

The Shares are to be quoted on ASX, where their price may rise or fall in relation to the Offer Price. The Shares issued under this Prospectus carry no guarantee in respect of profitability, dividends, return of capital, or the price at which they may trade on ASX. The value of the Shares will be determined by the stock market and will be subject to a range of factors beyond the control of the Company, and the Directors and officers of the Company. Such factors include, but are not limited to, the demand for and availability of Shares, movements in domestic interest rates, exchange rates, fluctuations in the Australian and international stock markets and general domestic and economic activity. Returns from an investment in the Shares may also depend on general stock market conditions as well as the performance of the Company. There can be no guarantee that an active market in the Shares will develop or that the market price of the Shares will not decline below the Offer Price.

Changes in economic and business conditions or government policies in Australia or internationally may affect the fundamentals which underpin commodity prices, and the Company's cost structure and profitability. Adverse changes in such things as the level of inflation, interest rates, exchange rates, government policy (including fiscal, monetary and regulatory policies), consumer spending and employment rates, among others, are out of the control of the Company and may result in material adverse impacts on the business or its operating results.

Commodity prices are influenced by physical and investment demand for those commodities. Fluctuations in commodity prices may influence individual projects in which Nusantara may have an interest.

Wars, Terrorism, Political and Environmental Events

Events may occur within or outside Australia that could impact upon the world economy, commodity prices, the operations of Nusantara and the price of the Shares. These events include war, acts of terrorism, civil disturbance, political intervention and natural events such as earthquakes, floods, landslides, fires and poor weather affecting roadways, mining and processing of ore. Nusantara has only a limited ability to insure against some of these risks.

Limited Liquidity

There can be no guarantee that an active market in the Shares will develop or that the price of the Shares will increase. There may be relatively few potential buyers or sellers of the Shares on ASX at any time. This may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less than the price that Shareholders paid to acquire their Shares.

Major Shareholder

Upon completion of the Offer, Lion Selection Group Limited and its affiliated fund will hold a relevant interest of approximately 33% of the Shares on issue and will be the Company's major Shareholder. Lion Selection Group Limited and its affiliated fund could have a significant influence on Nusantara, and its interests may not be aligned with other Shareholders' interests.

If Lion Selection Group was to dispose of a substantial number of its Shares, or if it were perceived that such sales might occur, this could have a negative impact on the price of the Shares. On the other hand, the failure of Lion Selection Group to dispose of Shares may result in the continuation of a limited level of liquidity in daily trading of the Shares on issue. Note that approximately 20.8 million of the Nusantara Shares held by Lion Selection Group Limited and its affiliated fund will be subject to ASX imposed mandatory escrow for a period of 24 months from the date of quotation of the Shares on ASX.

Issue of Additional Securities

In certain circumstances, the Directors may issue equity securities without any vote or action by Shareholders. If Nusantara were to issue any equity securities the percentage ownership of existing Shareholders may be reduced and diluted.

Encumbrances on Title

Nusantara may at a future date be required to encumber part or all of its tenure to expedite future commercial transactions.

Unforeseen Risks

There may be other risks which the Directors are unaware of at the time of issuing this Prospectus which may impact on Nusantara and its operations, and on the valuation and performance of Nusantara's Shares.

05 DIRECTORS AND CORPORATE GOVERNANCE

5.1 Directors

Nusantara's Board consists of the following members:

Martin Pyle (Chairman) BSc, MBA
Martin is a geologist and a mining industry specialist with over 30 years' experience in the finance and resources industry in Australia. Having worked across a diverse range of commodities and been involved in various ASX listed companies, he has particular expertise in geology, mining project and feasibility study analysis, and equity capital markets. He currently serves as Managing Director of Aurora Minerals Limited and is non-executive Director of Gold Road Resources Limited (retiring 30 June 2017) and Peninsula Mines Limited.

Martin was previously in senior corporate finance roles with prominent Australian stock broking firms where he was responsible for the generation and execution of resources related equity raisings, mergers and acquisitions, corporate advisory and research, as well as resource analysis.

Robert Hogarth (Non-Executive Director) BEc, Fellow ICAA
Robert Hogarth built his mining industry expertise during a 37-year career with KPMG where he was leader of KPMG's Energy and Natural Resources and Major Projects Advisory Practices and lead partner for many of the firm's listed mining clients working with large and small companies in the Asia Pacific region. He has been involved with Indonesia since 1983. Since retiring from KPMG in 2009 he has become a director of a range of companies and sits on a number of audit committees.

Robert is also a non-executive director of the Environment Protection Authority of Victoria and AMC Consultants.

Boyke Abidin (Executive Director) BSc, Bus. Admin
Boyke holds a Bachelor of Science in Business Administration from International University Europe – London. He has more than 25 years' experience in Indonesian management. Previously a Government Liaison Officer for Rawas Gold Mine in South Sumatra, Boyke has extensive in-country expertise. He is President Director of Indonesian Operations for One Asia and has been a Director of Masmindo since 2000. He is also a director of PT Pani Resources Indonesia, PT Dwinad Nusa Sejahtera and PT Sorikmas Mining.

Michael Spreadborough (Managing Director) BEng, MBA, FAusIMM
Mr Spreadborough is a mining engineer with extensive experience in the development and operation of mineral resources projects spanning a range of commodities including copper, gold, uranium, lead, zinc and iron ore. Over the past 20 years Michael has held senior executive roles with a number of mining companies including Chief Operating Officer of Sandfire Resources and Inova Resources Ltd (formerly Ivanhoe Australia), General Manager – Coastal Operations for Rio Tinto and General Manager – Mining for WMC and later Vice President – Mining for BHP Billiton at the Olympic Dam mine in South Australia.

Michael holds a Bachelor of Mining Engineering from the University of Queensland and an MBA from Deakin University, as well as a WA First Class Mine Manager's Certificate of Competency. He is also a non-executive director of Clean TeQ Holdings Limited.

5.2 Directors' Interests

Other than as set out in this Prospectus, no Director has, or had within two years before lodging of this Prospectus with ASIC, any interest in:

(a) The formation or promotion of the Company;
(b) Any property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offer; or
(c) The Offer,

and the Company has not paid any amount or provided any benefit, or agreed to do so, to any Director, either to induce that Director to become, or to qualify them as a Director of the Company, or otherwise, for services rendered by them in connection with the formation or promotion of the Company or the Offer.

5.3 Directors' Holdings

Set out in the table below are details of the existing relevant interests of the Directors in securities at the date of this Prospectus and the anticipated relevant interests of the Directors in securities upon completion of the Offer assuming the Maximum Subscription is received:

(a) Securities at the date of this Prospectus

Director	Number of Shares	% total shares	Number of Unlisted Options
Martin Pyle	-	-	-
Robert Hogarth	-	-	-
Boyke Abidin	-	-	-
Michael Spreadborough	-	-	-

((b) Securities on Completion of the Offer

Director	Number of Shares	% total shares	Number of Unlisted Options
Martin Pyle[1]	357,143	0.4	295,000
Robert Hogarth	-	-	295,000
Boyke Abidin[2]	165,140	0.2	442,500
Michael Spreadborough[3]	178,571	0.2	2,065,000

1. Mr Pyle has advised he intends to subscribe for 357,143 Shares in the Offer.
2. Mr Abidin has advised he intends to subscribe for 11,905 Shares in the Offer. In addition, Mr Abidin will receive 153,235 In Specie shares from One Asia.
3. Mr Spreadborough has advised he intends to subscribe for 178,571 Shares in the Offer.

The terms and conditions of the options are set out in **section 11.13.**

5.4 Remuneration of Directors

To date the Directors have not received any remuneration for acting as Nusantara's Directors. The Board has resolved that the Non-Executive Directors' fees will be A$60,000 per annum for the Chairman, and A$50,000 per annum for Non-Executive Directors (inclusive of statutory superannuation). Mr Pyle is Non-Executive Chairman and Mr Hogarth is a Non-Executive Director. Summaries of the material terms of their appointments are set out in **section 5.7**.

The remuneration of Executive Directors will be fixed from time to time by the Directors. A summary of the material terms of the agreement between the Company and Mr Michael Spreadborough (Managing Director) is set out in **section 5.7**.

Upon listing the remuneration to be paid to Directors will be as follows:

Director	Annual Director's fee A$	Wages, salaries and/or bonuses A$	Benefits paid in the previous two years A$
Martin Pyle	60,000	-	Nil
Robert Hogarth	50,000	-	Nil
Boyke Abidin[1]	-	125,000	184,486
Michael Spreadborough	-	350,000	Nil

1. Mr Abidin is employed by a wholly owned subsidiary of the Company, receiving US$94,000 pa.

5.5 Services Agreement with Lion Manager

Nusantara has entered into the Services Agreement with Lion Manager under which Lion Manager provides accounting and corporate secretarial services to the Company as well as provision of Nusantara's registered and corporate office. The key terms of the Services Agreement are as follows:

(a) The commencement date is 1 July 2017;
(b) The Services Agreement can be terminated by either party on one month's notice;
(c) Nusantara will pay a monthly fee of A$17,500 (plus GST) to Lion Manager under the Services Agreement; and
(d) The fee arrangements will be reviewed by both parties on the three-month anniversary of the commencement date of the Services Agreement.

Mr Craig Smyth is employed by Lion Manager, and holds a beneficial interest in the shares of that company.

5.6 Key Management

Colin McMillan (General Manager, Geology), BSc, MAusIMM
Colin is a geologist having worked at Newcrest for almost 30 years, including six years as Mineral Resource Manager at Gosowong in Indonesia. Colin led the team responsible for the discovery of the world class Telfer Deeps and Ridgeway deposits and has extensive experience with both epithermal and porphyry gold/copper deposits in Australia and Indonesia. Colin has been involved with several mine start-ups including the initial Cadia Hill open pit operation and the underground mines at Ridgeway and Cadia East at the Cadia Valley Operations in NSW, Australia and the Toguraci underground mine at Gosowong in Indonesia. Colin is a Member of the AusIMM.

Craig Smyth (Chief Financial Officer), BCA (Acctg), M App Fin, CA
Craig has a background in finance, graduating from the Victoria University of Wellington with a Bachelor of Commerce and Administration, and completed his Master of Applied Finance at the University of Melbourne. Craig's financial background includes Coopers Lybrand, Credit Suisse First Boston (London) and ANZ Investment Bank. Craig is a member of the Institute of Chartered Accountants of Australia.

Craig is Chief Executive Officer of Lion Selection Group Limited, CFO and Company Secretary of One Asia Resources Limited, and an Executive Director of Lion Manager.

5.7 Key Terms of Agreements with Directors, Management and Related Parties

(a) **Executive Service Agreement**
Michael Spreadborough, Managing Director
Nusantara and Michael Spreadborough have entered into an executive service agreement under which Mr Spreadborough was appointed as Managing Director. Mr Spreadborough will be paid a salary package of A$350,000 per annum including statutory superannuation. Mr Spreadborough is also entitled to 1,770,000 unlisted incentive options and 295,000 unlisted sign-on options under the terms set out in **section 11.13**. The agreement is subject to a mutual 12 month notice period.

(b) **Executive Service Agreement**
Colin McMillan, General Manager, Geology
Nusantara and Colin McMillan have entered into an executive service agreement under which Mr McMillan was appointed as General Manager, Geology. Mr McMillan will be paid a salary package of A$250,000 per annum including statutory superannuation. Mr McMillan is also entitled to 590,000 unlisted incentive options and 177,000 unlisted sign-on options under terms set out in **section 11.13**. The agreement is subject to a mutual 12 month notice period.

(c) **Non-Executive Director Appointment**
Mr Martin Pyle, Non-Executive Chairman
The Company has entered into an agreement with Mr Pyle in respect of his appointment as the Non-Executive Chairman.

Mr Pyle will be paid a fee of A$60,000 per annum (inclusive of superannuation) for his services as Non-Executive Director and Chairman and will be reimbursed for all reasonable expenses incurred in performing his duties.

In addition, Mr Pyle is also entitled to receive 295,000 unlisted incentive options under the terms and conditions set out in **section 11.13**.

The appointment of Mr Pyle as Non-Executive Chairman is otherwise in terms that are customary for an appointment of this nature.

(d) **Non-Executive Director Appointment**
Mr Robert Hogarth, Non-Executive Director
The Company has entered into an agreement with Mr Hogarth in respect of his appointment as a Non-Executive Director.

Mr Hogarth will be paid a fee of A$50,000 per annum (inclusive of superannuation) for his services as Non-Executive Director and will be reimbursed for all reasonable expenses incurred in performing his duties. In addition, Mr Hogarth is also entitled to receive 295,000 unlisted incentive options under the terms and conditions set out in **section 11.13**.

The appointment of Mr Hogarth as a Non-Executive Director is otherwise in terms that are customary for an appointment of this nature.

(e) **Executive Director Appointment**
Mr Boyke Abidin, Executive Director
The Group has entered into an agreement with Mr Abidin in respect of his appointment as an Executive Director.

Mr Abidin will be paid a salary of US$94,000 per annum (inclusive of superannuation) for his services as President Director of Masmindo on a part time basis and will be reimbursed for all reasonable expenses incurred in performing his duties. No additional fee is payable with respect to Mr Abidin's role as an Executive Director of the Company. In addition, Mr Abidin is also entitled to receive 442,500 unlisted incentive options under the terms and conditions set out in **section 11.13.**

The appointment of Mr Abidin as an Executive of the Group is otherwise in terms that are customary for an appointment of this nature.

(f) **Chief Financial Officer**
Mr Craig Smyth
The Company has entered into an agreement with Lion Manager as detailed in **section 5.5** incorporating accounting and corporate secretarial services to the Company as well as provision of Nusantara's registered and corporate office. This agreement includes services to be provided by Mr Smyth who is employed by Lion Manager and holds a beneficial interest in the shares of that company. No additional fee is payable with respect to Mr Smyth's role as Chief Financial Officer of the Company.

In addition, Mr Smyth is also entitled to receive 442,500 unlisted incentive options under the terms and conditions set out in **section 11.13**, with Mr Smyth requesting that these options be issued to Lion Manager.

(g) The Company also intends to issue 590,000 unlisted incentive options under the terms and conditions set out in **section 11.13** to other members of the management team.

(h) **Deeds of indemnity, insurance and access**
The Company is party to deeds of indemnity, insurance and access with each of the Directors. Under these deeds, the Company indemnifies each Director to the extent permitted by the Corporations Act against any liability arising as a result of the Director acting as a Director of the Company. The Company is also required to maintain insurance policies for the benefit of the relevant Director and must also allow the Directors to inspect Board papers in certain circumstances once the relevant Director ceases to be a director.

5.8 Corporate Governance

This summary identifies the key corporate governance policies and practices adopted by the Board. The Board is committed to ensuring continued investor confidence in the operations of the Company and in maintaining high standards of corporate governance in the performance of their duties.

The role of the Board

The role of the Board is to provide strategic guidance to the Company (and its related bodies corporate), effective oversight of management and to provide a sound base for a culture of good corporate governance within the Company.

The Board will always retain ultimate authority over the management and staff of the Company and its related bodies corporate.

In performing its role, the Board should act, at all times:

(a) In recognition of its overriding responsibility to act honestly, fairly and in accordance with the law in serving the interests of the Company, its shareholders, as well as its employees, customers and the community;
(b) In a manner designed to create and continue to build sustainable value for shareholders;
(c) In accordance with the duties and obligations imposed upon them by the Company's constitution and applicable law; and
(d) With integrity and objectivity, consistently with the ethical, professional and other standards set out in the Company's corporate governance policies.

Responsibilities of the Board

The responsibilities of the Board include:

(a) Representing and serving the interests of Shareholders by overseeing and appraising the Company's strategies, policies and performance;
(b) Protecting and optimising the Company's performance and building sustainable value for Shareholders;
(c) Setting, reviewing and monitoring compliance with the Company's values and governance framework; and
(d) Ensuring that Shareholders are kept informed of the Company's performance and major developments.

Composition of the Board

Under the Company's constitution, the minimum number of Directors is three and the maximum number is twelve. Upon completion of the Offer, the Board will be comprised of four Directors as set out in **section 5.1**. The Directors consider the size and composition of the Board is appropriate given the current size and status of the Company.

Each Director is bound by all of the Company's charters, policies and codes of conduct. If the Board determines it is appropriate or necessary, they may establish committees to assist in carrying out various responsibilities of the Board. Such committees will be established under a formal charter.

The Board delegates the management of the Company's business and day to day operation to the Managing Director who is authorised, in turn, to delegate such powers conferred on him or her to members of the senior management group and/or consultants.

The Board seeks to nominate persons for appointment to the Board who have the qualifications, experience and skills to augment the capabilities of the Board.

Independence of Directors

The Board considers the issue of independence with regard to a set of questions outlined in the Board charter.

Independent professional advice

The Directors are entitled to seek independent professional advice at the Company's expense on any matter connected with the discharge of their responsibilities. Such advice may be sought in accordance with the procedures set out in the Board charter.

Securities trading policy

The Company has adopted a formal policy for dealing in the Company's Securities by Directors and employees and their related entities (in accordance with Listing Rule 12.9). The securities trading policy regarding allowable dealings is that those persons should:

(a) Not deal in the Company's securities while in possession of price sensitive, non-public information; and
(b) Only trade in the Company's securities after receiving clearance to do so from a designated clearance officers, where clearance may not be provided in defined 'blackout periods'.

The securities trading policy is available on the Company's website at www.nusantararesources.com.

Remuneration policy

The Company has adopted a remuneration policy designed to promote superior performance and long-term commitment to the Company.

Remuneration packages may contain any or all of the following:

(a) Annual base salary;
(b) Options – the Company has issued incentive options to Directors (refer to **section 11.13** for further details); and
(c) Other benefits, such as holiday leave, sickness benefits, superannuation payments and long service benefits.

Remuneration of executives will be reviewed annually by the Board.

The Directors set the individual Non-Executive Directors fees within the limit approved by shareholders with an initial pool of A$250,000. Non-Executive Directors are not entitled to participate in equity based remuneration schemes designed for executives without due consideration and appropriate disclosure to the Company's shareholders.

Continuous disclosure policy

The Company, as a listed public company, will be required to disclose price sensitive information to the market as it becomes known to comply with the continuous disclosure requirements of the Corporations Act and the Listing Rules.

The continuous disclosure policy of the Company ensures that all Shareholders and investors have equal access to the Company's information, to the extent practicable. Price sensitive information will be disclosed by way of an announcement to ASX and placed on the Company's website.

Shareholder communication

The Board strives to ensure that Shareholders are provided with full and timely information to assess the performance of the Company and its Directors and to make well-informed investment decisions.

Information is communicated to Shareholders:

(a) Through the release of information to the market via ASX;
(b) Through the distribution of the annual report and notice of annual general meeting;
(c) Through other forms of communication directly to Shareholders; and
(d) By posting relevant information on the Company's website.

Ethical standards and business conduct

The Board recognises the need for Directors and employees to observe appropriate standards of behaviour and business ethics when engaging in corporate activity. Through its code of conduct, the Board intends to maintain a reputation for integrity. The Company's business ethics are founded on openness, honesty, fairness, integrity, mutual respect, ethical conduct and compliance with laws.

The standards set out in the code of conduct are required to be adhered to by officers and employees of the Company. The code of conduct and further details of these standards can be found on the Company's website.

ASX Corporate Governance Council Principles and Recommendations

Where possible and having regard to the size and nature of the Company's operations, the Board has adopted the Corporate Governance Principles and Recommendations (3rd Edition) issued by the ASX Corporate Governance Council. As a listed entity, the Company will be required to disclose any departures from the principles and recommendations in its annual report. The Company's current departures from the principles and recommendations are set out in the table below.

Recommendation	Nature of departure	Explanation for departure
1.5	Measurable objectives for achieving gender diversity have not been established or disclosed.	The Company has not formally established measurable objectives for achieving gender diversity given the current stage of its operations and number of employees. The Company has however adopted a Diversity Policy which outlines the Company's objectives in the provision of equal opportunities in respect of employment and employment conditions. The Diversity Policy is available on the Company's website. The Company will review the requirement to set and report on measurable objectives for achieving gender diversity as the Company's operations and employee numbers grow.
2.1	The Board should have a Nomination Committee.	The Company has not constituted a Nomination Committee given the size of the Board and the nature and scale of the Company's operations. The full Board carries out the role of a Nomination Committee in accordance with the Nomination Committee Charter.
2.4	The majority of the Board should be independent directors	The board has two independent Directors (as defined by the ASX Principles) and two non-independent Directors, and as such the Company does not comply with the requirement that a majority of the Board should be independent. The Board believes that, given the size of the Company, the nature of its operations and the ability of all incumbent Directors to bring an independent judgment to bear in Board deliberations, the current Board composition is appropriate for the Company in its present stage of development and allows for the best utilisation of the experience and expertise of its members. Directors having a conflict of interest in relation to a particular item of business must absent themselves from the Board meeting before commencement of discussion on the topic.
4.1	The Board should have an Audit Committee.	The Board does not have a separately constituted Audit Committee given the size of the Board and the nature and scale of the Company's operations. The Board as a whole fulfils the functions normally delegated to the Audit Committee.
7.1	The Board should have a committee to oversee risk.	The Board has not constituted a Risk Committee given the size of the Board and the nature and scale of its activities. The Board as a whole is responsible for the oversight of the Company's risk management and internal compliance and control framework. Following admission to quotation, responsibility for control of risk management will be delegated to the appropriate level of management within the Company, with the Managing Director having ultimate responsibility to the Board for the risk management and internal compliance and control framework.
8.1	The Board should have a Remuneration Committee.	The Board does not have a separately constituted Remuneration Committee given the size of the Board and the nature and scale of the Company's operations. The Board as a whole fulfils the functions normally delegated to the Remuneration Committee as detailed in the Remuneration Committee Charter.

Awak Mas historical drilling program.

CSA Global
Mining Industry Consultants

Independent Technical Assessment Report

for

Nusantara Resources Limited

on the

Awak Mas Gold Project,
Sulawesi, Indonesia

Report N° R146.2017
2nd June 2017

www.csaglobal.com

Figure 1: Awak Mas Camp

Report prepared for

Client Name	Nusantara Resources Ltd
Project Name/ Job Code	AMHITA01
Contact Name	Mike Spreadborough
Contact Title	Managing Director
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Report issued by

CSA Global Office	Perth
Division	Exploration / Resources

Report information

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Author and Reviewer

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Peer Reviewer and CSA Global Authorisation	Graham M. Jeffress BSc (Hons), RPGeo, FAIG, FAusIMM, FSEG
Signature	Graham M Jeffress

Executive Summary

CSA Global Pty Ltd was requested by Nusantara Resources Limited (Nusantara) to prepare an Independent Technical Assessment Report (ITAR) for use in a prospectus to support an initial public offering (IPO). The funds raised will be used for the purpose of further delineation of three deposits, for further exploration and evaluation, and for progression of a Feasibility Study on the Awak Mas Gold Project.

The Awak Mas Gold Project is located in the region of southwestern Sulawesi Island, Indonesia. The main asset of Nusantara is a tenement, which contains three known deposits, Awak Mas, Salu Bulo, and Tarra Deposits, and numerous prospects. The Awak Mas Gold Project is located within the PT. Masmindo Dwi Area 7th Generation Contract of Work (CoW) which covers an area of 14,390 ha. A legal opinion indicates that the CoW is valid and that the Company is not materially in breach of any of the obligations associated with that CoW.

The Awak Mas Deposit was discovered in 1998, and has been extensively explored by several owners since that time. Over 125,000 m of drilling has been carried out on the project. A Mineral Resource estimate (MRE) on the Awak Mas Gold Project in Sulawesi, Indonesia of 38.3 Mt at 1.41 g/t for 1.74 Moz has been estimated, reported at a cut-off grade of 0.5 g/t Au, inclusive of the main Awak Mas Deposit and the two satellite deposits Salu Bulo and Tarra. Table 1 provides details of the Mineral Resources as estimated by Cube Consulting Pty Ltd (Cube) in May 2017.

A Pre-feasibility Study (PFS) was completed by Australian Mine Design and Development Pty Ltd (AMDAD) in December 2012. Subsequently, a PFS mine planning update was completed in November 2014 by AMDAD.

A review completed as part of this report focussed on the results and findings of the December 2012 PFS, as well as the updated PFS in November 2014. The material differences between the two PFS studies were the plant throughput rate, and the selection of mining equipment. These changes have affected the processing and mining costs.

After the 2014 PFS, a new Mineral Resource estimate (MRE) was completed by Cube. CSA Global have cited the final MRE and have based our comments on an analysis of the related block models and summary reports that support the updated estimate.

The 2012 PFS was based on a plant throughput of 3.5 Mt/yr whereas the 2014 PFS was based on a 2.5 Mt/yr throughout. More recent studies completed by Minnovo Pty Ltd (Minnovo) indicate that a throughput of 2.5 Mt/yr may be more amenable and cost effective to the deposit. The 2.5 Mt/yr plant option would have significantly lower capital costs and provide a reduced footprint for a site with steep terrain. Metallurgical test work continues to indicate that average recoveries of around 90% will be achieved.

1. Please note exchange rates as at 1 June 2017 have been used throughout this document US$1:A$1.34; A$1:US$0.74). Source:www.xe.com

Table 1: Table of Mineral Resources for the Awak Mas Gold Project based on 0.5 g/t Au cut-off grade and modelled pit shells at US$1,400/oz (A$1,890/oz)[1].

Mineral Resource Estimates as at 8th May 2017				
	Classification	Tonnes Mt	Au Grade g/t	Contained Gold Moz
Awak Mas	Measured	-	-	-
	Indicated	25.8	1.45	1.20
	Inferred	8.9	1.14	0.33
	Sub-total	34.7	1.37	1.53
Salu Bulo	Measured	-	-	-
	Indicated	0.7	2.65	0.06
	Inferred	0.6	2.39	0.05
	Sub-total	1.4	2.53	0.11
Tarra	Measured	-	-	-
	Indicated	0.0	-	0.00
	Inferred	2.3	1.34	0.1
	Sub-total	2.3	1.34	0.1
Total	Measured	-	-	-
	Indicated	26.5	1.48	1.26
	Inferred	11.9	1.25	0.48
	Total	**38.4**	**1.41**	**1.74**

Hydrology studies to date have been generally sound, but have been based on limited site visits, limited topographic data, and limited ground water test work and data. These updates need to take place in the updated Feasibility studies due to site factors such as rugged terrain, high rainfall, potential for landslides and water management.

Selection of suitable mining equipment will be critical to suit the geometry of the Awak Mas orebody and the site conditions. For the 2014 PFS, a mining fleet with the same dump truck capacity matched with two differently sized excavators has been selected with a preference for a contractor style arrangement. The updated Feasibility studies will need to examine these options in terms of project value and operational risk profile.

In addition to the three main deposits, a number of additional prospects have been identified within the CoW area. These include Lelating, Kandeapi, Salu Kombong, Bandoli-Mickey and Salu Nangka as well as Tarra W, Tarra NW and Sewatu-Uran. Exploration stage of these prospects varies from initial sampling and trenching to single and multi-hole diamond drilling programs. A review of available data indicates that these additional prospects have returned results that require additional testing to assess the potential to host additional resources within the CoW. A significant percentage of the CoW remains poorly tested, under or un-tested. Further work is recommended.

The work programs proposed by Nusantara, for a proposed total value of approximately A$10.0 million (US$7.4 million)[1] over two years have been reviewed by CSA Global to cover costs associated with drilling related to the up-grade of the MRE, completion of a Feasibility Study and related operating costs associated with this work is reasonable and appropriate.

CSA Global's opinion is that the proposed work programs are technically sound and, assuming the capital raising is successful, will be adequately funded for Years 1 and 2 post-IPO.

Table 2: Summary of Exploration Prospects

Prospect	Stream sediment & PanCon sampling	Soil Sampling	Costeaning/trenching	Drilling
Noling	Yes			
Salu Tabang				
Tarra Northwest			Yes	Yes
Sewatu		Yes	Yes	Yes
West Tarra		?	Yes	Yes
Sewatu-Uruan		Yes	Yes	Yes
Salu Nangka	Yes			
Salu Kombong				
Kandeapi			Yes	Yes
Salu Lengke				
Puncak Utara		Yes	Yes	Yes
Puncak Selatan		Yes	Yes	Yes
Katapu	Yes			

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1 Introduction

1.1 Issuer

This report is issued by CSA Global Pty Ltd (CSA Global) based on work requested and contracted by One Asia Resources Limited (One Asia) and Nusantara Resources Limited (Nusantara), collectively "the Company".

1.2 Context, Scope, and Terms of Reference

One Asia Resources Limited (One Asia) intends to undertake a demerger of its wholly owned subsidiary Nusantara Resources Limited (Nusantara, or "the Company") and list the company on the Australian Securities Exchange Ltd (ASX) through an initial public offering (IPO), anticipated to occur during the second or third quarter of 2017.

Nusantara's primary asset is the Awak Mas Gold Project, located in Sulawesi, Indonesia and comprises the Awak Mas Deposit, the Salu Bulo Deposit, and Tarra Main Deposit. The Awak Mas Deposit was discovered in 1991 and has been extensively explored by several owners. Over approximately 125,000 m of drilling has been carried out on the Project. The Awak Mas 7th Generation Contract of Work covers 14,390 ha.

CSA Global has been commissioned to complete an Independent Technical Assessment Report (ITAR) as part of the listing requirements of the ASX, for inclusion in a prospectus for the proposed IPO.

In preparing the ITAR, to be addressed to the Company, CSA Global was requested to:

- Complete the ITAR using appropriate reporting and industry standard methods that are compliant with the VALMIN and JORC Codes, based on access to all data relating to the project held by Nusantara
- Complete a site visit to validate available data.
- Carry out due diligence checks on the latest Mineral Resource estimates. Review details of Nusantara's proposed exploration programs and the use of funds.
- Review the mining sections of the past pre-feasibility studies and comment on the likely impact of the new resource on production rates, strip ratio, operating costs, metallurgy and other significant parameters. Comment on areas needed to be addressed in the proposed DFS.
- Review information pertaining to the Contract of Work, assessing that it is in good standing and Nusantara will have legal access to them to conduct the proposed exploration programs, based on an independent solicitor's report commissioned by Nusantara.
- Rely on the accuracy and completeness of the data provided to it by Nusantara, and that Nusantara has made CSA Global aware of all material information in relation to the project.
- Require that the Company provide an indemnity to the effect that Nusantara and One Asia will indemnify and compensate CSA Global in respect of preparing the ITAR against any and all losses, claims, damages and liabilities to which CSA or it's Associates may become subject under any applicable law or otherwise arising from the preparation of the ITAR to the extent that such loss, claim, damage or liability is a direct result of Nusantara or One Asia, or any of its directors or officers knowingly providing CSA Global with any false or misleading information, or Nusantara or One Asia, or its directors or officers knowingly withholding material information.

The scope of the ITAR as requested specifically excludes the following, other than as required to comply with VALMIN in the context of Transparency and Materiality:

- Discussion of risks apart from technical risk;
- Detailed commentary on mine scheduling and feasibility; or
- Environmental issues and social aspects.

CSA Global Pty Ltd has been paid approximately A$60,000 (USD$44,400) to complete the ITAR. This rate is based on a commercial agreement using standard rates, and the fee is not contingent on the report outcome.

1.3 Compliance with the VALMIN and JORC Codes

The report has been prepared in accordance with the VALMIN[2] Code (2015), which is binding upon Members of the Australian Institute of Geoscientists (AIG) and the Australasian Institute of Mining and Metallurgy (AusIMM), the Joint Ore Resources Committee (JORC)[3] Code (2012) and the rules and guidelines issued by such bodies as the Australian Securities and Investments Commission (ASIC) and the Australian Securities Exchange (ASX) that pertain to the preparation of an Independent Technical Assessment Report (ITAR)

1.4 Authors of the Report

CSA Global is a privately owned, mining industry consulting company headquartered in Perth, Western Australia. CSA Global provides geological, resource, mining, management, and corporate consulting services to the international resources sector and has done so for more than 30 years.

This Independent Technical Assessment Report (ITAR) has been prepared by a team of consultants sourced principally from CSA Global's Perth, Western Australia office. These consultants have extensive experience in the mining industry and are members in good standing of appropriate professional institutions. The principal author preparing this ITAR is a Specialist in the field of geology and exploration, in particular relating to orogenic gold.

The following individuals, by virtue of their education, experience, and professional association, are considered Competent Persons, as defined in the JORC Code (2012), for this report. The Competent Persons' individual areas of responsibility are presented below:

- Principal author – Mr Marcus Willson (Manager–Exploration of CSA Global in Perth, Western Australia) responsible for the entire report. Mr. Willson is the Representative Specialist for this report.
- Secondary author – Dr William Power (Principal Consultant Geologist with CSA Global in Perth, Western Australia) responsible for the geological assessment, exploration assessment, and general discussions in the report. Dr Power is a Specialist in respect to this report.
- Secondary Author – Dr Matthew Cobb (Principal Resource Geologist with CSA Global in Perth, Western Australia) responsible for the resource review in the report. Dr Cobb is a Specialist in respect to this report
- Secondary Author – Mr Paul O'Callaghan (Principal Mining Engineer with CSA Global in Perth, Western Australian) responsible for the review of the historical pre-feasibility work in the context of potential future mining. Mr O'Callaghan is a Specialist in respect to this report.
- Peer reviewers – Mr Graham Jeffress (Principal Geologist, Manager – Corporate with CSA Global in Perth, Western Australia) and Mr Karl van Olden (Principal Engineer, Manager – Mining with CSA Global in Perth, Western Australia) in combination completed the peer review process for the report.

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2. Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets, The VALMIN Code, 2015 Edition. Prepared by The VALMIN Committee, a joint committee of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists.
3. Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The JORC Code, 2012 Edition. Prepared by: The Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC).

Mr Marcus Willson (BSc, MSc, MAIG, RPGeo *Mineral Exploration*) has over 25 years' experience in the mineral exploration industry, ranging from early stage exploration activities, exploration management, strategy development and implementation, through to senior corporate management roles. Marcus is an expert geologist with an extensive and diverse background in all aspects of the minerals sector from exploration through project development to mining. He is very experienced with gold deposits across multiple mineralization styles and their settings, having worked extensively on projects in key terrains globally. Marcus has specialist expertise in lode/orogenic gold (including mesothermal gold), regolith interpretation and geochemistry as well as in litho-tectonic/structural/crustal evolution analysis in the context of hydrothermal mineralisation. Marcus has significant corporate experience from running listed explorers, and senior management roles in large mining houses. This experience gives him excellent skills in project risk analysis, ranking and valuation.

Dr William Power (BSc, MA, PhD, MAIG) has over 30 years' experience in a wide variety of areas in geology and geophysics. He has extensive experience with geological mapping methods in a wide variety of environments, including extensive experience in both brownfields and greenfields exploration, including orogenic gold. He has extensive experience in mining environments including open pit and underground. William has specialist experience in structural geology and with analysis of faults and other rock discontinuities. This includes aspects of fault zone evolution, fault seal, critically stressed fracture arrays, analysis of palaeostress and strain history using fault and fracture observations, and the implications of geological history and stress on structures and mineralization. William has previously completed consulting work associated with the Awak Mas project.

Dr Matthew Cobb (MSc, PhD MAusIMM, MAIG, IAMG) is a geologist with over 10 years' experience in exploration, resource estimation and mine geology. Matthew's key experience includes resource estimation/simulation using linear and non-linear methods (Ordinary (co)-kriging, MIK, Conditional Simulation, (Localised) Uniform Conditioning and Sequential Indicator Simulation), Due Diligence/Resource Review and Process Improvement within the mining value chain. Matthew has worked extensively in orogenic gold systems, including mesothermal and other styles.

Mr Paul O'Callaghan (BEng (Mining), MAusIMM, Unrestricted Quarry Manager (WA)), is a mining engineer with over 24 years' experience, primarily in open pit mining. Paul specialises in pit and waste dump optimisation, mine design and mine scheduling, Reserve reporting, project evaluation, due diligence, and feasibility studies. Paul compliments his approximately seven years of consulting experience with over 15 years of site-based work for a variety of mining companies operating throughout Australia and overseas.

Mr Karl van Olden (BSc Eng, GradDipEng Mineral Economics, MBA, FAusIMM, MAICD) is a mining engineer with 26 years' experience in planning, development and operation of diverse range of open pit and underground resources assets across Africa and Australia. Karl's broad expertise includes mining engineering, business process development, business and mine planning, Ore Reserves, financial analysis, and project management.

Graham Jeffress (BSc (Hons), RPGeo, FAIG, FAusIMM, FSEG) is a geologist with over 28 years' experience in exploration geology and management in Australia, Papua New Guinea, and Indonesia. He has worked in exploration (ranging from grassroots reconnaissance through to brownfields, near-mine, and resource definition), project evaluation and mining in a variety of geological terrains, commodities, and mineralisation styles within Australia and internationally, including gold exploration in the Murchison, Eastern Goldfields and in the Lake Grace region. Graham has completed numerous independent technical reports (IGR, CPR, QPR) and valuations of mineral assets.

1.5 Independence

Neither CSA Global, nor the authors of this report, has or has had previously, any material interest in One Asia, Nusantara, or the mineral properties in which One Asia and Nusantara have interests. CSA Global's relationship with Nusantara is solely one of professional association between client and independent consultant.

CSA Global is an independent geological consultancy. Fees are being charged to Nusantara at a commercial rate for the preparation of this report, the payment of which is not contingent upon the conclusions of the report.

No member or employee of CSA Global is, or is intended to be, a director, officer or other direct employee of Nusantara or One Asia. No member or employee of CSA Global has, or has had, any shareholding in Nusantara or One Asia.

There is no formal agreement between CSA Global and Nusantara or One Asia regarding provision of further work for CSA Global.

1.6 Statements

1.6.1 Results are estimates and subject to change

The interpretations and conclusions reached in this Report are based on current scientific understanding and best evidence available to the authors at the time of writing. It is the nature of all scientific conclusions that they are founded on an assessment of probabilities and, however high these probabilities might be, they make no claim for absolute certainty.

The ability of any person to achieve forward-looking production and economic targets is dependent on numerous factors that are beyond CSA Global's control and that CSA Global cannot anticipate. These factors include, but are not limited to, site-specific mining and geological conditions, management and personnel capabilities, availability of funding to properly operate and capitalize the operation, variations in cost elements and market conditions, developing and operating the mine in an efficient manner, unforeseen changes in legislation and new industry developments. Any of these factors may substantially alter the performance of any mining operation.

1.6.2 Declaration

The information in this report that relates to Technical Assessment of Mineral Assets reflects information compiled and conclusions derived by Mr Marcus Willson, who is a Member of The Australian Institute of Geoscientists.

Mr Willson is not a permanent employee of the Company.

Mr Willson has sufficient experience relevant to the Technical Assessment of the Mineral Assets under consideration and to the activity which he is undertaking to quality as a Practitioner as defined in the 2015 edition of the 'Australasian Code for the Public Reporting of Technical Assessments and Valuations

of Mineral Assets'. Mr Willson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears

1.7 Sources of Information

CSA Global was provided a number of sources of information including the following:

- Access to an electronic data room comprising data and reports deemed material, including but not limited to copies of historical resource and reserve estimates, pre-feasibility, and feasibility studies.

- Digital data comprising drilling and surface geochemical results, wireframes related to resource estimations, with related reports completed by Cube. A related database up-dated and validated by Cube.
- Access to maps, assay certificates and other paper information pertinent to this report while completing the site visit at the Awak Mas Gold Project location in Sulawesi.

1.8 Property Inspection

As part of the assessment process, Marcus Willson of CSA Global visited the Awak Mas site between the 5th and the 8th of April 2017. During the site visit, which involved two and a half days at the site, he was able to complete a combination of core review, assay verification, and field review.

1.8.1 Core Review

A total of 11 holes were reviewed while on site as documented in Table 3 below. These were selected to provide an overview of a combination of each of the geological domains within the larger Awak Mas Deposit, as well as an overview of both the Salu Bulo and Tarra Deposits. In addition, two holes from the Kandeapi Prospect were reviewed.

Table 3: Core holes reviewed during site visit

Deposit/Prospect	Domain	Hole ID
Awak Mas	Lematik	AMD208
Awak Mas	Lematik	AMD669
Awak Mas	Ongan	AMD360
Awak Mas	Rante	AMD142
Awak Mas	Rante	AMD178
Awak Mas	Tanjung	AMD676
Awak Mas	Mapacing	AMD235
Salu Bulo	Salu Bulo	SBD011
Tarra	Tarra	TRD003
Kandeapi	Kandeapi	KAD012
Kandeapi	Kandeapi	KAD016

The review comprised a process of visually reviewing core as laid out in the existing core processing facilities at the Awak Mas camp. In combination, cross sections with geology and assays had been created from the resources model database to be compared against the physical core. The intent of the process was to:

a. visually assess the geological, alteration and structural style of the core as presented and make comparison in respect to the MRE as completed by Cube consulting; and,
b. assess that the assay results as returned and recorded in the database could reasonably be related to geological features within the core likely to be associated with mineralisation.

The core review process occurred over approximately two days. Approximately 1¼ hours was spent per hole. However, initial holes were examined in greater detail to provide an initial understanding, with later holes reviewed more rapidly. About half a day was spent in the field reviewing available outcrops and collar locations.

As a result of this review, CSA Global was satisfied that the observations made provided evidence of geology, alteration and veining reasonably in keeping with the MRE completed by Cube. The location of returned assay results are reasonably consistent with observed geology, alteration and veining.

2 Project Background

2.1 Location and Access

The Awak Mas Gold Project is located on the island of Sulawesi in Indonesia. Awak Mas is in the southwestern part of the island on the western side of the north end of the Gulf of Bone, with a centre point of the project at approximately 120°5'E and 3°20'S (WGS84). The closest significant town is Palopo, located approximately 67 km to the north-northeast (Figure 2).

Access to the project is by way of public concrete and asphalt roads from the provincial capital of Ujung Pandang (Makassar) for approximately 370 km to Belopa, or recently by turbo prop aircraft from Makassar to Palopo, followed by approximately 45 km of secondary asphalt and gravel roads to site. Current gravel roads are of very poor quality. A study was completed in 2012 of access to the site from Belopa. In current format, the road is considered too narrow for appropriate heavy vehicle access, requiring a number of up-grades prior to commencement of any future mining in order to be fit for purpose. Material issues identified include:

- Repair to sections of road due to historical landslides and smaller slips. Stabilisation will be required.
- Construction or modification of at least three bridges.
- Steep topography may require modifications to the road to allow heavy vehicle access.
- Sheeting of sections of the road with competent road base material to provide greater access surety due to potentially difficult meteorological (high seasonal rainfall) conditions.

2.2 Climate and Physiography

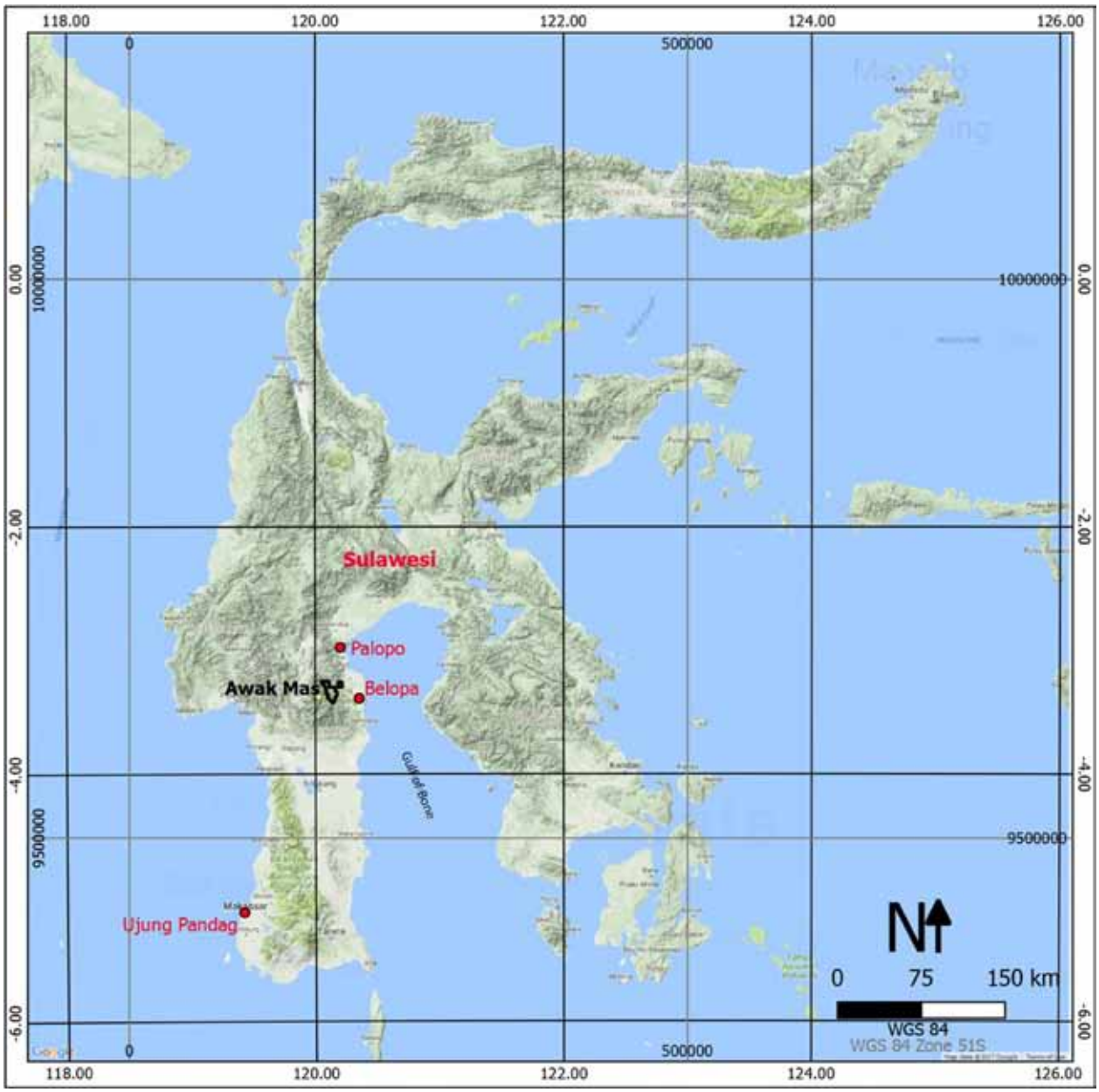
Located approximately 200 km south of the equator, the climate is typical maritime monsoonal, with the rainy season associated with hot wet summer producing approximately 3,200 mm of rain, and temperatures averaging between 18°C and 27°C. July to October cover a dryer period with winters generally milder and dryer.

Awak Mas occurs in an area of high topographic relief with steep razorback ridges and steep slopes ranging in elevation from near sea level to as high as 3400 m. The Awak Mas Deposit itself, at surface, ranges in elevation from about 800–1450 m. The western portion of the CoW is more rugged, with the eastern part of the property showing slightly more subdued topography. Slopes as steep as 30° are common in the western part of the CoW.

The project is covered by primary rainforest in the more rugged areas, whilst partial logging and clearing with subsequent re-growth has occurred. Extensive subsistence farming occurs throughout the CoW for such products as coffee and cloves.

The project area occurs in proximity (<90 km) to the Palu and Mantano Faults. It has been inferred in previous analyses that these faults and related faults closer to Awak Mas have the potential to cause seismic events that could affect the project area. To partially assess this hazard, a brief one day examination of topographic features in the inferred vicinity of the Rante Bella Fault, one of the nearest known Holocene faults to Awak Mas, was conducted by Cox and Allibone (1997). They concluded that there is no obvious surficial evidence of Holocene age (most recent 11,700 years) movement on this fault, and suggested that because of this the seismic hazard assessment conducted earlier may require revision.

Figure 2: Location Map of the Awak Mas Gold Project (Google).



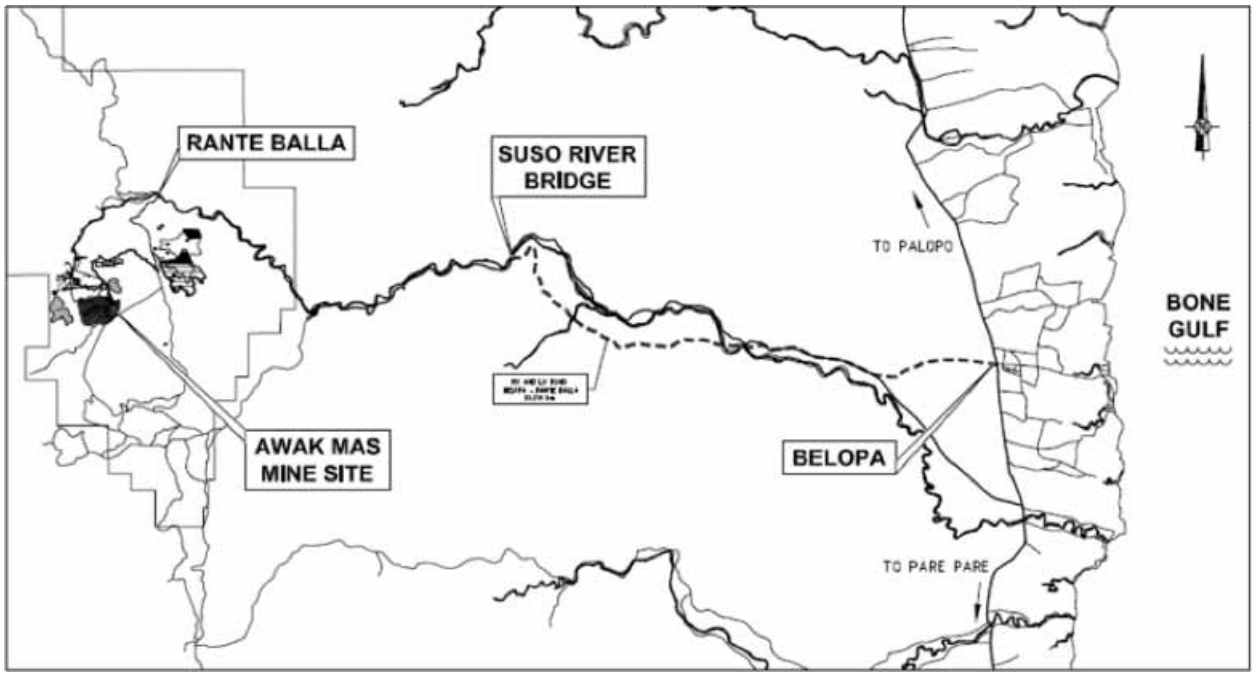


Figure 3: Access route to Awak Mas Gold Project from Belopa.

2.3 Tenure

The original Contract of Work was executed on the 19th of February 1998 on the basis of a decree by the Minister of Justice Number C2-919.HT.01.01.TH.98. This Contract of Work contains conditions that allow for progressive extension of term based on the general progression from exploration through to development, subject to the satisfaction of the Indonesian Government, such that no defined expiry date can reasonably be stipulated.

An addendum to the Contract of Work was executed on the 17th of October 2014, between the Government of the Republic of Indonesia and PT Masmindo Dwi Area. PT Masmindo is a wholly owned subsidiary of One Asia Pty Ltd. Based on the addendum, with related maps and stipulated corner points, the current area of the Contract of Work is recorded as 14, 390 Ha encompassing two spatially separate areas (Figure 4).

Based on the independent solicitor's report completed by Soemadipradja and Taher dated 30 May 2017, and under the terms of the CoW the Awak Mas Gold Project is currently in the Feasibility Study Phase, which commenced on February 2008. Masmindo has been granted four Feasibility Study Phase extensions, most recently in 2014. While the Feasibility Study Phase is currently under suspension, the receipt of an AMDAL and Environmental License (see section 5 for more detail) as at 12th of April 2017 means that Masmindo has been able to apply, on the 2nd of May 2017, to lift the suspension and continue to the next stage of activities, being the Construction Phase. The CoW notes that once the Mining Authority has lifted the suspension and Masmindo has submitted its feasibility study report, together with an application to proceed with the construction of a mine and facilities, the Mining Authority will have three months to approve the Construction Phase Application.

Based on documents sighted by CSA Global believes that the CoW is currently in good standing and relies on the independent solicitors' report completed by Soemadipradja and Taher dated 30 May 2017 to confirm this.

2.4 History

New Hope Consolidated Industries Pty Ltd (New Hope) and PT Aminco Bara Utama formed the original partnership in respect to the Awak Mas Joint Venture. Battle Mountain Gold Company (BMGC) later executed a farm-in agreement with New Hope and then earned 60% equity. Lone Star Exploration NL (LSE) subsequently acquired the equity of both BMGC and New Hope.

The current signatory of the Contract of Work, PT Masmindo Mining Corporation Ltd (MMC) was structured by Gascoyne Gold Mines NIL (GGM) and JCI Limited (JCI) to combine the various equities split between LSE (45%), GGM (45%) and JCI (10%). In January 1998, LSE purchased GGM's 45% equity in the project.

Placer Dome (Placer) acquired an interest in the project by executing an earn-in type joint venture with MMC in September 1998. This allowed them to earn up to 50% equity through the expenditure of US$10 million (A$13.5 million). However, having only expended US$1 million (A$1.3 million), Placer withdrew from the JV in June 1999.

A debt for equity swap was negotiated between MMC and JCI (Isle of Man) Limited in October 1999 providing JCI with 66% equity in the project in exchange for relief of approximately A$8 million (US$5.9million) that MMC owed JCI. Subsequently, MMC regained full control of the project by purchasing JCI's interest. In November 2004, Vista Gold Corp. (Vista) executed an option to purchase agreement over the project with MMC. Vista paid US$1.5 million (A$2.0 million) to complete this transaction (Gustavson, 2007).

In December 2013, Nusantara Resources Ltd (fully owned by One Asia), acquired the Awak Mas Gold Project from Vista Gold Inc. This transaction included granting Vista Gold Inc with a Net Smelter Royalty of 2.0% on the first 1,250,000 ounces of gold produced from the Awak Mas Gold Project and 2.5% on the next 1,250,000 ounces of gold produced.

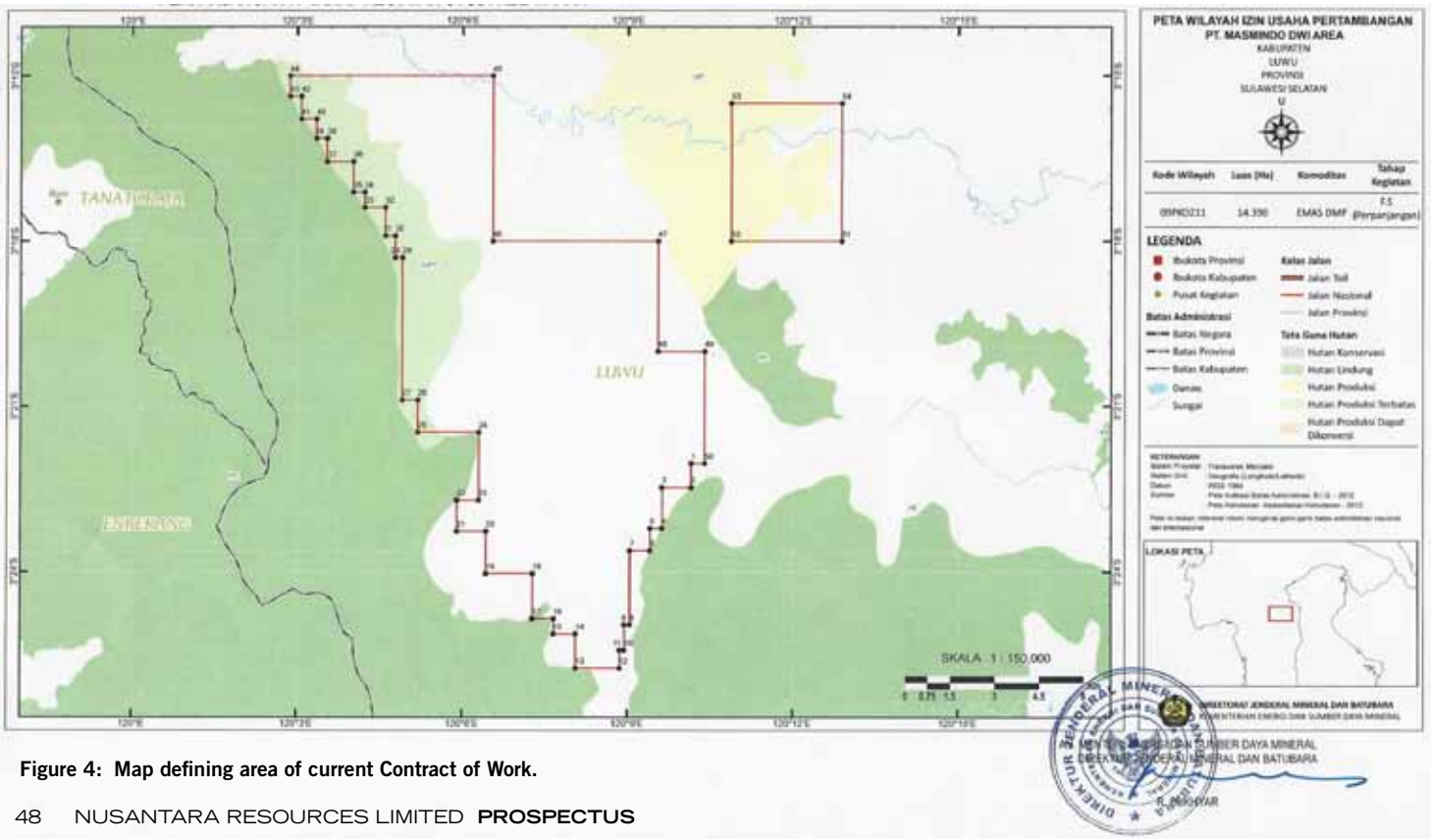


Figure 4: Map defining area of current Contract of Work.

The Awak Mas Gold Project is currently owned by One Asia Resources Ltd, an unlisted Australian domiciled company.

One Asia's ownership of the CoW, which relies on the independent solicitors' report completed by Soemadipradja and Taher dated 30 May 2017 is indicated as:

- One Asia Resources Ltd (ACN 150653982) owns 100% of Nusantara Resources Limited;
- Nusantara Resources Limited owns 100% of Vista Gold (Barbados) Corp;
- Vista Gold (Barbados) Corp owns 100% of Salu Siwa Pty Ltd (ACN 80538709) (**Salu Siwa**); and
- Vista Gold (Barbados) Corp and Salu Siwa Pty Ltd together own PT Masmindo, with Vista Gold (Barbados) Corp owning 1% and Salu Siwa Pty Ltd owning 99%.

Parallel with the Offer, One Asia will undertake a demerger of the Nusantara Resources Limited which owns a 100% interest in the Awak Mas Gold Project.

2.5 Exploration History

2.5.1 Awak Mas Deposit

In keeping with the diverse ownership history, numerous companies have completed exploration on the property since 1987, when gold potential was recognised due to local artisanal mining. Reconnaissance stream sediment sampling further constrained this potential in 1987 within the initial CoW. Follow-up work completed between 1988 and 1990 included regional sampling, geological mapping, airborne magnetics, soil geochemistry and drilling. This work identified six discrete anomalies within the CoW.

At the Awak Mas site, an initial 77 diamond holes were drilled in the property by Battle Mountain between December 1991 and February 1993. This was followed by additional drilling between 1993 and 1997 by a variety of operators (Table 4) that brought the total number of holes and total metres drilled to 790 and 94,851m respectively.

Vista Gold completed additional exploration and delineation work between 2004 and 2008, including the drilling of an additional 13 holes in order to up-date the resource estimation under CIM (NI 43-101) compliance, which was completed by Gustavson Associates in 2007 and 2008.

A resource estimate for the Awak Mas Deposit was completed under the guidance of Vista, based on these 803 holes. This resource was based on drilling that was typically at 50 m by 50 m spacing, but locally infilled to 25 m by 25 m.

An initial feasibility study was initiated by MMC through Minproc Engineers Limited (Minproc).

Additional drilling was completed by One Asia, bring the total holes to 890 and total metres to 103,382 m at the Awak Mas Deposit. Additionally, and to date, the Salu Bulo Deposit has had 132 holes for 12,910 m drilling and Tarra has had 69 holes drilled for 8,377 m (Cube, 2017) bringing the total drilling to a little under 125,000 m

A further resource estimate was completed by Tetra Tech under the management of the precursor to One Asia in 2011.

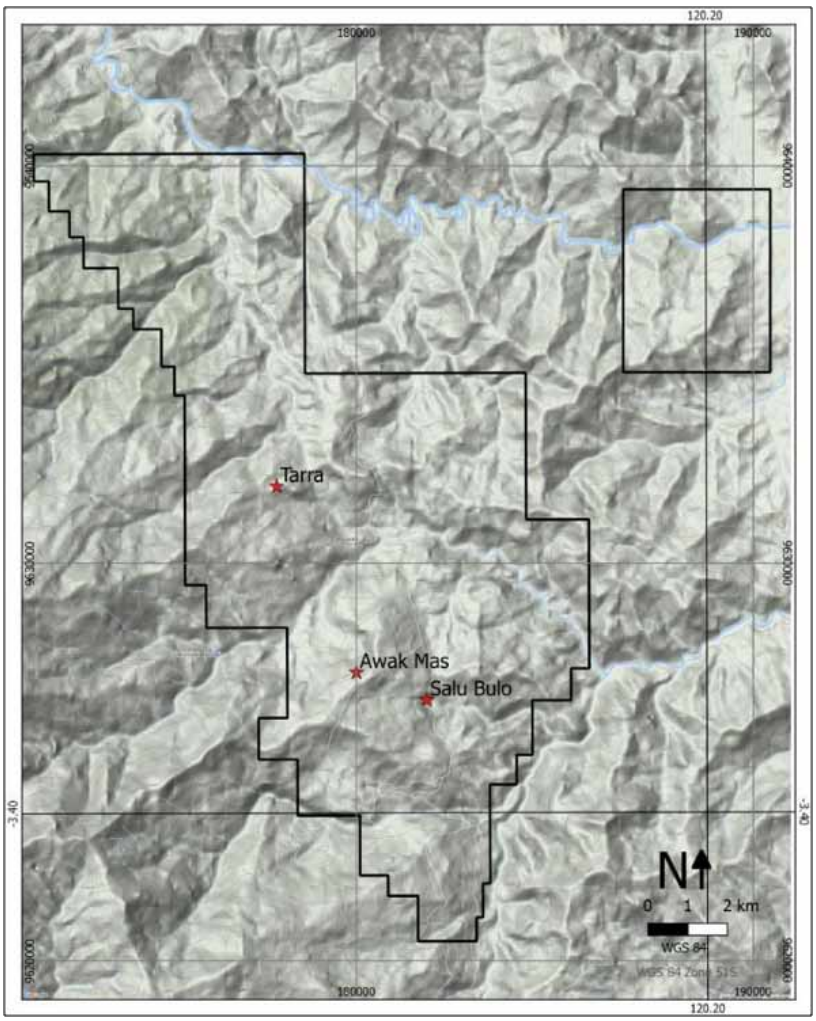


Figure 5: The Awak Mas Gold Project showing locations of deposits (Google).

Table 4: Summary of Historical Exploration Drilling – Awak Mas Gold Project (Awak Mas Deposit).

Time Period	Operator	Hole ID	Hole Type	No. of Holes	Total Metres drilled (m)	Average Depth (m)
Dec 1991 – Feb 1993	BMGC	AMD001-074	Core	77	8,288.75	108
Jun 1994 – Aug 1995	LSE	AMD075-104	Core	31	2,748.90	89
Mar 1995 – Apr 1996	MMC	AMRC001-101	percussion	101	10,317.00	102
Jun 1995 – Mar 1997	MMC	AMD105-552	Core	451	57,860.00	128
Apr 1996	MMC	AMD553-611	Core	59	7,503.00	127
Apr 1997 – Jul 1997	MMC	AMRC102-156	percussion	57	6,062.60	115
Apr 1997 – Jun 1997	MMC	AMRD089-150	Core	14	2,070.50	150
Oct 2006 – Feb 2007	Vista	RTD001-010 LMD001-003	Core	13	2,576.00	184
Mar 2011– Sept 2012	OARL	AMD612-698	Core	87	5,956	68
TOTALS			Core	732	87,003.15	121
			percussion	158	16,379.60	109
			ALL	890	103,382	119

2.5.2 Exploration of other areas and prospects in the Contract of Work area
A regional sampling programme conducted in 1988–1989 by Battle Mountain resulted in the discovery of Awak Mas, and what is now known as the Tarra Deposit. From 1991–1992, Battle Mountain continued with stream sediment sampling, and then in 1996 a regional soil sampling programme led to more discoveries and interest in the Kandeapi and Tarra Prospects. From 1996–1998, MMC continued with exploration, ultimately resulting in drilling at Tarra.

In the first half of 1999, Placer Dome continued with exploration, drilling a total of 43 holes for a total of 4,518 m. These were entirely in satellite prospects (none in the main Awak Mas Deposit area). In detail, completed holes/wells included 30 holes in the greater Salu Bulo area, six in Tarra and Tarra Northwest, five in Puncak Selatan, and two in Puncak Utara.

Salu Bulo was elevated to deposit status with the completion of a JORC reportable Mineral Resource estimate completed by Terra Tech in November 2013. Tarra was elevated to deposit status with the completion of a JORC reportable Mineral Resource estimate completed in house by One Asia in 2015.

In addition to the work done to bring Salu Bulo and Tarra to deposit status, significant work was also completed on the other satellite prospects. A substantial effort to summarize and collate the available information about all additional prospects was completed by Mauro Papio of Pan Asia Resources (the pre-cursor to One Asia) in 2012 (Papio, 2012). Most of the prospects were found or initially delineated with a combination of stream and soil sampling, but many have also been followed up with drilling. These prospects are summarized in Table 5. Drilling at the various satellite prospects is summarized in Table 6. The locations of the various projects are summarized in Figure 6.

Table 5: Awak Mas Gold Project early to mid-stage prospects

Prospect	Stream and Pan Sampling	Soil Sampling	Costean/ Trenching	Drilling
Noling	yes			
Salu Tabang	unknown	unknown		
Tarra NW	yes	yes	yes	yes
Sewatu	yes	yes	yes	yes
West Tarra	yes	yes	yes	yes
Sewatu-Uruan	yes	yes	yes	yes
Salu Nangka	yes	unknown	yes	
Salu Kombong	yes	yes	yes	
Kandeapi	yes	yes	yes	yes
Salu Lengke				
Puncak Utara	no	yes	yes	yes
Freddie-Bertie	yes	yes	yes	yes
Bandoli-Mickey	yes	yes	yes	yes
Biwa-Lelating	yes	yes	yes	yes
Puncak Selatan	unknown	yes	yes	yes
Katapu	yes			

2.6 Resources History

Since the discovery of Awak Mas, a number of historical resource assessments have been completed; though these estimates have been superseded by subsequent work completed in accordance with the JORC Code. These are summarised in Table 7. In addition, as part of a feasibility study completed in 2014, Australian Mine Design and Development (AMDAD) completed an assessment of reserves. This and subsequent up-dates were completed as documented under sections 2.7 and 4 of this technical report.

Note that none of these assessments comply with JORC 2012 and therefore no resource and reserve values have not been included in this report. Cube, as documented later in this report (Section 3: Review of Mineral Resources) has completed a new Mineral Resource estimation that supersedes these earlier resources. No Ore Reserves have been calculated from the revised resources at this time.

Table 6: Summary of Drilling in Awak Mas CoW prospects (excluding Tarra and Awak Mas Deposits)

Time Period	Operator	Hole ID	Hole Type	Number of Holes	Total Metres drilled (m)	Average Depth (m)	Location
1999	PD	SBD001-030	DDR	30	3171.70	105.7	Greater Salu-Bulo[1]
2011-2012	OAR	SBD0031-00132	DDR	102	9397.85	92.1	Greater Salu-Bulo[1]
late 1996	LSE	KAD001-017	DDR	17	2440.80	143.6	Kandeapi
Apr 1999–May 1999	PD	PSD001-005	DDR	5	499.10	99.8	Puncak Selatan
Apr 1999–May 1999	PD	PUD001-002	DDR	2	190.30	95.2	Puncak Utara
May 1999–June 1999	PD	SWD001-002	DDR	2	234.20	117.1	Sewatu
Jan 1999–Jun 1999	PD	TND001-004	DDR	4	432.00	108.0	Tarra NW
late 1997	MDA	TRRC519-521	RC	3	222.00	74.0	Tarra NW
1997	MDA	TRRC512-518	RC	7	578.00	82.6	West Tarra

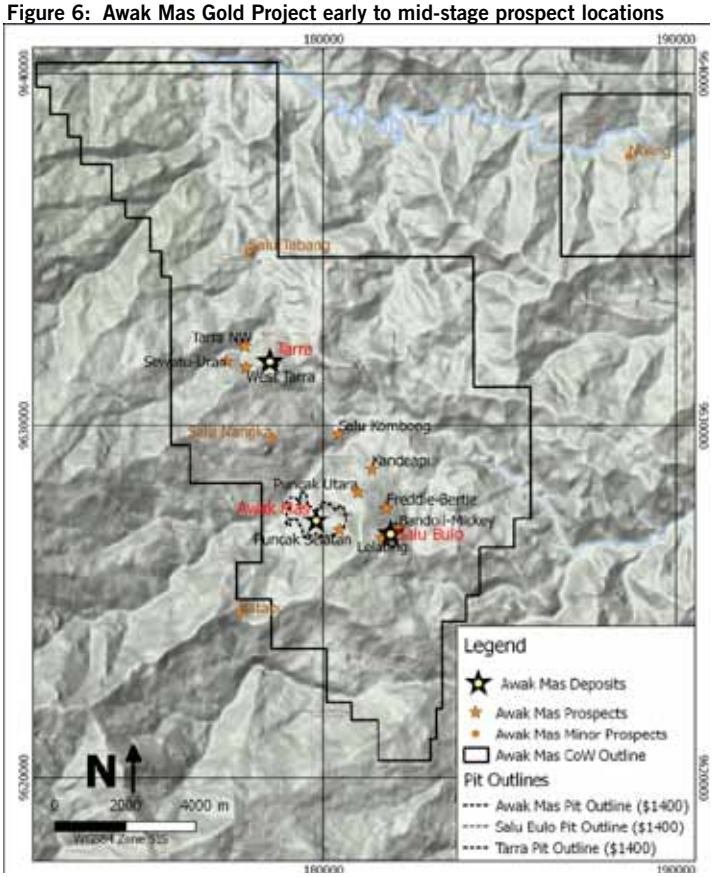
LSE–Lone Star Exploration
OAR–One Asia Resources
MDA–Pt Masmindo Dwi Area
PD–Placer Dome

[1] Includes Freddie-Bertie, Biwa-Lelating, and Bandoli-Mickey

Table 7: Summary of historical resource and reserve estimations

Estimator	Method Block Size (m)	Cut-off Grade g/t Au*	Resource Category	Resource Category	Reserves Category
RSG Global – 1996 (1)	MIK 25x25x10	0.5	M+I	M	
				I	
				M+I	
				Inf	
MS – 1997	Recovered Fraction (unknown)	0.5	M+I	M	
				I	
				M+I	
				Inf	
Snowden – 1998	MIK 12.5x12.5x2.5	0.5	M+I+I	Meas+Ind+Inf	
RSG Global – 1998	MIK 25x25x10	0.5	M+I+I	M	
				I	
				M+I	
				Inf	
RSG Global – 1998	MIK 10x10x5	0.5	M+I+I	M	
				I	
				M+I	
				Inf	
RSG Global – 2004	MIK 12.5x12.5x5	0.5	M+I+I	M	
				I	
				M+I	
				Inf	
Gustavson – 2008	OK 4x4x4	0.5	M+I+I	M	
				I	
				M+I	
				Inf	
Tetra Tech	OK 4x4x4	0.5	M+I+I	M+I	
Australian Mine Design and Development					P+P

Figure 6: Awak Mas Gold Project early to mid-stage prospect locations



2.7 Development Studies History

The Awak Mas Gold Project has been assessed for potential economic development three times since initial discovery.

Sources indicate a three-stage prefeasibility study was completed between 1995 and 1996, by Minproc Engineers. Copies of this study are not available for review, but are considered unlikely to be material due to the elapsed time since their completion.

Australian Mine Design and Development Pty Ltd (AMDAD) completed a more recent study in December 2012.

Subsequently AMEC Australia Limited (AMEC) completed an updated PFS in February 2013, which concluded that the development as considered would be challenging due to a low internal rate of return based on the gold price at the time.

Resindo Resources Indonesia (Resindo) completed a further PFS in 2014, reviewing the Tarra and Salu Bulo Deposits, concluding a positive financial result, particularly if Tarra was included in the development. Minnovo Pty Ltd completed a further up-date in March 2017.

2.8 Geological Setting

2.8.1 Regional

The area of Sulawesi in which the Awak Mas Deposit is located, occurs at the approximate junction of the Eurasian, Pacific, and Australian Plates. A complex history of multiple collisions and subduction, which commenced during the Cretaceous and extends through to the Cainozoic has resulted in compressional, extensional and strike slip faulting in the project area (Archibald et al., 1996; Querubin and Walters, 2012). Constraints on regional timing and ages have been presented by White et al. (2017), who provide a comprehensive, but still tentative age framework for the various tectonic assemblages in the region.

The project is situated in the West Sulawesi Arc, associated with the western and parts of the northern land mass of Sulawesi (Figure 7). The oldest rock in the region consists of likely Late Cretaceous age metamorphic rocks, including schists, slates, and shales, which include some high pressure, low-temperature assemblages such as glaucophane-lawsonite schists. White et al. (2017) review the evidence for the age of these rocks, which they call the Latimojong Metamorphic Complex. Also included in this assemblage are tectonically interposed meta-igneous rocks such as amphibolite, meta-gabbro, and meta-granitoids (White et al. 2017), but the ages of these tectonically juxtaposed rocks are less well known (White et al. 2017). White et al. (2017) discuss the Latimojong Mountains, and differentiate between the Latimojong Metamorphic Complex and the overlying Latimojong Formation, which is postulated to unconformably overlie the Latimojong Metamorphic Complex, although this juxtaposition has not been observed directly.

To the West of the Latimojong Metamorphic Complex lies a tectonically overthrust or obducted group of mafic to intermediate composition igneous rocks which lie between the Awak Mas region and Bone Bay (Querubin and Walters, 2012; White et al. 2017). This suite of rocks has been named the Lamasi Complex, and also includes serpentinite, layered gabbro, isotropic gabbro, microdiorite, basaltic sheeted dykes, pillow lavas, hyaloclastites, tuffs, and volcaniclastic breccias (Coffield et al., 1993; Berman et al., 1996). The presence of these lithologies have led to the interpretation that these rocks represent an ophiolite sequence (oceanic crustal rocks) that have been obducted or overthrust over the Latimojong

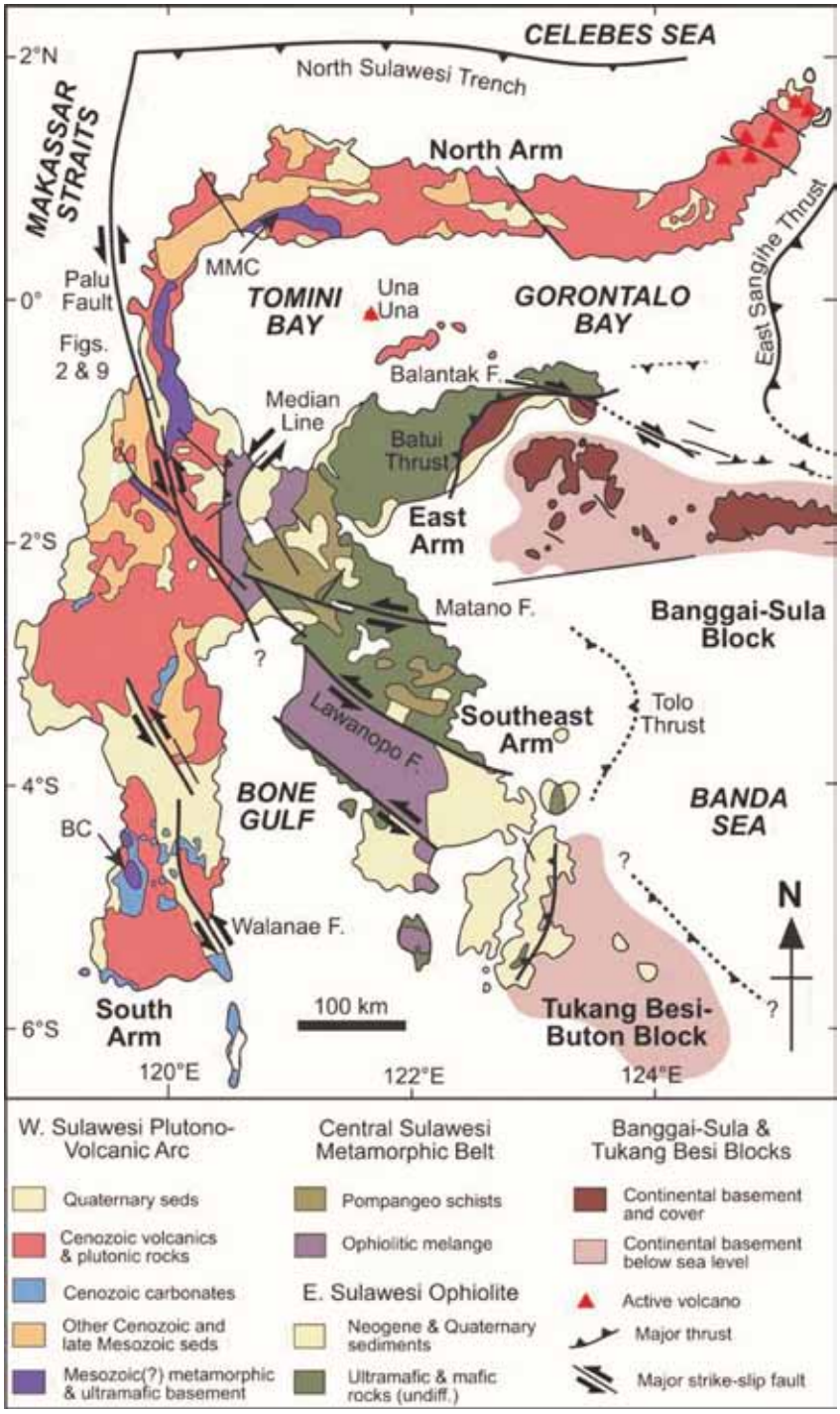


Figure 7: Sulawesi tectonic map
(from Querubin and Walter, 2012, modified from Maulana, 2009)

Metamorphic Complex. The Lamasi Complex is likely of Cretaceous to Oligocene age (White et al. 2017).

Unconformably overlying the Lamasi Complex, a thick sequence of sedimentary and volcanic rocks including the Toraja Group and the Makale Formation are present to the West. These rocks are of Eocene to Miocene age (White et al., 2017).

Igneous rocks which are present in the region include Oligocene to Pliocene intrusive and volcanic rocks (White et al. 2017). These include the Kambuno Granite of likely Oligocene Age, the Enrekang Volcanics of likely Mio-Pliocene Age, and the Palopo Granite of likely Mio-Pliocene Age.

2.8.2 Project Geology

The Awak Mas Gold Project occurs in the Latimojong Mountains of south central Sulawesi, part of the Central Sulawesi Metamorphic Belt (Archibald et al., 1996). This is an approximately 50km long, north-northeast trending fault block composed of basement metamorphic rocks and younger sediments, bounded on the East by a shallowly East dipping thrust and on the West by a major basement structure (Archibald et al., 1996; Querubin and Walters, 2012; White et al. 2017).

The Latimojong Metamorphic Complex as described above in section 2.8.1 forms the host for the Awak Mas Gold Deposit, and at Awak Mas consists dominantly of phyllites, slates, basic to intermediate volcanics, limestones and schists, and also tectonically intercalated "basement rocks" including diorites and poly-deformed schists (Archibald et al., 1996, Querubin and Walters, 2012). Intruding the older sequence are late-stage diorite, monzonite and syenite dykes, plugs and stocks. East of the metamorphic block occurs the Lamasi Complex composed of basic intermediate intrusives, pyroclastics and volcanogenic sediments (Figure 8).

Archibald et al. (1996) noted that at the Awak Mas Deposit the predominant lithological units comprise a thick sequence of sedimentary units that have been subjected to lower-greenschist facies metamorphism. Units range from mudstones to siltstones and fine-grained sandstones. Included are medium grained, reddish haematitic schists. These are capped by a sequence of foliated to gneissic, course grained tuffaceous sandstones as a thin veneer confined to ridgelines. Interbedded or interleaved with these are sheared mylonitic intervals with a similar orientation to foliation. Proximity to major structures is noted in respect these layers.

Archibald et al. (1996), having completed a detailed programme of mapping and geological assessment, divided the project area stratigraphy into five units:

- Cover Sequence: These include the majority of the rock materials at the Awak Mas Deposit, consisting mainly of meta-sedimentary rocks including sandstones, siltstones, mudstones, and rare grits and conglomerates. Archibald et al. (1996) divided this sequence into three sub-units: Dark Mudstones, Lithic Sandstones, and Green and Purple Mudstones.
- Basement sequence: These rocks dominate the central and southern parts of the Awak Mas Deposit area. These are interpreted to be an allochthonous sheet of diorites and poly-deformed schists some 250m thick that were tectonically emplaced within the Cover Sequence. Dominant lithologies include gneisses and schists. The gneisses show evidence of multiple deformation events, with polyclinal box folds, and with hinge lines that parallel the dominant foliation.
- Top Decollement Sequence: These rocks occur as a tabular zone of highly deformed rocks that separate the Cover Sequence in the Awak Mas Deposit area from the rocks which lie to the East and Northeast (the Eastern Mafic Sequence). They outcrop most notably as the steep East wall to the Awak Mas valley. This sequence is dominated by calcarenites and calcareous marls. This sequence also contains rafts or tectonic slices of the sequences that lie both structurally above and below it.
- Eastern Mafic Sequence: This sequence occurs to the East and Northeast of the Awak Mas valley and is dominated by mafic rocks (basalt and gabbro) with subordinate laminated shales. It has been divided into two distinctive associations – a basalt-red shale association and a gabbro-leuco-gabbro association. This sequence lies structurally above the Top Decollement Sequence. The Eastern Mafic Sequence is very likely correlative with the Lamasi Complex.
- Western Grit Sequence: This sequence is dominated by sandstones, lithic grits and distinctly rounded conglomerates. These occur to the West of the Awak Mas Deposit, and have an uncertain relationship to the Cover Sequence. A slightly different sedimentary depositional environment is suggested by the sedimentological character of these materials.

Two of these sequences (Cover Sequence and Basement Sequence) are equivalent to the Latimojong Metamorphic Complex as described in section 2.8.1. The Eastern Mafic Sequence is equivalent to the Lamasi complex (as described in section 2.8.1). The Top Decollement Sequence is most readily interpreted as a tectonic contact zone

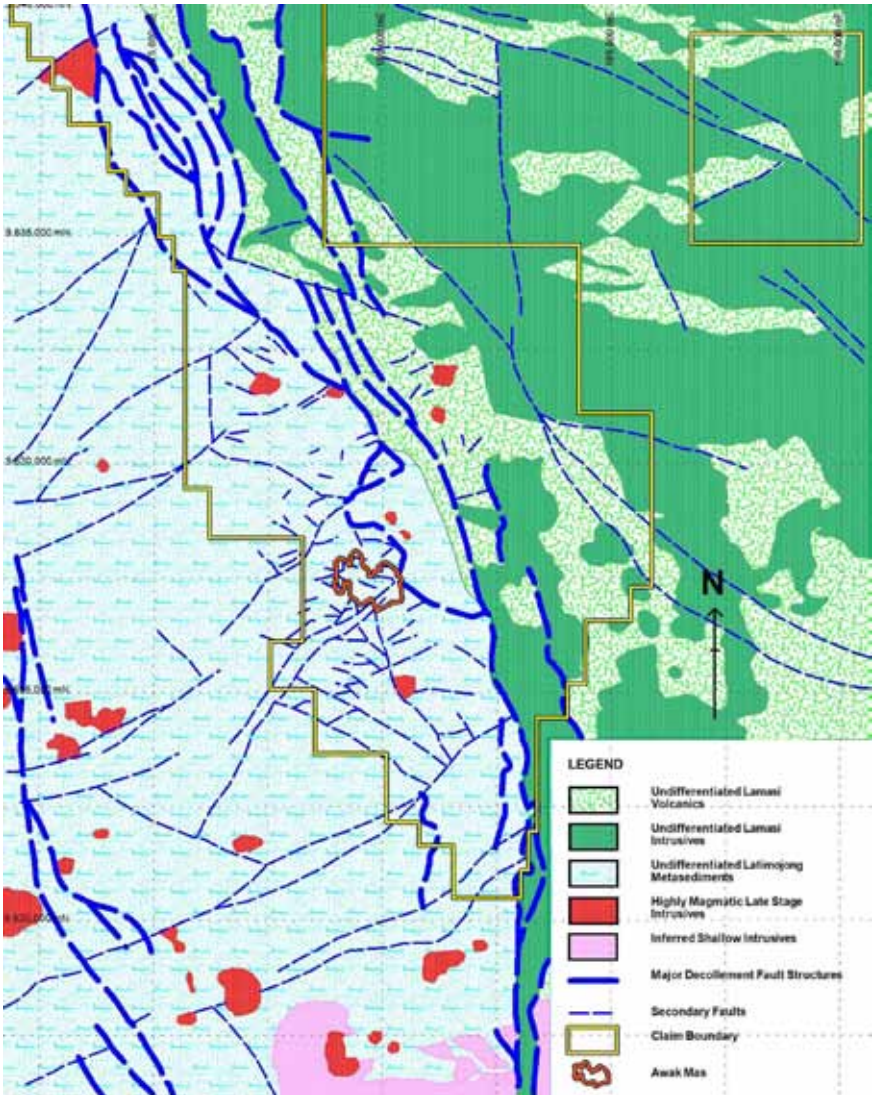


Figure 8: Generalized geological map of Awak Mas project (modified from Archibald et al., 1996, from Querubin and Walters, 2012).

between the Lamasi Complex and the Latimojong Metamorphic Complex. A correlation between the Western Grit Sequence and more regionally relevant rock materials is not possible without further investigation.

Structurally, Archibald et al. (1996) noted two principal phases of deformation and metamorphism. Subsequent studies have not challenged this interpretation. The earlier structural events have been interpreted to have arisen from compression and obduction, which led to the tectonic juxtaposition of the different sequences. Later events have been interpreted to have resulted from subsequent relaxation/extension of the terrain.

Detailed comparison of the structures in the Eastern Mafic Sequence and the Cover Sequence suggest that the earliest tectonic history of these two sequences may have been substantially different to the other Sequences. However, there appears to be some manifestation of a uniform compression and tectonic transport direction in the Basement Sequence, the Cover Sequence, and the Eastern Mafic Sequence.

Later, dominantly brittle deformation can be subdivided in three major deformational events (Archibald et al. 1996). The first features are broad open folds of the Basement and Cover Sequences. The second deformation is characterised by numerous, generally normal displacement faults which range in orientation from steep to nearly sub-horizontal. The third is associated with abundant jointing and faulting, with no strong preferred orientation or extension or strain axes.

Overall, Archibald et al. (1996) proposed an extensional or "core complex-like" regime as a model for the later deformation events. This has important implications for the formation of the Awak Mas mineralisation in respect to defining controls on mineralisation. Although there are no substantial constraints on the interpretation of core complex-like tectonic history, Spencer (2011) presents evidence for a core-complex interpretation for the Pompangeo and Tokorondo Mountains, which lie approximately 100-200 km to the North of Awak Mas, adjacent to the Gulf of Tomini.

2.8.3 Mineralisation

Mineralisation is generally accepted to be associated with sulphur poor, sodic rich fluids introduced relatively late in the tectonic history (Archibald et al., 1996, Querubin and Walters, 2012, Harjanto et al. 2016). Archibald et al. (1996) proposed that the mineralisation event was related to up-lift associated with core complex associated extension, with gold deposition related to fluid pressure changes associated with the up-lift and unroofing process. More recently Harjanto et al. (2016a and 2016b) noted graphite banding, and suggested that the mineralisation is representative of a metamorphic related epizone (or shallow extension) of an orogenic or mid-crustal gold deposit system. Rapid up-lift associated with core-complex related deformation may be permissive of a progressive change from Mesozonal (mid-crustal levels) to Epizonal (shallow-crustal) mineralisation.

Williams and Davys (2015) suggested that many of the earlier studies of mineralization at Awak Mas have erroneously assumed the deposit was mesothermal in origin. They suggest that the gold mineralization is derived from a very late stage and much lower temperature carbonate-rich alteration event, the products of which are volumetrically small in comparison to earlier (but non-mineralizing) alteration events which were associated with sodium rich fluids that produced albite rich mineral assemblages.

Observations from the site visit conducted as part of this study noted the albite alteration event. There is also a significant ankerite/pyrite event that appears to be present at least locally. This ankerite/pyrite event may be associated with the observed sericite/silica/pyrite event that appears to overprint the albite event. Based on limited review, it is reasonable to question that the albite event is the principal mineralisation event. An additional or new alteration/structural paragenesis study would be required to determine the details of these various alteration styles.

CSA Global notes that the details of crustal depth of the alteration events (for example mesothermal versus epithermal) will likely prove to be of academic interest only. This is because the success or failure of mining will ultimately only require a practical understanding of the ore deposit geometry, which may be achieved without a completely correct understanding of the depths at which gold mineralization occurred.

The site visit also allowed observation of two graphitic shear zones with associated strong sericite/argillic alteration, but related analytical data indicated that these were not mineralised.

At Awak Mas, the Cover Sequence is the dominant host to mineralisation. Mineralised rocks are spatially, and perhaps causally, associated with disseminated pyrite and numerous minor quartz veinlets in zones whose extent and internal structure are controlled by a network of locally mineralized faults and an older foliation(s). Mineralization also occurs locally in the Basement Sequence, dominantly within the Lematik domain. The dominant proximal alteration mineral assemblage in the mineralised rocks includes albite-pyrite-silica ± carbonate ± chlorite. Whereas the sulphide content of the mineralised rocks is generally low, it has been observed to increase with grade (Archibald et al., 1996; Allibone and Cox, 1997). Two broad structural styles of mineralisation have been observed. These are

- Gently to moderately-dipping (20-40°) broadly tabular zones of cm-thick veinlets and altered rock whose overall orientation is similar to that of the foliation in the host rocks, and
- More steeply dipping (30-70°) zones of quartz veinlets, local brecciation, and altered rock, which commonly coincide with faults that cut across foliation in both the Cover and Basement Sequences.

The latter may be associated with high angle faults that cut both the Cover Sequence and Basement Sequence. Querubin and Walters (2012) suggested that some of the steep faults that are evident in the Lematik domain may have been the "feeders" or source of gold-bearing fluids.

Brittle structures, including the Garlic, Discovery, Chinese Workings, and other faults constrain areas within which local variations in structural orientation and paragenesis seem to control the mineralisation distribution. Because of this general observation, the mineralisation has typically been analysed in separate domains (Figure 20) that are bounded by major faults (e.g. Archibald et al., 1996; Cube Consulting, 2017).

2.8.4 Geological Observations: Site Visit

The following briefly summarises geological observations related to the completed site visit as deemed relevant to the overall geological setting of the project.

Awak Mas

In reviewing this, the most material of the three deposits, a total of six holes were examined covering the Lematik, Mapacing, Ongan, Rante and Tanjung mineralization domains.

In general, a strong correlation was found between the geological, alteration and structural style as documented in various reports and references. The mineralisation at Awak Mas has been modelled to occur as two distinct styles: foliation conformable, dominantly as veins and lesser breccia, and foliation disconformable as steep, roughly perpendicular tension and breccia veins or vein arrays. Examples of both

styles were noted during the review. In some areas, deep weathering of the steep structures (to greater than 80m downhole depth as noted) suggests continuity to surface indicative of significant dip extent in keeping with the modelling. In addition, local areas of jigsaw fit and milled breccia were also noted occurring as both semi-conformably and disconformably to foliation.

In addition, it was noted that additional veins were observed to have a strong association with local rotation of foliation from generally close to perpendicular to the core axis (shallowly dipping) to close to parallel with the core axis (steeply dipping). In these areas, veins associated with progressive extension related deformation can be defined, indicative that at least part of the inferred mineralisation related vein system was formed during extension (Figure 12).

As expected, some variation was noted between the different mineralization domains. The most significantly different domain is Lematik, which is hosted within 'basement' stratigraphy and in which mineralisation has been interpreted to be related dominantly to steep structures. More significant steep structures were noted within this area. Modelling also suggests that between these structures a secondary orientation dips moderately to the north. It was noted in the core that a series of breccia zones, showing strong 'milling' or polyphase brecciation, cut through the core, overprinting both conformable and disconformable veins.

CSA Global conclude that there is clear evidence of alteration and veining which relates to areas of assay defined gold mineralisation. The style used by Cube to complete their resource estimation is reasonable based on available data. CSA Global believes that there may be additional controls that may have a secondary impact on the distribution of mineralisation that the currently available data, having resulted in a dominantly 'indicated' level of resource classification, may be insufficient to recognise. Evidence for steep mineralisation zones can be identified.

Salu Bulo

Due to time availability, and the less material nature of the Salu Bulo Deposit, only a single hole was examined from this deposit (SBD011).

The Salu Bulo hole is noted to comprise interbedded chloritic and hematitic schists. It appears that during deformation, the hematic mudstone acted more brittlely, resulting in a greater density of veining. Cube have modelled all mineralisation to be related to steep, sub-vertical, foliation non-conformable structures. They have, however, interpreted a significant shallowly dipping fault or shear zone, potentially acting as a link between steep structures, but within which no mineralisation has been constrained.

Similar alteration to that noted at Awak Mas is also observable at Salu Bulo. However, there is local evidence of replacement of chlorite and or albite by biotite and possibly sericite. While foliation remains at a high angle to the core axis, structural textures demonstrate that simple shearing is more prevalent and penetrative throughout the core examined than the more localized pure shearing noted at Awak Mas, particularly at the margins of conformable mineralised zones. Similar progressive deformation features, but at a smaller scale are also noted. As suggested by the Cube MRE, limited evidence of conformable veining and mineralisation is evident, with zones of strong brecciation noted sub-parallel to the core axis. Alteration proximal to the breccia and other veins appears to be an early silica, albite, pyrite event. However, this is locally overprinted by sericite with fine to course grained pyrite and lesser biotite.

Figure 9: Photo of core from hole AMD142, approximately 65m downhole depth, showing foliation conformable type mineralisation, showing strong albite-silicate-pyrite alteration. (Willson, 2017)

Figure 10: Foliation unconformable veining in hole AMD142 at approximately 81.6m downhole depth showing week albite alteration with silica, ankerite, pyrite veins cross cutting foliation. (Willson, 2017)

Figure 11:Semi-conformable brecciation in hole AMD669 at approximately 15.6m downhole depth with anastomosing quartz veins at a high angle to the core axis. (Willson, 2017)

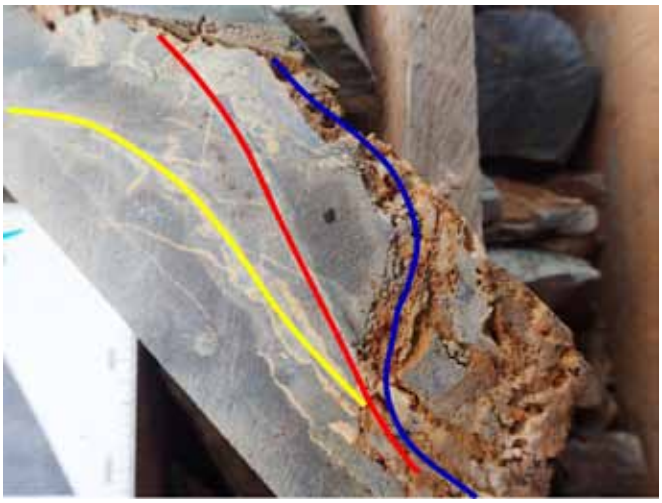


Figure 12: Veins formed under progressive deformation in hole AMD235 at approximately 14m depth. Blue – early, yellow-mid, red-late (Willson, 2017).

Figure 13: Image from AMD192 (depth unrecorded) within Lematik, showing early conformable veins (lower left), overprinted by unconformable veins (central left and right), cross cut by a disconformable breccia zone (central right).

Figure 14: Hold SBDD011 (depth not noted) at Salu Bulo showing significant core axis parallel (steep) breccia zone.

Figure 15: Section of SBD011 hole showing intense fault zone with flat/shallow foliation preserved.

Figure 16: Road cut in the Salu Bulo area showing intense fault/shear zone (top) with sharp contact to deformed but recognisable chlorite and haematite schist. Yellow lines define structures, red lines define veins at high angle to foliation.

Occurring at approximately 45m depth of the drill hole SBD011 is a section of approximately 15-20m near true thickness of intense faulting, with probable shearing. Preserved foliation suggest that the zone is more likely flat or shallow than steep. During field inspection, a similar, potentially equivalent feature was noted in outcrop at a road cut. The two locations are significantly spatially removed from each other and continuity has not been demonstrated based on currently available data. In the inspected hole, SBD011, significant moderate to high grade mineralisation occurs associated with this shear zone.

CSA Global conclude that there is evidence of significant steep structures within the Salu Bulo area. However, similar foliation parallel alteration to that associated with the Awak Mas Deposit can also be identified. Review of core and outcrop indicates that Salu Bulo is structurally complex, indicative that additional mineralisation controls may be present that require additional definition. A major flat shear zone was identified in outcrop and drilling which is not represented in the current model and may have a material impact on the location and distribution of mineralisation.

Tarra

It was not possible to visit the site of the Tarra Deposit, given available time, as access to the area is heavily overgrown and a necessary bridge crossing has been washed away. The location was pointed out from across the valley. A single hole at Tarra was examined due to time constraints and the lower materiality of this deposit.

Footwall and hangingwall stratigraphy for Tarra comprises intensely haematitic mudstone with penetrative foliation which is relatively shallowly dipping away from the Tarra shear/fault zone. Foliation rapidly steepens in proximity to the shear/fault zone. While shearing is intense, limited movement sense indicators are suggestive of a normal sense of movement on the fault. A sharp contact between unaltered material and an intensely altered zone of generally intensely replaced silica, sericite breccia, with local biotite, variable pyrite and ankerite and fault proximal albite is readily noted. Grade variability, other than generally, is not readily explained by visually observable structural or alteration features. The breccia zone consists of a random cataclastic vein breccia with veins in virtually all orientations. The original protolith of the breccia is visually impossible to identify except towards the hangingwall edge of the breccia zone. In this position decreasing alteration allows for the identification of a probable dioritic intrusive. It may be that the breccia zone has been preferentially hosted in this unit due to it being more brittle.

Figure 17: Sharp faulted contact between footwall hematitic mudstone and albite, silica, sericite altered hydrothermal breccia at approximately 92m downhole depth, TRD003.

Figure 18: Typical silica, sericite, with biotite and albite quartz vein hydrothermal breccia showing near random vein orientations in hole TRD003 at approximately 99m depth down hole.

Figure 19: Mineralised intersection of KAD016 at the Kandeapi Prospect, Awak Mas project showing steep main vein with peripheral flat veins. Note proximal silica-sericite alteration.

CSA Global concludes that the observations made on the core derived from Tarra show structure and alteration consistent with the way in which Cube have modelled the resource. Alteration and structure is consistent with mineralisation as defined from the database.

Kandeapi Prospect

At time of writing the database only contains drill data associated with those prospects the subject of the current resource evaluations. As such, CSA Global was keen to review examples of core derived from at least one of the potentially more significant prospects for which drilling had been completed. Two holes at the Kandeapi Prospect were reviewed including KAD012 and KAD016 which are located on approximately the same east-west section. KAD012, while similarly altered to KAD016 did not return any significant assay results as defined by available data, subsequently validated. KAD012 and the majority of KAD016 are hosted in an undeformed but moderately to strongly altered dioritic intrusive. Pervasive chlorite with epidote alteration with local fine pyrite occurs at the top of both holes. This is crossed by generally flat quartz veins with selvedges of epidote. As depth increases chlorite appears to be replaced by a fine, blue green mineral, interpreted to be actinolite. Towards the bottom of both holes, an anastomosing, sub-vertical/steep quartz vein is evident with variable proximal sericite with pyrite alteration, with peripheral flatter tension veins. This may be more consistent with compression than extension. While hole KAD012 failed to return significant gold assays, the veins in both holes are consistent, which suggests that mineralization may be continuous between these two holes. However, this possibility is as yet unverified.

CSA Global believe that the alteration and veining defined at the Kandeapi Prospect with associated mineralisation is sufficient and appropriate to warrant further work.

2.8.5 Data Validation

During the site visit, CSA Global was able to visit the data storage facility retained at the Awak Mas camp, as part of assessing and validating historical data. The facility is housed in a weather-proof concrete bunker-like building. It contains the hard copies of what appears to be all of the historical drilling, surface and mapping related data. Most specifically, each drill hole has a separate file in which original hand-written logs, sample sheets and related analyses are kept. Importantly, copies of the original signed assay certificates related to each of the sample batches are stored within these folders.

In order to validate the database, folders for the 11 holes selected for core review were located and reviewed. This encompassed a process of locating original sample sheets defining sample ID's relative to drilling. Subsequent to this, certain anomalous results from each hole were selected and a comparison of the results recorded against each selected sample ID was compared to the relevant data included in the database. In all instances, the results included in the database correlated with the original assay certificate data. At only the Kandeapi Prospect and Tarra Deposit, the database contains gold values derived from the average of combined primary and repeat assay results. A non-statistical review indicates that, in general, such repeats have low variability and therefore this is not considered a material issue.

All laboratory certificates contain tables of laboratory selected repeats, standards and duplicates listed separately at the back of each certificate. While CSA Global carried out no QA/QC analysis on this data as it is strictly in paper format at this point, a programme of data entry and subsequent analysis would allow a reasonable QA/QC analysis to be completed.

In addition to reviewing assays, collar locations, as access allowed, were reviewed to assess correlation with database defined positions. A total of 4 collars were located, all within the Salu Bulo Deposit area. It was found that a hand-held GPS defined position corresponds within ±3m of the database recorded location.

CSA Global are of the opinion that the data contained in the database is a suitably accurate record of the original analytical data contained within the original signed laboratory assay certificates as reviewed on site at Awak Mas, and relating to the deposits and prospects associated with that Project.

3 Review of Mineral Resources

The Mineral Resources of the Awak Mas Gold Project under consideration within this report comprise three main deposits; Tarra, Salu Bulo and Awak Mas. The Awak Mas Deposit is further divided into five separate domains, adjacent but structurally discrete, due to multiple faults which transect the deposit area (Figure 20). These updated MRE have been produced by Cube for Nusantara (Cube, 2017a, c, d). CSA Global has conducted a review of each of the Mineral Resource estimates. No fatal flaws were found within any of the reviewed models.

In all cases, the most recent update of Mineral Resources has been based on historical information, and in some instances the data available is derivative of the original data, or the original data is unavailable for review. Cube have expended considerable effort to mitigate the risk this issue poses to the current Mineral Resource estimates.

Predominantly, drill hole data are sourced from diamond drill core drilled by previous operators of the Awak Mas Gold Project, with a minor contribution in some instances from reverse circulation percussion drilling data. The level of detail captured within the available data is generally good, and includes qualitative lithological logging, geochemical assay data, and quantitative structural and geotechnical logging. Core photos are available for much of the diamond drilling, and serve as an excellent point of reference for validation of geological interpretations.

CSA Global notes a paucity of available Quality Control (QC) information with respect to the assay data used in any of the recent resource updates. Similarly, data related to determination of in-situ bulk densities is minimal or absent for all deposits.

Available historical documentation ranging in date from 1997 to 2013 indicates the use of internal laboratory standards, blanks and duplicates during the assaying process, as validated during the site visit. However, no data relating to pass / fail criteria, or assay batch performance is presented. A 2013 report by consultants Tetra Tech pertaining to the Salu Bulo Deposit records the use of certified reference materials (CRMs) sourced from a third party during recent (2011-2013) drilling, along with the insertion of blanks, but does not describe in detail the results, nor pass fail criteria, nor treatment of spurious samples and their respective sample batches. A 2012 report on the Awak Mas Deposit by Tetra Tech presents a dataset of umpire analyses, however this check assaying was limited in scope.

CSA Global considers that while the paucity of available bulk density analyses and QC results are identified risks to the validity of grade and tonnage estimates within the models in question, the review of recent documentation which specifies that QC work was indeed conducted and was deemed satisfactory by previous operators mitigates this risk.

Additionally, to address these concerns Nusantara have embarked upon a comprehensive programme of umpire analysis, in consultation with Cube to specifically address uncertainty relating to the validity and reliability of the data used in the creation the latest Mineral Resource estimates. A batch of 111 samples of drill core, selected from drilling across both the range of historical project operators, and across deposits has been selected, and has been assayed by PT Geoservices (Ltd); an independent certified assay laboratory. These umpire analyses were conducted with the inclusion of certified reference materials (CRMs) sourced from Gannet Holdings Pty Ltd.

CSA Global has reviewed the results of these check sample analyses, and notes that no analysis of internal precision within the re-sample batch has been conducted, but if taken as given that precision is acceptable, the results from CRM analyses within the re-sample batch indicates a very minor low-bias to results for grades above 1 g/t Au. With this bias in mind, the precision associated with original/re-sample pairs is generally acceptable.

CSA Global considers the re-sample results to generally confirm the validity of the original results considered, and by extension, the majority of the associated historical data. In this context, it is reasonable to consider the historical dataset suitable for use in Mineral Resource estimation.

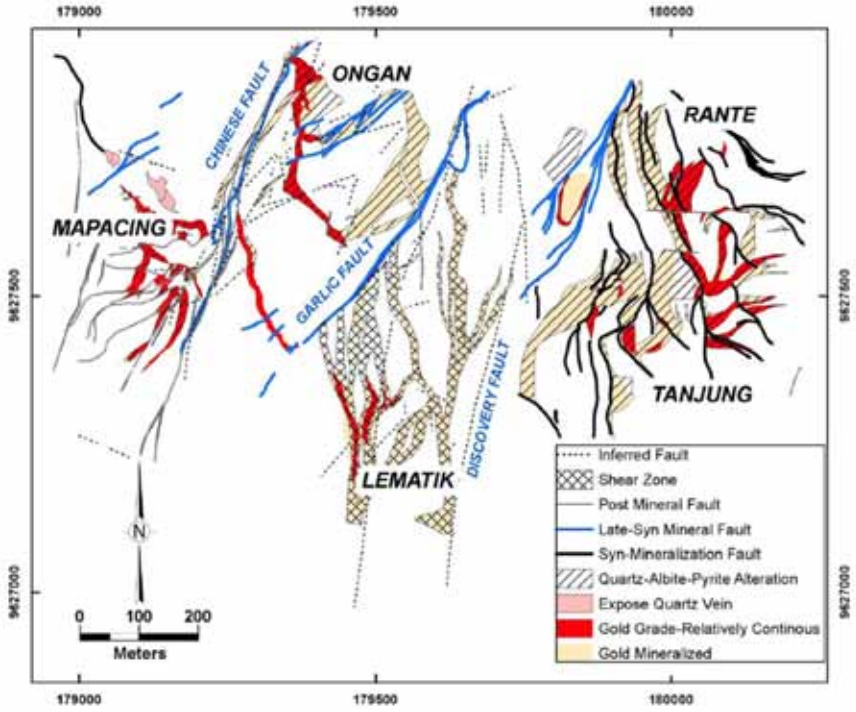


Figure 20: Awak Mas Deposit showing fault dissection (Modified after Cox and Allibone, 1998)

3.1 Tarra

3.1.1 Summary

An updated MRE has been completed for the Tarra Deposit by Cube, dated March 2017 (Cube 2017d). The quoted resource is presented in Table 9, and is classified entirely as Inferred in accordance with the JORC Code[4]. CSA Global has reviewed the updated Mineral Resource, examining input data, geological modelling, estimation methods, model validation and classification. No fatal flaws were identified within the Tarra Mineral Resource.

The Tarra Mineral Resource was publicly released by One Asia Resources to the ASX on 9th May 2017 (One Asia Resources 2017), and full JORC Code disclosure is provide in that release.

3.1.2 Drilling

Generation of the Tarra MRE was based on historical drill hole data, collected between 1996 to 1999. Drill holes comprised a mixture of 29 reverse circulation percussion (RCP) and 40 diamond core (DDH) drill holes. Of the available dataset, information from 27 DDH holes was used in the construction of the Tarra model. Drill hole spacing within the modelled orebody is generally a nominal 40 m, however the angled nature of the holes and irregular collar spacing result in an effective pierce point spacing within the orebody ranging from 40–130 m. Limited information is available regarding survey methods historically used for the location of drill hole collars, nor for downhole surveys, and no validation has been undertaken as part of the most recent Mineral Resource update.

3.1.3 Sampling

Samples were selected at a nominal interval of 1m, with breaks at lithological boundaries. Core was cut in half, with an entire half sent to PT Geoservices, Jakarta for preparation and analysis. Details regarding sample preparation methods are not available for the Tarra Deposit, however given the common laboratory (PT Geoservices) used for assaying of samples from all relevant deposits during the period 1997 – 2013, CSA Global considers it reasonable to assume that similar methods have applied across all three deposits. In this context, samples were likely to have been crushed, pulped with a ring mill, and then analysed using a 40g charge fire assay method with AAS finish (Tetra Tech 2013). No substantial documentation of QC procedures, or results has been located. Brief mention is made of the use of internal standards inserted into the sample stream within the laboratory setting, and also of the use of repeat analyses (REF) however no significant detail is presented.

3.1.4 Geological Model

Mineralisation at the Tarra Deposit occurs within a broad zone of hydrothermal breccias, associated with the Tarra Basal Fault. The moderately to steeply dipping Tarra Basal fault is thought to have formed initially as a reverse fault, with later sinistral transpressive reactivation during northeast-southwest compression. CSA Global's assessment during the site visit in April 2017 suggests that horizontal compression is unlikely, because no clear evidence of a steeply dipping or vertical foliation fabric was evident. Subsequent extensional deformation (considered to have resulted from thermal relaxation) has also produced subordinate, main structure parallel, steeply dipping faults and fractures. Hydrothermal mineralising fluids are considered to have invaded these structures during the thermal relaxation phase, resulting in hydrothermal brecciation with associated silica-albite-calcite±pyrite alteration. During the site visit conducted in April 2017, evidence for sericite and possibly biotite alteration was also noted. Oxidation surfaces have not been modelled for the Tarra Deposit.

The Tarra orebody as modelled exists predominantly within the hangingwall sediments of the Tarra Fault, immediately adjacent to the footwall of the fault zone. The host rock is reported to consist of a sedimentary pile dominated by haematitic mudstones with minor intercalated sandstones, juxtaposed against basaltic footwall lithologies. However, review of one drill hole during the site visit in April 2017 indicates the footwall (in at least the drill hole examined) is haematitic mudstone, and there is also diorite in the hanging wall (which may be related to brecciation). Mineralisation is mainly hosted within hydrothermal breccias and veinlets, which present as either steeply dipping to sub-vertical vein sets or stockworks.

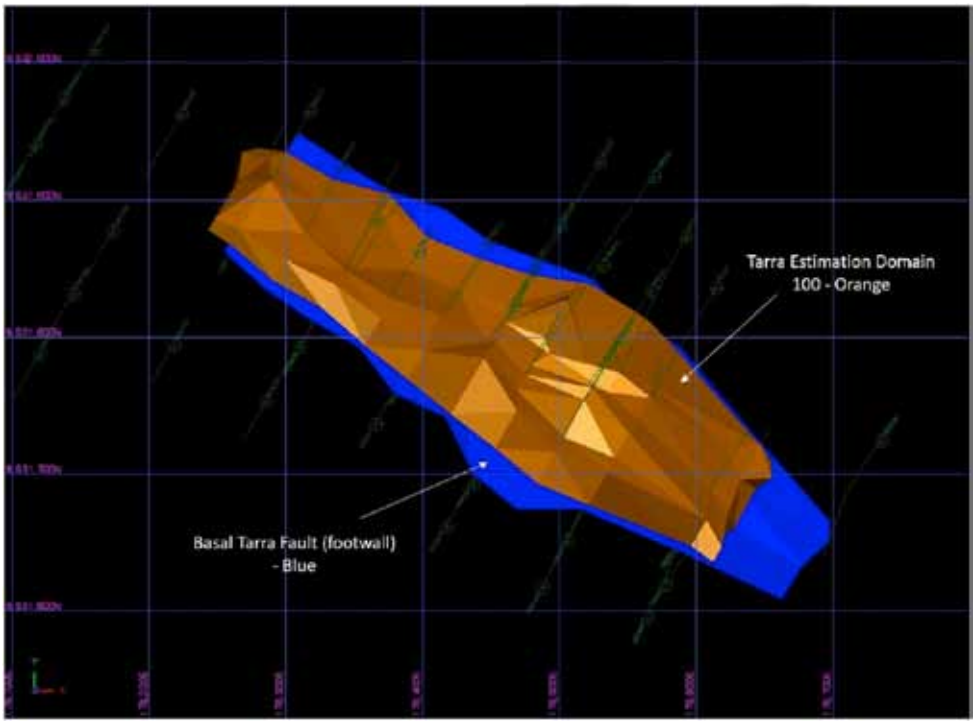


Figure 21: Tarra mineralisation displayed in relation to the Tarra Fault (Cube, 2017a)

4. Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The JORC Code, 2012 Edition. Prepared by: The Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC).

Some minor low-grade material exists within the altered host rock external to the veinlets and stockwork. Cube Consultants note the likely existence of high grade shoots within the mineralised system, but given the widely spacing drilling, and general paucity of input data, these have not been modelled separately.

The Tarra orebody has been defined as a single continuous unit modelled on lithological and grade data using a nominal cut-off of 0.2 g/t Au (Figure 21). CSA Global considers the interpretation to be suitable given the available input data, and proposed approach to estimation.

3.1.5 Estimation

Localised Uniform Conditioning (LUC) was used to estimate the Tarra Mineral Resource. LUC is a non-linear geostatistical technique which permits the resolution of high and low-grade regions within an orebody at a finer scale than would be possible with ordinary kriging (Abzalov, 2006). Grades were estimated over a 5 x 20 x 20 m panel, which was subsequently discretised to 2.5 x 5 x 5 m selective blocks. The Tarra Mineral Resource is reported on the basis of these block grades, following localisation of the uniformly conditioned estimate. CSA Global has reviewed both the input parameters and methodology applied and considers them appropriate to the style of mineralisation, and density of input information available.

3.1.6 Bulk Density Assignment

No bulk density measurement data was available to either Cube, nor to CSA Global for review. In light of this, nominal densities have been applied to the various lithologies within the Tarra Deposit, as detailed in Table 8. CSA Global considers the density values assigned to be appropriate, but recommends a campaign of bulk density sampling and measurement in future work.

Table 8: Tarra Bulk Density Assigned Values

Lithology	Bulk Density
Rock Material (All oxidation States)	2.6
Colluvium	1.8

3.1.7 Validation, Classification and Statement of Resources

CSA Global has validated Cube's estimate using visual comparison of input grades and estimated block grades in cross section and also through the use of trend plots. The Tarra Mineral Resource is reported in Table 9. This Mineral Resource has been classified as Inferred in accordance with the JORC Code. The Cube supplied JORC Table 1 for the Tarra Mineral Resource was publicly released by One Asia Resources to the ASX on 9th May 2017 (One Asia Resources 2017), and full JORC Code disclosure is provide in that release, and included in Section 11 in this report.

Table 9: Tarra Deposit, Statement of Resources March 2017 reported at 0.5 g/t Au cut-off

Classification	Tonnage (Mt)	Grade (Au g/t)	Contained Au (Moz)
Measured	-	-	-
Indicated	0.0	-	0.00
Inferred	2.3	1.34	0.1
TOTAL	2.3	1.34	0.1

CSA Global concludes that the Inferred classification is appropriate given the level of confidence in

- **the geological interpretation,**
- **the resulting grade estimates, and**
- **the available input data and the uncertainties which surround them.**

3.2 Salu Bulo

3.2.1 Summary

An updated MRE has been completed for the Salu Bulo Deposit by Cube, dated February 2017 (Cube 2017c). The quoted resource is presented in Table 11, and is classified as both Indicated and Inferred in accordance with the JORC Code. CSA Global has reviewed the updated Mineral Resource, examining input data, geological modelling, estimation methods, model validation and classification. No fatal flaws were identified within the Salu Bulo Mineral Resource.

The Salu Bulo Mineral Resource was publicly released by One Asia Resources to the ASX on 9th May 2017 (One Asia Resources 2017), and full JORC Code disclosure is provide in that release, and the appropriate JORC Table 1 is included in Section 11 in this report.

3.2.2 Drilling

The Salu Bulo MRE has been prepared based on the data from 58 diamond drillholes. These drillholes were completed in two campaigns; 1999, by Placer Dome Asia Pacific (Placer) and 2011 totalling 43 holes -2013 by One Asia Resources (OAR). Collars were drilled nominally on 50 m spacings by Placer, and variable spacings from 20 – 50m by OAR. Actual pierce point spacing within the current Mineral Resource model varies between 50–100 m due to the angled nature of both the drill holes and the interpreted orientation of the orebody. Drill holes were surveyed for collar location either by total station with electronic distance measuring equipment, or by differential GPS (Tetra Tech, 2013). CSA Global has not been able to verify the accuracies associated with these methods in this instance, but from experience considers the methods to provide sufficient accuracy for use in Mineral Resource estimation.

3.2.3 Sampling

In both campaigns, HQ3 core was drilled with samples taken on nominal 1 m intervals, broken at lithological boundaries, with allowances for samples up to 1.8 m in length to account for these breaks. Core sampled for assay was half cut, with an entire half sent to PT Geoservices laboratory in Jakarta for sample preparation and analysis. In the case of both campaigns, samples were coarse crushed with a jaw crusher, pulped using a ring mill, then a 40g charge was taken for fire assay with an AAS finish. CSA Global considers these methods to be generally appropriate.

Similar to the Tarra input data, limited QC data are available for pre-2011 drilling at Salu Bulo. Reports relating to more recent drilling and assaying at Salu Bulo note the existence of a Quality Assurance protocol during assaying, and the monitoring of Quality Control through the insertion into the sample stream of externally sourced Certified Reference Materials (CRMs) and blanks. Insertion rates are quoted at 4% of the total sample volume being either CRM or blanks samples. A programme of quarter core duplicate analyses was also conducted at PT Geoservices for select samples, as was an umpire analysis site of pulp re-assays, using a second lab; PT Intertek Utama Services. Data pertaining to acceptance / rejection criteria for quality control samples, and the remedial actions taken in light of any spurious analyses are not available, however available reports indicate that the results were generally acceptable.

3.2.4 Geological Model

Similar to Tarra, the Salu Bulo Deposit occurs within greenschist facies metasediments (mudstones and sandstones) that are commonly haematitic, and in the case of Salu Bulo are also chloritic. These metasediments are intercalated with thick units of metavolcanic rocks, which in the Salu Bulo region form the footwall to a number of moderate to low angle faults (with a metasedimentary hangingwall). These faults have been modelled as transgressing the deposit, and are considered to

be thrust faults in light of the regional northeast-southwest compressive stress regime (Figure 22). These thrust faults have been defined by Cube consulting on the basis of lithological characteristics including the presence of argillaceous fault gouge zones, but are noted to be discontinuous in drill hole logs. These faults are also considered to be bedding / foliation parallel, with local lithologies also dipping moderately east.

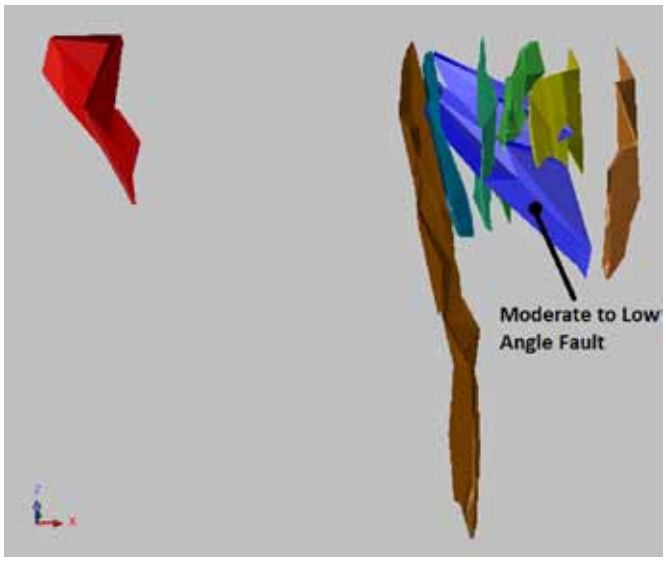


Figure 22: Salu Bulo mineralisation domains, showing interpreted moderate to low angle east dipping fault (angled view looking north).

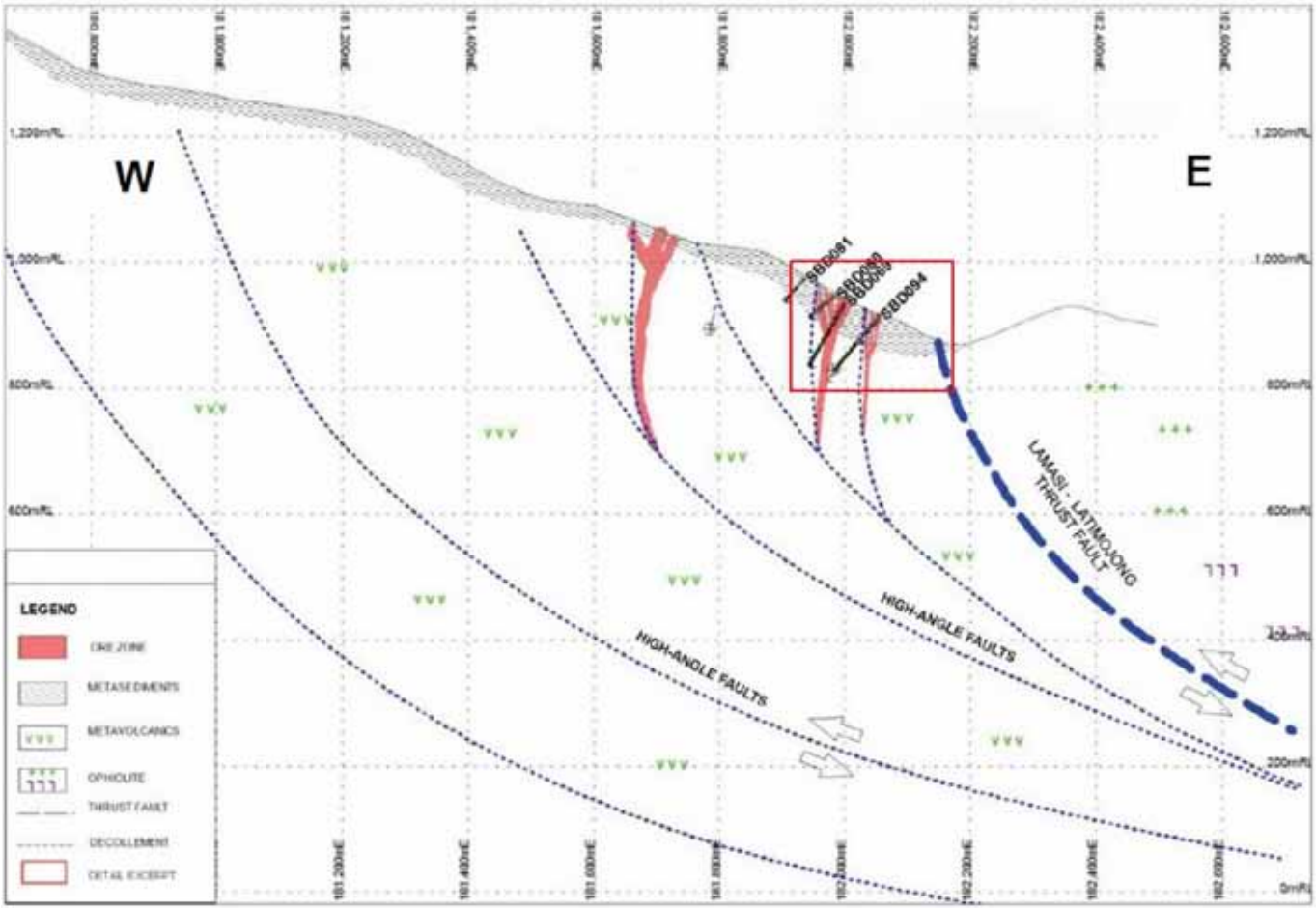
The latest MRE for Salu Bulo is based upon a geological interpretation which proposes mineralised structures are dominated by steep to sub vertical hydrothermal breccia / vein / stockwork features, north striking and generally parallel to the regional Lamasi-Latimojong thrust fault, which is interpreted to dip steeply to the east (Figure 23).

Domain wireframes were built using a combination of a nominal 0.5 g/t Au cut-off and the logged intensity of quartz veining as guides. Cube concluded that the density of input data was insufficient to adequately and conclusively define any flatter mineralised domains, and so they were excluded.

CSA Global has reviewed the geological interpretation of Salu Bulo mineralisation, and considers that there is evidence within lithological logging and core photography to support the existence of sub vertical mineralised structures. However, field observations and drill hole data also clearly present flatter lying, foliation sub parallel mineralised structures.

CSA Global acknowledges that the current interpretation of "steep only" structures offers a more conservative result during resource classification and in the context of available information considers it to be appropriate, but would recommend a more detailed structural analysis of oriented infill drill core in future drilling campaigns, to better define the potential for flat lying mineralisation.

below – Figure 23: Salu Bulo mineralisation with respect to regional fault interpretations (Modified after Tetra Tech, 2013)



3.2.5 Estimation

The Salu Bulo Deposit has been modelled as seven discrete, generally parallel domains (Figure 22). A block model was built to encompass all domains, with dimensions of 20 x 5 x 20 m (XYZ). Grades were estimated for each of these domains independently via Ordinary Kriging. Hard boundaries were used between domains to define the informing samples.

CSA Global has reviewed the input data, estimation parameters and methodology for the Salu Bulo Deposit, and considers them to be appropriate.

3.2.6 Bulk Density Assignment

Downhole lithological logging was used to construct a base of oxidation surface for the Salu Bulo Deposit. This surface, along with the topographic surface, overburden (colluvium) surface and mineralisation domains, were used to assign average density values to the block model for tonnage calculations. In the absence of recorded bulk density measurement data, Cube assigned density values presented in Table 10 to each of the tabulated lithologies, based on the reported results from water immersion density determinations conducted by One Asia Resources, and reported by Tetra Tech (2013).

CSA Global concurs with Cube's selection of density values, and considers the values appropriate.

Table 10: Bulk density values assigned to Salu Bulo Mineral Resource

Lithology	Bulk Density
Oxide–Mineralised	2.37
Oxide–Waste	2.21
Oxide–Combined	2.23
Fresh–Mineralised	2.62
Fresh–Waste	2.64

3.2.7 Validation, Classification and Statement of Resources

CSA Global has validated Cube's latest Salu Bulo MRE visually by comparing input grade values with resulting block estimate values in cross section. Additionally, trend plots of input and block grades were produced in the X, Y and Z planes. The Salu Bulo Mineral Resource is reported within the confines of a theoretical pit shell built using Whittle™ software with a gold price of US$1400/oz (A$1890/oz), and is presented in Table 11. The estimate has been classified as Indicated and Inferred in accordance with the JORC code. The Cube supplied JORC Table 1 for the Salu Bulo Mineral Resource may be found in the One Asia Resources ASX release on 9th May 2017, and is included in Section 11 in this report.

CSA Global has reviewed the theoretical pit shell and classification, and considers them to be suitably reflect the issues relating to QA / QC of input data, the available data density, and the geological interpretation.

Table 11: Statement of Resources, Salu Bulo Deposit, February 2017 reported at 0.5 g/t Au cut-off

Classification	Tonnage (Mt)	Grade (Au g/t)	Contained Au (Moz)
Measured	-	-	-
Indicated	0.7	2.65	0.06
Inferred	0.6	2.39	0.05
TOTAL	1.4	2.53	0.11

3.3 Awak Mas

3.3.1 Summary

The Awak Mas Deposit has been modelled by Cube, and comprises five discrete mineralised domains, separated structurally by a series of north to north-northeast striking, sub vertical faults. Each of these domains may be considered as discrete sub-deposits in their own right, each with multiple sub-domains defined by differing structural controls (Figure 20). From west to east, these domains/sub-deposits are known as Mapacing, Lematik, Ongan, Tanjung and Rante.

Mineralisation within each of these sub-deposits is controlled both by steeply dipping to sub-vertical hydrothermal breccia / fracture / stockwork systems interpreted to be feeder faults (conduits for mineralising fluids) and also foliation parallel stockwork systems, interpreted mineralisation having resulted from the invasion of mineralising fluids into favourable strata within the host rocks. Similar to the Tarra and Salu Bulo Deposits, the dominant host rocks for Awak Mas are haematitic and chloritic mudstones, intercalated with sandstones, and metamorphosed to greenschist facies. At Awak Mas there is also significant mineralization in "basement rock" consisting of poly-deformed gneisses and schists. Foliation developed within the host rocks is generally bedding parallel and dips shallowly to moderately to the north / northeast.

The five sub-deposits of Awak Mas are reported as a single MRE, presented in Table 13. The Awak Mas MRE has been classified as both Indicated and Inferred in accordance with the JORC Code. CSA Global has reviewed the current Awak Mas estimate and no fatal flaws were identified.

3.3.2 Drilling

The Awak Mas drill hole database comprised data for 890 individual drill holes, of which 887 were used in the modelling of the Mineral Resource. Drill holes were a mixture of Reverse Circulation (RC) and Diamond Drilling (DDH), with 82% of the drill holes being DDH. Core diameters range from BQ to PQ3. RC drilling is recorded as being completed using a 133 mm bit. Drill hole spacings are generally 60 m or closer. Effective pierce points, given the density of drilling and orientation of the modelled orebodies, approximate this spacing also. Available reports indicate that drill hole collar locations were surveyed for positional accuracy using a total station and digital distance measuring equipment (Tetra Tech, 2012).

3.3.3 Sampling

The Awak Mas Deposit has been drilled in multiple campaigns, by several project owners since 1991. As far as CSA Global is able to determine from available reports, sample preparation methods for Awak Mas samples are congruous with those for Tarra and Salu Bulo. The laboratory that was used was also PT Geoservices Ltd, the same laboratory that was used for both other deposits.

Assay methods recorded for Awak Mas samples are identical to those for both Tarra and Salu Bulo, being a 40g charge Fire Assay, with AAS finish.

CSA Global considers this methodology to be appropriate for the mineralisation present at Awak Mas.

3.3.4 Geological Model

The Geology of Awak Mas is dominated by the same lower greenschist facies metasedimentary mudstone units found at Tarra, moderately north dipping, with the exception that at Awak Mas there are also tectonically incorporated "slices" of dioritic basement that are up to 250 m thick, and consist of various schists and gneisses. Foliation within the sediments is considered to be generally bedding parallel. The Awak Mas

Deposit is dissected by a number of steep to sub-vertical N to NE striking faults; the Chinese, Garlic and Discovery faults, which structurally separate the five sub-deposits of Mapacing, Ongan, Lematik, Tanjung and Rante. Numerous small-scale fault and fracture structures generally parallel these larger faults within each sub-deposit, and are responsible for controlling a proportion of the mineralisation within each.

The petrogenetic model proposed by Cube for the mineralisation of Awak Mas is one of steep fault feeder structures acting as fluid conduits, which themselves are mineralised, and also act as the system by which mineralising fluids were delivered to favourable horizons within the host metasediments. The resulting geometry is a complex mix of steep and moderately dipping planar to tabular orebodies. Examination of drill core across the Awak Mas Deposit confirms this interpretation with clear evidence of steeply dipping faults, veinlet and stockwork systems within moderately dipping foliated metasediments; both of which are mineralised.

Mineralised domains of differing geometric character were defined by Cube in each of the five separate sub-deposits of Awak Mas, on the basis of the observations and model described here. The diffusive nature of mineralisation permeating the host metasediments at Awak Mas has resulted in a mineralisation model where moderately dipping mineralised domains are surrounded by a low-grade halo of mineralisation, with both of these domains cross-cut by discrete steep mineralised structures (Figure 24). Nominal cut-off grades have been used to define the moderately dipping domains, and a low-grade halo has been defined using any values higher than the background limit of detection. Limited structural data and core photography has been used to define the steep domains.

CSA Global has reviewed the geological model for Awak Mas and considers it to be robust, and based on a sound geological paradigm. The Awak Mas mineralisation appears to be very well-defined on the basis of the petrogenetic model presented.

3.3.5 Estimation

The complex geometry and grade interaction between low-grade halo, flat-lying and steep mineralised domains within the Awak Mas Deposit has resulted in grade estimation being completed using Localised Uniform Conditioning (LUC) methods (Abzalov, 2006). LUC is a non-linear geostatistical method which permits an estimate of grades and tonnages theoretically recoverable from a deposit at a specified volumetric unit much smaller than that which would yield a suitably robust estimate from Ordinary Kriging. Individual domains were estimated using hard boundaries for input data.

CSA global has reviewed the input parameters and methodology applied to the Awak Mas Mineral resource estimate and considers them to be appropriate.

3.3.6 Bulk Density Assignment

No bulk density measurement data were available for the Awak Mas Deposit. Downhole lithological logging was used to construct a base of oxidation surface. This surface, along with the topographic surface, overburden (colluvium) surface and mineralisation domains, were used to assign average density values to the block model for tonnage calculations. In the absence of recorded bulk density measurement data, Cube assigned nominal density values presented in Table 12 to each of the tabulated lithologies, based on the Competent Person's depth of experience in similar deposit styles in similar lithologies.

CSA Global concurs with Cube density value selection, and considers the values appropriate.

Table 12: Density values applied to Awak Mas Mineral Resource

Lithology	Bulk Density
Oxide–Mineralised	2.37
Oxide–Waste	2.21
Oxide–Combined	2.23
Fresh–Mineralised	2.62
Fresh–Waste	2.64

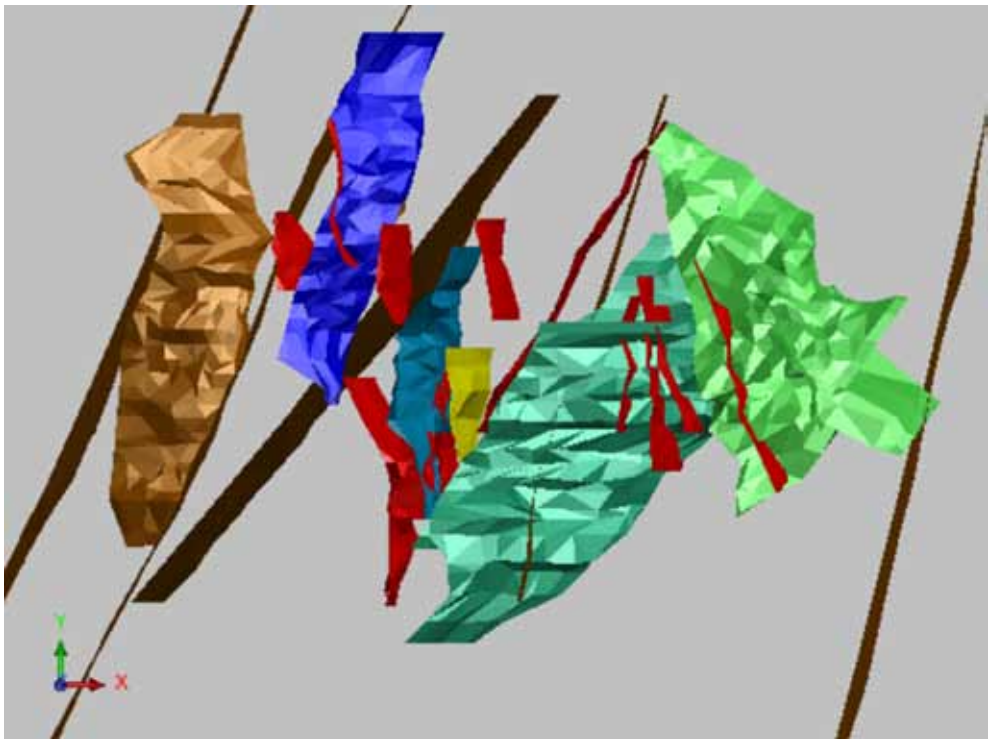


Figure 24: Awak Mas Mineralised domains shown with bounding fault structures. Moderate to Shallow domains are cross cut by steep to sub-vertical mineralised domains (shown in red).

3.3.7 Validation, Classification, and Statement of Resources
CSA Global has validated the Awak Mas model both visually (by comparing input drill hole grades and resultant block grades in cross section), and also using trend plot analyses for sections sliced through the model in all three principal dimensions.

The Awak Mas Mineral Resource has been reported within the confines of a Whittle™ pit shell, generated with an assumed gold price of US$1,400/oz (A$1890/oz). Classification of resource within the shell was based on a combination of multiple methods, including analysis of estimation quality statistics, and the assessment of confidence intervals on modelled grade using conditional simulation. CSA Global has reviewed the classification of the Awak Mas Mineral resource model, and found it to be highly rigorous and robust in its approach. The Awak Mas Mineral Resource is classified as both Indicated and Inferred in accordance with the JORC Code, and is reported in Table 13. The Cube supplied JORC Table 1 for the Awak Mas Mineral Resource may be found in the One Asia Resources ASX release on 9th May 2017, and included in Section 11 in this report.

Table 13: Statement of Resources, Awak Mas Deposit, February 2017 reported at 0.5 g/t Au cut-off

Classification	Tonnage (Mt)	Grade (Au g/t)	Contained Au (Moz)
Measured	-	-	-
Indicated	25.8	1.45	1.20
Inferred	8.9	1.14	0.33
TOTAL	34.7	1.37	1.53

CSA Global considers the classification of the Awak Mas to suitably reflect the quality of input data and the geological interpretation.

3.4 Resources Summary

The three Mineral Resources under consideration in this report; Tarra, Salu Bulo and Awak Mas deposits, have been estimated by Cube using available historical data from the Awak Mas Gold Project, collected by numerous previous operators.

The paucity of available quality control data relating to the geochemical assay data used as inputs for these models is an identified risk to the validity of the grade and tonnages presented for each model. However, available reports on each deposit, reviewed by CSA Global, indicate that a Quality Assurance process was in effect during the collection of these assays, even though results are not available for review. This mitigates the risk posed by invalid input data, and **CSA Global considers the risk posed by a lack of QC data to be minimal**. To further mitigate this risk, Nusantara has embarked upon a comprehensive umpire analysis programme, which will involve re-assaying a selection of historical drill core to verify the historical results.

A lack of available bulk density measurement data for each Mineral Resource also poses a risk that tonnages and therefore contained metal for each deposit may be overstated. **CSA Global considers this risk to be largely mitigated through the common practice of assignation of general density values for each lithotype within each model that are reasonable.**

The Classification and reporting schemes for each deposit are robust and suitably conservative, adequately reflecting the concerns which remain regarding geological interpretations and input data quality.

4 Mining Review

A Pre-feasibility Study (PFS) was completed by Australian Mine Design and Development Pty Ltd (AMDAD) in December 2012. The report was titled "Awak Mas PFS Mining Study for One Asia Resources Ltd". After this report was a PFS mine planning update completed in November 2014 by AMDAD. This report was titled "Awak Mas Bahasa Feasibility Study – Mining Study" and was produced for PT Masmindo DWI Area.

This review has focussed on the results and findings of the 2012 PFS as well as the updated PFS in November 2014. The material changes between the two PFS studies have been the plant throughput rate, and the choice of mining equipment. These changes have therefore affected the processing and mining costs.

Subsequent to the 2014 PFS, a new MRE was completed. CSA Global have now sighted the final MRE from Cube and have based comments on these updated findings.

This section of the technical assessment addresses the mining and production related aspects of the 2014 PFS and subsequent impact on the project of the updated MRE.

4.1 Mine Design and Geotechnical

There is a medium to high geotechnical risk associated with the project due to the high rainfall, rugged topography, low permeability of the rock mass and potential for landslides. The landslide features in the region are estimated to be shallow in nature, usually of less than 20m thickness. The base of weathering is observed to be around 20–30 m in depth.

The geotechnical recommendations for the PFS final pit designs were as follows (based on a geotechnical review titled *"Geotechnical Peer Review"* report by Pells Sullivan Meynink (PSM) dated 10th July 2012):

- Weathered rock – 12 m vertical height between berms with 45° batters and 5m berms for an Inter-Ramp Angle (IRA) of 35°
- Fresh rock – 12m vertical height between berms with 60° batters and 6m berms for an IRA of 43°

The PFS indicates that 35° and 43° were the overall angles applied within the Whittle optimisation. As illustrated in the diagram below (Figure 25), the overall pit angle is normally a lower angle than the IRA due to the allowance for a haul road that is wider than a typical berm. In this case, there is no inclusive haul road for the bulk of the pit (upper slopes), so overall slope angles of 36° (weathered) and 44° (fresh) should be applied for these sections.

CSA Global comment: This indicates that the designed wall angles may be slightly less than intended by the geotechnical design parameters. On analysis of the provided pit designs, the batter angles, batter heights and berm widths have been applied correctly. It would be highly advantageous to get a steeper batter angle than 60° in the fresh rock.

4.2 Mine Dilution and Mining Ore Loss

The mining dilution (MD) used in the PFS was 13%. A 0.5 m thick dilution "skin" was used for the modelling of the dilution calculation. AMDAD utilised an algorithm that dilutes a mineralised block within the model (that is less than 100% mineralised) by the remaining non-mineralised component. An average grade of 0.30 g/t Au has been applied for diluting material in the non-mineralised component of the block.

A Mining Ore Loss of 3% (or Mining Recovery of 97%) was applied to the ore to give an overall mass increase after dilution of approximately 10%.

CSA Global considers that these are suitable dilution and recovery factors for the style of deposit at Awak Mas.

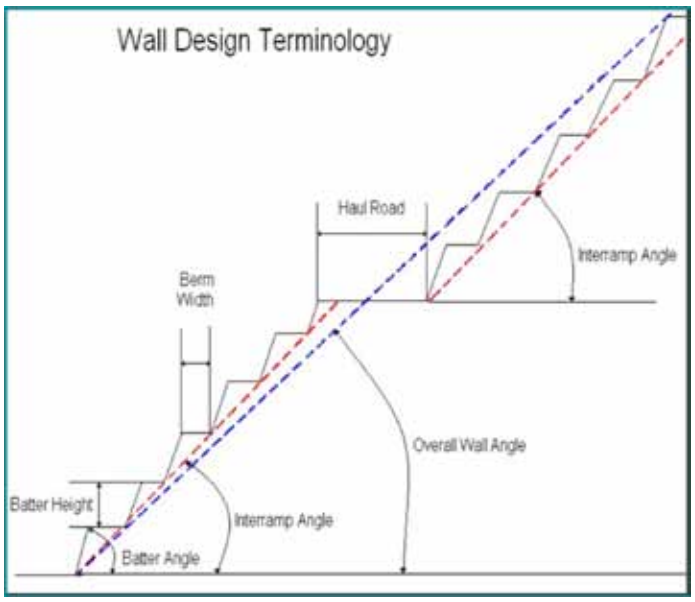


Figure 25: Wall design terminology

4.3 Mining Costs

Mining costs for the PFS were developed by Resindo. The US$/bcm rates cover waste mining, drill and blast, ancillary and support costs. Bench costs were included from the 1536 RL (bench # 99) through to the 904 RL (bench # 20) with benches being 8 m. Indicative average waste mining costs are US$6.79/bcm (A$9.2/bcm) and average ore mining costs are US$7.75/bcm (A$10.5/bcm). Using an average bulk density of 2.65 t/bcm (based on the primary zone) gives an average waste mining cost of US$2.56/t (A$3.6/t) and an average ore mining cost of US$2.92/t (A$3.9/t).

The mining costs have been put together very thoroughly and indicate a high level of care and preparation. These are considered sound mining costs based on the mining equipment selected.

4.4 Cut-off Grade

The following marginal cut-off grades (MCOG) were calculated for the Awak Mas Project:

- Oxide – 0.53 g/t Au
- Fresh – 0.41 g/t Au

Any material below the MCOG is defined as waste and will produce a net loss if sent to the plant with full operating costs applied.

Material below the MCOG but above the incremental cut-off grade (ICOG), where only variable costs are applied, can add value to the operation when the plant is not filled with higher grade ore. Thus, a separate stockpile (known as low grade) should be formed that ranges between the MCOG and ICOG during operation for plant feed during periods of low production or closure.

4.5 Mine Schedule

The life of mine (LOM) scheduling was completed for the Awak Mas Gold Project using Whittle™ Milawa scheduling software. Scheduling was carried out in "half-years" for the entire LOM which continues for 19 half-years plus a year of pre-strip mining to prepare the roads and infrastructure and ensure plant throughput rates are met from Year 1. The pre-stripping year mines approximately 12.0 Mt/yr with a maximum mining rate of 16.7 Mt/yr required in Year 3 before settling to approximately 7.5 Mt/yr for the remainder of the schedule.

The schedule was based on achieving a plant throughput rate of 3.5 Mt/yr for the 2012 PFS and this was subsequently changed to a rate of 2.5 Mt/yr for the 2014 PFS. This will see a significant reduction in capital costs.

Overall, the schedule produces 23.05 Mt at 1.55 g/t Au with a total mining movement of 105 Mt and a strip ratio of 4.2.

The mine schedule has been run using Milawa software. The Milawa scheduling approach is appropriate for strategic schedule assessment, but has insufficient resolution for mine scheduling required at the PFS stage of a mining project.

The early mining years have relatively high strip ratios and it is anticipated that there is potential to reduce this to drive higher cash flow in the initial years. CSA Global believes that the half-year periods currently in the mining schedule need to be reduced to at least quarters to demonstrate if there are any plant delivery issues.

4.6 Mine Equipment

The 2012 PFS worked on the assumption of a Mining Contractor owned fleet, under the supervision of the owner. The planned mining equipment comprises two fleets:

- Small fleet — 40 t articulated dump trucks (e.g. Cat 740) matched with 80–110 t back hoe excavators; and
- Large fleet — 90–140 t rigid frame dump trucks (e.g. Cat 785C) matched with 200–250 t back hoe excavators.

The 2014 PFS has been updated to reflect a change in the mining equipment fleet as follows:

- Bulk waste fleet – 60 t dump trucks (e.g. LoadPro X60) matched with 110 t excavators
- Ore zone fleet – 60 t dump trucks (e.g. LoadPro X60) matched with 80 t excavators

The ore zone fleet will handle all the initial pioneering work which will be extensive in the upper narrow-width benches on steep heavily vegetated slopes, subject to high rainfall. This fleet will also be used extensively in the ore zones to minimise dilution.

The bulk waste fleet will be used where there are wide waste benches (considered to be at least 40 m in width) and where the ore is sufficiently wide and regular.

CSA Global Comment: The selection of mining equipment is appropriate to the Awak Mas orebody and style of mining. The contractor approach is a higher unit operating cost but a lower capital cost and operational risk option. The life of the operation is of sufficient length that the decision to choose a contractor approach rather than an owner approach should be assessed in terms of project value and operational risk profile. The decision to standardise the dump truck fleet should help lower the mining cost rates.

4.7 Hydrology

Due to site factors such as rugged terrain, high rainfall and potential landslides, water management and hydrology studies at Awak Mas will be of critical importance.

The following impacts on mining requirements are relevant:

- Stability of open pit interim and final walls
- Flow of water into controlled holding dams
- Stability of waste rock dumps
- Safe and efficient movement of the mining fleet
- Ingress of water into the open pits
- Impact of water on explosives in the ground

There have been studies and analysis done during 2012 by both Golder and PSM, both of which offer sound detail and strategy and put forward the following guidelines to the management of mine site water:

- Minimise the water requiring collection and treatment
- Manage ground water in the open cut through depressurising walls with specific drilling and planning techniques
- Manage surface runoff within mining areas through several techniques such as armouring, sediment ponds, rock dams and other sediment control measures
- Manage open pit surface run-off through containment dams, dewatering wells and pit floor sumps using pumps on pontoons
- Mining occurring above the ground water level as much as possible to increase tyre life and protection of haul roads.

CSA Global comment: The site water management work done to date is generally sound, but has been based on limited site visits, limited topographic data, and limited ground water test work and data. More detailed work needs to take place concerning hydrological studies and the site water management plan.

4.8 Metallurgy

Several metallurgical tests were carried out on the five mineralised domains at Awak Mas in order to determine the highest possible plant recovery. Tests included gravity separation, intensive cyanide leaching and various flotation techniques.

For the 2012 PFS, the plant was to be designed at 3.5 Mt/yr with the processing section designed at 91.3% utilisation which equates to 483 t/hr. Primary crushing commences with a jaw crusher being fed by 90t trucks. Utilisation of larger trucks (such as Cat 785C) will require a front-end loader for crusher feed. Following the jaw crusher is a 3,500 t stockpile that will allow for sufficient feed during primary crusher downtime. From here, a SAG mill of 4 MW capacity operates with pebble crushers and a 3 MW ball mill. The cyclone underflow is split three ways to flash flotation, gravity concentration and the remained returns to the ball mill feed. The carbon in leach (CIL) circuit will be fed a specific slurry feed density from the concentrate thickener. The CIL consists of six tanks that will provide 72 hr residence time. Recovery of the gold is by an electrowinning circuit.

The updated 2014 PFS changed to a 2.5 Mt/yr plant throughput and this was used in the updated mining schedule.

A recently completed report (April 2017) by Minnovo has looked at previous work done on the "Flotation and CIL" work done previously in 2012 and beforehand. The three options looked at in this study were:

c. Flotation and CIL – option 1
d. Whole Ore Leach – option 2A
e. Whole Ore Leach with Gravity Sulphide Regrind – option 2B

The aim of the metallurgical study was to investigate each of these three options and come up with a recommendation for a preferred option to take forward into the updated PFS. Table 14 below summarises the key metallurgical parameters that Minnovo have put forward.

The study by Minnovo centred on a 2.5 Mt/yr plant throughput which is a departure from the previously proposed 3.5 Mt/yr rate in the December 2012 PFS report. Further to this, capital and operating estimates were developed and provided for 3 Processing rates, namely 1.5 Mt/yr, 2.0 Mt/yr and 2.5 Mt/yr.

Further to these three options, Minnovo also assessed a stand-alone heap leach plant (HLP) and a HLP in parallel with a flotation and CIL plant and it was deemed that under both scenarios, a HLP was not economically viable.

Table 14: Summary of Awak Mas Metallurgical Parameters

Criteria	Units	Option 1	Option 2A	Option 2B	Source
Comminution Properties					
JK Axb		63.1	63.1	63.1	PFS (2014)
Bond ball mill work index (BWi)	kWh/t	11.7	11.7	11.7	PFS (2014)
Bond rod mill work index (RWi)	kWh/t	15.0	15.0	15.0	PFS (2014)
Gold Recoveries					
Gravity	%	28	28	28	PFS (2014)
Flotation	%	90	-	-	PFS (2014)
CIL	%	96	83	85	PFS / Test work / Assumed
Overall	**%**	**90**	**88**	**89.5**	**Calculated**

The capital estimates (for the 2.5 Mt/yr throughput) range from US$66.9 million (A$90 million) for option A, US$69.4 million (A$93.8 million) for option B and US$72.3 million (A$97.2 million) for option C. This is consistent with what CSA Global would consider for a 2.5 Mt/yr plant.

The operating cost estimates range from US$7.79/t (A$10.5/t) for option A, US$9.21/t (A$12.4/t) for option B and US$9.72/t (A$13.0/t) for option C. The AMEC derived process operating cost of US$13.63/t (A$18.4/t) from the 2012 PFS, for the 3.5 Mt/yr plant is substantially different to the current Minnovo study. AMEC have assumed power costs of US$6.56/t (A$8.9/t) which is very different to the Minnovo power cost estimates by approximately US$4.00/t (A$5.4/t). CSA Global's understanding is that these power cost differences are due to the assumption of grid power supply put forward by Minnovo versus the AMEC model of utilising a coal fired power plant. An updated cost estimate was released by One Asia in their March 2016 quarterly report. The power and processing costs from this report amount to US$11.20/t (A$15.1/t) which is a difference of US$3.41/t (A$4.6/t) on the Minnovo estimate. CSA Global understands that a portion of the power costs within the US$11.20/t (A$15.1/t) is attributable to a capital amount. Nusantara are proceeding on the assumption that grid power will be available for the Awak Mas Gold Project. They have had discussions with local power provider PLN, who have been indicated as having commenced engineering work on the provision of grid power to the project (pers. comm. Mike Spreadborough 25th May 2017).

The average metallurgical recovery prediction (for fresh rock) found by Minnovo was 90% for option A, 88% for option B and 89.5% for option C. The recovery used in the December 2012 PFS was 70.0% for oxide and 90.5% for fresh material. The fresh material is understood to be over 90% of all material to be delivered to the plant.

Based on the capital estimates, the operating cost estimates and the metallurgical recovery estimates provided by Minnovo (all to ±25% accuracy which is considered within PFS standards), it could be surmised that option A is the preferable option with which to proceed. In all three cases, option A is the preferred option, however it could be argued that within the orders of accuracy, this could be reversed.

CSA Global comment: The Minnovo option study report demonstrated that option A (Flotation and CIL) is the preferred option due to lower capital costs, lower operating costs, and superior gold recoveries. There is variance between the AMEC processing costs of US$13.63/t (A$18.4/t) used for the 2012 PFS (3.5 Mt/yr) compared to the

Minnovo estimate of US$7.79/t or A$10.5/t (2.5 Mt/yr) given in April 2017. The power costs between these two cases are approximately US$4.00/t (A$5.4/t) apart which is due to the different power plant configurations. Metallurgical average recoveries for primary ore are very similar from Minnovo to AMEC (90.0% to 90.5%).

5 Environment and Community

5.1 Environmental Approvals

To operate in Indonesia, a mining company must have certain approvals in place which impose obligations and duties on the holder. Two principal approvals relate to Forestry Law as defined under Law 41 of 1999 (Forestry Law) and its implementing regulations, and Environment Approvals Process governed by the 2009 Environmental Protection Law and related regulations (Environmental Law).

In respect to Forestry Law, the Company must first obtain a 'Borrow Use Permit' granted by the Ministry of Environment and Forestry (MoEF) for exploration activities. Similarly, another 'Borrow Use Permit' is required for a mining company to carry out production and exploitation activities within a Forestry Area. However, the CoW occurs within and area referred to as APL land relating 'land for other use'. As such no such permit is required.

In respect to Environmental Law and mining company must, prior to commencement of construction and mining, prepare and submit environmental impact analysis documents referred to as an AMDAL. An AMDAL consists of an Environmental Impact Assessment (ANDAL), an Environmental Management Plan (RKL) and an Environmental Monitoring Plan (RPL). Once this approval process has been completed and approved, this is used as the basis for an Environmental License to be granted by the MoEF, the governor or regent/mayor as applicable. Such license may require holder to set aside funds to be used as a type of environmental bond.

CSA Global have seen executed and sealed documents, with English translations, that demonstrate that, as at 12th April 2017 the Company has received confirmation that formal acceptance of the AMDAL from the Governor of South Sulawesi has occurred. CSA Global have seen and relied upon an independent legal opinion to confirm this.

5.2 Social and Community Impacts

The Company have, historically, completed extensive community liaison with reports indicating that approximately 80% of people interviewed expressed positive views in respect to various, and potential, impacts on the local community.

The Company has considered, and will address, a number of issues identified in this process, including but not limited to:

- Grave relocation and transfer;
- road improvements;
- employment and recruitment; and
- land acquisition.

A number of risk have been identified by the Company in respect to these processes for which the Company will need to develop strategies and policies in dealing with them.

5.2.1 Indigenous Land Rights and Land Acquisition

Indonesian law does not provide automatic rights to carry out mining activities on the basis of surface rights, nor for such rights to be automatically provided in the event that minerals are found within the land. However, the law does not prevent surface rights holders from holding other title required under the National Land Agency.

The 'Right to Build' can be applied for and granted to a mining entity for use in respect to permanent infrastructure, facilities, and plant. Where required, acquisition of land by the mining company usually involves negotiations between and the land/title holder and/or surface rights holder. Such holder cannot be compelled to accept any offer made by the mining company.

The Company has defined a three-stage strategy to address issues related to required land acquisition:

- Survey owner land boundaries within the Awak Mas development area with the owner required to provide evidence of ownership
- Socialise Company policy to locals providing the owner with the opportunity to negotiate, agree and sign-off on the price of their land with the Company.
- Pay out the agreed and signed compensation to the land owner.

6 Exploration Potential

CSA Global has performed a preliminary review of the satellite prospects that have been identified within the CoW and around the Awak Mas Deposit. CSA Global noted that there are numerous prospects, and from our review concluded that there is justification for additional exploration on these prospects, and potential for delineation of additional deposits.

Table 15 shows a summary of the known additional prospects considered to have the most potential. In general, CSA Global notes that the exploration history is long and complex, and because of this many different operators may have contributed to the knowledge of the various prospects. In general, each prospect was initially identified through either stream sediment or soil sampling, and then frequently followed up with geological mapping, trench sampling, and drilling. The available documentation of the prospects is quite variable, making synthesis difficult. The locations of the prospects are shown in Figure 27.

Table 15: Summary of Exploration Prospects in the PT Masmindo CoW area

Prospect	Stream and Pan Sampling	Soil Sampling	Costean/ Trenching	Drilling
Noling	yes			
Salu Tabang	unknown	unknown		
Tarra NW	yes	yes	yes	yes
Sewatu	yes	yes	yes	yes
West Tarra	yes	yes	yes	yes
Sewatu-Uruan	yes	yes	yes	yes
Salu Nangka	yes	unknown	yes	
Salu Kombong	yes	yes	yes	
Kandeapi	yes	yes	yes	yes
Salu Lengke				
Puncak Utara	no	yes	yes	yes
Freddie-Bertie	yes	yes	yes	yes
Bandoli-Mickey	yes	yes	yes	yes
Biwa-Lelating	unknown	unknown	yes	yes
Puncak Selatan	unknown	yes	yes	yes
Katapu	yes			

Currently available geological data and analytical results in respect to drilling and past surface sampling is limited to data associated with a single summary report completed by Masmindo in 2012 (Papio, 2012).

For this reason, CSA Global cannot easily comment on the completeness or level of understanding of each potential prospect. While a limited on-site review was completed to validate results associated with the Kandeapi Prospect, remaining commentary relies solely on the content of Papio (2012) and are therefore not validated. Nonetheless, CSA Global based on other validation processes completed, finds no material reason to believe that these results are not representative of work completed as documented herein.

CSA Global believe that all drilling related results quoted in this section refer to down-hole thicknesses, not true thicknesses. However, based on the style and orientation of mineralisation noted, the drilling orientations are generally considered appropriate.

In reviewing the available data and information provided in the 2012 report (Papio 2012), it is possible to observe that the thickness and continuity of the observed alteration zones at many of the prospects is similar in character to the mineralization at Awak Mas, Tarra, and Salu Bulo.

This is suggestive of a presence of a hydrothermal system larger than the Awak Mas area alone, and that as a result it is reasonable to conclude that there may be additional deposits that have yet to be discovered or delineated.

Despite a reaching a generally optimistic view of the exploration potential, CSA Global also notes that there are specific additional risks common to all mineral exploration companies, and specific to Nusantara and the Awak Mas CoW area, and these are discussed in the risk section of this report.

Additionally, we refer the reader to the appendix which summarizes and validates the exploration data.

The rest of this section summarizes the known exploration prospects.

6.1 Tarra Northwest Prospect

The Tarra Northwest Prospect is located approximately 800 m northwest of the Main Tarra Prospect (Figure 27).

Exploration History: The prospect area was identified by stream sediment anomalies found by Battle Mountain during 1991-1992 near the Main Tarra Deposit. In late 1997 after the discovery of Main Tarra, additional work including infill wacker soil sampling and trenching identified the Tarra Northwest region. Significant mineralization was encountered in a silicified fault which dipped at 75° to the NE and had a strike of 130°. In 1997, Masmindo drilled three RC holes for a total of 222 m, which showed significant results. In 1998, trenching and channel sampling were concentrated on obtaining extensions to mineralization, and continued to acquire significant results. A drilling programme was completed by Placer Dome in 1999 to test the potential of these

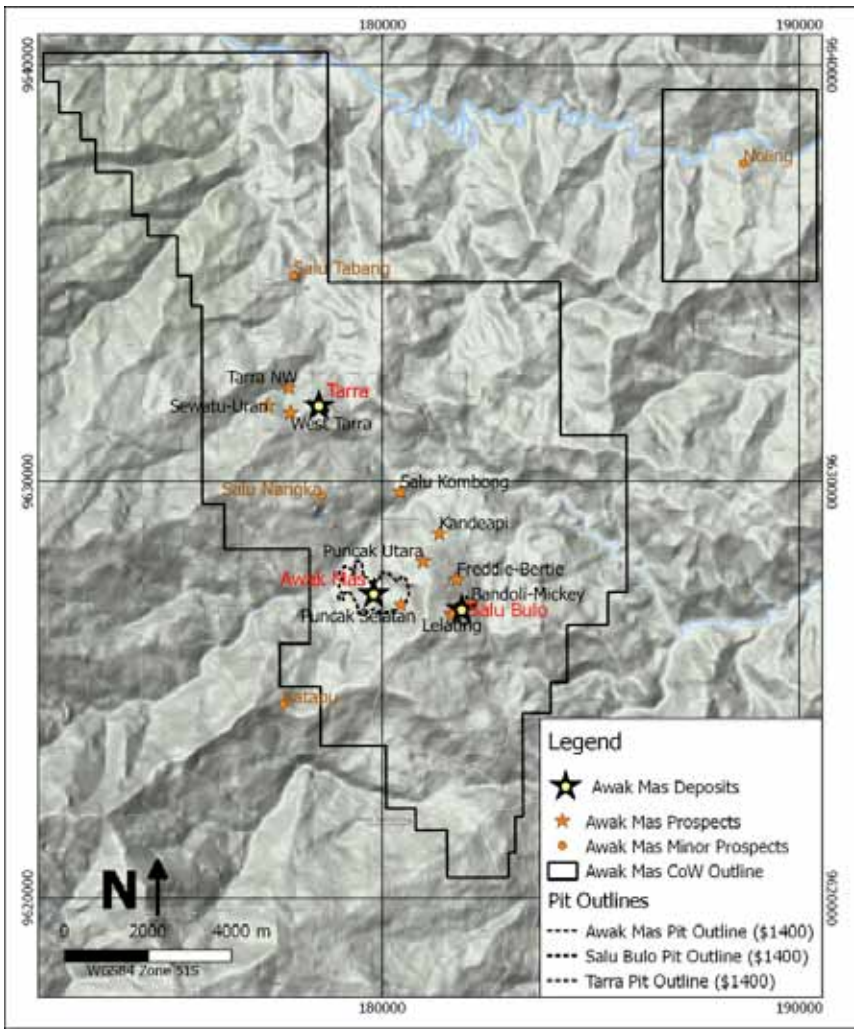


Figure 26: Location map showing major prospects in the Awak Mas Contract of Work area.

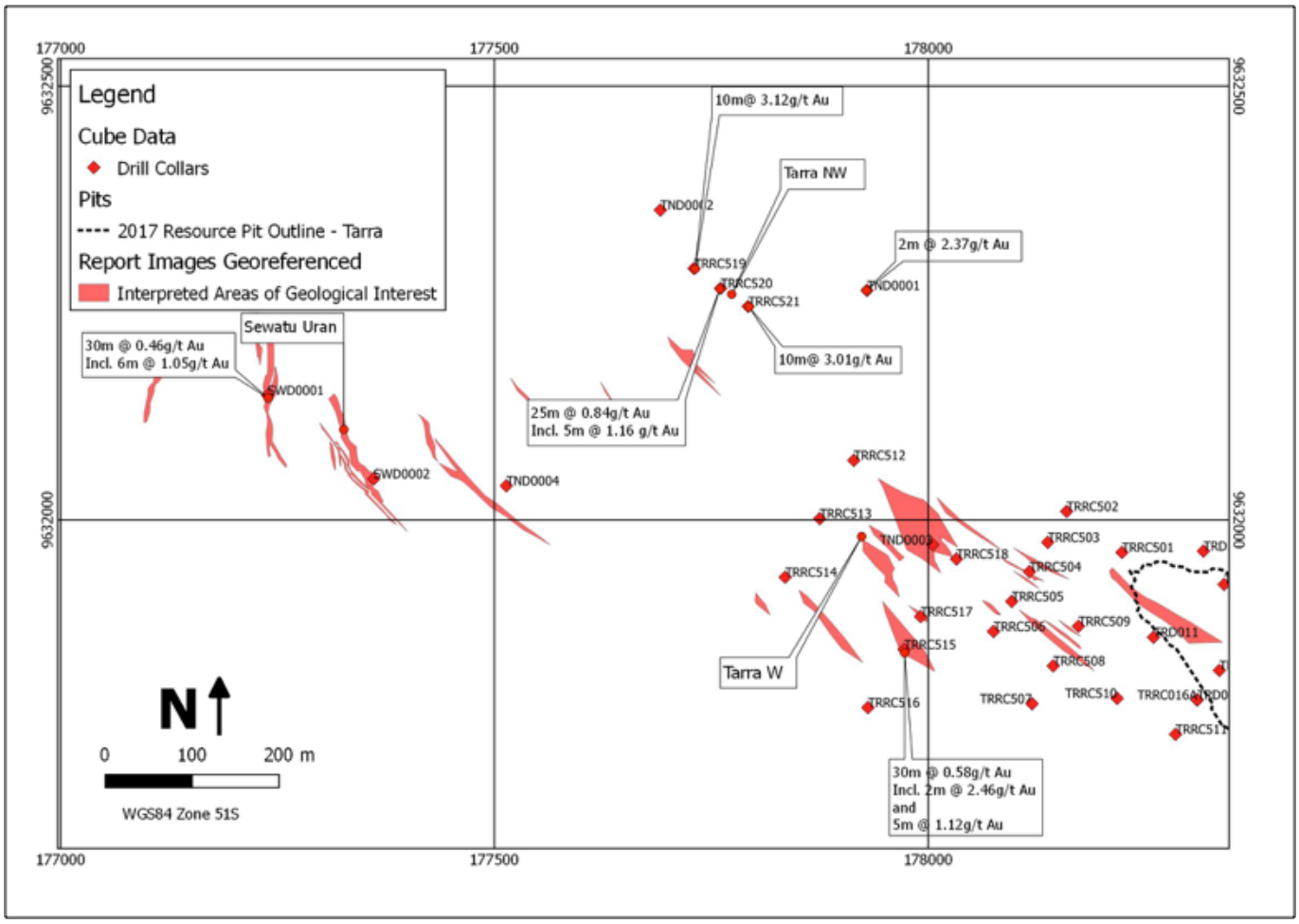
mineralized structures. Four diamond drill holes were completed for a total of 432.5 m (holes TND001-TND004), again returning significant results. Two of these holes were located to the south (TND003 and TND004) and are discussed and shown in the section on West Tarra (below). All significant assays are reported in Table 16. A general plan view of the prospect is shown in Figure 27.

Drilling Results and Interpretation: Results obtained from the drilling show mineralised zones. The zone drilled, however appears to be along strike with, and possible extension of the Main Tarra zone, suggesting there may be potential to continue exploration at this prospect. No further drilling has been completed on the prospect to date. The QA/AC of the drilling data are presented in more detail in section 0 of this report.

Table 16: Significant results from drilling at Tarra Northwest (down-hole thicknesses reported)

Hole No.	Easting	Northing	RL	Dip	Azimuth	Depth	From	To	Width	Au (g/t)
TRRC519	164110	9618904	1045	-45	280°	70	5	15	10	3.12
							30	35	5	0.72
TRRC520	164106	9618866	1067	-45	280°	76	15	40	25	0.84
						Incl.	30	35	5	1.16
							60	65	5	0.5
TRRC521	164103	9618828	1087	-45	280°	76	15	25	10	3.01
							55	60	5	0.7
TND001	177929	9632265	1066	-50	210	145	2	112	114	2.37
TND002	177699	9632367	1000	-60	225	113	4	52	56	0.83

Figure 27: General Map of the Tarra NW, Tarra W and Sewatu/Sewatu Uran prospects showing drill hole locations with selective intercepts.



6.2 West Tarra

West Tarra Prospect is located about 1 km west of the Main Tarra Prospect (Figure 27), and is also quite close to the Tarra NW prospect.

Exploration History: Initial work done in 1998 included stream sediment sampling to identify possible sources for gold mineralization. Follow up mapping identified three test areas which were drilled with an RC drilling programme (7 holes for a total of 578 m, holes TRRC512-518). These were drilled at the same time as the Main Tarra prospect drilling. Placer Dome drilled two diamond core holes in this area in 1998.

Results and Interpretation: Seven of 18 RC holes drilled in this area returned anomalous values for gold. Significant results are outlined in Table 17. Based on logging and comparison to the assay data, the conclusion was that the gold mineralization is hosted largely in brecciated and stock-worked mudstone, sandstone, and basalt, together with an alteration assemblage of pyrite-albite-quartz-carbonate. The interpretation was that the mineralizing structures are generally steeply dipping, striking N-S and NW, however one large inferred fault strikes NE dipping 45° to the NW (based on mapping and sampling). It has been suggested that some of these structures connect to the structures mapped in the Sewatu Prospect.

6.3 Sewatu-Uran

The Sewatu Prospect lies about 1km WNW of Tarra on a north-facing hillside. The Uran portion of the Sewatu prospect lies about 500-600m South-Southeast of the Sewatu Prospect. The approximate centre point between these two projects is shown in (Figure 26).

Exploration History: Early investigations conducted by Battle Mountain during 1991-1992, identified stream sediment anomalies near the Tarra Prospect. A soil geochemical survey was undertaken in 1997 that delineated several gold anomalies over the Sewatu Area. Geochemical sampling on 200 m line spacings was carried out over this area in May 1997 as part of the original programme which led to the discovery of Tarra. A programme of in-fill sampling to 100 m spacing was carried out in June 1997. Further in-fill was carried out in this area in September 1997 after mineralized outcrops were uncovered by road-clearing for drilling in Northwest Tarra. No anomalous results were returned from this programme. However, the area was still regarded as being highly prospective and a systematic programme of valley and ridge sampling and mapping produced some encouraging results. During late 1997 and throughout 1998, the soil geochemical anomalies were followed up by mapping, stream sediment and rock chip sampling and trenching. Visible gold was identified in pan concentrate samples and significant assay results were returned from rock chip sampling. In 1999 a drilling programme was undertaken by Placer Dome to test the down dip and along strike potential of two mineralized structures. Two diamond drill holes were completed for a total of 234.2 m (Table 18). The Uran portion of the prospect has not been tested by drilling. A general plan view of the Sewatu and Uran areas is shown in Figure 27.

Drilling Results and Interpretation: Drilling returned a few anomalous gold intervals, but the highest interval was 1.05 g/t Au. The mineralization was reported to include quartz-carbonate stockwork veining with weak to moderate strength albitization and moderate to strong silicification.

Table 17: Significant results from core drilling and West Tarra Prospects (down-hole thicknesses reported)

Hole No.	Easting	Northing	RL	Dip	Azimuth	Depth	From	To	Width (m)	Au (g/t)
TRRC502	164083	9618392	1031.32	-60	270	90	56	58	2	2.35
						Incl.	57	58	1	3.53
TRRC504	164001	9618395	1057.13	-60	270	120	58	61	3	0.87
						Incl.	59	61	2	1.1
							83	84	1	1.07
TRRC505	163961	9618395	1038.68	-60	270	100	23	35	12	0.36
							24	25	1	1.28
							41	42	1	1.36
TRRC507	163871	9618316	969.35	-60	270	80	15	18	3	0.95
							53	55	2	0.46
TRRC508	163921	9618317	983.54	-60	270	80	23	68	45	0.8
						Incl.	31	34	3	1.97
						Incl.	38	39	1	1.62
						Incl.	42	43	1	1.13
						Incl.	46	56	10	1.23
						Incl.	50	51	1	3.62
						Incl.	60	68	8	1.03
TRRC509	163975	9618313	1001.16	-60	270	80	9	11	2	0.58
							50	67	17	0.82
						Incl.	51	52	1	2.51
							56	66	10	1.05
TRRC510	163925	9618234	938.52	-60	270	64	46	58	12	0.67
						Incl.	52	58	6	1.11

Table 18: Significant drilling results from Sewatu Prospect (down-hole thicknesses reported)

Hole No.	Easting	Northing	RL	Dip	Azimuth	Depth	From	To	Width (m)	Au (g/t)
SWD001	177238	9632143	1047	223	-50	111	2	10	8	0.5
							4	20	16	0.28
							4	74	70	0.42
							30	106	76	0.46
Incl.							92	98	6	1.05
SWD002	177361	9632048	1092	222	-50	123.2	20	30	10	0.26
							2	62	60	0.44
							2	88	86	0.23
							2	100	98	0.29
							2	116	114	0.23
TND004	177514	9632039	1084	-50	220	66	2	8	10	0.77
							2	44	46	0.7

Table 19: Results from drilling completed at the Kandeapi Prospect (down-hole thicknesses reported)

Hole No.	Easting	Northing	RL	Dip	Azimuth	Depth	From	To	Width (m)	Au (g/t)
KAD002	9628896	181296	841.9	-60	267	151.5	26.2	35	8.8	1.15
						Incl.	26.2	27	0.8	3.43
						Incl.	33	34	1	2.21
KAD003	9628899	181479	762.97	-60	271	169	76	77	1	0.94
							124	125	1	1.26
KAD004	9628896	181635	709.8	-62	271	171.4	2	11	9	0.52
KAD007	9628501	181284	889.79	-60	278	149.5	26	30	4	0.97
						Incl.	26	27	1	1.95
KAD008	9627598	181452	973.75	-60	270	408.5	45	47	2	4.28
						Incl.	45	46	1	6.91
							266	268	2	0.59
							343	344	1	1.12
KAD009	9628499	181485	815.76	-61.5	268	150.3	72	74	2	1.1
KAD012	9628601	181387	838.69	-61.5	275	82.5	2	4	2	0.85
KAD013	9628895	181341	827.74	-61.7	270	93.1	6	11	5	2.44
						Incl.	8	10	2	4.66
							14	16	2	1.36
							23	26	3	1.3
						Incl.	23	24	1	2.54
							65	69	4	0.89
KAD014	9628701	181347	847.62	-61.5	97	78.3	47	66	19	2.24
						Incl.	48	49	1	4.24
						Incl.	51	52	1	3.01
						Incl.	59	63	4	5.89
							72	74	2	0.82
KAD015	9628802	181337	834.85	-47.5	87	78.8	8.6	12.9	4.3	2.14
						Incl.	8.6	10.1	1.5	4.53
							26	28.7	2.7	0.83
							43	44.1	1.1	1.03
KAD016	9628602	181302	878.05	-61	90	70.4	45	46	1	6.02
							48	50	2	1.95
							57	58	1	1.98

6.4 Kandeapi

Internal documents state the Kandeapi Prospect is situated in a valley approximately 2.5 km NNE of Awak Mas (Figure 26).

Exploration History: Work in the initial exploration period (1987-1991) involved stream sediment sampling, pan concentrate sampling, and rock float sampling. An anomalous area striking in a North to NNW direction and approximately 1.2 km in length was identified.

In 1996 to 1997 channel sampling and drilling were completed by Lone Star Exploration. A total of 2,440.80 m were drilled in 17 diamond drill holes. The majority of the holes were drilled towards the West except for four holes which were drilled towards the East. Depth varied from 67.60m to as much as 408.50m. Channel excavation and sampling were also completed. During 2011, additional, and preliminary regional reconnaissance work was conducted by MDA, in the general area of Kandeapi. This consisted of rock chip sampling and geological mapping with emphasis on structural controls. A general plan view of the Kandeapi prospect is shown in Figure 28.

Geological Observations from Site Visit: Core from two holes (KAD012 and KAD016) were examined during the site visit conducted for this project/report.

Drilling Results and Interpretation: Significant results obtained from drilling are shown in Table 19. As reported by Papio (2012) the interpretation of the drilling, trenching, and mapping is that the gold mineralization is related to narrow quartz vein breccias, and is localized along steep structures (faults). The current interpretation is that there are at least 3 mineralized structures in the Kandeapi Prospect area, the two most prominent a NW trending structure and a NNW trending structure. A narrower structure which strikes NE and which also appears to be mineralized seems to offset the other two structures. CSA Global, during the site visit, noted that veining appears sub-vertical in nature, with flatter, potentially tension vein arrays occurring as spurs to the main vein, with an intrusive diorite host. Faulting was not noted. It has been commented that the intersection of these structures are good exploration targets for high grade material. CSA Global concludes this is a reasonable exploration strategy.

6.5 Salu Kombong

The Salu Kombong Prospect occurs approximately 1.2 km to north-northwest of Kandeapi (Figure 26).

Exploration History: A limited exploration programme of work was most recently carried out in 1999 (based on dates on available maps) to follow-up on anomalous results returned from a soil geochemical programme and stream sediment sampling.

To date, the most advanced work completed in this area comprises extensive costean and rock chip sampling (Figure 29). Lithologies associated with this area consist of undifferentiated and haematitic mudstones as occur elsewhere in the CoW and associated with mineralisation. The main physiographic feature in the area is the Kombong escarpment which has a North-Northeast alignment and with North-Northwest trending structures that appear to be related to alteration, brecciation, quartz carbonate veining, silicification and weak albitisation, and localised malachite.

Results and Interpretation: Noting that costean sampling can be subject to bias, a number of results at greater than 1g/t Au have been returned from the trenches and rockchip sampling programs completed in the area as outlined in Figure 29. Company reports indicate three possible mineralised corridors at Salu Kombong related to northwest trending structures (possible related to Kandeapi), west-northwest and north-south trending structures.

CSA Global did not find any evidence of drilling having been completed in this area. As such, the results, which are of a similar tenor to those associated with early stage work completed in association with what are now deposits, suggest that additional work is required to assess this prospect. Drilling is recommended.

6.6 Freddie Bertie

Freddie Bertie Prospect lies about 2 km East of the Awak Mas Deposit, an approximately 700 m to the North-Northwest of the Salu Bulo Deposit (Figure 30). It lies about 800 m to the southeast of the Kandeapi prospect.

For clarity, we note that historically there were a number of prospects in the Salu Bulo area, and these were known as the Freddie-Bertie, Bandoli-Mickey, and Biwa-Lelating Prospects. With the promotion of Salu Bulo to deposit status, these are now simplified, and the only prospects that remain are Freddie-Bertie, and the Lelating portion of the Biwa-Lelating Prospect. The rest of these prospects are now deemed part of the Salu Bulo Deposit.

Exploration History: Stream sediment and pan concentrate sampling by Battle Mountain in 1988-1989 found the initial anomalies. Follow up mapping and more sampling led to the discovery of in situ mineralization. Masmindo (MAS) continued in 1997 with more sampling. Placer Dome (PD) completed an initial drilling programme in 1999 for the Salu Bulo area, and three of the 31 holes in that programme were in the Freddie Bertie Area. In 2011-2013 One Asia (OAR) completed another 102 holes in the general Salu Bulo area, and about 20 of these were in the Freddie Bertie area (Figure 30). CSA Global did not find the assay data for the more recent holes (SBD 031-132). As such we cannot comment on the significance of these holes in terms of this prospect.

Conclusion: An early conclusion was that the Freddie-Bertie prospect is a continuation of the Lelating prospect/structure (to the south). The initial exploration work conducted for these various areas that surround or form parts of Salu Bulo has proven successful. It has been commented that further work in the Salu Bulo area may be able to increase the size of the deposit, and CSA Global generally concurs with this comment. Access to the rest of the drilling would be required to assess the prospectivity.

Table 20: Partial Table of significant intercepts for the Freddie Bertie prospect (down hole thickness only).

Hole No.	Easting	Northing	RL	Dip	Azimuth	Depth	Interval		Width	Au (g/t)
SBD024	181815.8	9627621	804.45	-50	270	91.5	30	34	4	0.42
							50	52	2	0.52
SBD026	181778.9	9627622	826.81	-50	270	99.5	22	24	2	1.39
							32	34	2	0.21
							74	76	2	0.22
							78	82	4	1.86
							82	84	2	0.44
SBD028	181673.3	9627600	861.36	-50	270	115.2	102	106	6	0.85
							106	110	4	0.38

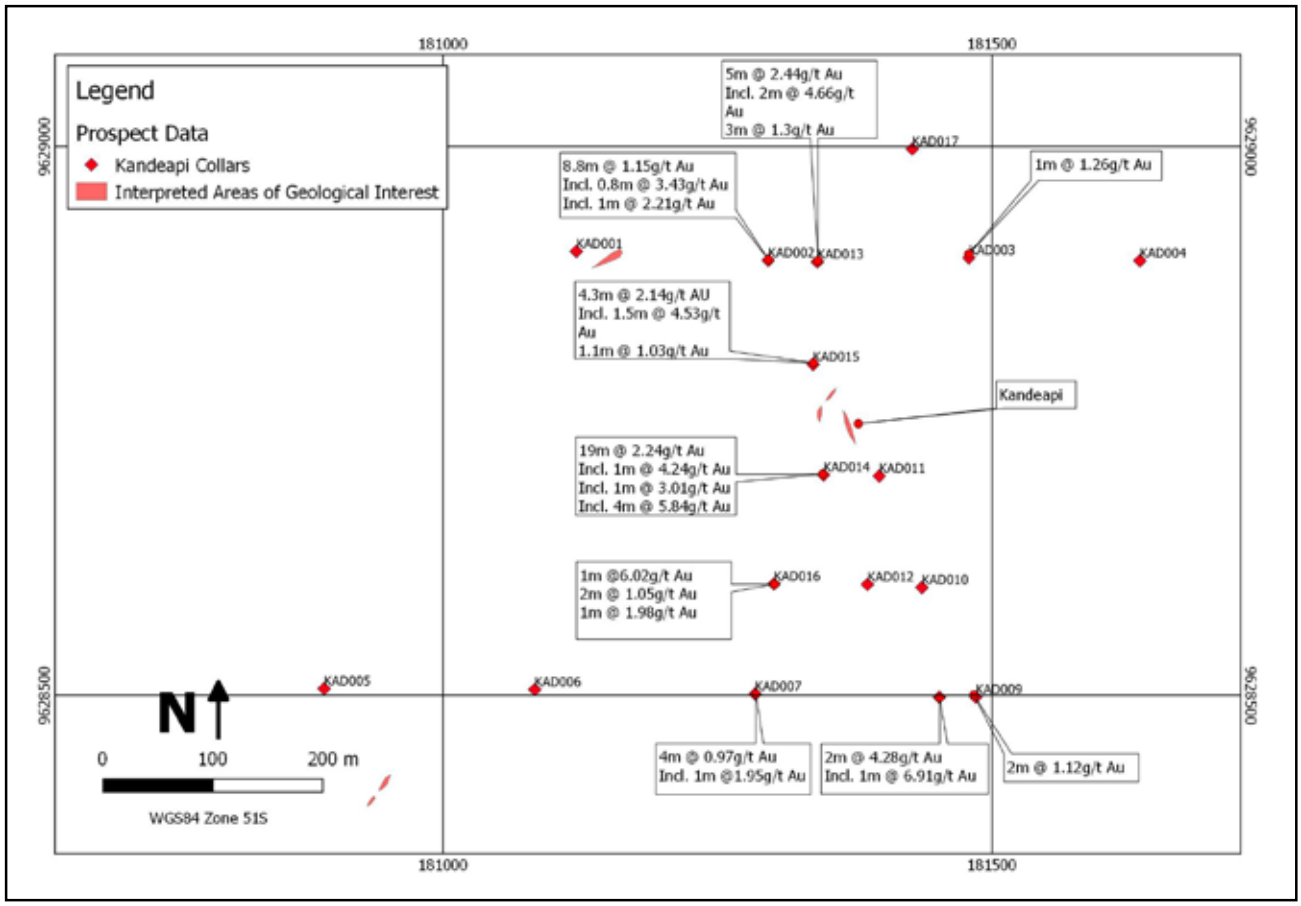


Figure 28: Kandeapi prospect drill hole collar plan with selected significant intercepts.

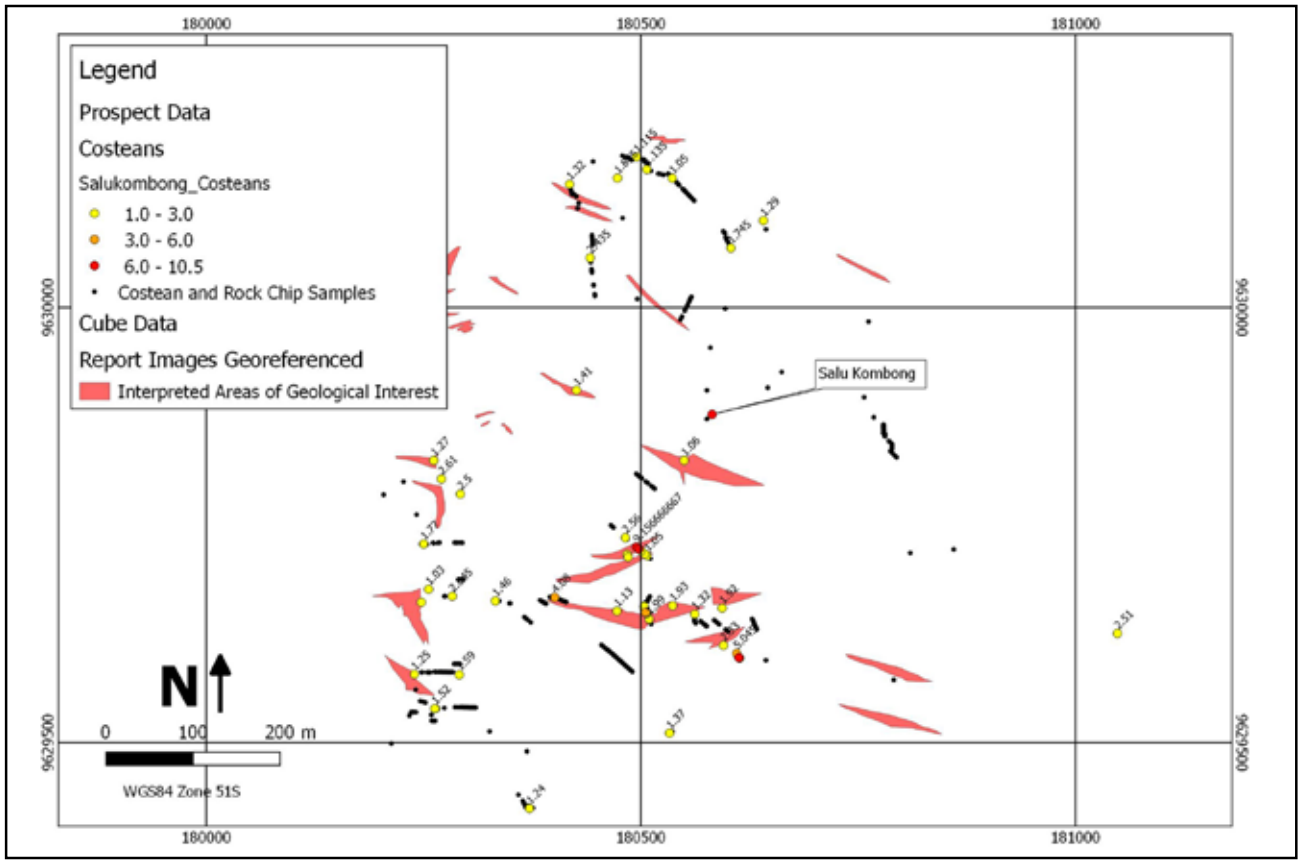


Figure 29: Salu Kombong surface samples including material derived from costeans and rock chips.

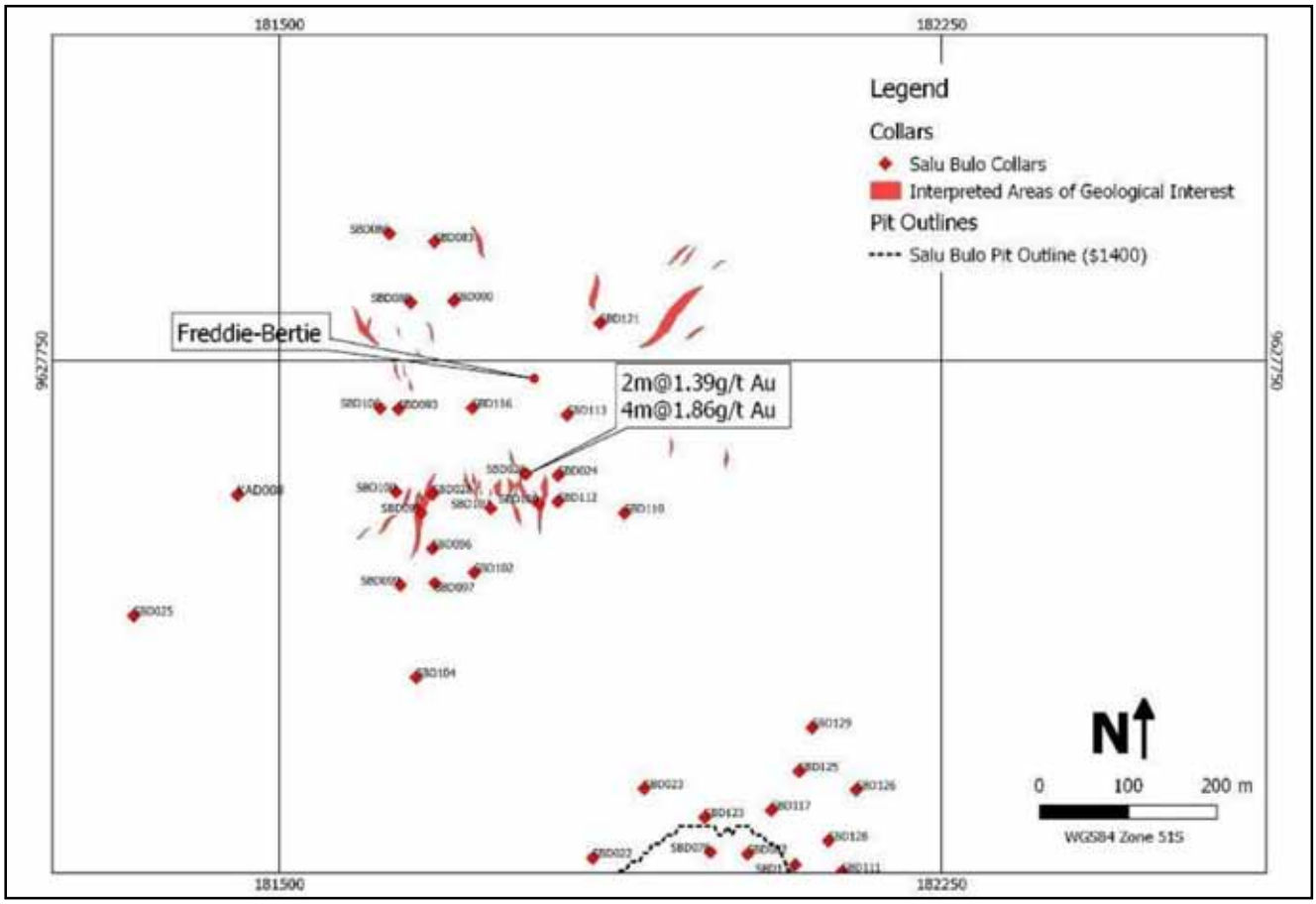


Figure 30: Map of Freddie Bertie prospect.

6.7 Lelating and Bandoli-Mickey

The Lelating and Bandoli-Mickey structures lies just to the West and East of the Salu Bulo Deposit respectively (Figure 26), and may provide scope to expand the planned mining activities for Salu Bulo.

Exploration History: Stream sediment and pan concentrate sampling by Battle Mountain in 1991-1992 found the initial anomalies. A soil geochemistry survey in 1997 delineated broad anomalies. Placer Dome (PD) completed an initial drilling programme in 1999 for the Salu Bulo area, and six of these holes were in the Lelating area, which was initially termed the Lelating structure. In 2011–2013 One Asia (OAR) completed another 102 holes in the general Salu Bulo area, and about 18 of these were in the Lelating area.

Conclusion: Both Lelating and Bandoli-Mickey lie very close to the now-defined Salu Bulo Deposit, and exploration in this area may serve to expand the size of the Salu Bulo Deposit. The Lelating structure has been interpreted as a generally North-South trending structure. The initial exploration work conducted for these various areas that surround or form parts of Salu Bulo has proven successful. It has been commented that further work in the Salu Bulo area may be able to increase the size of the deposit, and CSA Global generally concurs with this comment. The Bandoli-Mickey Prospect relates to an interpreted structure that runs approximately north-south and runs for at least 250 m. Early channel/costean results encouraged additional drilling. Progressive drilling directly focussed on this prospect and in proximity to the Salu Bulo Deposit have defined a significant number of anomalous results (immediately to the east of the current Salu Bulo pit area.

6.8 Puncak Utara

The Puncak Utara Prospect is located approximately 1 km to the ENE of the Awak Mas Deposit and is separated from the later by steep N-S trending ridge, known locally as the "Awak Mas High Wall" with elevation of 1,200–1,400 m. It is geographically close to the Awak Mas Deposit (Figure 26).

Exploration History: Puncak Utara was initially identified using regional soil chemistry data. Subsequent trenching and sampling increased the interest. Costean results were good, including 8 m at 14.8 g/t Au, 11 m at 24.2 g/t Au, and 18 m at 5.6 g/t Au. In 1999, Placer Dome completed 2 drillholes. The drill holes only returned one anomalous intercept as shown in Table 23 (16 m at 0.53 g/t Au).

Conclusion: Papio et al. (2012) comments that the prospect was not successfully tested with the completed drilling, and this seems to be a reasonable conclusion based on the short analysis by CSA Global.

6.9 Puncak Selatan

Like the Puncak Utara Prospect, the Puncak Selatan Prospect is separated from the Awak Mas Deposit by a steep NS trending ridge, known locally as the "Awak Mas High Wall" with elevation of 1,200–1,400 m. Puncak Selatan is located approximately 300 m ESE of the Awak Mas Deposit (Figure 26).

Exploration History: This area was initially recognized when a number of discrete gold anomalies were revealed in a regional soil geochemical survey undertaken in late 1997. Grid mapping, rock chip sampling, and trenching followed, and drilling (five core holes) was undertaken by Placer Dome in 1999. Significant drilling results are shown in Table 24.

Conclusion: Comments that the prospect was not successfully tested with the completed drilling, and this seems to be a reasonable conclusion based on the short analysis by CSA Global.

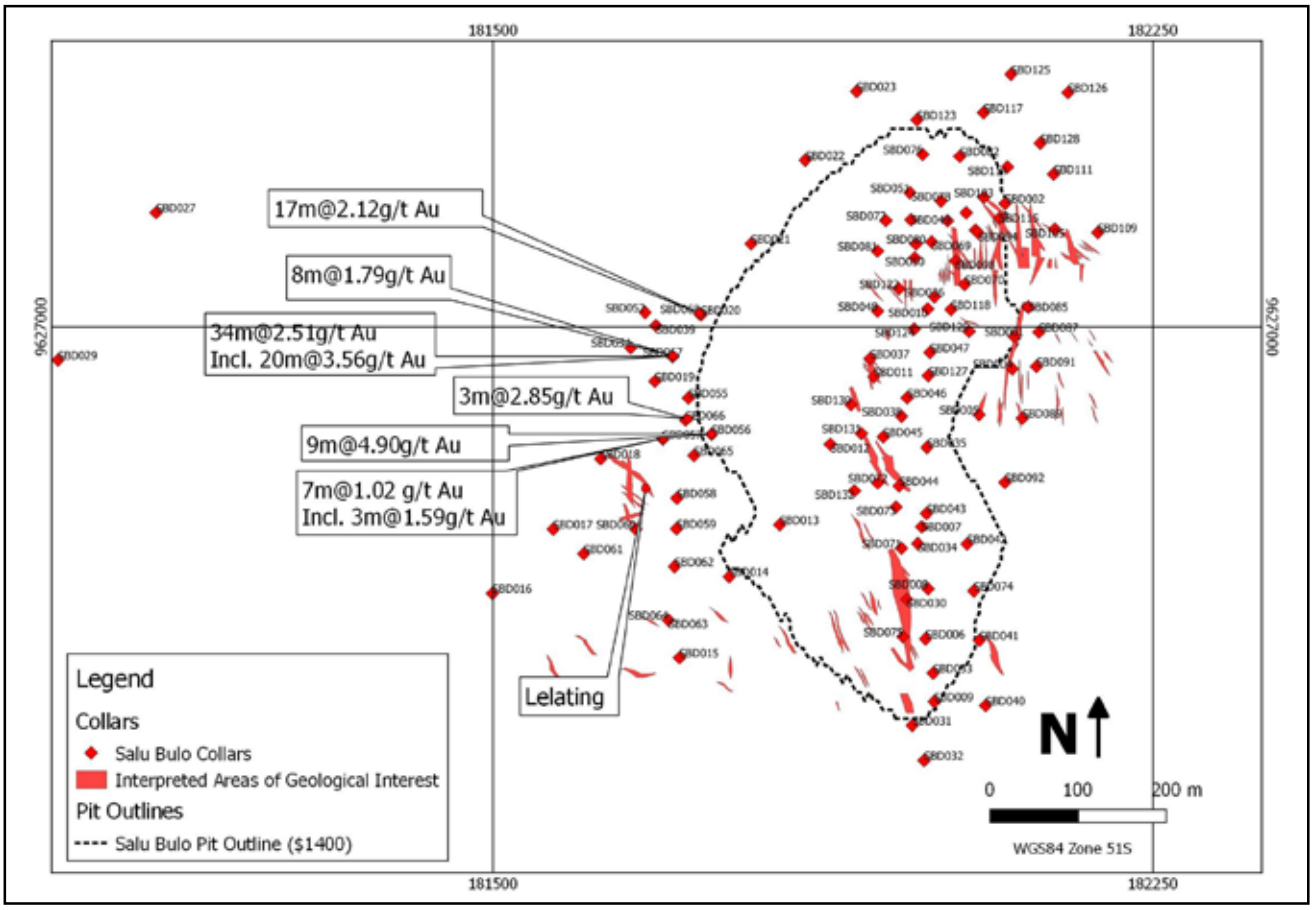


Figure 31: Map of the Lelating Prospect region with selected intercepts.

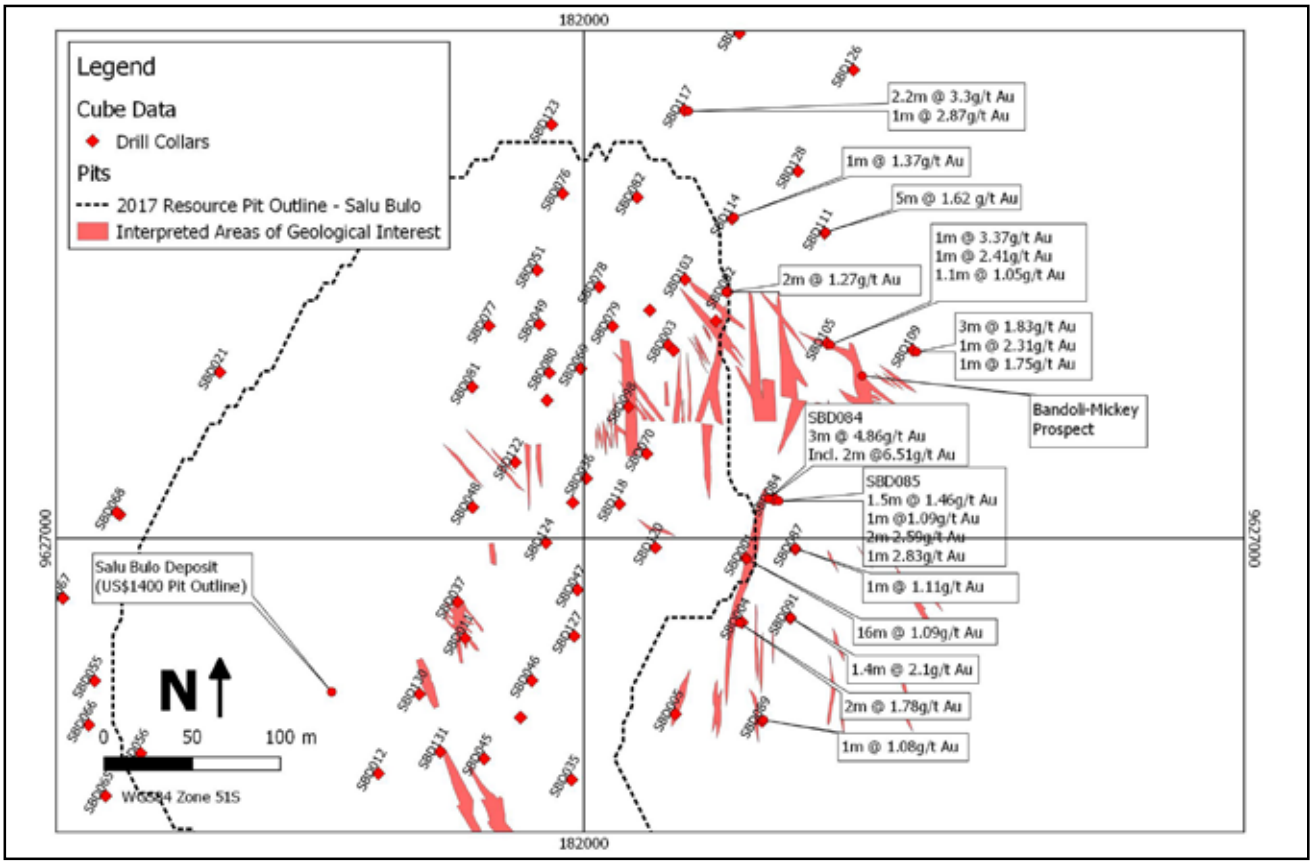


Figure 32: Map of the Bandoli-Mickey Prospect Area with selected intercepts.

Table 21: Significant drilling results from Lelating prospect area (down hole thickness only)

Hole No.	Easting	Northing	RL	Dip	Azimuth	Depth	From	To	Width (m)	Au (g/t)
SBD053	181704.8	9626967	1047	-55	270	114.5	76	110.8	34.8	2.51
		Incl.					-87.8	-107.8	-20	-3.56
SBD056	181745.7	9626870	1033	-55	270	146.3	119	128	9	4.9
SBD057	181697.5	9626870	1048	-55	270	121.7	69.7	76.7	7	1.02
		Incl.					-70.7	-73.7	-3	-1.59
							105.7	113.7	8	1.23
SBD061	181606	9626742	1028	-60	270	123.3	28.1	29.1	1	0.95
							48.1	49.1	1	1.51
							99.5	100.6	1.1	0.65
							106.6	116	9.4	0.66
SBD063	181711.8	9626670	984	-60	270	70	7	8	1	0.67
							31	32	1	0.92
SBD064	181712	9626670	984	-60	90	15.5	3.5	5	1.5	0.75
SBD066	181725.4	9626895	1039	-60	270	125	95.5	96.5	1	0.83
							104.5	107.5	3	2.85
							111.5	113.5	2	1.39
							115.5	116.5	1	0.86
SBD067	181704.8	9626967	1047	-75	270	170	97.5	98.5	1	1.03
							141.5	149.5	8	1.79
SBD068	181736.4	9627014	1041	-55	270	120	97.5	98.5	1	1.03
							106.4	110.7	4.3	0.47
							128.7	145.7	17	2.12

Table 22: Significant drilling results from Bandoli-Mickey prospect area

Hole No.	Easting	Northing	RL	Dip	Azimuth	Depth	From	To	Width (m)	Au (g/t)
SBD001	182092	9626989	808.89	-50	270	99.3	16	32	16	1.09
SBD002	182082	9627140	804.54	-50	270	100.5	54	56	2	1.27
SBD004	182090	9626952	805.13	-50	270	100.5	12	14	2	1.78
SBD004							30	32	2	1.06
SBD084	182108	9627022	903.602	-45	270	44.8	22.4	25.4	3	4.86
SBD084						Incl.	23.4	25.4	2	6.51
SBD085	182109	9627022	903.675	-70	270	76.7	7.5	9	1.5	1.46
SBD085							63	64	1	1.09
SBD085							65	67	2	1.59
SBD085							71	72	1	2.83
SBD087	182120	9626994	890.624	-55	270	84	4.5	5.5	1	1.11
SBD089	182101	9626896	891.002	-50	270	85.6	20.8	21.8	1	1.08
SBD091	182117	9626955	894.766	-50	270	95	9.2	10.6	1.4	2.1
SBD105	182138	9627111	869.211	-45	270	105	21.6	22.6	1	1.69
SBD105							89.9	90.9	1	3.37
SBD105							92.9	93.9	1	2.41
SBD105							95.9	97	1.1	1.05
SBD109	182187	9627107	875.338	-45	270	96.5	39.5	42.5	3	1.83
SBD109							47.5	48.5	1	2.31
SBD109							65.5	66.5	1	1.75
SBD111	182137	9627173	901.729	-55	270	105.9	98.3	103.3	5	1.62
SBD114	182084	9627181	902.351	-52	270	75	20	21	1	1.37
SBD117	182057	9627243	909.983	-45	270	48.3	10.2	12.4	2.2	3.3
SBD117							26.6	27.6	1	2.87

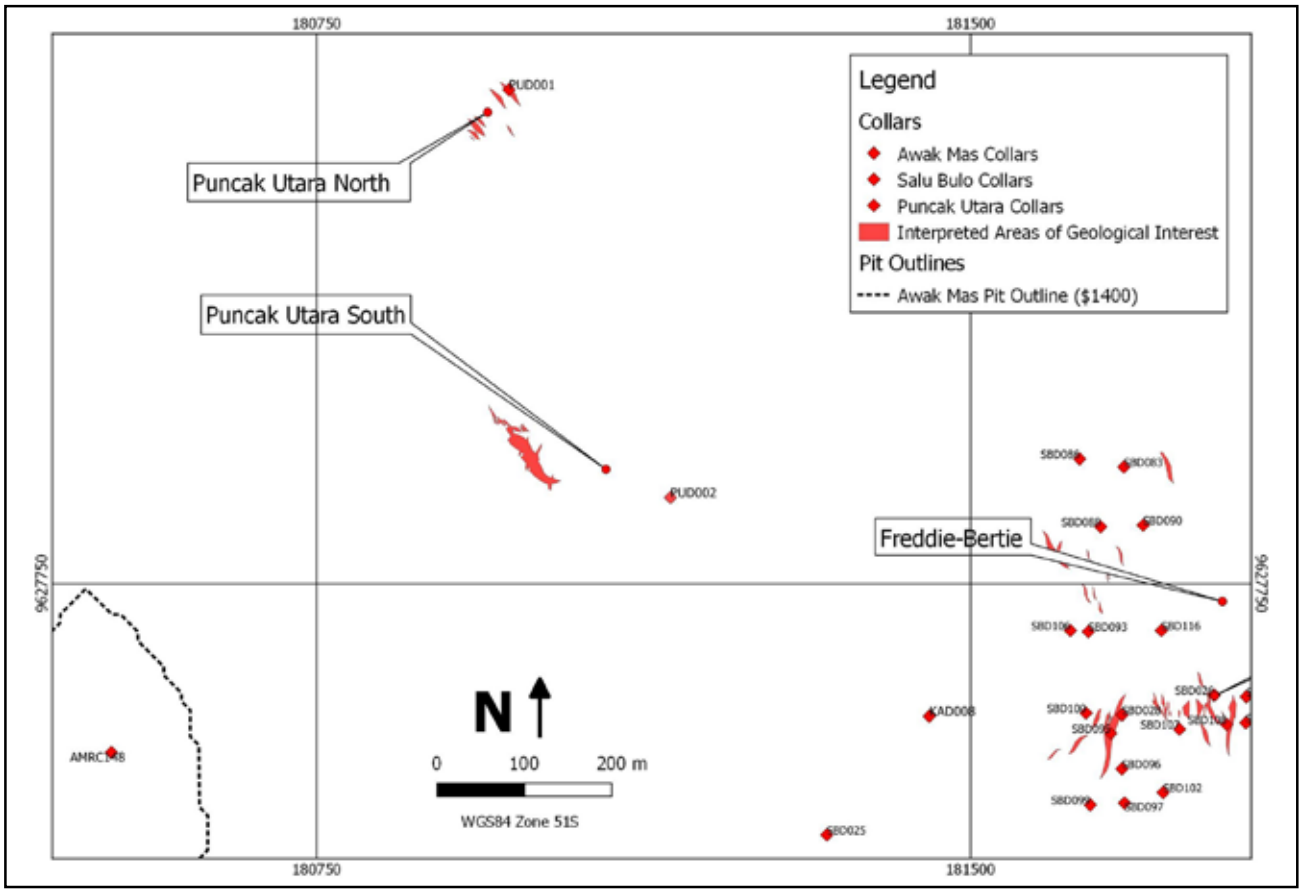


Figure 33: Map of Puncak Utara Prospect.

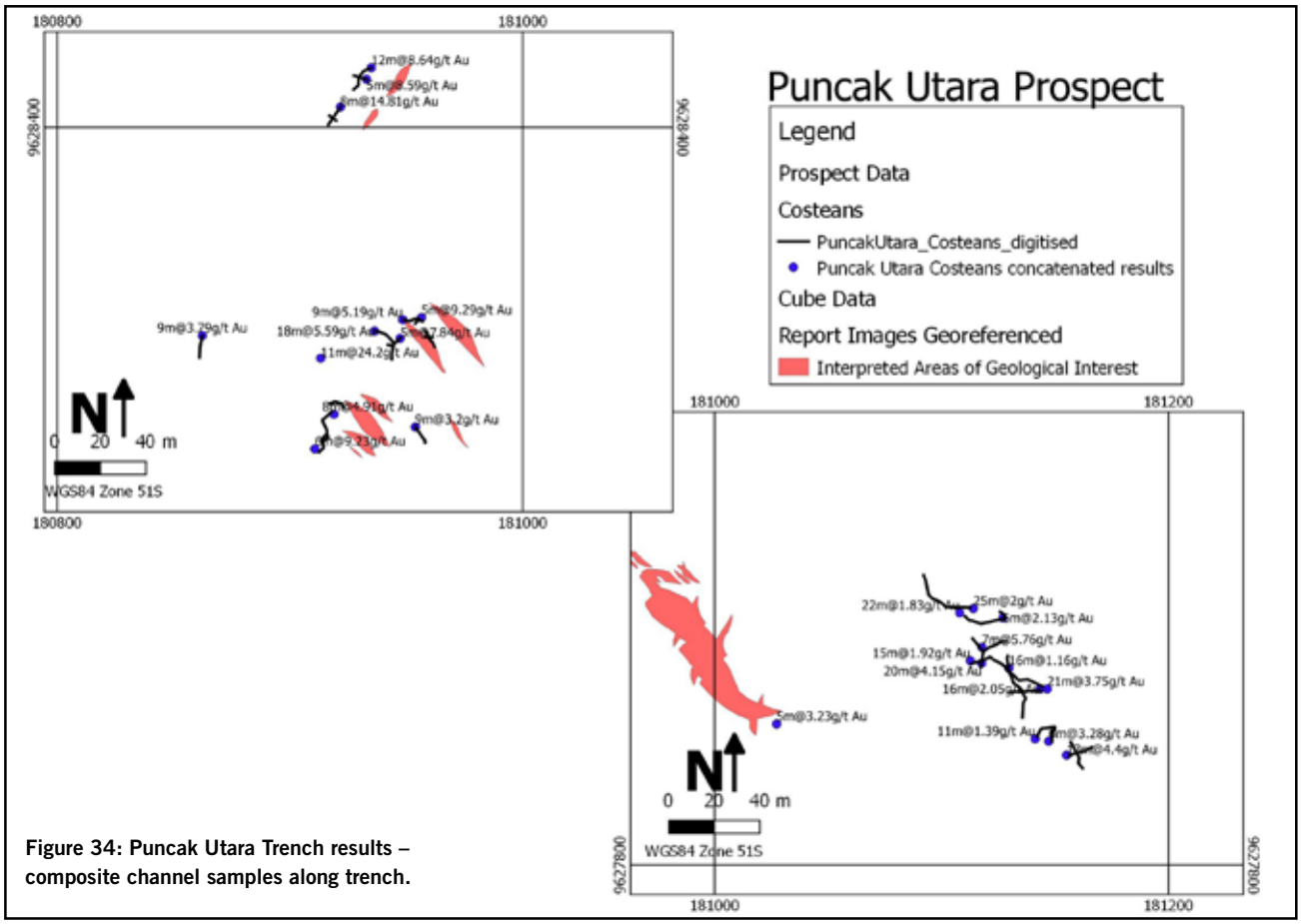


Figure 34: Puncak Utara Trench results – composite channel samples along trench.

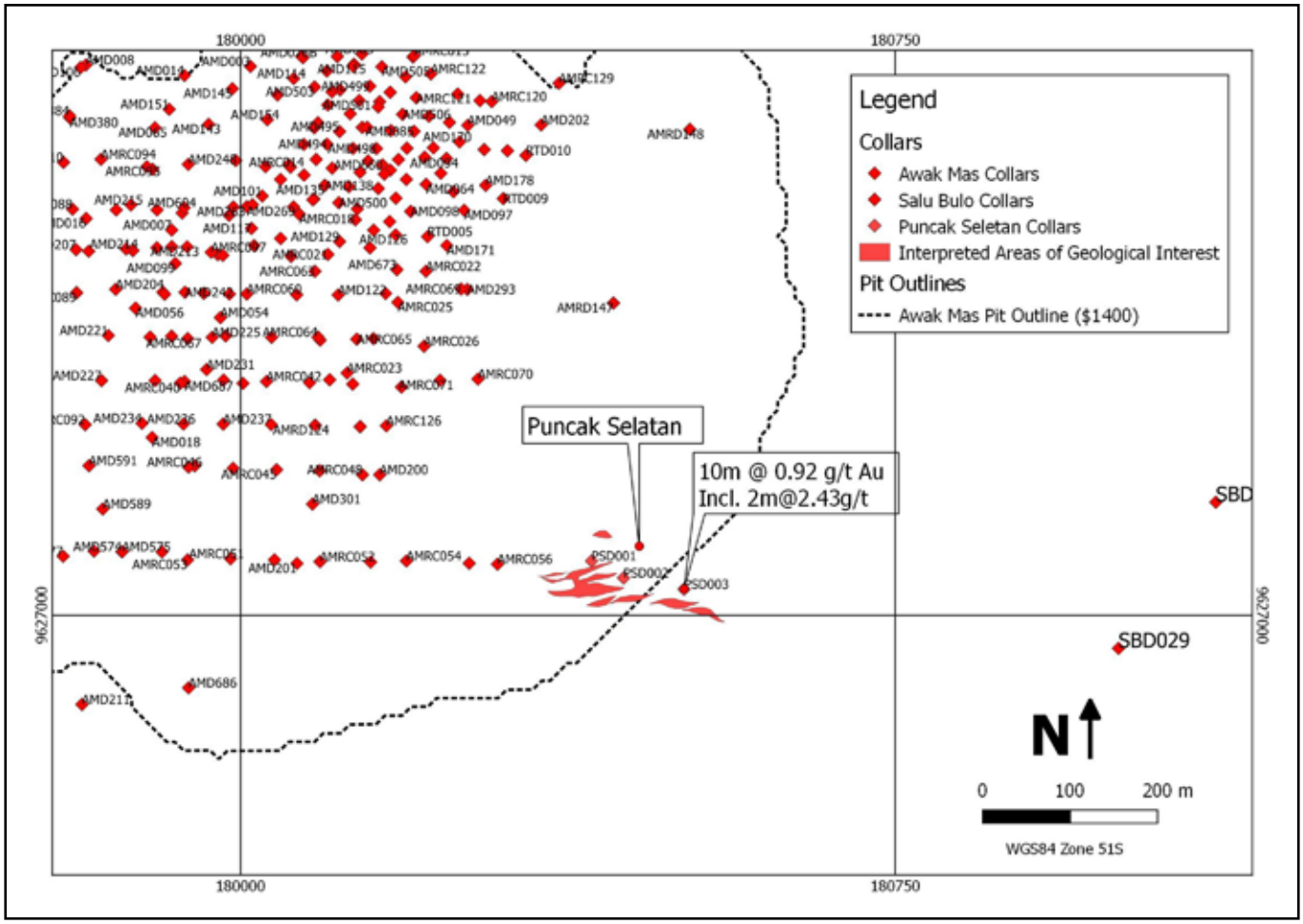
Table 23: Significant drilling intercepts at Puncak Utara Prospect (down hole thickness only)

Hole No.	Easting	Northing	RL	Dip	Azimuth	Depth	From	To	Width (m)	Au (g/t)
PUD001	180970.4	9628316	1090	-45	225°	99.5	74	90	16	0.53

Table 24: Significant drilling intercepts in the Puncak Selatan Prospect area (down hole thickness only)

Hole No.	Easting	Northing	RL	Dip	Azimuth	Depth	From	To	Width (m)	Au (g/t)
PSD001	180402.2	9627062.4	1319	-50	210°	100	6	12	6	0.46
PSD002	180438.9	9627042.9	1301	-50	210°	102.9	4	10	6	0.74
PSD003	180507.8	9627030.0	1276	-45	210°	92	16	26	10	0.92

Figure 35: Map showing Puncak Selatan prospect, including its close proximity to Awak Mas Deposit.



6.10 Other Prospects

CSA Global is aware of four other identified prospects in or near the Awak Mas CoW. From North to South, these are the Noling, Salu Tabang, Salu Nangka, and Katapu prospects (Figure 26). CSA Global does not believe these are material to the project at present.

Noling Prospect: The Noling prospect is located in the isolated block to the North of the main contiguous part of the CoW (Figure 26). It is reported to be a 4–5 hr drive from the Awak Mas Deposit. The report states that Battle Mountain conducted first pass pan concentrate and rock chip sampling in 1989, returning values between 0.32–7.81 g/t Au. The dominant rock type exposed in road cuts in this area was reported to be oxidised gabbro.

Salu Tabang Prospect: The Salu Tabang prospect appears on maps in the company report from 2012, but no data were found in this prospect area, and no description appears in the report text. This prospect appears on the maps approximately 3 km North of the Tarra Deposit (Figure 26).

Salu Nangka Prospect: Salu Nangka is located between the Tarra and Awak Mas Deposits. It is about 2 km North-Northwest of the Awak Mas Deposit (Figure 26). This prospect is reported to have been investigated with a pan concentrate sampling programme (122 samples) conducted in 1997. Follow up outcrop and channel/trench sampling apparently did not succeed in finding the source of the anomalism.

Katapu Prospect: The Katapu prospect is located approximately 3–3.5 km to the South-Southwest of the Awak Mas Deposit (Figure 26). The only data which CSA Global is aware of for this prospect are stream sediment, pan concentrate, and rock chip sampling which were interpreted to delineate more detailed exploration targets in the region. The summary map shows 7 to 10 areas of interest, but only 2 of these lie within the Awak Mas CoW. The company report suggests that further work could investigate the possibility of mineralization within the CoW in this area.

7 Evaluation of the Proposed Development and Exploration Programme

A specific plan for additional pre-development investigation and exploration has been proposed by Nusantara (Table 25). An additional approximately 2000 m of drilling is proposed to test regional prospects to assess their potential to define additional resources within the project area.

Table 25: Proposed budget drilling budget (from Nusantara Resources)

Deposit	Phase 1 Drilling	
	No. of Holes	Drill Metres
Rante	7	1,380
Tanjung	16	2,100
Lematik	3	585
Ongan	6	505
Mapacing	16	1,260
Awak Mas Sub-total	**48**	**5,830**
Salu Bulo	**11**	**1,020**
Tarra	**7**	**1,200**
TOTAL	**66**	**8,050**

7.1 Near deposit upgrades and infill

Close to three-quarters of the proposed drilling has been designated for the Awak Mas Deposit. Cube (2017b) for Nusantara have indicated that Phase 1 drilling as outlined is designed aid in the conversion of currently Inferred to Indicated Mineral Resources which lie with the US$1,400 (A$1,890) pit shell optimised to the current MRE. In addition, Nusantara have identified an Exploration Target to define additional material in the area of but presently outside of the current MRE's. As stated in that report:

*The **MRE category upgrade** is targeting upgrading approximately **0.2–0.4 Moz** Au from Inferred to Indicated category, which comprises **7–8 Mt at 1.0–1.5 g/t Au** within a constraining US$1,400 (A$1,890) shell optimised to the current MRE. If successful, more than 90% of the Awak Mas Mineral Resource is likely to be in the Indicated category.*

The potential MRE upgrade is based on the following methodology:

- *Areas of Inferred Mineral Resources being targeted by the drilling were wireframed to give approximate boundaries of material that could be upgraded to Indicated. The estimated grades and tonnes within these defined areas were reported from the model, and*
- Mineralisation (>0.5 g/t Au) that lies within or adjacent to the US$1,400 (A$1,890) Shell were wireframed where reasonable continuity at 0.5 g/t Au could be assumed (Awak Mas only). These areas define the drilling targets for additional resources and the average MRE grade and density (2.65 t/m3) were assigned to the mineralised volume to enable quantification of the exploration target size.

*The **Exploration Target** is defined as **0.3Moz to 0.5Moz** Au of material comprising **7-10Mt at 1.3-1.5g/t Au** outside of the current MRE, but within or adjacent to a constraining US$1,800 Shell optimised to the MRE.*

The Exploration Target has been derived by the following methodology:

- Potential additional resources are in areas of mineralisation previously defined by drilling that lies between the MRE US$1,400 (A$1,890) Shell and the outer bounding US$1,800 (A$2,430) Shell as optimised to the current MRE.
- The volume of influence from the proposed drilling in these areas was wireframed and the average grade and density (2.65 t/m3) from the current MRE were assigned to enable quantification of the exploration target size.
- For Salu Bulo this also included the poorly defined Lelating area which lies 300m to the west along a parallel structure and lies outside of both the Shells (Figure 37).

Figure 36, Figure 37, and Figure 38 illustrate the proposed exploration drilling in Awak Mas, Salu Bulo and Tarra, to test this target.

Please note that any discussion in relation to the potential quantity and grade of Exploration Targets is only conceptual in nature. While Nusantara is confident that it will be able to report additional resources in accordance with JORC for the Awak Mas Gold Project, there has been insufficient exploration to define mineral resources in addition to the current Mineral Resource inventory reported in accordance with JORC, and it is uncertain if further exploration will result in the determination of additional JORC compliant Mineral Resources.

The information in Section 7 that relates to Exploration Targets, is based on information compiled by Mr Adrian Shepherd, a Competent Person who is a Member and Chartered Professional of The Australasian Institute of Mining and Metallurgy. Mr Shepherd is a full-time employee of Cube Consulting, who are consultants to Nusantara. Mr Shepherd has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Shepherd consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.'

CSA Global has evaluated the general locations of the proposed drilling at the Awak Mas Gold Project, both in plan, section, and in 3D. CSA Global concludes that the locations mentioned appear to be reasonable, and that the proposed drilling locations fit the objectives outlined above. CSA Global further concludes that the Exploration Target as defined is reasonable and achievable. However, CSA Global notes that there remains no guarantee that the outcomes envisaged by the Exploration Target will be delivered.

Figure 36: AWAK MAS–Plan View with Grade Model Coloured by Resource Category, Constraining US$1,400 (A$1890) Shell and Planned Drilling Drill Traces (red). (Cube, 2017b)

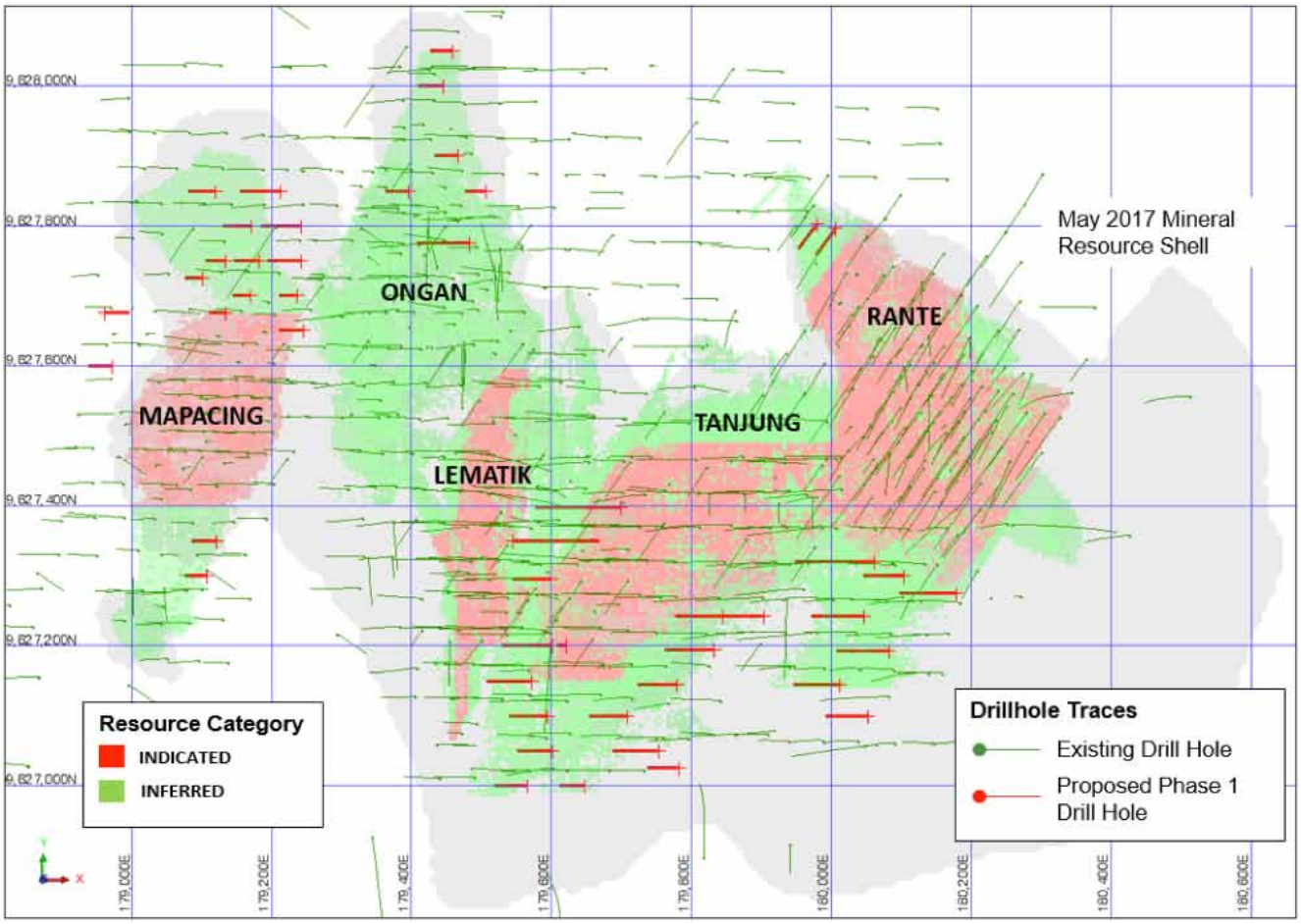


Figure 37: SALU BULO–Plan View with Block Model Coloured by Au g/t, Constraining US$1,400 (A$1890) Shell and Planned Drilling Drill Traces (red). (Cube, 2017b)

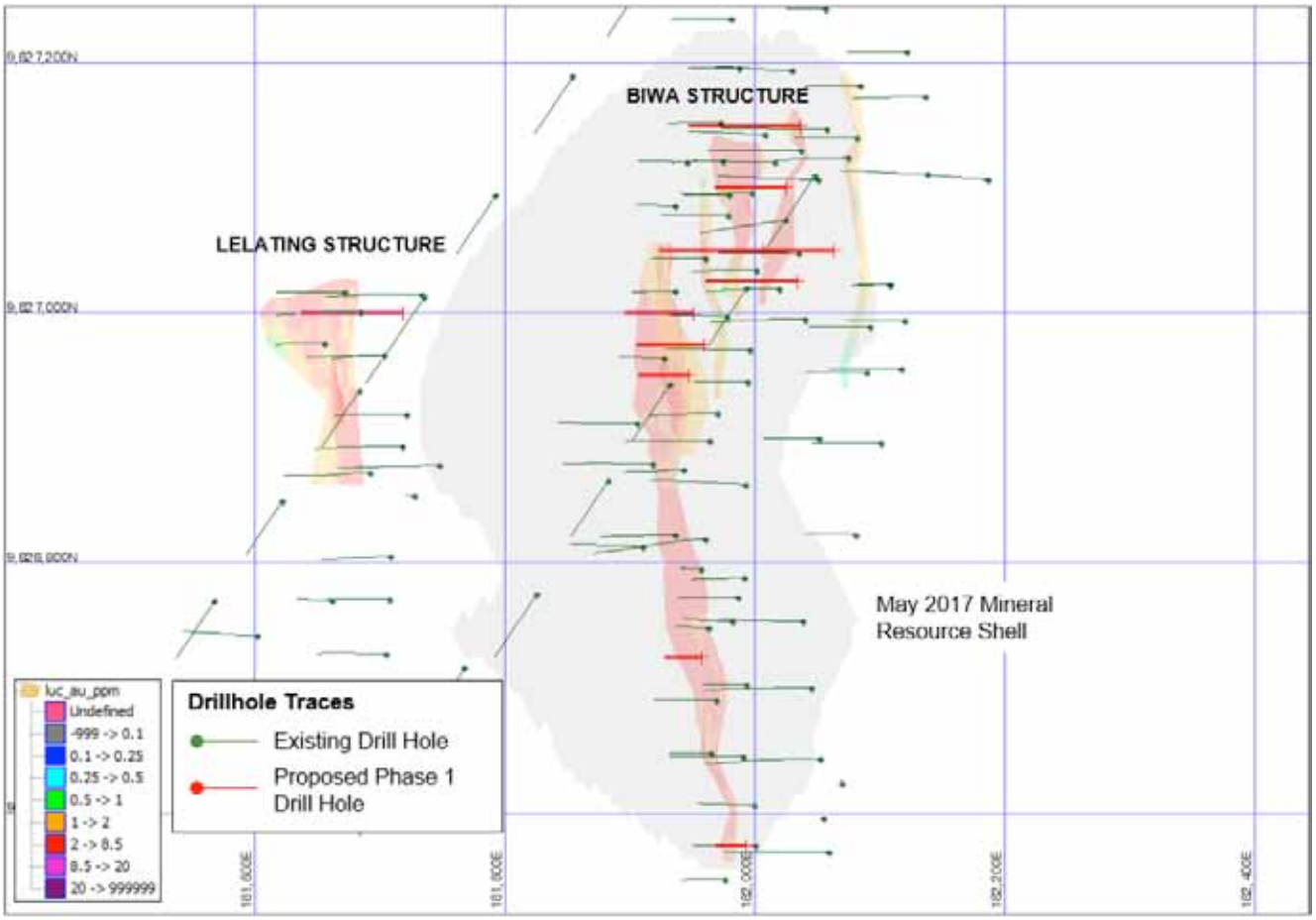
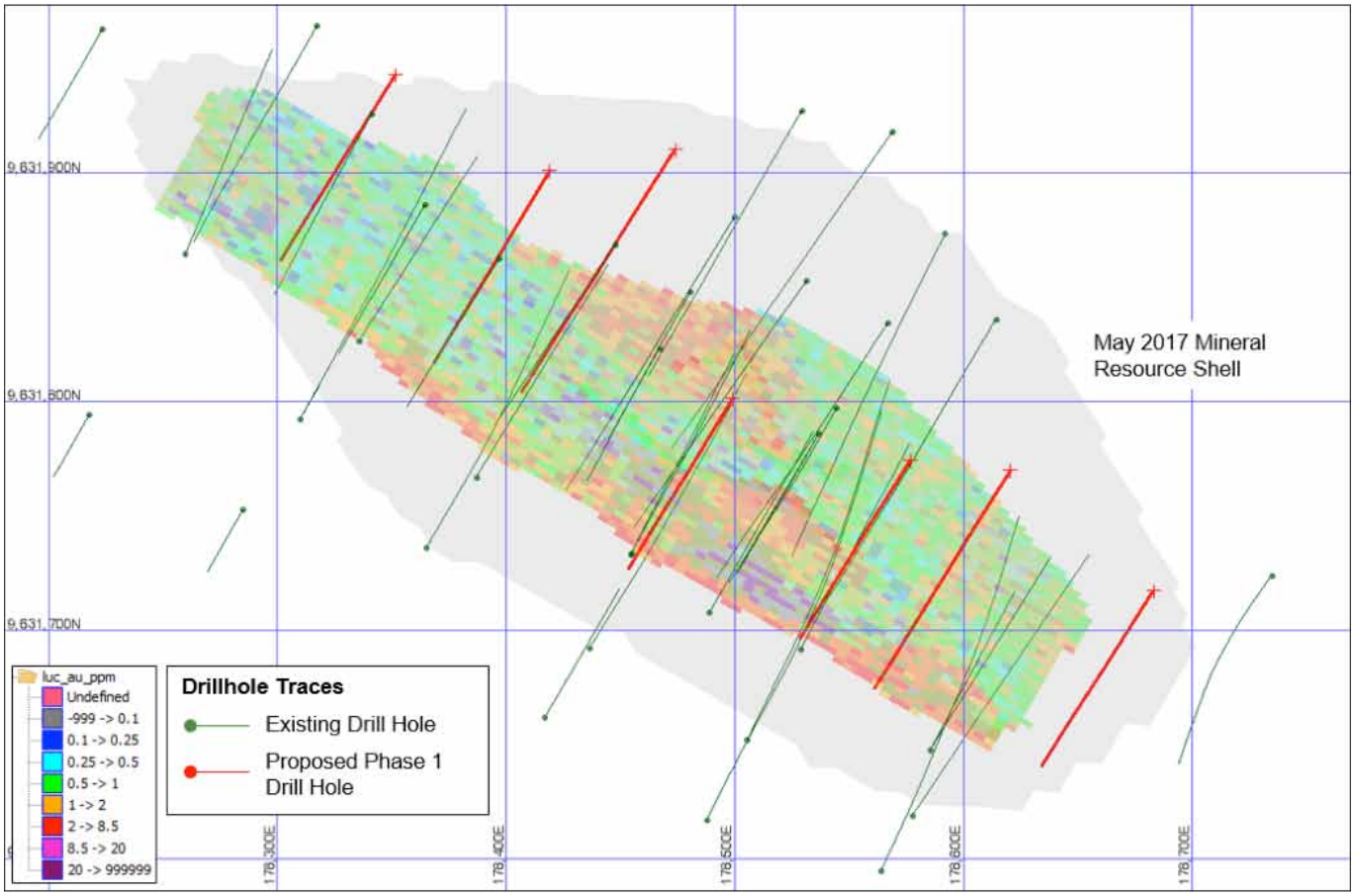


Figure 38: TARRA–Plan View with Block Model Coloured by Au g/t, Constraining US$1,400 (A$1890) Shell and Planned Drilling Drill Traces (red). (Cube, 2017b)



7.2 Exploration at Additional Satellite Prospects

A small amount of additional drilling is proposed for "brownfields" locations. Given the presence of many other prospects in the region surrounding Awak Mas, CSA Global is of the opinion that the amount of additional drilling proposed for "brownfields" locations is reasonable, and there is clearly reason for the level spent on brownfields to be increased substantially. Early identification of potentially material prospects may have a positive impact on the Awak Mas Gold Project. Additional work is required on all prospects in order to effectively design the next phase of work, including potential drilling. CSA Global concurs with this approach.

7.3 Comparison to Budget

A 1-year programme budget of approximately A$6.2 million (US$4.6 million) has been defined by Nusantara, for MRE up-grade related drilling and testing of the Exploration Target, plus A$3.8 million (US$2.9 million) to progress the DFS. CSA Global believes the proposed budget is consistent with the stated exploration and development goals, and also with the exploration potential of the Awak Mas Contract of Work area (CoW). Table 26 summarises the proposed use of funds. Moreover, the proposed expenditure makes sense in respect to the considered potential to improve the development of the Awak Mas, Tarra, and Salu Bulo Deposits. CSA Global is of the opinion that, as a result of past work completed, this budget is sufficient to materially progress project understanding in the context of a DFS, though may not allow completion

Table 26: Proposed use of funds

Item	Amount (A$ mil)	Amount (US$ mil)
Drilling – Resource and Exploration	4.6	3.5
Awak Mas operations	1.6	1.1
Definitive Feasibility Study	3.8	2.9
Advisory and equity raising fees of the Offer	1.3	0.9
Overheads and working capital	3.7	2.8
TOTAL	**15.0**	**11.2**

8 Risks

Specific risks to project success concern errors in the estimation of the size and character of the mineralized deposits and related Mineral Resources. Although the process used to estimate the resource size is, in CSA Global's belief, reasonable and appropriate, there is a risk that controls on mineralisation or other geological factors have been misinterpreted or are not recognised, which may have a material impact on the Mineral Resources as calculated.

The nature of the significant percentage of Inferred Category Resources contained within the MREs indicates a lack of certainty on both the extent and controls on mineralisation.

Conversion of Mineral Resources to Ore Reserves requires additional work. It is probable that the total recoverable metal encompassed within any such Reserve will be materially lower than the quantum of metal defined in the current Resources.

While previous operators have completed assessments of the economic potential of the Awak Mas Gold Project, changes in modifying factors and the up-dated Mineral Resources indicate that further work is required before any further evaluation can be made and which may have materially different outcomes from previous such studies.

Exploration for gold deposits in an area like the Awak Mas CoW is likely to encounter logistical, administrative, and legislative issues, that will need to be overcome prior to Nusantara's ability to mine the deposit. The vegetation and high rainfall makes access difficult. Vegetation also makes access for sampling and assessment difficult, and makes geological mapping almost impossible unless road cuttings and other excavations (for example from landslides or agriculture) are available.

Assessment of the geological and engineering considerations at Awak Mas has also indicated a history of many small and moderate sized landslides that have occurred in the historical past as well as the recent geological past. The impact of these on exploration is that observed soil anomalies may not be present immediately above the source gold mineralization.

In respect to additional prospects within the Awak Mas Gold Project:

- The exploration process is intrinsically risky. There is no guarantee that economically extractable resources and reserves occur associated with these prospects.
- Persons, including experts, involved in the exploration of the project in the future may fail to recognise controls on mineralisation and therefore be unable to define resources and reserves that may exist within the Project.

Resources that may be defined may not be mineable as a result of adverse conditions relating to such aspects as engineering, metallurgy, community relations, commodity or metal price, or other circumstances beyond the control of the controlling entity or owner of the CoW.

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10 Glossary

For further information or for terms that are not described here, please refer to internet sources such as A Dictionary of Geology and Earth Science, Oxford, located at:

http://www.oxfordreference.com/view/10.1093/acref/9780199653065.001.0001/acref-9780199653065

or

Geology.com Dictionary at: http://geology.com/dictionary/glossary-t.shtml

11 Individual JORC Table 1 Documents for Tarra, Salu Bulo and Awak Mas Mineral Resource

Section 1 Sampling Techniques and Data (Tarra)

Criteria in this section apply to all succeeding sections.

Criteria	JORC Code explanation	Commentary
Sampling Techniques	Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.	All sampling data is historical and only limited details of the sampling techniques used are available. As Masmindo Mining Corporation ("Masmindo") uses standard protocols for drill sampling, it can be assumed that those sampling techniques used at Tarra are the same as that implemented at the nearby Awak Mas Deposit as summarised below: Drill core (HQ) was generally sampled on 1m intervals, contingent on geology and core recovery; Core was collected directly from the core barrel into core boxes; Core samples were split in half, with the top half of the core analysed and other half retained as reference core in the tray; RC cuttings were collected over 1 m intervals via cyclone into plastic bags; Dry samples of nominal 20-25kg weight were riffle split to provide 3-5kg primary samples for assay, and Wet samples were sampled from the settled and decanted sample bag using multiple spear samples to form the primary sample (potential bias). Other historical exploration sampling has included stream sediment sampling, "Wacker" percussion drill grid soil sampling, float and rock chip/channel sampling, trenching and surface traverse sampling. No specialised measurement tools, e.g. downhole gamma sondes, or handheld XRF instruments, etc. were employed.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	No specialised measurement tools, e.g. downhole gamma probes, or handheld XRF instruments, etc. were employed.
	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	All data is historical, and only the diamond core drilling was used for the estimates, and it is assumed that sampling and assaying procedures were technically sound and consistent with normal industry practice.
Drilling Techniques	Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).	One Asia drilled 2 geotechnical drill holes in 2014 totaling 290.6m Masmindo conducted diamond and reverse circulation drilling from1996 to 1998: Diamond drilling of 32 drill holes for 4,589m; generally PQ collar, HQ as standard, reducing to NQ on some deep holes, and depths varied from 55m to 245m, average depth of 143m. Combined RC pre-collar and diamond tail of 6 holes for 1,377m; depths varied from 193m to 264m with an average depth of 230m. All diamond drilling used triple tube recovery; RC drilling of 29 holes for 2,411m; depths varied from 34m to 120m with an average depth of 83m. Only diamond core was used for the estimate.
Drill Sample Recovery	Method of recording and assessing core and chip sample recoveries and results assessed.	Core recovery and drill meterage recorded by field geologists and trained core checkers at drill site, prior to transfer of the core to the core shed. Recovery recorded is equivalent to the length of core recovered, as a percentage of the drill run.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	The wireline triple/split tube system and large diameter PQ core was utilised to maximise recovery and sample representivity.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	Analysis of core recovery to grade does indicates a trend of higher grade with increased core loss, but this is considered immaterial as 95% of the mineralised samples have good recoveries (>80%). Within the mineralised domains, the average core recovery was 95%.

Criteria	JORC Code explanation	Commentary
Logging	Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.	Diamond drilling: Drill core is photographed and logged prior to sampling; Core has been geologically and geotechnically logged to a level of detail appropriate to support mineral resource estimation and mining studies; Lithology, mineralisation, alteration, foliation trend, fracturing, faulting, weathering, depth of soil and total oxidation are recorded, and Orientation of fabrics and structural features are noted.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel etc.) photography.	Logging has been conducted both qualitatively and quantitatively – full description of lithologies, alteration and comments are noted, as well as percentage estimates on veining and sulphide amount. All diamond core has been photographed.
	The total length and percentage of the relevant intersections logged.	Total length of all drilling data is 5,966m. The total amount of relevant data used in the estimate is 1,440.2m (diamond core only), of which 100% was logged.
Sub-Sampling Techniques and Sample Preparation	If core, whether cut or sawn and whether quarter, half or all core taken.	Diamond drill core cut in half by saw. Half core sent for assay, half resides on site in secure purpose build shed. Some half core, halved to quarter core for re-assay and for metallurgical testing.
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	RC chips mixed, split using quartering technique and bagged on site.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	No details of the on-site sample preparation techniques are available. However, as Masmindo uses standard protocols for drill sampling, it can be assumed that those sampling techniques used at Tarra are the same as that implemented at the nearby Awak Mas Deposit. For all sample types, the nature, quality and appropriateness of the sample preparation technique is assumed to be consistent with industry standard practices.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	Standard operating procedures were used to ensure “chain of custody” of samples.
	Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/ second-half sampling.	Standard ‘good practice’ procedures were followed to ensure representative sampling.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	Sample size of 2-3 kg is appropriate for the grain size of material. The sample preparation techniques are considered appropriate to the material being sampled.
Quality of Assay Data and Laboratory Tests	The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.	All on-site preparation of samples and assays were performed by internationally accredited labs PT Intertek Utama Services (formerly Inchcape). These labs run their own checks and balances. The fire assay gold analyses (50g charge) undertaken are considered a total assay method and are an appropriate assay method for this type of deposit. For all sample types, the nature, quality and appropriateness of the sample preparation technique is assumed to be consistent with industry standard practices.
	For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	No geophysical tools were used or data analysed.
	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	No detailed information is available on the quality control procedures or results. Occasional blanks and duplicate samples were submitted by Masmindo. There are no indications that the deposit is affected (no bias identified) by abnormal sampling problems such as those related to unusually high proportions of coarse free gold. Acceptable levels of accuracy and precision have been assumed.
Verification of Sampling and Assaying	The verification of significant intersections by either independent or alternative company personnel.	Verification of significant intersections has not been completed.

Criteria	JORC Code explanation	Commentary
Verification of Sampling and Assaying	The use of twinned holes.	No twinned holes have been drilled to date.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	The majority of the historical drilling data exists as hardcopies on site which have been scanned electronically to PDF files. No documentation of data handling protocols and data processing is available.
	Discuss any adjustment to assay data.	All data below detection limit (of 0.01 ppm Au) and "0" values have been entered as a small value of 0.005ppm Au which is half the detection limit. Negative values, missing samples, interval gaps denoted by no sample (NS) and cavities were assigned as nulls (blanks) and ignored when extracting composites for grade interpolation estimation. Samples not received, or with insufficient sample weight for analysis had the interval left blank in the database.
Location of Data Points	Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.	All holes sighted with handheld GPS. Upon completion ground survey teams were contracted to verify location and elevation of the collars.
	Specification of the grid system used.	All collar coordinates are recorded in the UTM WGS 84 Zone 51 (Southern Hemisphere) coordinate system.
	Quality and adequacy of topographic control.	Data consisting of 5m contour lines generated from an IFSAR-based topographic relief model was purchased from Intermap. A 3D digital terrain model ("DTM") or surface was provided as smoothed 5m spaced contours and as such does not accurately reflect in detail the local extreme steep relief. Comparison of the topographic triangulation to drill hole collar elevations show significant differences ranging from 41m above the drill collars to 19m below. A total of 20% of the holes have a collar RL that is different by more than +/- 10m to the contoured topography surface, with most being below the topography This topography discrepancy is not material for the Mineral Resource estimate as the estimation domains have been clipped by the colluvium surface as defined by the drillholes which generally lies beneath the smoothed contoured topography surface. The amount of mineralised material above the topographic DTM which has been lost by clipping with the topography surface is likely to be less than 1% of the contained metal reported for the Mineral Resource estimate. The volume of unmineralised material above the colluvium surface is most likely to be in error. This topographic discrepancy needs to be addressed for detailed mine planning to ensure accurate waste volume representation particularly in areas with steep ridges and valleys.
Data Spacing and Distribution	Data spacing for reporting of Exploration Results.	The 'Wacka' drill soil sampling programme was conducted on 200m x 20m spaced lines for a total of 1,198 samples. Drill holes have been spaced on 40m sections along strike, drilled from 2 directions, with an effective downdip spacing of greater than 60m to 100m.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	Drill hole spacing is sufficient to define grade continuity, geological continuity, depth and lateral extents of mineralisation to support and Inferred Mineral Resource.
	Whether sample compositing has been applied.	No sample compositing has been applied.
Orientation of Data in Relation to Geological Structure	Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.	The Main Tarra mineralised zone was identified as a northwest trending gold anomaly. Drill holes were inclined between 30° and 65°, and drilled from 2 directions (NE-SW) in order to target the mineralised Tarra basal fault which forms a topographic cliff face.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	The sub-vertical orientation of the mineralisation coupled with steep drill holes can produce long down-dip intersections in places, however most have sampled the full mineralised zone thickness and any sample bias as a result of this is not considered to be material to this estimate.

Criteria	JORC Code explanation	Commentary
Sample Security	The measures taken to ensure sample security.	Standard operating procedures to ensure 'chain of custody of samples. Retained portions of samples and half core stored securely in the core shed.
Audits or Reviews	The results of any audits or reviews of sampling techniques and data.	Several reviews have been undertaken by independent consultants over the life of the Project and include: CSA Global (2017); Williams and Davys (2015); One Asia (2015); Tetra Tech (2013), and SRK Consulting (1998).

Section 2 Reporting of Exploration Results (Tarra)

Criteria listed in the preceding section also apply to this section.

Criteria	JORC Code explanation	Commentary
Mineral Tenement and Land Tenure Status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	One Asia holds a 100% beneficial interest in the Tarra Prospect via a 7th Generation CoW through its wholly owned subsidiary PT Masmindo Dwi Area. PT Masmindo Dwi Area is an Indonesian foreign investment company, which owns the exploration and mining rights to the Tarra Prospect through the CoW with the Government of the Republic of Indonesia. The 7th Generation CoW was granted on 19 February 1998 and covers an area of 14,390 ha. The CoW allows for 100% ownership, and is located within a non-forested area – (APL) Land for Other Uses. The AMDAL for the project has been approved and Environment Permit Issued April 2017. The Competent Person is not aware of any other agreements that are material to the Project.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The CoW defines a construction period of 3 years and an operating period of 30 years. The Competent Person has not been advised of any environmental liabilities associated with the Tarra Project at this time.
Exploration Done by Other Parties	Acknowledgment and appraisal of exploration by other parties.	PT Asminco Bara Utama and New Hope Consolidated Industries Pty Ltd, through P.T. Masmindo Eka Sakti, were the first to initiate exploration activities in the area. This mainly involved reconnaissance surveys within Bajo River and Ulusalu areas. From 1988 to 1989, a regional reconnaissance survey was undertaken by Battle Mountain Gold Company, which resulted in the discovery of the Awak Mas Deposit and the identification of the Tarra Prospect. From 1991 to 1992, Battle Mountain identified a number of stream sediment anomalies in the vicinity of the Tarra Prospect. In 1996, a regional soil geochemical survey over the Tarra region delineated numerous gold anomalies, including a conspicuous signature extending to the northwest. From 1996 to 1998, Masmindo conducted infill and follow-up stream sediment sampling, 'Wacka' drill soil sampling, float and rock chip/channel sampling and, ultimately, diamond and reverse circulation drilling at the Tarra Main and Kandeapi Prospects. From September 1998 to June 1999, Placer Dome Pacific (Placer Dome) conducted geochemical surveys, consisting of trenching and surface traverse sampling, coupled with prospect testing by diamond drilling in Tarra North West, Bandoli, Freddy, Puncak Utara, Puncak Selatan, Salu Bulo and Sewatu Prospects. All of the above exploratory works delineated a broad regional geochemical anomaly resulting in the identification of two advanced prospects–i.e. Main Tarra and Salu Bulo and 10 other prospects that are at early exploration stages.
Geology	Deposit type, geological setting and style of mineralisation.	The Main Tarra Prospect consists of a single 10 to 15m wide, northwest-trending, sub-vertical structurally controlled mineralised zone in the hanging wall of the Tarra Basal Fault. The Tarra Basal Fault is a northwest trending major structure traceable up to 1.5 km from Main Tarra to Tarra North West. Mineralisation is controlled by favourable sandstone and siltstone units in fault contact with an impermeable hematitic mudstone. Gold mineralisation occurs in a 30m silicified zone at the footwall of the fault and along quartz-pyrite filled fractures in the sandstone. Silica-albite±calcite alteration is associated with veins, stockworks and zones of silicified breccias. Significant supergene enrichment has occurred exploiting the high angle extensional structures, which has increased gold grades.

Criteria	JORC Code explanation	Commentary
Drill hole Information	A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: easting and northing of the drill hole collar; elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar; dip and azimuth of the hole; down hole length and interception depth; hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	Exploration results are not being reported. A table of all drill hole collars with the listed information and mineralised intersections are reported in Appendix 2 of this release.
Data Aggregation Methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.	Exploration results are not being reported Details of length weighting, top cutting and cut-off grades of composite samples used for the Mineral Resource estimate are included in Section 3 of Table 1 in this release.
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	Details of sample compositing as part of the Mineral Resource estimate are included in Section 3 of Table 1 in this release.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	Metal equivalent values have not been used.
Relationship between Mineralisation Widths and Intercept Lengths	These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	Drilling has intersected the mineralisation associated with the Basal Tarra Fault which dips 70° to the NE. Drilling on average was oriented perpendicular to the strike direction, honouring the orientation of the mineralisation. The mineralised domains were constructed in 3D, hence true widths were considered. Downhole intercepts of the steep sub-vertical structures will have a downhole length longer than the true width.
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	Relevant drill hole location plans and representative drill sections have been included in Appendix 1 of this release. All mineralised intersections used in the Mineral Resource estimate are tabulated Appendix 2 of this release.
Balanced Reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	Exploration results are not being reported All relevant drill hole data is incorporated in the Mineral Resource estimate.
Other Substantive Exploration Data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	No other exploration data is considered material other than what has already been reported in the sections above.
Further Work	The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Additional areas have been identified for infill and extensional drilling, including targets along strike, both east and west and downdip, including where some of the deep drill holes have stopped short of the mineralised zone. Mineralisation in the hanging-wall of the Tarra domain could be included in the mineral resource once further drilling assists in defining the continuity of these zones. Further delineation of this fault zone, along with assessing the other prospects in the Tarra region and associated geochemical anomalies will assist in generating further targets for drill testing. Detailed core re-logging and refinement of the structural model will help progress the current geological model and enable its use as a drill targeting tool both for resource delineation and definition of new exploration targets within the CoW A new topographic survey should be undertaken utilising techniques such as LIDAR coupled with ground EDM and/or DGPS surveying to more accurately represent the ground surface in extreme terrain areas.

Section 3 Estimation and Reporting of Mineral Resources (Tarra)

Criteria listed in section 1, and where relevant in section 2, also apply to this section.

Criteria	JORC Code explanation	Commentary
Database integrity	Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.	Drilling data supplied as CSV files which were validated before upload to the database. Validated data is managed in the George7 database which is a secure relational SQL ("Structured Query Language") Server data management system. Database tables contain in-built referential integrity, with data entered and interrogated using validation tools prior to loading into the main tables. Random checks were made comparing hard copy and digital data for collar, survey, assay and lithology data.
	Data validation procedures used.	Data validation procedures included: Check for erroneous hole collar outliers–easting, northing, elevation; Check actual versus planned collar coordinates; Compare drill collars to the supplied topography surface; Downhole survey checks; Check sampling and logging overlaps, gaps, end of hole discrepancies between data tables; Check for unique sampling identification and identification of any duplicate samples; Management of preferred assays and precedence numbering; Lookup fields and data coding management; Assay table was checked for negative assays (other than below detection limit values), missing assays or assays outside of expected ranges, and Visual inspection of the drill holes in Surpac 3D workspace to identify spatial inconsistencies of drill hole.
Site visits	Comment on any site visits undertaken by the Competent Person and the outcome of those visits.	Cube Consulting Senior Consultant Geologists Adrian Shepherd and Denny Wijayadi undertook a site visit to the Awak Mas Gold Project from the 27th to the 30th of January 2017. Adrian Shepherd is the Competent Person for this Mineral Resource estimate.
	If no site visits have been undertaken indicate why this is the case.	The Tarra Project was not visited during the site visit due to time constraints, and poor accessibility at the time.
Geological interpretation	Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.	The confidence in the interpretation is moderate to low as a result of the relatively wide data spacing coupled with the complex geology of this region. Some local knowledge of the deposit has been lost over the years with changing companies and management.
	Nature of the data used and of any assumptions made.	The mineralisation was primarily defined by diamond drill core and with the aid of minor surface mapping and sampling. A structural interpretation (Basal Tarra Fault) was made to provide a guiding framework to the modelling of the estimation domain. No other faults were able to be modelled definitively. A nominal 0.2g/t Au lower threshold was used to wireframe the broad mineralised estimation domain on 40m spaced cross sections orthogonal to the drilling direction.
	The effect, if any, of alternative interpretations on Mineral Resource estimation.	The previous 2015 interpretation appears to have attempted to model most of the significant mineralisation, implying good continuity of thin intersections across wide spaced data. This has the result of increasing the volume of mineralisation beyond what would be practically achieved by mining. The Competent Person believes that an alternative interpretation such as deterministic wireframing involving multiple narrow domains for Tarra (One Asia, 2015), with the current drill spacing, would be a higher risk option.
	The use of geology in guiding and controlling Mineral Resource estimation.	The structural interpretation forms the basis for the interpretation of the mineralised domains for estimation. The broad mineralised domain interpretation at Tarra was an attempt to encompass the complete mineralised distribution and produce a model that reduces the risk of conditional bias that could be introduced where the constraining interpretation and data selection is based on a significantly higher grade than the natural geological grade cut-off.
	The factors affecting continuity both of grade and geology.	The main factor affecting the continuity of grade and geology is the complex array of faulting and fracturing that is associated with the emplacement of mineralisation as well as possibly truncating it in places. With the wide spaced data defining the mineralisation, this structural complexity is poorly understood.
Dimensions	The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.	The interpreted mineralised domain is tabular, orientated NW-SE, has an overall strike length of approximately 440m, and dips 70° to the NE. The mineralised domain width varies from 10 to 15m in thickness. Mineralisation extends from the near surface to 300m below the surface. The top of the mineralisation is capped by a cover of colluvium.

Criteria	JORC Code explanation	Commentary
Estimation and modelling techniques	The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.	The estimation technique adopted below was considered an appropriate method which takes into account the style and nature of the mineralisation being estimated. Estimation was by a non-linear technique 'Localised Uniform Conditioning' ("LUC") which is a recoverable estimation technique typically used for estimation into small blocks using wider spaced resource definition drilling. Grade interpolation used 2m composite samples constrained by hard boundaries within the modelled mineralisation zones. Top cutting was applied to the data prior to estimation where necessary, taking into account the influence of higher grade spatial outliers. Interpolation parameters were derived using standard exploratory data analysis techniques of statistical and continuity analysis. Appropriate interpolation strategies were developed on a domain basis using kriging neighbourhood analysis ("KNA"), which included: A search radii of 150m was used, and A minimum and maximum number of samples of 8 and 25 respectively, to estimate into the panel blocks. A change of support correction was applied to produce a recoverable resource estimate at the local scale (2.5mE x 5mN x 5mRL). This change of support correction was ultimately expressed as a single grade in a Selective Mining Unit ("SMU") scale model utilising LUC post processing methodology. Computer software used were: Surpac version 6.7.3 for domain interpretation, compositing and block modelling, and Isatis version 2016.1 used for statistical and continuity analysis, and grade estimation.
	The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.	Check estimates using Ordinary Kriging ("OK") were completed and compared to the final LUC estimate. The LUC estimate was compared against the previous Inverse Distance Squared estimate by One Asia (2015) The estimates are based on the same drill hole data and differences are the result of an alternate interpretation philosophy and the assessment of risk associated with the data and geological understanding of the mineralisation. The 2017 Mineral Resource estimate has been reported within a US$1,400 optimisation shell, whereas the previous 2015 Mineral Resource estimate was not reported within any constraining shell. No production has occurred at the Tarra Prospect other than minor artisanal workings along fault structures.
	The assumptions made regarding recovery of by-products.	No by-product recoveries were considered.
	Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).	Estimations of any deleterious elements were not completed for the Mineral Resource estimate.
	In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.	Panel block size used is 5m x 20m x 20m (XYZ) and resultant SMU block size is 2.5m x 5m x 5m (XYZ). The bulk of the drilling data was on 40m (strike) x 60m to 100m (dip) spaced sections. An omni directional search radii of 150m was used within the plane of mineralisation.
	Any assumptions behind modelling of selective mining units.	Selection of the SMU size was based on the geometry of the mineralisation and the likely degree to which selective mining can be successfully applied to the visual geologically based grade boundaries.
	Any assumptions about correlation between variables.	No assumptions were made as gold was the only variable that had sufficient data available to support an estimate.
	Description of how the geological interpretation was used to control the resource estimates.	Geological interpretation guided the creation of the constraining mineralised domain which was used as a hard boundary for estimation. Only those composited samples lying within the domain were used for the grade interpolation.
	Discussion of basis for using or not using grade cutting or capping.	The necessity for grade cutting was based on basic exploratory data analysis, including the level of grade variability as expressed by the coefficient of variation ("CV"). Grade cutting completed on a domain basis using log normal probability plots of the grade distribution to determine appropriate level of cutting to minimise the influence of extreme grade outliers. Subsequent high-grade capping was determined using metal at risk analysis.
	The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.	The model was validated using the following techniques: Visual 3D checking and comparison of informing samples and estimated values; Global statistical comparisons of raw sample and composite grades to the block grades; Validation 'swath' plots by northing, easting and elevation for each domain, and Analysis of the grade tonnage distribution.

Criteria	JORC Code explanation	Commentary
Moisture	Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.	Tonnages were estimated on a dry basis. Moisture was not considered in the density assignment.
Cut-off parameters	The basis of the adopted cut-off grade(s) or quality parameters applied.	The adopted cut-off grade for reporting is 0.5g/t Au, based on preliminary economic considerations and in-line with the reporting of Mineral Resources and reserves from the updated PFS update (2015).
Mining factors or assumptions	Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	Mineralisation is near surface and grades are amenable to conventional open pit mining methods. The assumed mining method would use drill and blast, utilising 2.5m mining flitches to a maximum vertical depth of 300m. An overall pit slope of 40° is assumed to be attainable based on the PFS (2015) update. Mineralised domains were developed on the basis of continuity in diffuse styles of mineralisation and thus included some lower grade zones. Domaining for LUC estimation incorporates zones of internal dilution to ensure grade continuity and produces robust geometrically simple zones amenable to selective open pit mining. The basis for eventual economic extraction was the use of optimisation shells using Whittle software with all-in cost parameters and a base gold price of US$1,400. Cost parameters used for the calculation of the cut-off grade and optimisation of the shells included: Total Ore Costs– $12.25/t, this included process costs of $7.79/t, and Grade Control costs of $0.81/t; Mining recovery 100%, Dilution 0%; Metallurgical recovery of 70% oxide, 90.5% fresh; Royalty 3.75%; Transport $4.45/oz, and Refining $1.93/oz. The Mineral Resource estimate has been reported within aUS$1,400 gold price shell.
Metallurgical factors or assumptions	The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	Mining and processing of similar gold deposits within the proximity of the Tarra Prospect are known. Based on this and the updated PFS (2015), it is assumed that the deposit will be amenable to economic extraction. Minnovo Pty Ltd undertook a metallurgical review in April 2017 based on a 2.5Mtpa process plant in line with previous PFS. Using the historical test work, and based on carbon in leach ("CIL") processing of the known Mineral Resources with gravity and flotation circuits for an overall expected recovery of 88-91%. Further geological investigative work and metallurgical test work will be completed as part of the DFS in 2018.
Environmental factors or assumptions	Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	The location of waste dumps, tailing storage facilities, haulage and access roads, power and processing plants have been determined in the PFS. A surface water management plan was undertaken to protect mine infrastructure and the environment of the surrounding area from potential impacts associated with the proposed mining activities. No assumptions were made regarding any environmental restrictions.
Bulk density	Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.	No bulk density measurements are available. A value of 2.6 t/m3 was assigned to fresh material in line with the previous estimate and other estimates in the project area. Colluvium/soil was assigned a density value of 1.8 t/m3
	The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture and differences between rock and alteration zones within the deposit.	No bulk density measurements are available.
	Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	The bulk density for oxide/transitional/ fresh material were assumed to be the same.
Classification	The basis for the classification of the Mineral Resources into varying confidence categories.	The Mineral Resource estimate has been classified as Inferred based on a range of qualitative criteria which included: data support as defined by drill spacing; confidence in the domain interpretation; data quality issues affecting particular zones; quality of the estimate (slope of regression), and reasonable prospects for eventual economic extraction.
	Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).	The classification of the Mineral Resource estimate has taken into account all relevant factors through qualitative approach as described above.

Criteria	JORC Code explanation	Commentary
Classification	Whether the result appropriately reflects the Competent Person's view of the deposit.	The Mineral Resource estimate reflects the Competent Person's view of the deposit.
Audits or reviews	The results of any audits or reviews of Mineral Resource estimates.	An external review was completed by a reputable third-party mining industry consultant (CSA Global Pty Ltd). Internal peer review of the estimation methodology was conducted. The reviews have not identified any material issues with the Mineral Resource estimate.
Discussion of relative accuracy/ confidence	Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.	The relative accuracy of the Mineral Resource estimate has been determined by the application of qualitative criteria and by consideration of the estimation quality (slope of regression). All sampling data is historical and only limited details of the sampling techniques are available. As Masmindo uses standard protocols for drill sampling, it can be assumed that those sampling techniques used at Tarra are the same as that implemented at the nearby Awak Mas Deposit. The relative accuracy and confidence level in the estimate and the supporting data is reflected in the classification of the Mineral Resource estimate as Inferred.
	The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.	Although the Tarra Mineral Resource estimate for gold is a recoverable estimation, it is based on relatively wide spaced data estimated into panel sized blocks, and is therefore of low to moderate confidence at the local scale, and should be regarded as a global estimate. Infill drilling will improve confidence at a local scale. The "localisation" of the Uniform Conditioning process is a post processing process on panel sized blocks to show a likely grade tonnage profile at the nominated SMU size.
	These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	No production data is available as the Tarra Prospect has not been mined on a commercial basis.

Section 1 Sampling Techniques and Data (Salu Bulo)

Criteria in this section apply to all succeeding sections.

Criteria	JORC Code explanation	Commentary
Sampling Techniques	Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.	Diamond drilling on a nominal 50m by 50m grid was used to obtain high quality subsurface samples: One Asia core drilling (2011-2013) of 102 drill holes for 9,737.85m; Historical core drilling by Placer Dome (1999) of 30 drill holes for 3,171.7m; Holes were generally angled due west at 40° to 75°; Core was sampled in 1m to 1.8m intervals, contingent on geology and core recovery, and Samples were split in half, with the top half of the core analysed and the other side of the half core stored in trays undercover on site.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	For both the One Asia and historical drilling, similar procedures for the general management of drill core were implemented. These protocols included sample security, sampling methods, and shipping control which were used to ensure collection of representative samples: Sample intervals were adjusted for geologic information and core recovery to ensure representivity; Core trays were clearly labelled with the hole number, tray number and metre intervals marked. Bottom-of-hole orientation line was marked prior to geological logging and sampling, and Samples were cut along the orientation line before being correctly placed back into the tray. The half-core was sampled, ensuring that the same side was consistently sampled, and placed into sample bags labelled with the assigned sample number. Drill deviation was typically measured in holes deeper than 25m with a Reflex Camera system. Core orientation was determined by using a spear marking by coloured "pencil" set at the base of the drill string. No specialised measurement tools, e.g., downhole gamma probes, or handheld XRF instruments, etc. were employed.
	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	All drilling was diamond core. Drill core was sampled on nominal 1m half core samples, adjusted where required to geology and recovery intervals. Samples were crushed in their entirety, and a 200-500g split pulverised for a 40-50g fire assay with AAS finish. All Placer Dome assay samples were composited to 2m by compositing the pulp splits. One Asia used PT Geoservices LTD at Cikarang – Bekasi, Indonesia for assaying, while Placer Dome samples were assayed at Intertek in Jakarta. Gold mineralisation typically occurs with minor disseminated pyrite (<3%) within sub-vertical quartz veins, breccias, and stockwork zones.

Criteria	JORC Code explanation	Commentary
Drilling Techniques	Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).	Diamond Drilling: HQ diameter, wire-line triple/split tube diamond core drilling; Core orientation – spear and Reflex, and Drillhole depth varied from 15.5m to 199.5m.
Drill Sample Recovery	Method of recording and assessing core and chip sample recoveries and results assessed.	Diamond Drilling: Core recovery and drill metreage recorded by field geologists and trained core checkers at drill site, prior to transfer of the core to the core shed; and Recovery recorded is equivalent to the length of core recovered, as a percentage of the drill run. Within the mineralised domains, the average core recovery was 91%.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	The wireline triple/split tube system was utilised to maximise recovery and ensure that the samples are representative of the material being sampled.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	A slight relationship appears to exist between poor core recovery and grade, however as more than 80% of the mineralised data has core recovery of better than 80%, this has not been deemed material to the estimate.
Logging	Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.	Diamond drilling: Drill core was photographed and logged prior to sampling; Core has been geologically and geotechnically logged to a level of detail appropriate to support mineral resource estimation and mining studies; Lithology, mineralisation, alteration, foliation trend, fracturing, faulting, weathering, depth of soil and total and oxidation were recorded, and Orientation of fabrics and structural features were noted.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel etc.) photography.	Logging has been conducted both qualitatively and quantitatively – full description of lithologies, alteration and comments were noted, as well as percentage estimates on veining and sulphide amount. All historical and One Asia diamond core has been photographed.
	The total length and percentage of the relevant intersections logged.	Total length of all drilled data is 12,910m. The total amount of relevant data used in the estimate is 1,025m (diamond), of which 100% was logged.
Sub-Sampling Techniques and Sample Preparation	If core, whether cut or sawn and whether quarter, half or all core taken.	The diamond drill core (HQ diameter) was halved using a core saw, and the remaining half archived for future reference.
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	All drilling is diamond core.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	At PT Geoservices LTD (primary laboratory for One Asia), samples were prepared using their "Total Sample Preparation Package", which includes: Samples were weighed, dried at 105°C; Jaw crushed (to nominal 4mm) if required; Whole sample is pulverised via LM5 ring mill pulverisers, and Samples >3kg are split and pulverised in separate lots. Placer Dome samples were prepared at the Intertek run onsite sample preparation facility as outlined below: drying (~105ºC); jaw crushed (-5mm); total pulverisation in Labtechnics LM2 Mill and Ring Mill to -75 microns; splitting on a Jones Riffle splitter to 750g; create 2m composite for gold assay (300g); 5m composite for ICP Multi-element Suite (approx. 50g), and All residues stored on site (1m samples, 2m composites) For all sample types, the nature, quality and appropriateness of the sample preparation technique is consistent with industry standard practices.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	Intervals were marked for assay, and core was re-oriented before half core diamond sawing. The same side of the core was consistently sampled, half-core with the bottom of hole line is retained in the tray. The assay sub-sample was placed into sample bags labelled with the assigned sample number.
	Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.	308 pulp duplicate and 118 quarter core samples from the One Asia drilling were selected and sent to an umpire laboratory, PT Intertek Utama Services by One Asia. Core field duplicates show precision errors, mainly the result of the variability of the mineralisation and the change of sample support between the original half-core and the quarter core duplicate samples.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	Sample size of 2-3kg is appropriate for the grain size of material. The sample preparation technique and sample sizes are considered appropriate to the material being sampled.

Criteria	JORC Code explanation	Commentary
Quality of Assay Data and Laboratory Tests	The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.	The fire assay gold analyses undertaken are considered a total assay method. Fire assay gold analysis is an appropriate assay method for this type of deposit. For One Asia, gold analysis was carried out by PT Geoservices LTD GeoAssay Laboratory at Cikarang-Bekasi, Indonesia: Au by 40g fire assay using method FAA40_AAS. Placer Dome geochemical analysis was carried out by Indo Assay Laboratory, Balikpapan, Indonesia: 2m composites for all samples assayed for Au by 50g fire assay using GTA finish, and 33-element ICP Suite – Aqua Regia Digestion (multi-element analysis for 5m composites).
	For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	No geophysical tools were used or data analysed.
	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	Quality control procedures included the use of standards, blanks and duplicates, as well as the use of an external laboratory. One Asia QC protocols included: Insertion of standards and coarse blanks intro the sample stream at a rate of 1 per 20 to 30 samples, and pulp and ¼ core duplicates (426 samples) were selected and periodically sent for check assay at their "umpire laboratory" PT Intertek Utama Services (Intertek). Placer Dome QC procedures included: insertion standard samples as the last sample of every second holes; 1 in 20 umpire pulp check assay samples (90 samples) were sent to Indo Assay Limited in Balikpapan for gold analysis checking purposes as inter-laboratory check samples, and A total of 424 pulp duplicate assays were re-assayed by Intertek. Review of the available QAQC data and the Tetra Tech (2013) report, shows no indications that the deposit is affected (no bias identified) by abnormal sampling problems such as those related to unusually high proportions of coarse free gold. Acceptable levels of accuracy and precision have been established.
Verification of Sampling and Assaying	The verification of significant intersections by either independent or alternative company personnel.	A total of 2 umpire check diamond core samples were collected by Cube (2017) and assayed at PT GeoServices LTD laboratory in Jakarta. The samples confirmed the tenor of the mineralisation.
	The use of twinned holes.	No twinned holes have been drilled to date.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	One Asia primary data was collected using a master Microsoft Office Excel spreadsheet. Paper copies are regularly generated and database copies are routinely sent to Jakarta PT Masmindo Head office for analysis and interpretation. The majority of the Placer Dome drilling data exists as hardcopies on site which have been scanned electronically to PDF files.
	Discuss any adjustment to assay data.	All data below detection limit (of 0.01 ppm Au) and "0" values have been entered as a small value of 0.005ppm Au which is half the detection limit. Negative values, missing samples, interval gaps denoted by no sample and cavities were assigned as nulls (blanks) and ignored when extracting composites for grade interpolation estimation. Samples not received, or with insufficient sample weight for analysis had the interval left blank in the database.
Location of Data Points	Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.	Drillhole collar locations were surveyed using total station electronic distance measuring ("EDM") equipment and differential global positioning system ("DGPS"). Cube (2017) independently field checked 4 random collar positions using a handheld GPS. All checked holes were within 5m of the database coordinates which is within the accuracy of the GPS unit used and verifies the drill hole collar locations. Downhole surveys were conducted using a Reflex Camera system in holes deeper than 25 m. The 3D location of the individual samples is considered to be adequately established, consistent with accepted industry standards.
	Specification of the grid system used.	All collar coordinates are recorded in the UTM WGS 84 Zone 51 (Southern Hemisphere) coordinate system by reputable independent surveyors.

Criteria	JORC Code explanation	Commentary
Location of Data Points	Quality and adequacy of topographic control.	Data consisting of 5m contour lines generated from an IFSAR-based topographic relief model was purchased from Intermap. A 3D digital terrain model ("DTM") or surface was provided as smoothed 5m spaced contours and as such does not accurately reflect in detail the local extreme steep relief. Comparison of the topography surface to the surveyed drill collar elevations shows that 16% of the holes have a collar RL that is 10m below the contoured topography surface. This topography discrepancy is not material for the Mineral Resource estimate as the estimation domains have been clipped by the colluvium surface as defined by the drill holes which generally lies beneath the smoothed contoured topography surface. The amount of mineralised material above the topographic DTM which has been lost by clipping with the topography surface is likely to be less than 1% of the contained metal reported for the Mineral Resource estimate. The volume of unmineralised material above the colluvium surface is most likely to be in error. This topographic discrepancy needs to be addressed for detailed mine planning to ensure accurate waste volume representation particularly in areas with steep ridges and valleys.
Data Spacing and Distribution	Data spacing for reporting of Exploration Results.	Drill collars have been spaced along a 50m x 50m grid, with 25m x 25m infill pattern. Effective data spacing ranges between 30 to 100m as a result of the lode orientation.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	The data spacing and distribution is considered sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource category applied.
	Whether sample compositing has been applied.	Placer Dome composited samples to 2m intervals at the preparation laboratory using 750g pulp sub-samples.
Orientation of Data in Relation to Geological Structure	Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.	Drill holes were inclined between 40° and 75°to optimise intercepts of mineralisation with respect to thickness and distribution.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	The steepness of the mineralisation coupled with steep drill holes can produce long down-dip intersections in places, however most have sampled the full lode thickness and any sample bias as a result of this is not considered to be material to this estimate.
Sample Security	The measures taken to ensure sample security.	Chain of custody was managed by One Asia–samples are stored on site in a locked core shed, and are shipped to the assay laboratory in secure packaging by air: When the laboratory receives the samples, they are expedited to the laboratory in Cikarang under Chain of Custody documentation, and At arrival, they are officially checked-in for tracking purposes and submitted for sample preparation. No information relating to sample security and submission, or storage procedures are described in the available historical reports.
Audits or Reviews	The results of any audits or reviews of sampling techniques and data.	Several reviews have been undertaken by independent consultants over the life of the Project and include: CSA Global (2017); Williams and Davys (2015); Tetra Tech (2013), and SRK Consulting (1998). The Competent Person has independently reviewed, verified and validated data prior to the resource estimate. There were no adverse material results from any of the reviews or audits.

Section 2 Reporting of Exploration Results (Salu Bulo)

Criteria listed in the preceding section also apply to this section.

Criteria	JORC Code explanation	Commentary
Mineral Tenement and Land Tenure Status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	One Asia holds a 100% beneficial interest in the Salu Bulo Project via a 7th Generation Contract of Work ("CoW") through its wholly owned subsidiary PT Masmindo Dwi Area. PT Masmindo Dwi Area is an Indonesian foreign investment company, which owns the exploration and mining rights to the Salu Bulo Project through the CoW with the Government of the Republic of Indonesia. The 7th Generation CoW was granted on 19 February 1998 and covers an area of 14,390 ha. The AMDAL for the project has been approved and Environment Permit Issued April 2017. The CoW allows for 100% ownership, and is located within a non-forested area – (APL) Land for Other Uses. The Competent Person is not aware of any other agreements that are material to the Project.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The CoW defines a construction period of 3 years and an operating period of 30 years. The Competent Person has not been advised of any environmental liabilities associated with the Salu Bulo Project at this time.
Exploration Done by Other Parties	Acknowledgment and appraisal of exploration by other parties.	Previous exploration work at Salu Bulo has been characterized by surface geochemical studies and geological mapping, which identified a series of steeply dipping mineralised targets, striking approximately north-south. Prior to One Asia, the most recent exploration work was conducted by Placer Dome in 1999, who completed a core drilling programme based on the surface exploration results. Tetra Tech (2013) reviewed all available historical exploration data for the Salu Bulo project which was assessed as acceptable to industry standard.
Geology	Deposit type, geological setting and style of mineralization.	The geological setting and mineralisation style at Salu Bulo is considered to be analogous to that at the nearby Awak Mas Deposit, but a more dominant sub-vertical structural control. A high level, low sulphidation hydrothermal system has developed at Salu Bulo which is overprinted by a strong sub-vertical fracture control which has channeled the mineralising fluids. The mineralising fluids have exploited these pathways and migrated laterally along foliation parallel shallowly dipping favourable strata (hematitic mudstone) and along low angle thrusts. The multi-phase gold mineralisation is characterised by milled and crackle breccias, vuggy quartz infill, and stockwork quartz veining with distinct sub-vertical feeder structures. Host lithologies for mineralisation are a sequence of chloritic and intercalating hematitic meta-sedimentary rocks metamorphosed to greenschist grade.
Drill hole Information	A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: easting and northing of the drill hole collar; elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar; dip and azimuth of the hole; down hole length and interception depth; hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	Exploration results are not being reported. A table of all drill hole collars with all the listed information and mineralised intersections are reported in Appendix 2 of this release. In summary, the drilling database consists of: One Asia diamond drilling (2011-2013) of 102 drill holes for 9,738m, and Placer Dome drilling (1999)–30 drill holes for 3,172m. The complete dataset of 132 drill holes (historical and current) was used in the mineral resource estimate.
Data Aggregation Methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.	Exploration results are not being reported. Details of length weighting, top cutting and cut-off grades of composite samples used for the Mineral Resource are included in Section 3 of Table 1 in this release.
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	Details of sample compositing as part of the estimation process are included in Section 3 of Table 1 in this release.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	Metal equivalent values have not been used.

Criteria	JORC Code explanation	Commentary
Relationship between Mineralisation Widths and Intercept Lengths	These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralization with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	The mineralisation is related two primary structural orientations: dominant sub-vertical N-S anastomosing structures, and foliation parallel low angle shears. The dominant sub-vertical mineralisation coupled with steeply inclined drill holes can produce long down-dip intersections in places, which are notably longer than their true widths. Drill on average was oriented perpendicular to the strike direction, to intersect the main mineralization trends at a high angle. The mineral domains were constructed in 3D, hence true widths were considered.
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	Relevant drill hole location plans and representative drill sections for each domain area have been included in Appendix 1 of this release. All mineralised intersections used in the Mineral Resource estimate are tabulated Appendix 2 of this release.
Balanced Reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	Exploration results are not being reported. All relevant drill hole data is incorporated in the mineral resource estimate.
Other Substantive Exploration Data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	Surface geological mapping and channel sampling have been used to build the geological framework for the mineral resource estimate, but the assay results from these sources have not been used to inform the grade estimate.
Further Work	The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Additional areas have been identified for infill (to 25m x 25m) and extensional drilling, including targets at depth, down-plunge and outside of the current mineral resource limits. Planned drilling will focus on upgrading the majority of the current Inferred Mineral Resource to the Indicated category, as well as growth of the Mineral Resource outside of the currently delineated mineralised domains. Further detailed core re-logging and development of a structural model will help progress the current geological model and enable its use as a drill targeting tool both for resource delineation and definition of new exploration targets within the CoW. A new topographic survey should be undertaken utilising techniques such as LIDAR coupled with ground EDM and/or DGPS surveying to more accurately represent the ground surface in extreme terrain areas.

Section 3 Estimation and Reporting of Mineral Resources (Salu Bulo)

Criteria listed in section 1, and where relevant in section 2, also apply to this section.

Criteria	JORC Code explanation	Commentary
Database integrity	Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.	Drilling data supplied as CSV files which were validated before upload to the database. Validated data is managed in the George7 database which is a secure relational SQL ("Structured Query Language") Server data management system. Database tables contain in-built referential integrity, with data entered and interrogated using validation tools prior to loading into the main tables. Checks were made comparing hard copy and digital data for collar, survey, assay and lithology data. Data was selected to cover the whole of the deposits and critical areas such as mineralisation boundaries and high-grade zones.
	Data validation procedures used.	Data validation procedures included: Check for erroneous hole collar outliers–easting, northing, elevation, Check actual versus planned collar coordinates; Downhole survey checks; Check sampling and logging overlaps, gaps, end of hole discrepancies between data tables; Check for unique sampling identification and identification of any duplicate samples; Management of preferred assays and precedence numbering; Lookup fields and data coding management; Assay table was checked for negative assays (other than below detection limit values), missing assays or assays outside of expected ranges; and Visual inspection of the drill holes in Surpac 3D workspace to identify spatial inconsistencies of drill hole.
Site visits	Comment on any site visits undertaken by the Competent Person and the outcome of those visits.	Cube Consulting Senior Consultant Geologists Adrian Shepherd and Denny Wijayadi were onsite from the 27th to the 30th of January 2017, prior to the Mineral Resource estimate and undertook the following: Independent summary check logging of 200 metres of diamond drill core from 2 selected representative drill holes; Collection of 2 independent check core samples to verify the tenor of mineralisation; Field verification by hand-held GPS of 4 selected collar locations, and Retrieval of additional hardcopy and digital data from site personnel. Adrian Shepherd is the Competent Person for this Mineral Resource estimate.
	If no site visits have been undertaken indicate why this is the case.	A site visit was completed.
Geological interpretation	Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.	The confidence in the interpretation is moderate to low as a result of the relatively wide data spacing coupled with the complex geology. Some local knowledge of the deposit has been lost over the years with changing companies and management. Future detailed core re-logging and development of a structural model will help progress the current geological model.
	Nature of the data used and of any assumptions made.	The mineralisation was primarily defined by diamond drill core, with the aid of minor surface mapping and outcrop locations.
	The effect, if any, of alternative interpretations on Mineral Resource estimation.	The previous 2013 interpretation appears to have attempted to model most of the significant mineralisation, implying good continuity of thin intersections across wide spaced data. This has the result of increasing the volume of mineralisation beyond what would be practically achieved by mining For the current interpretation, a structural and lithological model was developed to form the framework and context to the mineralisation. This was based on the analysis of core photographs and logs to delineate faults identified by broken core and clay gouge. These faults helped to define the continuity and orientation of the mineralised domains.
	The use of geology in guiding and controlling Mineral Resource estimation.	A structural and lithological interpretation was made to provide a guiding framework to the modelling of the estimation domains.
	The factors affecting continuity both of grade and geology.	The main factor affecting the continuity of grade and geology is the complex array of faulting and fracturing that is associated with the emplacement of mineralisation as well as possibly truncating it in places. With the wide spaced data defining the mineralisation, this structural complexity is poorly understood.

Criteria	JORC Code explanation	Commentary
Dimensions	The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.	The mineralised domains are orientated north-south, have an overall combined strike length of approximately 600m, dip steep to the east and sub-vertical. Individual interpreted mineralisation domains are between 150 to 500m in strike length. Mineralised zones vary from 1.5 to 15m in thickness, however are more commonly between 3 to 10m in thickness. A minimum down hole length of 2m (which equates to 1.5m true width) was employed in the interpretation of the estimation domains. Mineralisation extends from the near surface to 200m below the surface. The top of the mineralisation is capped by a cover of colluvium.
Estimation and modelling techniques	The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.	Ordinary Kriging ("OK") methodology was used to estimate gold from 2m composite data into seven estimation domains, and is considered to be an appropriate method taking into account the style and nature of the mineralisation. An appropriate top cutting strategy was used to minimise the influence of isolated high-grade outliers. Interpolation parameters were derived using standard exploratory data analysis techniques of statistical and continuity analysis. Appropriate interpolation strategies were developed on a domain basis using kriging neighbourhood analysis ("KNA"), which included: Oriented ellipsoidal search radii ranged from 50 to 157m depending on the domain, and The minimum number of samples used was 4, and the maximum number of samples varied from 20 to 30. The maximum extrapolation distance from last data points was no more than 50m, which is the average drill hole spacing for most the deposit. Computer software used included: Leapfrog Geo v4.0 was used for geological interpretation; Surpac version 6.7.3 for domain interpretation, compositing and block modelling, and Isatis version 2016.1 used for statistical and continuity analysis, and grade estimation.
	The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.	The OK estimate was compared against the previous ordinary kriged estimate by Tetra Tech (2013). The estimates are based on the same drill hole data and differences are the result of an alternate interpretation philosophy and the assessment of risk associated with the data and geological understanding of the mineralisation. The 2017 Mineral Resource estimate has been reported within a US$1,400 optimisation shell, whereas the previous 2013 Mineral Resource estimate was not reported within any constraining shell. No mining has taken place at Salu Bulo, consequently production details are non-existent.
	The assumptions made regarding recovery of by-products.	No by-product recoveries were considered.
	Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).	Estimations of any deleterious elements were not completed for the Mineral Resource.
	In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.	Block size used is 20mN, 5m E and 20m RL and sub-celled to 1.25mN x 0.625mE x 1.25mRL. The bulk of the drilling data was on 30m x 50m and 50m x 100m spaced sections. An oriented ellipsoidal search was used on a domain by domain basis.
	Any assumptions behind modelling of selective mining units.	No assumptions of selective mining units were made.
	Any assumptions about correlation between variables.	No assumptions were made as gold was the only variable that had sufficient data available to support an estimation.
	Description of how the geological interpretation was used to control the resource estimates.	Geological interpretation guided the creation of constraining mineralised domains. Mineralised domains were used as hard boundaries and were informed only by composited samples lying within those domains.
	Discussion of basis for using or not using grade cutting or capping.	Necessity for grade cutting was based on basic exploratory data analysis, including the level of grade variability as expressed by the coefficient of variation ("CV"). Grade cutting completed on a domain basis using on log normal probability plots of the grade distribution to determine appropriate level of cutting to minimise the influence of extreme grade outliers. Subsequent high-grade capping was determined using metal at risk analysis.
	The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.	The model was validated using the following techniques: Visual 3D checking and comparison of informing samples and estimated values; Global statistical comparisons of raw sample and composite grades to the block grades; Validation 'swath' plots by northing, easting and elevation for each domain, and Analysis of the grade tonnage distribution.

Criteria	JORC Code explanation	Commentary
Moisture	Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.	Tonnages were estimated on a dry basis. Moisture was not considered in the density assignment.
Cut-off parameters	The basis of the adopted cut-off grade(s) or quality parameters applied.	The adopted cut-off grade for reporting is 0.5g/t Au, based on preliminary economic considerations and in-line with the reporting of Mineral Resources and reserves from the PFS update (2015). The basis for eventual economic extraction was the use of optimisation shells using Whittle software with all-in cost parameters and a base gold price of US$1,400. The software defines cut-off values based on iteration.
Mining factors or assumptions	Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	Mineralisation is near surface and of grades amenable to conventional open pit mining methods. The assumed mining method would use drill and blast, utilising 2.5m mining flitches to a maximum vertical depth of 300m. An overall pit slope of 40° is assumed to be attainable based on the PFS (2015) update. A minimum downhole length of 2m was used in the interpretation of the mineralisation, which equates to 1.5m width. The mineralisation domains do not contain dilution other than the incorporation of low grade material into the interpreted domains to maintain continuity. The basis for eventual economic extraction was the use of optimisation shells using Whittle software with all-in cost parameters and a base gold price of US$1,400. Cost parameters used for the calculation of the cut-off grade optimisation of the shells included: Total Ore Costs–$12.25/t, this included process costs of $7.79/t, and Grade Control costs of $0.81/t; Mining recovery 100%, Dilution 0%; Metallurgical recovery of 70% oxide, 90.5% fresh; Royalty 3.75%; Transport $4.45/oz, and Refining $1.93/oz. The Mineral Resource estimate has been reported within a US$1,400 gold price shell.
Metallurgical factors or assumptions	The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	Mining and processing of similar gold deposits within the proximity of Salu Bulo Project are known. Based on this and the updated PFS (2015), it is assumed that the deposit will be amenable to economic extraction. Minnovo Pty Ltd undertook a metallurgical review in April 2017 based on a 2.5Mtpa process plant in line with previous PFS. Using the historical test work, and based on carbon in leach ("CIL") processing of the known Mineral Resources with gravity and flotation circuits for an overall expected recovery of 88-91%. Further geological investigative work and metallurgical test work will be completed as part of the DFS in 2018.
Environmental factors or assumptions	Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	The location of waste dumps, tailing storage facilities, haulage and access roads, power and processing plants have been determined in the PFS. A surface water management plan was undertaken to protect mine infrastructure and the environment of the surrounding area from potential impacts associated with the proposed mining activities. No assumptions were made regarding any environmental restrictions.
Bulk density	Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.	Bulk density was determined from a total of 1,056 water immersion (Archimedes principle) density measurements on drill core samples. Based on the historical data, dry density was assigned as follows: Colluvium/Soil–1.8t/m3; Oxide/Transition–2.24 t/m3; Fresh (Mineralised)–2.62t/m3, and Fresh (Waste)- 2.64t/m3.
	The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture and differences between rock and alteration zones within the deposit.	Prior to immersion, for porous samples, the sample was wax coated to waterproof the sample so the porosity is adequately allowed for in the measurement.
	Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	The bulk density data was examined with respect to the mineralisation domains and further sub-divided by oxidation state. There was insufficient data to provide an accurate analysis of the bulk density for the oxide mineralisation category, so all oxide material was combined. Bulk density was assigned into the model according to the statistical means of the mineralisation and oxidation sub-categories.

Criteria	JORC Code explanation	Commentary
Classification	The basis for the classification of the Mineral Resources into varying confidence categories.	The Mineral Resource has been classified as Indicated or Inferred on the basis of a range of qualitative criteria which included: data support as defined by drill spacing; confidence in the domain interpretation; data quality issues affecting particular zones; quality of the estimate (slope of regression; and reasonable prospects for eventual economic extraction considerations. Areas classified as Indicated generally applied to regions of 50m or less drill spacing, where the level of understanding of the mineralisation continuity and quality is considered to be sufficient to allow for mine planning and evaluation of the economic viability. Indicated regions have been applied to parts of domains 1 and 7, where the steeply modelled geometry was backed up by surface outcrop and channel sampling. In addition, areas classified as Indicated have a slope of regression/conditional bias slope values of 0.6 or greater. Areas classified as Inferred generally applied to regions of 50m or greater drill spacing, where the level of understanding of the geological continuity is considered to be poor. All domains estimated contained regions of Inferred material.
	Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).	The classification of the Mineral Resource has taken into account all relevant factors through qualitative approach as described above.
	Whether the result appropriately reflects the Competent Person's view of the deposit.	The Mineral Resource estimate reflects the Competent Person's view of the deposit.
Audits or reviews	The results of any audits or reviews of Mineral Resource estimates.	An external review was completed by a reputable third-party mining industry consultant (CSA Global Pty Ltd). Internal peer review of the estimation methodology was conducted. The reviews have not identified any material issues with the Mineral Resource estimate.
Discussion of relative accuracy/ confidence	Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.	The relative accuracy of the Mineral Resource estimate has been determined by the application of qualitative criteria and by consideration of the estimation quality (slope of regression). Descriptions of drilling techniques, survey, sampling/sample preparation, analytical techniques and database management/ validation would indicate that assay data collection, quality control and management is within industry standards. On balance the database represents an accurate record of the drilling undertaken at the project.
	The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.	The Mineral Resources estimate constitutes a global resource estimate.
	These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	No production data is available as the Salu Bulo Project has not been mined on a commercial basis.

Section 1 Sampling Techniques and Data (Awak Mas)

Criteria in this section apply to all succeeding sections.

Criteria	JORC Code explanation	Commentary
Sampling Techniques	Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.	The majority of the sampling data is historical, and standard protocols used by the various companies have been derived from the comprehensive resource reports available. Historical sampling of the core was confirmed during inspection of the core from 21 holes during the site visit. Industry standard sampling protocols were evidenced in regard to core mark-up, sampling methodology and core orientation. All drill core was generally sampled on 1m intervals, contingent on geology and core recovery: Core was collected directly from the core barrel into core boxes, and Core samples were split in half, with the top half of the core analysed and other half retained as reference core in the tray. RC cuttings were collected over 1 m intervals via cyclone into plastic bags: Dry samples of nominal 20-25kg weight were riffle split to provide 3-5kg primary samples for assay, and Wet samples were sampled from the settled and decanted sample bag using multiple spear samples to form the primary sample (potential bias). No specialised measurement tools, e.g. downhole gamma sondes, or handheld XRF instruments, etc. were employed.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Core trays were clearly labelled with the hole number, tray number and metre intervals marked. Bottom-of-hole orientation line was marked prior to geological logging and sampling. Samples were cut along the orientation line before being correctly placed back into the tray. The half-core was sampled, ensuring that the same side is consistently sampled, and placed into sample bags labelled with the assigned sample number. RC chip samples were collected at 1m intervals and weighed. The sample weights were used to help determine if the sample is representative of the material being sampled by establishing the percentage of the sample recovered. Cyclone was manually cleaned at the completion of each 6m rod and thoroughly cleaned at the completion of each hole. No specialized measurement tools, e.g., downhole gamma probes, or handheld XRF instruments, etc. were employed.
	Aspects of the determination of mineralization that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralization types (e.g. submarine nodules) may warrant disclosure of detailed information.	The majority of the drilling was diamond core (84%). Drill core was sampled on nominal 1m half core samples which were crushed in their entirety, and a 200-500g split pulverised for a 50g fire assay with AAS finish. Since 1992, the entire jaw crushed sample was pulverised for assay by a 40-50g fire assay with AAS finish. Assaying was completed at various Indonesian laboratories dependent on the operator of the time.
Drilling Techniques	Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).	One Asia Diamond Drilling (2011-2012) of 87 drill holes for 5,956m: HQ/PQ diameter, wire-line triple/split tube diamond core drilling; Core Orientation – spear and Reflex; and Depths varied from 22m to 250m, average depth of 70m. Historical core drilling (1991-2007) of 645 drill holes for 81,045m: Dominantly HQ core sizes but has included BQZ, NQ2, HQ2, HQ3, PQZ and PQ3; Orientation spear used for structural orientations, and Depths varied from 11m to 450m, average depth of 126m. Historical RC drilling (1995-1996) of 158 holes for 16,290 metres: Using a 5.25" face sampling hammer, limited holes used a 4.75" hammer, and Depths varied from 23m to 202m, average drill depth of 103m. Holes generally angled due east or west at 60° to 90°. An oblique local grid was used at Rante with holes drilled at 60° towards 215°.
Drill Sample Recovery	Method of recording and assessing core and chip sample recoveries and results assessed.	Diamond Drilling: Core recovery and drill meterage recorded by field geologists and trained core checkers at drill site, prior to transfer of the core to the core shed, and Recovery % recorded in the geotechnical records as equivalent to the length of core recovered, as a percentage of the drill run. RC Drilling: Insufficient historical data to assess routine weighing of RC samples, and RSG Global (1997) assessed RC sample recoveries on site and reported acceptable recoveries for that period. Overall recoveries within the mineralized zones is 89% but varied between mineralised domains. Less than 8% of the samples had poor recoveries of less than 40%. Main areas affected by low average recoveries were shallow mineralised zones in the Mapacing and Ongan areas.

Criteria	JORC Code explanation	Commentary
Drill Sample Recovery	Measures taken to maximize sample recovery and ensure representative nature of the samples.	The wireline triple/split tube system and large diameter PQ core was utilised to maximise recovery and ensure that the samples are representative of the material being sampled. Routine weighing of RC cuttings was completed, but limited data was available for review.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	Analysis of core recovery to grade does indicates a trend of higher grade with increased core loss, but this is considered immaterial as more 80% of the mineralised samples have good recoveries (>80%). Twin PQ3 diamond drilling of a selected number of the low recovery shallow holes was completed by a previous owner (Masmindo Mining Corporation Limited, 1996). Analysis of the tin hole data by consultants McDonald Speijers concluded that core loss in the earlier holes has probably not resulted in any significant sample bias.
Logging	Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.	Diamond drilling: Drill core is photographed and logged prior to sampling; Core has been geologically and geotechnically logged to a level of detail appropriate to support mineral resource estimation and mining studies; Lithology, mineralization, alteration, foliation trend, fracturing, faulting, weathering, depth of soil and total oxidation are recorded, and Orientation of fabrics and structural features are noted. Historical RC Drilling: RC samples logged prior to sampling for lithology, mineralization, alteration, weathering, depth of soil and total oxidation. Representative portion of samples were retained in chip trays for future reference.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel etc.) photography.	Logging has been conducted both qualitatively and quantitatively – full description of lithologies, alteration and comments are noted, as well as percentage estimates on veining and sulphide amount. All historical and One Asia diamond core has been photographed.
	The total length and percentage of the relevant intersections logged.	Total length of all drilling data is 103,290m. The total amount of relevant data used in the estimate is 54,898m (RC & diamond), of which 91% was logged.
Sub-Sampling Techniques and Sample Preparation	If core, whether cut or sawn and whether quarter, half or all core taken.	Core was half-cut lengthwise using a diamond saw along the orientation line. The half-core was sampled, generally on metre intervals. Historical reports indicate that full core was sampled for holes AMD001-026.
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	RC samples (nominal 20-25kg weight) were split through a Jones riffle splitter, and a 3-5kg sub-sample submitted as the primary sample for assay. For wet and moist RC samples that could not pass through the riffle splitter, the sample was collected in a drum, allowed to settle, decanted and bagged. Multiple spear samples directly from the bag were combined to form the primary sample split for assay. Wet RC drilling forms less than 2% of the total dataset.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	For One Asia diamond drilling, the sample preparation was by PT. Geoservices LTD where: Samples were weighed, dried at 105°C; Jaw crushed (to nominal 4mm) if required; The whole sample was pulverized via LM5 ring mill pulverisers, and Samples >3kg were split and pulverized in separate lots. Historical RC and diamond drilling sample preparation was by Indo Assay Laboratory and consisted of: Samples were oven dried and weighed; Entire sample jaw crushed to -6mm prior to hammer milling to -1mm; A 300g sample was split with the residual stored, and Sub-sample pulverised to a nominal P90% -75um and homogenized. The quality of the wet RC drilling sampling is problematic and may be biased. RC drilling in wet ground conditions has been discontinued in favour of diamond coring. Dry RC sampling procedures were satisfactory and consistent with normal practices. For all sample types, the nature, quality and appropriateness of the sample preparation technique is consistent with industry standard practices.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	For core sampling the same side is consistently sampled, half-core with the bottom of hole line is retained in the tray. The assay sub-sample is placed into sample bags labelled with the assigned sample number.
	Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.	For One Asia drilling no field duplicates were collected, but pulp duplicates were re-submitted out of batch to the primary assay laboratory. For historical drilling programmes duplicate sampling and check assaying was completed and no significant biases were identified.

Criteria	JORC Code explanation	Commentary
Sub-Sampling Techniques and Sample Preparation	Whether sample sizes are appropriate to the grain size of the material being sampled.	Sample size of 2-3 kg is appropriate for the grain size of material. The sample preparation technique and sample sizes are considered appropriate to the material being sampled.
Quality of Assay Data and Laboratory Tests	The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.	The fire assay gold analyses undertaken are considered a total assay method. Fire assay gold analysis is an appropriate assay method for this type of deposit. For One Asia drilling Au analysis carried out by PT. Geoservices LTD GeoAssay Laboratory at Cikarang-Bekasi, Indonesia: Au by 40g fire assay using method FAA40_AAS. Historical analysis carried out by Indo Assay Laboratory, Balikpapan, Indonesia (both RC and Core): Au by 50g fire assay using AAS finish.
	For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	No geophysical tools were used or data analysed.
Verification of Sampling and Assaying	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	One Asia QC has consisted of systematic submission of pulp duplicates, certified reference material and blanks into the sample stream. Historical quality control procedures are based on previous resource reports and historical documents. The absence of original laboratory quality control records has meant that results of quality control analyses could not be checked and verified. Historical duplicate spear sampling of wet RC samples showed a significant bias (around -15% relative), however the proportion of wet RC samples was too small for any biases to have any significant impact on global resource estimates. Duplicate sampling of dry RC samples showed no significant bias. Precision levels for all duplicate samples and check assaying fell within the range normally seen for gold deposits. There were no indications that the deposit is affected (no bias identified) by abnormal sampling problems such as those related to unusually high proportions of coarse free gold.
	The verification of significant intersections by either independent or alternative company personnel.	A total of 111 independent check diamond core samples were collected by Cube (2017) and assayed at the PT. Geoservices laboratory LTD in Jakarta. Comparison of the check and original sample assays do show local variations, but statistical analysis shows the paired dataset is not significantly different at a 95% confidence level. The variable precision between the paired assays is a result of the condition of the core, varying sample support and the high short-range variability of the gold mineralisation (high nugget effect). The check assay results confirm the integrity of the original assay data and the tenor of gold mineralisation at the Awak Mas Gold Project. The full independent sampling report is attached as Appendix 3. A total of 30 pulp duplicate samples and 21 duplicate check samples were re-submitted by Tetra Tech in 2011-2013. Analysis showed no statistically significant difference between the primary and duplicate samples. A very small bias was noted for lower reporting of grades by the check laboratory. McDonald Speijers (1997) selected 60 independent check duplicate core samples at random from within the mineralised zones. Satisfactory correlation between the original and duplicate samples confirmed the integrity of the sampling and assaying procedures Drillhole logging and assay data has been randomly checked against the original hardcopy certified laboratory assay reports where available. Historical drilling results from available numerous reports have been checked where there are significant intervals within the resource area.
	The use of twinned holes.	Masmindo (1996) drilled 6 twin holes using large diameter, triple tube core (PQ3) due to concerns of regarding core loss and grade bias. Average recovery of 90% was achieved and indicated that core loss in earlier holes had not resulted in any significant sample or assay bias.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	The majority of the historical drilling data exists as hardcopies on site which have been scanned electronically to PDF files For One Asia drilling, primary data was collected using a master Microsoft Office Excel spreadsheet. Paper copies are regularly generated and database copies routinely sent to Jakarta PT Masmindo Head office for analysis and interpretation. Extensive review and data verification has been completed by various independent consultants over the long life of the project and is well documented.

Criteria	JORC Code explanation	Commentary
Verification of Sampling and Assaying	Discuss any adjustment to assay data.	All data below detection limit (<0.01 ppm Au) and "0" values have been entered as a small value of 0.005ppm Au which is half the detection limit. Negative values, missing samples, interval gaps denoted by no sample (NS) and cavities were assigned as nulls (blanks) and ignored when extracting composites for grade interpolation. Samples not received, or with insufficient sample weight for analysis had the interval left blank in the database.
Location of Data Points	Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.	All historical collar surveys were completed by trained surveyors using total station electronic distance measuring ("EDM") equipment. Down-hole surveys were routinely carried out, generally on 50m spacings. Holes prior to AMD075 were not downhole surveyed. One Asia drill holes were surveyed using total station electronic EDM equipment and differential global positioning system ("DGPS"). Downhole surveys were conducted using a Reflex Camera system in holes deeper than 25 m. Drillhole collar surveys have been checked several times by different owners. Cube (2017) independently field checked 15 random collar positions using a handheld GPS. All checked holes were within 7m of the database coordinates which is within the accuracy of the GPS unit used and verifies the drill hole collar locations. The 3D location of the individual samples is considered to be adequately established, consistent with accepted industry standards.
	Specification of the grid system used.	All collar coordinates are recorded in the UTM WGS 84 Zone 51 (Southern Hemisphere) coordinate system by reputable independent surveyors.
	Quality and adequacy of topographic control.	Data consisting of 5m contour lines generated from an IFSAR-based topographic relief model was purchased from Intermap. A 3D digital terrain model ("DTM") or surface was provided as smoothed 5m spaced contours and as such does not accurately reflect in detail the local extreme steep relief. Comparison of the topography surface to the surveyed drill collar elevations shows that 8% of the holes have a collar RL that is different by more than ± 10m to the contoured topography surface. This topography discrepancy is not material to the Mineral Resource estimate as the estimation domains have been clipped by the colluvium surface as defined by the drill holes which generally lies beneath the smoothed contoured topography surface. The amount of mineralised material above the topographic DTM which has been lost by clipping with the topography surface is likely to be less than 1% of the contained metal reported for the Mineral Resource estimate. The volume of unmineralised material above the colluvium surface is most likely to be in error. This topographic discrepancy needs to be addressed for detailed mine planning to ensure accurate waste volume representation particularly in areas with steep ridges and valleys.
Data Spacing and Distribution	Data spacing for reporting of Exploration Results.	Diamond drilling on a nominal 50m by 50m grid with local 25m x 25m infill holes in three limited areas (Mapacing, Tanjung and Rante). Historical Reverse Circulation (RC) drilling by previous operator (Masmindo) 1996-1997) on a nominal 50m x 50m grid. Sampling of drill core has generally been at 1m intervals.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	Drill hole spacing is sufficient to define grade continuity, geological continuity, depth and lateral extents of mineralization.
	Whether sample compositing has been applied.	Sample compositing has not been applied

Criteria	JORC Code explanation	Commentary
Orientation of Data in Relation to Geological Structure	Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.	Drilling sections are orientated perpendicular to the strike of the mineralised host rocks Drill holes were inclined between 60° and 90° to optimize intercepts of mineralisation with respect to thickness and distribution.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	The mineralisation can occur in multiple orientations as a stockwork system, but has a dominant shallow to moderate N-NE dipping, foliation parallel orientation, with less well developed narrow sub-vertical structures. Drilling with angled and vertical holes in most instances provides a representative sample across the mineralisation.
Sample Security	The measures taken to ensure sample security.	For One Asia drilling samples are stored on site in a locked core shed and are shipped to the assay laboratory in secure packaging by air. When the laboratory receives the samples, they are expedited to the laboratory in Cikarang under Chain of Custody documentation. At arrival, they are officially checked-in for tracking purposes and submitted for sample preparation. No information relating to sample security and submission, or storage procedures are described in the available historical reports.
Audits or Reviews	The results of any audits or reviews of sampling techniques and data.	Several reviews have been undertaken by independent consultants over the life of the Project and include; CSA Global (2017); Williams and Davys (2015); Tetra Tech (2013); RSG Global (1998); Snowden (1998), and McDonald Speijers (1997). Cube (2017) has independently reviewed, verified and validated data prior to the resource estimate. There were no adverse material results from any of the reviews or audits.

Section 2 Reporting of Exploration Results (Awak Mas)

Criteria listed in the preceding section also apply to this section.

Criteria	JORC Code explanation	Commentary
Mineral Tenement and Land Tenure Status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	One Asia holds a 100% beneficial interest in the Awak Mas Gold Project via a 7th Generation Contract of Work ("CoW") through its wholly owned subsidiary PT Masmindo Dwi Area. PT Masmindo Dwi Area is an Indonesian foreign investment company, which owns the exploration and mining rights to the Awak Mas Gold Project through the CoW with the Government of the Republic of Indonesia. The 7th Generation CoW was granted on 19 February 1998 and covers an area of 14,390 ha. The CoW allows for 100% ownership, and is located within a non-forested area – (APL) Land for Other Uses. The AMDAL for the project has been approved and Environment Permit Issued April 2017. The Competent Person is not aware of any other agreements that are material to the Project.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The CoW defines a construction period of 3 years and an operating period of 30 years. The Competent Person has not been advised of any environmental liabilities associated with the Awak Mas Gold Project at this time.
Exploration Done by Other Parties	Acknowledgment and appraisal of exploration by other parties.	Previous exploration work in the project area includes systematic exploration by several operators, including Asminco and New Hope in 1987, followed by Battle Mountain, Lone Star, Gasgoyne, JCI, Masmindo Mining and Placer Dome between 1991 and 2004. Prior to One Asia, the most recent exploration work has been completed by Vista Gold between 2004 and 2008 including: compilation and cataloguing of historical data, re-estimation of the contained geologic resources according to CIM compliant definitions, completion of a 13-hole resource drilling programme, and re-estimation of the contained, classified resources. Tetra Tech (2013) reviewed all available historical exploration data for the Awak Mas project which was assessed as acceptable to industry standard.
Geology	Deposit type, geological setting and style of mineralization.	A high-level, low-sulphidation hydrothermal system has developed at Awak Mas which is overprinted by a strong sub-vertical fracture control which has channeled the mineralising fluids. The mineralising fluids have exploited these pathways and migrated laterally along foliation parallel shallowly dipping favourable strata. In addition to the conformable style of mineralisation there is a late stage hydrothermal overprint that has also deposited gold in some of the major sub vertical structures. The multi-phase gold mineralisation is characterised by milled and crackle breccias, vuggy quartz infill, and stockwork quartz veining with distinct sub-vertical feeder structures. Host lithologies for mineralisation are mainly the cover sequence of meta-sedimentary rocks and to a lesser degree the underlying basement sequence of diorites and biotite dominant schists. The cover and basement sequences are separated by an unconformable and sheared contact.
Drill hole Information	A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: easting and northing of the drill hole collar; elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar; dip and azimuth of the hole; down hole length and interception depth; hole length.	Exploration results are not being reported. A table of all drill hole collars and relevant mineralised intersections are reported in Appendix 2 of this release. In summary, the drilling database consists of; One Asia Drilling (2011-2012)–87 drill holes for 5,956m; Historical core drilling (1991-2007) of 645 drill holes for 81,045m, and Historical RC drilling (1995-1996 of 158 holes for 16,290 metres. The complete dataset of 890 drill holes (historical and current) was used in the mineral resource estimate, with some selected holes excluded based on poor data confidence. All information has been reported in Appendix 2 of this release.
	If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	No drill hole information has been excluded.

Criteria	JORC Code explanation	Commentary
Data Aggregation Methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.	Exploration results are not being reported. Details of length weighting, top cutting and cut-off grades of composite samples used for the Mineral Resource are included in Section 3 of Table 1 in this release.
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	Details of sample compositing as part of the Mineral Resource estimation are included in Section 3 of Table 1 in this release.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	Metal equivalent values have not been used.
Relationship between Mineralisation Widths and Intercept Lengths	These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralization with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	The mineralisation geometry is complex and variable but generally has a main shallower orientation parallel to the foliation at ~30º towards the north east. A secondary mineralisation orientation is steeply east dipping to sub-vertical north-south feeder structures which are most dominant at Lematik. The majority of drilling is angled due east or west at 60° to 90°. An oblique local grid was used at Rante with holes drilled at 60° towards 215°. The drilling orientation is a compromise to target both mineralisation orientations, and generally the downhole length approximates the true width for the dominant broader and shallower dipping mineralised zones. Downhole intercepts of the steep sub-vertical structures will have a downhole length longer than the true width.
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	Relevant drill hole location plans and representative drill sections for each domain area have been included in Appendix 1 of this release. All mineralised intersections used in the Mineral Resource are tabulated Appendix 2 of this release.
Balanced Reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	Exploration results are not being reported. All relevant drill hole data is incorporated in the mineral resource estimate.
Other Substantive Exploration Data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	Surface geological mapping and channel sampling have been used to build the geological framework for the mineral resource estimate. The assay results from these sources has not been used to inform the grade estimate as detailed sampling procedures and quality control data does not exist to confirm the veracity of the data. No additional metallurgical or geotechnical test work has been completed since the release of the updated Pre-Feasibility Study ("PFS") dated 16th March 2015.
Further Work	The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Awak Mas is an active growth project with additional areas identified for infill (to 25m x 25m) and extensional drilling, including targets at depth and outside of the current mineral resource limits. Planned drilling will focus on upgrading the majority of the current Inferred Mineral Resource to the Indicated category, as well as growth of the Mineral Resource outside of the currently delineated mineralised domains. Further detailed core re-logging and development of a structural model will help progress the current geological model and enable its use as a drill targeting tool both for resource delineation and definition of new exploration targets within the CoW. A new topographic survey should be undertaken utilising techniques such as LIDAR coupled with ground EDM and/or DGPS surveying to more accurately represent the ground surface in extreme terrain areas.

Section 3 Estimation and Reporting of Mineral Resources (Awak Mas)

Criteria listed in section 1, and where relevant in section 2, also apply to this section.

Criteria	JORC Code explanation	Commentary
Database integrity	Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.	Drilling data supplied as CSV files which were validated before upload to the database. Validated data is managed in the George7 database which is a secure relational SQL ("Structured Query Language") Server data management system. Database tables contain in-built referential integrity, with data entered and interrogated using validation tools prior to loading into the main tables. Checks were made comparing hard copy and digital data for collar, survey, assay and lithology data. Data was selected to cover the whole of the deposits and critical areas such as mineralisation boundaries and high-grade zones.
	Data validation procedures used.	Data validation procedures included: Check for erroneous hole collar outliers–easting, northing, elevation; Check actual versus planned collar coordinates; Downhole survey checks; Check sampling and logging overlaps, gaps, end of hole discrepancies between data tables; Check for unique sampling identification and identification of any duplicate samples; Management of preferred assays and precedence numbering; Lookup fields and data coding management; Assay table was checked for negative assays (other than below detection limit values), missing assays or assays outside of expected ranges, and Visual inspection of the drill holes in Surpac 3D workspace to identify spatial inconsistencies of drill hole.
Site visits	Comment on any site visits undertaken by the Competent Person and the outcome of those visits.	Cube Consulting Senior Consultant Geologists Adrian Shepherd and Denny Wijayadi were onsite from the 27th to the 30th of January 2017, prior to the Mineral Resource estimate and undertook the following; Independent summary check logging of 3,500 metres of diamond drill core from 19 selected representative drill holes; Collection of 109 independent check core samples were to verify the tenor of mineralisation; Field verification by hand held GPS of 15 selected collar locations, and Retrieval of additional hardcopy and digital data from site personnel. Adrian Shepherd is the Competent Person for this Mineral Resource estimate.
	If no site visits have been undertaken indicate why this is the case.	A site visit was completed.
Geological interpretation	Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.	Systematic and regular drilling provide a degree of confidence in both geological and mineralisation continuity within the gross mineralised zones. However, there is degree of uncertainty in the grade continuity at less than the current average drill hole spacing, which is a result of the complex mineralisation style of multiple veining orientations and a high nugget effect causing high small-scale grade variability.
	Nature of the data used and of any assumptions made.	Extensive use of EHW (1997) surface mapping and historical channel sampling was made to develop a geological framework for the interpretation of the mineralised domains. A geological matrix was also developed based on the correlation of gold grade to logged geology to help guide the interpretation of the mineralised zones, particularly in areas of poor grade continuity The veracity of the original historical logged geology and surface mapping has been assumed.
	The effect, if any, of alternative interpretations on Mineral Resource estimation.	Previous interpretations have relied on dominant shallow dipping controls of mineralisation, lack a geological framework and have assumed greater grade continuity between adjacent holes. Resultant grade models are likely to be oversmoothed, overstate the contained metal and not adequately reflect local grade variations. Grade estimations from earlier models are likely to imply grade continuity that will not be achievable when selectively mined.
	The use of geology in guiding and controlling Mineral Resource estimation.	Incorporation and interpretation of the historical geological data from high quality surface mapping, trenches and drilling have been paramount in developing the geological model for Awak Mas which forms the basis for the interpretation of the mineralised domains for estimation. The geological matrix which was also developed to help guide the domain interpretation was based on logged drill hole geology and incorporated the following elements into a single ranked geological indicator; Logged vein type and percentage; Vein orientation; Pyrite percent; Alteration type and intensity; Structure type; Most favourable host lithology, and Gold assays above 0.35g/t Au. Interpreted geological controls on the mineralisation trends were confirmed by check logging completed during the site visit.

Criteria	JORC Code explanation	Commentary
Geological interpretation	The factors affecting continuity both of grade and geology.	The complex interaction of multi-phased stockwork and breccia mineralisation associated with at least two dominant structural orientations (shallow thrusts and sub-vertical feeders) results in rapid local changes in the grade tenor and orientation at a scale of less than the current average drill hole spacing (25m to 50m). The mineralisation has been constrained into 5 distinct areas based on mapped bounding faults, which were used as hard grade boundaries in the estimation. Each of the five domain areas have unique mineralisation characteristics. Grade and geological continuity is dependent on the interplay of the mineralising structures, preferred host lithology, alteration and veining intensity and the effect of later bounding and offsetting structures.
Dimensions	The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.	The Awak Mas Deposit has been subdivided into five broad geologically based domains: from west to east these are Mapacing, Ongan, Lematik, Tanjung and Rante. These predominantly north-south to north east striking domains lie adjacent to each other, and cover an extent of 1,450m EW by 1,050m NS and extend to a maximum vertical depth of 400m (~820mRL): Mapacing – Single shallowly NE dipping domain with a strike length 810m, plan width 230m width and average thickness ranging from 5-30m; Ongan – Shallowly dipping and sub-vertical domains with strike extent of 730m, plan width of 150m. Shallow domains vary in average thickness from 5-30m and sub-vertical domains have an average thickness of 5-10m; Lematik – Mainly sub-vertical domains with strike extent of 740m, plan width of 220m and average thickness of 5-60m. A central north plunging (at 60º) pipe has dimensions of 80m x 80m along a strike of 280m; Tanjung–Shallowly dipping and sub-vertical domains with strike extent of 910m, plan width of 340m. Shallow domains vary in average thickness from 5-40m and sub-vertical domains have an average thickness of 5-10m, and Rante–Shallowly dipping and sub-vertical domains with strike extent of 70bd0m, plan width of 320m. Shallow domains vary in average thickness from 20-70m and sub-vertical domains have an average thickness of 5-10m.
Estimation and modelling techniques	The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.	Estimation was by a non-linear technique 'Localised Uniform Conditioning' ("LUC") which is a recoverable estimation technique typically used for estimation into small blocks using wider spaced resource definition drilling. The technique is considered appropriate given high short scale grade variability and the uncertainty associated with the estimation of the local grade tonnage distribution: The method provides a more accurate representation of the recoverable grade and tonnage at SMU selectivity for non-zero grade cut-offs than would typically be achieved by a traditional linear estimator such as Ordinary Kriging; The technique is suited specifically for the estimation of grades into blocks that are small relative to the data spacing, and The technique works well where the spatial continuity between sections is uncertain based on the current drill spacing. Key assumptions are that the grade distribution is diffusive (tested and conformed) with gradational internal grade boundaries and that free selection of ore/waste SMU's is possible during the mining process (i.e. open pit mining). Robust geometrically simple domains were interpreted, incorporating internal dilution to ensure grade continuity and using a nominal geological based lower grade cut-off. Grade interpolation used 1m composited samples constrained by hard boundaries within the mineralisation zones. An appropriate top cutting strategy was used to minimise the influence of isolated high-grade outliers Interpolation parameters were derived using standard exploratory data analysis techniques of statistical and continuity analysis. Appropriate interpolation strategies were developed on a domain basis using kriging neighbourhood analysis ("KNA"), which included: Oriented ellipsoidal search radii ranged from 100 to 240m depending on the domain, and Minimum and maximum number of samples varied from 8-10, and from 22 to 26 respectively. A change of support correction was applied to produce a recoverable resource estimate at the local SMU scale. The maximum extrapolation distance from last data points was no more than 50m, which is the average drill hole spacing for most the deposit. Computer software used were: Leapfrog Geo v4.0 was used for geological interpretation; Surpac version 6.7.3 for domain interpretation, compositing and block modelling, and Isatis version 2016.1 used for statistical and continuity analysis, and grade estimation.

Criteria	JORC Code explanation	Commentary
Estimation and modelling techniques	The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.	Check estimates using Ordinary Kriging ("OK") and Inverse Distance Squared ("ID2") were completed and compared to the final LUC estimate. The LUC estimate was compared against the previous ordinary kriged estimate by Tetra Tech (2013). The estimates are based on the same drill hole data and differences are the result of an alternate interpretation philosophy and the assessment of risk associated with the data and geological understanding of the mineralisation. The 2017 Mineral Resource estimate has been reported within a US$1,400 optimisation shell, whereas the previous 2013 Mineral Resource estimate was not reported within any constraining shell. No production has occurred at the Awak Mas Deposit other than minor artisanal workings along fault structures.
	The assumptions made regarding recovery of by-products.	No by-product recoveries were considered.
	Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).	Estimations of any deleterious elements were not completed for the Mineral Resource estimate.
	In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.	The LUC panel was set at 15m x 15m x 5m (XYZ) with a block size for local estimation to a selective mining unit ("SMU") size of 5m x 5m x 2.5m (XYZ). The bulk of the drilling data is on 50m by 50m grid spacings with local 25m x 25m infill holes in several areas (Mapacing, Tanjung and Rante). Appropriate search ellipses were derived using Search were derived from KNA with an average search radii of 140m and anisotropy of 4:4:1 (major/semi/minor).
	Any assumptions behind modelling of selective mining units.	Selection of the SMU size was based on the geometry of the mineralisation and the likely degree to which selective mining can be successfully applied to the visual geologically based grade boundaries.
	Any assumptions about correlation between variables.	No assumptions were made as gold was the only variable that had sufficient data available to support an estimation.
	Description of how the geological interpretation was used to control the resource estimates.	Geological interpretation guided the creation of constraining mineralised domains. Mineralised domains were used as hard boundaries and were informed only by composited samples lying within those domains.
	Discussion of basis for using or not using grade cutting or capping.	Necessity for grade cutting was based on basic exploratory data analysis, including the level of grade variability as expressed by the coefficient of variation ("CV"). Grade cutting completed on a domain basis using on log normal probability plots of the grade distribution to determine appropriate level of cutting to minimise the influence of extreme grade outliers. Subsequent high-grade capping was determined using metal at risk analysis. Where required, high grade distance limiting was used during estimation to restrict extreme grades to a maximum of 10m from the data point. At Lematik, a 'pipe' domain was developed using grade and geological continuity to reduce bimodality and the level of grade capping needed.
	The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.	The model was validated using the following techniques: Visual 3D checking and comparison of informing samples and estimated values; Global statistical comparisons of raw sample and composite grades to the block grades; Validation 'swath' plots by northing, easting and elevation for each domain; Analysis of the grade tonnage distribution; Comparison of the LUC block grade variance to the SMU variance predicted by the Discrete Gaussian Model ("DGM") block support correction; Comparative estimates using ID2 and OK techniques, and A study of Confidence Limits was made using Conditional Simulation techniques to establish confidence in selection of the Mineral Resource category.
Moisture	Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.	Tonnages were estimated on a dry basis. Moisture was not considered in the density assignment.
Cut-off parameters	The basis of the adopted cut-off grade(s) or quality parameters applied.	The adopted cut-off grade for reporting is 0.5g/t Au, based on preliminary economic considerations and in-line with the reporting of Mineral Resources and reserves from the PFS update (2015).

Criteria	JORC Code explanation	Commentary
Mining factors or assumptions	Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	Mineralisation is near surface and of grades amenable to conventional open pit mining methods. The assumed mining method would use drill and blast, utilising 2.5m mining flitches to a maximum vertical depth of 300m. An overall pit slope of 40° is assumed to be attainable based on the PFS (2015) update. Mineralised domains were developed on the basis of continuity in diffuse styles of mineralisation and thus included some lower grade zones. A minimum width of 2m was used in interpretation of the mineralisation in order to preserve 3D wireframe integrity and continuity. Outside the mineralised domains, a 'mineralised waste' estimate was made. Domaining for LUC estimation incorporates zones of internal dilution to ensure grade continuity and produces robust geometrically simple zones amenable to selective open mining. The basis for eventual economic extraction was the use of optimisation shells using Whittle software with all-in cost parameters and a base gold price of US$1,400. Cost parameters used for calculation of the cut-off grade and optimisation of the shells included: Total Ore Costs–$12.25/t, this included process costs of $7.79/t, and Grade Control costs of $0.81/t; Mining recovery 100%, Dilution 0%; Metallurgical recovery of 70% oxide, 90.5% fresh; Royalty 3.75%; Transport $4.45/oz, and Refining $1.93/oz. The Mineral Resource estimate has been reported within a US$1,400 gold price shell.
Metallurgical factors or assumptions	The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	Mining and processing of similar gold deposits within the proximity of the Awak Mas Deposit are known. Based on this and the updated PFS (2015), it is assumed that the deposit will be amenable to economic extraction. Minnovo Pty Ltd undertook a metallurgical review in April 2017 based on a 2.5Mtpa process plant in line with previous PFS. Using the historical test work, and based on carbon in leach ("CIL") processing of the known Mineral Resources with gravity and flotation circuits for an overall expected recovery of 88-91%. Further geological investigative work and metallurgical test work will be completed as part of the DFS in 2018.
Environmental factors or assumptions	Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	The location of waste dumps, tailing storage facilities, haulage and access roads, power and processing plants have been determined in the PFS. A surface water management plan was undertaken to protect mine infrastructure and the environment of the surrounding area from potential impacts associated with the proposed mining activities. No assumptions were made regarding any environmental restrictions.
Bulk density	Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.	Bulk density was determined from a total of 1,162 water immersion (Archimedes principle) density measurements on drill core samples. No density measurements were undertaken for the 87 diamond holes completed by One Asia (2011-2012). Based on the historical data, dry density was assigned as follows: Colluvium/ Soil–1.8t/m3; Oxide/Transition–2.5 t/ m3, and Fresh–2.65t/ m3.
	The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture and differences between rock and alteration zones within the deposit.	Density samples were wax coated or coated in plastic where necessary to account for porosity and void space. All samples were then weighed in both air and when immersed in water. Samples were statistically evaluated by the two main rock domains (cover and basement sequence) and by the weathering profile.
	Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	Given the distribution of the density samples, the density values were assigned in the block model and not estimated. It is assumed that historical density measurements are representative of the different material types.

Criteria	JORC Code explanation	Commentary
Classification	The basis for the classification of the Mineral Resources into varying confidence categories.	The Mineral Resource estimate has been classified as Indicated and Inferred on the basis of a range of criteria. Initial classification was based on a qualitative approach using: data support as defined by drill spacing; confidence in the domain interpretation; data quality issues affecting particular zones, and quality of the estimate (slope of regression). Quantitative classification using geostatistical simulation was used to modify the initial classification involving: Use of the CV from the conditional simulation to modify the indicated and Inferred boundaries; The indicated/Inferred volumes could then be extended based on the confidence limit criteria, and Re-running of the simulation to confirm the confidence level of the Indicated material. Final classification was justified using the following criteria: Indicated category is defined as being within ±15% with 90% confidence for a quarterly production parcel (~625,000tpa); Material outside of the above limits, but inside the constraining US$1,400 shell was assigned as Inferred, or unclassified if not supported by the surrounding data, and All remaining estimated material is unclassified and not reported as part of the Mineral Resource estimate.
	Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).	The classification of the Mineral Resource estimate has taken into account all relevant factors through a two-stage qualitative and quantitative approach as described above.
	Whether the result appropriately reflects the Competent Person's view of the deposit.	The Mineral Resource estimate reflects the Competent Person's view of the deposit.
Audits or reviews	The results of any audits or reviews of Mineral Resource estimates.	An external review was completed by a reputable third-party mining industry consultant (CSA Global Pty Ltd). Internal peer review of the estimation methodology was conducted. The reviews have not identified any material issues with the Mineral Resource estimate.
Discussion of relative accuracy/ confidence	Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.	The relative accuracy of the Mineral Resource estimate has been determined by the application of conditional simulation to quantify the risk within confidence limits. As outlined above, the Indicated category of the Mineral Resource estimate has been demonstrated to be within the ±15% with 90% confidence limit on a quarterly production basis.
	The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.	The relative accuracy/confidence level has been stated based on the local estimate (LUC) using the approximate quarterly production level of ~625,000tpa which is based on the anticipated 2.5mtpa treatment rate for Project from the updated PFS (2015).
	These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	No production data is available as the Awak Mas Deposit has not been mined on a commercial basis.

Appendix 1: Consent to quote

As part of AUSIMM, JORC, and VALMIN requirements, permission to reference unpublished studies was sought and obtained from:

- Cube Resources (for the Cube Resources Resource completed in 2017),
- Andrew Davys (for the unpublished study by Williams and Davys completed in 2015),
- Andrew Allibone and Simon Cox (for unpublished studies completed in 1997),
- William Power (for the unpublished study completed in 1996 and referenced as Archibald et al., 1996),
- Chris Desoe (for the AMDAD PFS mining studies completed in December 2012 and November 2014),
- John Fleay (for the Minnovo "Options Study" report completed in May 2017)

Appendix 2: Validation and quality control of mineralization data at satellite prospects

Introduction and Background

The drilling and trenching assay data that were used to evaluate the materially relevant satellite prospects are evaluated in a JORC Code (JORC, 2012) compliant format in this section of the report.

The drilling data that are evaluated come from these prospects: Tarra NW, Sewatu-Uran, West Tarra, Kandeapi, Puncak Utara, Freddie-Bertie, Lelating, and Puncak Selatan. Trenching/costean data were noted at many prospects, but were used only for a few of the prospects, namely Salu Kombong and Puncak Selatan. Other minor prospects that have only stream sampling data or soil sampling data, and/or limited trenching/costean data include Noling, Salu Nangka, and Katapu.

The many satellite or exploration prospects within the Awak Mas Contract of Work area have been sampled and drilled and sampled using a variety of techniques, and by a variety of different operators of the project (see Table 14 for a summary of the drilling). This section of the report describes the drilling and trenching data. As discussed in section 5 of this report (Exploration Potential), there are many satellite prospects that have been studied over the years from about 1990. Other potentially significant data that are not specifically reviewed in this section include assay data from stream sediment sampling, rock chip sampling, and soil sampling.

Procedures

During the site visit conducted as part of this report, 11 drill holes were selected for core examination, these drill holes came from both the known deposits (Awak Mas, Tarra, and Salu Bulo Deposits – nine holes) and from the Kandeapi prospect (two holes). For these holes, data folders were located and reviewed during the site visit. The validation process included locating original sample sheets defining sample ID's relative to drilling. After this, certain anomalous results from each hole were selected and a comparison of the results recorded against each selected sample ID was compared to the relevant data included in the database. In all instances, the results included in the database correlated with the original assay certificate data.

It was found that at a few locations (only the Kandeapi Prospect and Tarra Deposit), the database contains average gold values where repeat sampling has been completed. A non-statistical review indicates that, in general, such repeats have low variability and therefore this is not considered a material issue.

All laboratory certificates that were examined contain tables of laboratory selected repeats, standards and duplicates listed separately at the back of each certificate. While CSA Global carried out no QA/QC analysis on this data as it is strictly in paper format at this point, a programme of data entry and subsequent analysis would allow a reasonable QA/QC analysis to be completed.

Further analysis of the drilling and trench sampling data and summary information is shown in the JORC Code Table 1 (following).

Table 27: Summary of drilling completed at satellite prospects within the Awak Mas CoW (excluding Awak Mas, Salu Bulo, and Tarra Deposits).

Time Period	Operator	Hole ID	Hole Type	No. of Holes	Total Metres	Average Depth (m)	Location
1999	PD	SBD001-030	DDR	30	3171.70	105.7	Greater Salu-Bulo[1]
2011-2012	OAR	SBD0031-00132	DDR	102	9397.85	92.1	Greater Salu-Bulo[1]
late 1996	LSE	KAD001-017	DDR	17	2440.80	143.6	Kandeapi
Apr 1999–May 1999	PD	PSD001-005	DDR	5	499.10	99.8	Puncak Selatan
Apr 1999–May 1999	PD	PUD001-002	DDR	2	190.30	95.2	Puncak Utara
May 1999–June 1999	PD	SWD001-002	DDR	2	234.20	117.1	Sewatu
Jan 1999–Jun 1999	PD	TND001-004	DDR	4	432.00	108.0	Tarra NW
late 1997	MDA	TRRC519-521	RC	3	222.00	74.0	Tarra NW
1997	MDA	TRRC512-518	RC	7	578.00	82.6	West Tarra

LSE–Lone Star Exploration

OAR–One Asia Resources

MDA–Pt Masmindo Dwi Area

PD–Placer Dome

[1] Includes Freddie-Bertie, Biwa-Lelating, and Bandoli-Mickey

JORC Code – Table 1 Pertaining to Exploration Results

Criteria listed in section 1, and where relevant in section 2, also apply to this section.

Section 1–Sampling Techniques and Data

Criteria	Commentary
Sampling Techniques	Most of the drilling at Awak Mas has been diamond core drilling. Sampling of the diamond core has been half-core in almost all cases (half the core is taken for assay). It has not been possible to recover any information about the sampling of the small amount of RC drilling. Sampling intervals for the drilling at the Tarra, Awak Mas, and Salu Bulo Deposits have generally been 1–2 m. Although it was not possible to verify this for the drilling of the exploration prospects, CSA Global is of the opinion that similar procedures were used. CSA Global was not able to find any documentation of the techniques used for sampling of surface trenching/costeans. This type of data is somewhat more likely to contain sampling bias relative to drilling, and CSA Global is unable to comment on the potential bias that may be introduced in these data. A variety of methods have been used to estimate the bulk density of the samples. It has not been possible to obtain a comprehensive summary of how density was estimated. Although there are relatively large unknowns in the sampling techniques used, CSA Global is confident that there is little reason to doubt the general correctness of the assay data that have been reported for the exploration prospects. Based on limited validation completed during the field visit, CSA Global has no material reason to believe that the data quality is not sufficient to assess the general character of the exploration prospects and the likely location of mineralization.
Drilling techniques	The majority of drilling at Awak Mas has been diamond core drilling. A small amount of RC (reverse circulation) drilling has been performed. Drill sizes used for the Awak Mas Deposit and also for exploration drilling has generally been diamond core sizes HQ, NQ, and PQ.
Drill sample recovery	At the Awak Mas site, drill core storage has generally been in locally built wooden trays. Logging generally includes observations of percentage core recovery. For the three major deposits in the CoW (Tarra, Awak Mas, and Salu Bulo), core recovery has been generally good, and in the resources evaluations of these deposits the conclusion has been that core recovery issues have not compromised the accuracy of the assay data. Because the exploration prospects are in similar rock types to these three main deposits, CSA Global is of the opinion that the sample recovery for the drilling within the satellite prospects has been generally sufficient to ensure appropriate accuracy for the exploration purpose of the drilling.
Logging	It is reasonable to conclude that all, or nearly all, of the drill holes at Awak Mas, including the satellite prospects, have been logged by either company staff or by contracted staff. CSA Global cited a selection of original logging sheets stored on site at the project. These including reasonably and appropriate information which visual review reasonably validated. However, it has not been possible, given the long drilling history with many different operators, to fully QC the drill log data or check on its completeness and absolute representivity within the database. After an assessment of the core and data storage facility as part of the site visit, CSA Global is satisfied that the drill log data are generally intact and can be recovered for fresh entry into a database, or for data validation purposes. CSA Global did not locate original descriptions of the trenches or costeans that were sampled during exploration. The data came from a number of different exploration campaigns, by different operators, and during different years. CSA Global reviewed work derived from a single company report which compiled this work. CSA Global is not aware of any reason to doubt the general interpretations presented. After the site visit, it became clear that some of the geological coding and rock identification may need to be revisited, particularly for exploration prospects that were initially drilled and first logged up to 20 years ago. This may only be required for some of the prospects. In general, CSA Global was unable to access or evaluate the geological mapping that is generally cited as part of the exploration programs in the satellite prospects. This information is very likely to be available, but may not be in digital form. These maps and geological mapping data may prove to be an important part of future analysis of the drilling and assay data.
Sub-sampling techniques and sample preparation	Detailed information regarding sub-sampling and sample preparation could not be accessed. The procedures used and the laboratory methods employed are very likely the same as were used for the samples that were assayed to delineate the Awak Mas, Tarra, and Salu Bulo Deposits, but this could not specifically be validated based on available data. CSA Global reasonably believe that the sampling techniques used are appropriate for the purpose of exploration and that there is no specific reason to doubt the veracity of the assay data for the drilling completed at the satellite prospects.
Quality of assay data and laboratory tests	It was not possible to verify the laboratory techniques that were used based on available data, and it has not been possible to document the techniques in this report. However, during the site visit conducted as part of this study, CSA Global was able to visit the site data repository, and sighted assay certificates for two randomly selected exploration drill holes (two holes from Kandeapi, KAN016 and KAN012), along with additional holes associated with reported resources. These certificates were easily recovered by the site personnel and validated related database information, and for this reason CSA Global is of the opinion that the record keeping, completeness of the data repository, and the general quality of the data is sufficient to satisfy the needs of exploration.
Verification of sampling and assaying	Where validated during the site visit, CSA Global was satisfied that the sampling and assaying could be verified by access to paper and hard copy records. There is no evidence of systematic errors within the available data.

Section 1–Sampling Techniques and Data

Criteria	Commentary
Location of data points	During the site visit conducted as part of this study, the locations of selected drill hole collars from the Salu Bulo Deposit were validated in the field, using a handheld GPS. The located drill collar positions confirmed the locations in the drilling database within errors of only a few metres. This result suggests that the locations of the drilling as reflected in the drilling database are likely to be correct, and in line with the intended purpose of the data. CSA Global was not able, however, to independently verify the location of the various exploration prospects. In particular, the locations of the drilling and trenching data could not be checked in detail, partly because of limited time, and also because of very restricted access (some roads are closed, some bridges that were present in the past are no longer present). However, CSA Global did not find any major discrepancies in the GIS data describing the prospects and data locations. CSA Global is thus of the opinion that the general spatial location of the prospects and data is acceptable for the purposes of mineral exploration.
Data spacing and distribution	The exploration drilling undertaken to test mineralisation targets seems to be reasonably spaced for the intended purposes, as described in the documents that were received. However, and in keeping with the stage of exploration, additional will be required on all prospects before continuity can be established towards understanding of the potential economic nature of any of the identified prospects.
Orientation of the data in relation to geological structure	Reported orientation of most of the exploration prospect mineralization is in general NNW to NNE, with some minor linking or cross features. Generally, the orientation of drilling is steep, and it appears that the orientations chosen for drilling are reasonable to find and assess the potential mineralization based on regional trends and interpretations. However, no structural data was available from which to make a clear assessment of this.
Sample security	Sample security could not be assessed.
Audits or reviews	Cube and One Asia, as part of the recent Mineral Resource Estimation up-date completed a programme of check assays and QA/QC validation. CSA Global has reviewed this and are satisfied that it reasonably validates information contained within the database and demonstrates reasonable repeatability of assays. However, this was not completed for any of the exploration results that this table considers. Based on the data that CSA Global have reviewed there is no reason to believe that results will be materially different.

Section 2 – Reporting of Exploration Results

Criteria	Commentary
Mineral tenement and land tenure status	CSA Global has been able to sight an independent solicitor's report (dated 30 May 2017) which outlines the rights of One Asia to conduct the relevant activities in the Awak Mas Contract of Work Area, referred to in this report as the Contract of Work Area (CoW). CSA Global is not aware of any problems regarding relationships with local stakeholders, but a detailed examination of this issue has not been conducted by CSA Global.
Exploration done by other parties	The Awak Mas CoW area has been explored by a variety of earlier operators, over the last 25-30 years. Major operators included New Hope Consolidated Industries, Battle Mountain Gold, Lone Star Exploration NL, Gasgoyne Gold Mines NL, Masmindo Mining Corporation Limited, Placer Dome Inc., and Vista Gold Corp. CSA Global is of the opinion that the earlier exploration activities were conducted in a reasonable manner, and that there is no reason to doubt any specific results that have been found in the database or summarized in company documents. However there remains some possibility that there are omissions, oversights, or inaccuracies, because it was not possible to fully review all of the exploration data or fully investigate the earlier and historical exploration programs.
Geology	The Awak Mas Contract of work area is underlain by two major tectonic assemblages, the Latimojong Metamorphic Complex, and the Lamasi Mafic Complex (Lamasi Ophiolite complex). The majority of mineralization is thought to be present in the Latimojong Metamorphic Complex. Mineralization in the Awak Mas Contract of Work Area has historically thought to be mesothermal and orogenic, implying it developed at a mid-crustal level, and is strongly structurally controlled. Recent interpretations by One Asia have presented an alternative view, namely that the mineralization is more shallow level (epithermal) and may be related to late stage intrusive rocks.
Drill hole Information	The drill holes that were used to report on the exploration prospects contained in this report have been partially validated and checked by CSA Global. Where checked, the eastings and northings of the collar locations, the elevations of the collar points, the dip and azimuth of the wellbore, and the hole lengths appear correctly in the database. Although CSA Global has performed a limited QC of the data, there remains some possibility that there are errors or omissions because of the long history of exploration, and because CSA Global has not performed a complete audit and QC of the data. Cube Consulting and One Asia, as part of the recent Mineral Resource Estimation up-date completed a programme of check assays and QA/QC validation for the main deposits in the contract of work area (Awak Mas, Salu Bulo, and Tarra Main Deposits). CSA Global has reviewed this and are satisfied that it reasonably validates information contained within the database and demonstrates reasonable repeatability of assays. Because similar drilling techniques and procedures were probably used for both the existing deposits and the exploration drilling, CSA Global is of the opinion that the drilling database and its maintenance and QC is sufficient for the purpose of exploration. However, because the CSA Global review was not completed for any of the exploration results that this table considers, there is some possibility that errors are present in the database.
Data aggregation methods	CSA Global has performed an initial check of costean and/or trenching assay results from selected exploration prospects. It appears that sampling and aggregation of materials from the trenching results is reasonable, although it has not been possible to locate any descriptions of the data or sampling aggregation procedures, particularly for the costean and trenching results.
Relationship between mineralisation widths and intercept lengths	Intercept widths quoted in drilling and trenching results are expressed as apparent (down-hole or along the trench) unless otherwise specified, and do not represent true width of mineralisation zones
Diagrams	Refer to figures within the main body of this report.
Balanced reporting	CSA Global has looked at the database and the spatial distribution of assay data. These data come from stream sediment sampling, soil sampling, and drilling. CSA Global have not noticed or are aware any misleading omissions of relevant exploration results. However, and given the historical nature of much of the majority of results, CSA Global cannot be certain that it is aware of or has cited information relating to all past exploration. In summary, the reporting of the exploration prospects appears to be fair and representative.
Other substantive exploration data	Aero Magnetic data are available over the Awak Mas contract of work area, but it has been concluded that the mineralization and structures do not create a strong signature in these data. Metallurgical testing has been performed, but CSA Global has not been involved in a QC or review of these test data in the context of this ITAR. The bulk density determinations have been reviewed by CSA Global for the three main deposits that are described in this document. This review has not extended to the density determinations for exploration assay samples. CSA Global does not believe this will cause any problems for use of the exploration assay data for the evaluation of exploration prospectivity.
Further work	Further synthesis and integration of the existing exploration data, followed by geological mapping, additional sampling, and finally ranking of the various exploration prospects is recommended. CSA Global is of the opinion that, in general, the company database is sufficient and reasonable to allow completion of these tasks.

Children receive school stationery provided by Masmindo.

7.1 Introduction

This section contains the historical and pro forma historical financial information for Nusantara, including:

- The historical statement of financial position as at 31 December 2016 as set out in section 7.2 below ('Historical Statement of Financial Position' or 'Historical Financial Information'); and
- The pro forma historical statement of financial position as at 31 December 2016 on the basis of a Minimum Subscription of A$15 million and the pro forma historical statement of financial position as at 31 December 2016 on the basis of a Maximum Subscription of A$20 million as set out in section 7.2 following ('Pro Forma Historical Statements of Financial Position' or 'Pro Forma Historical Financial Information').

collectively referred to as the 'Financial Information'.

The Financial Information is expressed in United States Dollars unless otherwise stated.

The Financial Information is presented in an abbreviated form, insofar as it does not include all of the presentation, statements, comparative information and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

The Financial Information set out in this section should be read in conjunction with the accounting policies and notes included within the historical financial statements of Nusantara for the period ended 31 December 2016 included in **Appendix 1**. The Financial Information should also be considered in conjunction with the risk factors included in **section 4** and other information contained in this Prospectus.

The Financial Information, as defined above, has been reviewed by Ernst & Young in accordance with the Australian Standard on Assurance Engagements ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information, as stated in its Independent Limited Assurance Report set out in **section 8**. Investors should note the scope and limitations of that report. This report is given solely for the benefit of the company in connection with the issue of the Prospectus.

7.2 Unaudited Historical and Pro Forma Historical Statements of Financial position

			Minimum Subscription		Maximum Subscription	
	Note	Historical as at 31 December 2016	Pro forma adjustments	Pro forma Historical as at 31 December 2016	Pro forma Adjustments	Pro forma Historical as at 31 December 2016
CURRENT ASSETS						
Cash	2,3	106,274	10,001,043	10,107,317	13,521,110	13,627,384
Trade and other receivables	2,3	67,845	20,241	88,086	20,465	88,310
Total Current Assets		174,119	10,021,284	10,195,403	13,541,575	13,715,694
NON-CURRENT ASSETS						
Property, plant and equipment		60,412	-	60,412	-	60,412
Exploration and evaluation		22,851,800	-	22,851,800	-	22,851,800
Other assets		84,003	-	84,003	-	84,003
Total Non-Current Assets		22,996,215	-	22,996,215	-	22,996,215
TOTAL ASSETS		23,170,334	10,021,284	33,191,618	13,541,575	36,711,909
CURRENT LIABILITIES						
Trade and other payables		217,157	-	217,157	-	217,157
Provisions		836,899	-	836,899	-	836,899
Loans - related body corporate	1	24,280,952	(24,280,952)	-	(24,280,952)	-
Total Current Liabilities		25,335,008	(24,280,952)	1,054,056	(24,280,952)	1,054,056
TOTAL LIABILITIES		25,335,008	(24,280,952)	1,054,056	(24,280,952)	1,054,056
NET ASSETS/ (LIABILITIES)		(2,164,674)	34,302,236	32,137,562	37,822,527	35,657,853
EQUITY						
Issued capital	1,2,3	1	28,991,757	28,991,758	32,487,480	32,487,481
Other contributed equity	1	-	5,705,441	5,705,441	5,705,441	5,705,441
Share based payments reserves	4	-	76,251	76,251	76,251	76,251
Accumulated losses	2,3,4	(2,164,675)	(471,213)	(2,635,888)	(446,645)	(2,611,320)
TOTAL EQUITY		(2,164,674)	34,302,236	32,137,562	37,822,527	35,657,853

Pro forma transactions

The unaudited Pro Forma Historical Statements of Financial Position as at 31 December 2016 have been included for illustrative purposes to reflect the financial position of Nusantara on the basis that Nusantara has issued the number of shares subject to this Prospectus on 31 December 2016:

1. **Debt for equity conversion (Minimum and Maximum Subscription)**
   The issue of 58,969,875 new shares to settle loans payable to related body corporates totalling US$24,280,952. The fair value of the shares issued is determined with reference to the IPO price of A$0.42. As the fair value of shares provided as consideration of A$24,767,348 (US$18,575,511) is less than the balance of the loan, the difference of US$5,705,441 has been recognised as other contributed equity.

2. **Net proceeds (Minimum Subscription)**
   The issue of 35.7 million Shares at A$0.42 per Share totaling A$15.0 million (US$11,250,000) to investors participating in the Offer on the basis of a Minimum Subscription. The estimated costs of the offer are A$1,638,288 including GST (US$1,228,716) of which A$1,111,672 (US$833,754) has been recognised as a deduction to issued capital with A$526,616 (US$394,962) recognised in accumulated losses. The estimated recoverable GST charged on the invoices associated with these costs has been recognised as a GST receivable in Other Receivables.

3. **Net proceeds (Maximum Subscription)**
   The issue of 47.6 million Shares at A$0.42 per Share totaling A$20.0 million (US$15,000,000) to investors participating in the Offer on the basis of a Maximum Subscription. The estimated costs of the offer are A$1,944,567 including GST (US$1,458,425) of which A$1,450,707 (US$1,088,030) has been recognised as a deduction to issued capital with A$493,860 (US$370,394) recognised in accumulated losses. The estimated recoverable GST charged on the invoices associated with these costs has been recognised as a GST receivable in Other Receivables.

4. **Option Issue (Minimum and Maximum Subscription)**
   The issue of 472,000 options granted at the time of the IPO to executives for services provided. A$101,667 (US$76,251) has been recorded in the share based payments reserve, with a corresponding charge to retained earnings. The options will be exercisable at the Listing Price and have an expiry date 3 years from the quotation of Nusantara shares on ASX. Other general terms associated with the options are set out in **section 11.13.3.**

7.3 Basis of preparation of the Financial Information

7.3.1 Basis of preparation

The Financial Information has been prepared in connection with the Offer. The unaudited Pro Forma Historical Statements of Financial Position as at 31 December 2016 have been included for illustrative purposes to reflect the consolidated financial position of Nusantara (the Company) and its controlled entities (the Group) on the basis that Nusantara completed the transactions outlined in this Prospectus as at 31 December 2016. The presentation currency for the Group is US dollars. The directors of the Company are responsible for the preparation and presentation of the Financial Information.

The Historical Financial Information has been extracted from the general purpose financial statements of Nusantara for the year ended 31 December 2016, which was audited by Ernst & Young in accordance with Australian Auditing Standards. Ernst & Young issued an unqualified audit opinion, with an emphasis of matter comment on a material uncertainty related to going concern on these financial statements.

The Historical Financial Information has been prepared in accordance with the recognition and measurement principles contained in Australian Accounting Standards (AAS) issued by the Australian Accounting Standards Board (AASB). The Group on listing will need to transition to full general purpose financial statements which will require the application of AASB 1 First-time Adoption of Australian Accounting Standards. As the Group currently applies the recognition and measurement requirements of AAS no adjustments are expected to apply on transition.

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information of Nusantara, and adjusted for the effects of pro forma transactions described in **section 7.2** of the Prospectus. For the purposes of the pro forma transactions a US$/A$ exchange rate of 0.75 has been assumed.

The Pro Forma Historical Financial Information has been prepared in accordance with the recognition and measurement principles contained in AAS other than it includes adjustments prepared in a manner consistent with AAS that reflect the impact of certain transactions as if they had occurred as at 31 December 2016.

Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position.

7.3.2 Going concern

The Financial Information has been prepared on a going concern basis, which assumes continuity of the Group's normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. The Group had a historical consolidated net current liability position (pre-Offer) of $25,160,889 (current assets of $174,119 and current liabilities of $25,335,008) and a historical consolidated net liability position of $2,164,674 as at 31 December 2016. The historical consolidated net current liability position arises as a result of the Group's related party loans being classified as current liabilities which are repayable on demand.

The directors of the Company believe that the current cash resources will not be sufficient to fund planned transactions aimed to provide existing and new shareholders with the execution of the Group's principal activities and working capital requirements without raising additional capital. Following completion of the Offer, the Group expects to be in a pro forma historical net current assets position of $9,141,347 based on a Minimum Subscription and a pro forma historical net current assets position of $12,661,638 based on a Maximum Subscription with pro forma historical net assets of $32,137,562 and $35,657,853 respectively as reflected in the Pro Forma Historical Statements of Financial Position as at 31 December 2016. The directors expect that these funds will be sufficient to allow for exploration and evaluation of the Group's tenements and to provide the necessary working capital for its current plans. The Group will also look to complete future equity offerings in order to raise additional capital as the business progresses.

Should the Group be unable to raise sufficient capital under the Prospectus, there is a material uncertainty whether the Group will be able to continue as a going concern and therefore, whether it will be able to pay its debts as and when they become due and payable and to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the Historical and Pro Forma Historical Statements of Financial Position. The Historical and Pro Forma Historical Statements of Financial Position do not include adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

7.4 Significant accounting policies

The Financial Information set out in this section should be read in conjunction with the accounting policies and notes included within the historical financial statements of Nusantara for the period ended 31 December 2016 included in **Appendix 1**. The historical financial statements were prepared as a general purpose financial report which has been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements. In accordance with the Corporations Act Nusantara will be a Disclosing Entity once listed and will no longer qualify for these reduced disclosure requirements. No material change arises for the accounting policies applied to the historical financial statements, with the additional accounting policies adopted in the preparation of this Financial Information are presented below and have been consistently applied.

a. Operating Segments

The Company is organised into one operating segment, being the exploration, evaluation and development of gold resources in Indonesia. This is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the chief operating decision makers) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The operating segment information is the same information as provided throughout the Financial Information and therefore not duplicated.

b. Related party disclosures

Additional related party disclosures required as a disclosing entity are set out in **section 5** of this Prospectus.

Awak Mas core shed.

08 INDEPENDENT LIMITED ASSURANCE REPORT

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

15 June 2017

The Board of Directors
Nusantara Resources Limited
Level 2, 175 Flinders Lane
Melbourne VIC 3000

Dear Directors

INDEPENDENT LIMITED ASSURANCE REPORT ON HISTORICAL FINANCIAL INFORMATION AND PRO FORMA HISTORICAL FINANCIAL INFORMATION

1. Introduction

We have been engaged by Nusantara Resources Limited ('NUS' or the 'Company') to report on the historical financial information and pro forma historical financial information for inclusion in the prospectus ("Prospectus") to be dated on or about 15 June 2017, and to be issued by NUS, in respect of the initial offering of 47,619,048 new shares at an offer price of A$0.42 to raise a minimum subscription of 35,714,286 of new shares (to raise A$15,000,000 before costs and up to A$20,000,000 before costs) ('the Offer').

Expressions and terms defined in the Prospectus have the same meaning in this report.

2. Scope

Historical Financial Information

You have requested Ernst & Young to review the historical financial information of NUS comprising the historical statement of financial position as at 31 December 2016 as set out in Section 7.2 of the Prospectus (Hereafter 'the Historical Financial Information').

The Historical Financial Information has been extracted from the general purpose financial statements of NUS for the year ended 31 December 2016, which were audited by Ernst & Young in accordance with Australian Auditing Standards. Ernst & Young issued an unqualified audit opinion, with comment on a material uncertainty related to going concern, on these financial statements.

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards ('AAS') issued by the Australian Accounting Standards Board.

Pro Forma Historical Financial Information

You have requested Ernst & Young to review the following pro forma historical financial information of NUS:

- the pro forma historical statement of financial position as at 31 December 2016 on the basis of a minimum subscription of A$15,000,000 as set out in Section 7.2 of the Prospectus; and
- the pro forma historical statement of financial position as at 31 December 2016 on the basis of a maximum subscription of A$20,000,000 as set out in Section 7.2 of the Prospectus

(Hereafter the 'Pro Forma Historical Financial Information').

The Historical Financial Information and Pro Forma Historical Financial Information are collectively referred to as the Financial Information.

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information of NUS, and adjusted for the effects of pro forma adjustments described in Section 7.3 of the Prospectus.

The stated basis of preparation used in the preparation of the Pro Forma Historical Financial Information is in accordance with the recognition and measurement principles contained in AAS other than that it includes adjustments which have been prepared in a manner consistent with AAS that reflect the impact of certain transactions as if they occurred as at 31 December 2016.

Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position.

The Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by AAS and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

3. Directors' Responsibility

The directors of NUS are responsible for the preparation and presentation of the Historical Financial Information and Pro Forma Historical Financial Information, including the basis of preparation, selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Historical Financial Information and Pro Forma Historical Financial Information that are free from material misstatement, whether due to fraud or error.

4. Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information and Pro Forma Historical Financial Information based on the procedures performed and the evidence we have obtained.

We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other limited assurance procedures.

A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the Financial Information.

5. Conclusions

Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information comprising of the historical statement of financial position of NUS as at 31 December 2016 as set out in Section 7.2 of the Prospectus is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 7.3.1 of the Prospectus.

Pro Forma Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information comprising:

- the pro forma historical statement of financial position of NUS as at 31 December 2016 on the basis of a minimum subscription of $15,000,000 as set out in Section 7.2 of the Prospectus; and
- the pro forma historical statement of financial position of NUS as at 31 December 2016 on the basis of a maximum subscription of $20,000,000 as set out in Section 7.2 of the Prospectus

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 7.3.1 of the Prospectus.

Material Uncertainty Related to Going Concern

Without qualification to the limited assurance conclusion expressed above, attention is drawn to the following matter. As disclosed in Section 7.3.2 to the Prospectus, if the capital raising contemplated in the Prospectus is unsuccessful, there is material uncertainty whether the Company will be able to continue as a going concern and therefore whether it will be able to pay its debts as and when they become due and payable and realise its assets and extinguish its liabilities in the normal course of operations and at the amounts stated in the historical and pro forma historical statements of financial position. The historical and pro forma historical statements of financial position do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

6. Restriction on Use

Without modifying our conclusions, we draw attention to Section 7.3 of the Prospectus which describes the purpose of the Financial Information. As a result, the Financial Information may not be suitable for use for another purpose.

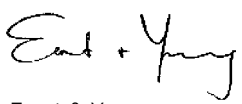
7. Consent

Ernst & Young has consented to the inclusion of this limited assurance report in the Prospectus in the form and context in which it is included.

8. Independence or Disclosure of Interest

Ernst & Young does not have any interests in the outcome of this Offer other than in the preparation of this report for which normal professional fees will be received.

Yours faithfully



Ernst & Young

09 INDONESIAN SOLICITOR'S REPORT
ON MINING TENEMENTS

Soemadipradja & Taher

Ref. No : 7011.008/MK/NM-fbl
30 May 2017

The Directors
Nusantara Resources Ltd
Level 2, 175-177 Flinders Lane
Melbourne VIC 3000 Australia

Dear Sirs,

INDONESIAN SOLICITOR'S REPORT ON INDONESIAN MINING INTERESTS

This report (**Report**) on mining interests has been prepared for inclusion in a prospectus (**Prospectus**), which is targeted to be lodged by Nusantara Resources Ltd (Australian Company Number (**ACN**) 150791290) (**Nusantara**) on or about July 2017 with the Australian Securities Exchange.

Introduction

We were requested by Nusantara to prepare this Report on Nusantara's interest in a gold mining project in Sulawesi, Indonesia known as the Awak Mas gold mining project (**Awak Mas Project**). Since this Report has been prepared solely from an Indonesian law perspective, we have only reviewed Indonesian law documents relevant to Nusantara's indirect interest in the Awak Mas Project.

The Awak Mas Project comprises an Indonesian foreign investment limited liability (**PMA**) mining company, named PT Masmindo DWI Area (**Masmindo**), and a gold mining Contract of Work (**CoW**) signed in 1998 by Masmindo and the Indonesian Government (represented by the Ministry of Energy and Mineral Resources, **MEMR**) (**Masmindo CoW**) under the old Indonesian legal regime on mining (that is, Law 11 of 1967 on Basic Provisions of Mining and its implementing regulations (**1967 Mining Law**)).

In accordance with the 1967 Mining Law, a CoW is an agreement between the Indonesian Government and a PMA company, as contractor, to carry out all mining activity periods, which include general survey, exploration, exploitation, processing and refining and sale of the relevant minerals in the area covered by the CoW. The original intention behind the CoW regime was to create an attractive 'fixed' set of contractual provisions that would not fluctuate with the changes in law and circumstances, particularly in respect of taxes, royalties, permitted mining area , share divestment obligations, term and dispute resolution process.

The 1967 Mining Law was replaced by Law 4 of 2009 on Minerals and Coal (**2009 Mining Law**) which sets out a new legal regime in which, among other matters, CoWs are to be eventually phased out. The 2009 Mining Law recognises existing CoWs (including the Masmindo CoW) such that they will continue to be honoured by the Indonesian Government until their expiry. However, within one year of the 2009 Mining Law, CoWs had to be 'adjusted' to be compliant with the 2009 Mining Law. (See appendix 1.2.3 for further information on the transition for CoWs under the 2009 Mining Law).

The Masmindo CoW is in fact a legally binding contract which has the status under the Indonesian Civil Code as the "law between the contracting parties". As such, there is a good legal argument that neither the Indonesian Government nor Masmindo can unilaterally change the Masmindo CoW's provisions without the other party having the right to challenge such unilateral action by invoking the dispute resolution provisions that could ultimately result in international conciliation or arbitration proceedings (see section 1.1.7 for further information on the dispute settlement mechanism under the Masmindo CoW).

Please refer to section 1.1 for a summary of the Masmindo CoW, appendix 1.2.3 for further information on the transition under the 2009 Mining Law for CoWs, and appendix 1.5 for general information on PMA companies.

The Masmindo CoW like all CoWs, is administered by the Directorate General of Minerals and Coal (**DGMC**), which is under MEMR's authority. (The Indonesian Government, MEMR and DGMC together, **Mining Authority.**)

This Report is based on our review of documents and information received by us up to 22 May 2017 (**Effective Date**). The limited litigation searches are only valid for the dates and periods set out in section 3.1. No update of any other information contained in this Report has been conducted since the Effective Date.

We have been advised that:

- One Asia Resources Ltd (ACN 150653982) owns 100% of Nusantara;
- Nusantara owns 100% of Vista Gold (Barbados) Corp (**Vista**);
- Vista owns 100% of Salu Siwa Pty Ltd (ACN 80538709) (**Salu Siwa**); and
- Vista and Salu Siwa together own Masmindo, with Vista owning 1% and Salu Siwa owning 99%,

(together, **Ownership Structure**).

We have only verified Vista and Salu Siwa's ownership of Masmindo, Masmindo being the only Indonesian company in the Ownership Structure.

On 19 February 1998, Masmindo and the Mining Authority entered into the Masmindo CoW, which has a term of 30 years commencing upon the start of commercial mining operations (**Operating Period**). The Masmindo CoW and the Ownership Structure form the basis for Nusantara's interest in the Awak Mas Project.

The Masmindo CoW provides that Masmindo is 99% owned by Salu Siwa and that 1% is owned by Lone Star Exploration NL (**Lone Star**). Masmindo's records indicate that following the change of Lone Star's name in 2004 to Organic Resource Technology Limited (**Organic**), in 2006 Organic's 1 % interest in Masmindo was transferred to Vista.

This Report is strictly limited to the matters stated in it, and does not extend by implication to any other matter. This Report does not comment on the value of Nusantara or Masmindo's assets or concern any accounting, financial or tax aspects of Nusantara or Masmindo's operations or commercial agreements (except when limited references are made to Masmindo's deadrent obligations).

Report structure

This Report is divided into the following summaries and opinions, and appendices, which are each integral to this Report and should therefore be read together:

SUMMARIES AND OPINIONS

1. *The Masmindo CoW*
   1.1. Summary, and opinion on the validity, of the Masmindo CoW
   1.2. Summary of, and opinion on Masmindo's compliance with, Masmindo's materia obligations under the Masmindo CoW
   1.3. Summary of Masmindo's potential future obligations under negotiated amendments of the Masmindo CoW
2. *Summary of, and opinion on, Masmindo's compliance with its material corporate and other statutory requirements*
   2.1. Masmindo corporate establishment and shareholdings
   2.2. Boards of Directors and Commissioners
   2.3. Other statutory requirements
   2.4. Opinion on Masmindo ' s compliance with its material corporate and other requirements
3. *Litigation searches*
   3.1. Summary of litigation searches
   3.2. Opinion on litigation searches

APPENDICES

1. *Brief overview of Indonesian legal system and legal framework for mining (including CoW companies)*
   1.1. Indonesian legal system
   1.2. Mining legal framework
   1.3. Forestry and environmental legal framework
   1.4. The application of any indigenous land rights
   1.5. Foreign investment framework
2. *Overview of the main legal risks associated with mining operations in Indonesia*
3. *Interpretation, assumptions and qualifications*
   3.1. Interpretation
   3.2. Assumptions
   3.3. Qualifications

This Report does not consider the law of any jurisdiction outside of Indonesia and is subject to the assumptions and qualifications set out in appendices 3.2 and 3.3.

In order to prepare this Report, we were given access to copies of the following documents:

- the Masmindo CoW and related correspondence provided to us by Masmindo;
- various documents, permits and items of correspondence between the authorities (including central, local as well as the Mining Authority) and Masmindo in relation to the Masmindo CoW, and environment and forestry matters (together, **Authority Documents**); and
- various documents, permits and items of correspondence concerning Masmindo regarding its corporate establishment and ongoing requirements (**Corporate Documents**).

Local government authorities have the power to pass regional regulations that may be relevant to mining projects, such as the Awak Mas Project. However, such regulations must be consistent with central government laws and regulations. For the purposes of this Report, we have only reviewed central government laws and regulations.

In addition to the above, we also obtained additional written and verbal information in relation to the Masmindo CoW and Masmindo from Adrian Rollke (in his capacity as Director of Masmindo) and Pak Boyke Poerbaya Abidin (in his capacity as President Director of Masmindo), including a President Director's Certificate in which Pak Boyke certifies certain information about the Masmindo CoW and Masmindo (such additional written and verbal information, together **Supplementary Information**).

We have assumed in this Report that the Supplementary Information is true, accurate, complete and current as at the Effective Date. In preparing this Report we have not found any information that contradicts the Supplementary Information.

Our reference to Indonesian law is limited to published and available laws, regulations, decrees and other directives of the Indonesian central government as at the Effective Date.

References to sections and appendices are references to sections and appendices in this Report.

Yours faithfully,
SOEMADIPRADJA & TAHER

Mochamad Kasmali , S.H., LL.M.
Partner

Summaries and opinions

1. The Masmindo CoW

1.1. Summary, and opinion on the validity, of the Masmindo CoW

1.1.1. Masmindo CoW overview

The Masmindo CoW contemplates Masmindo, as contractor, completing mining activity periods, which include general survey, exploration, feasibility study, construction and operation in the area covered by the Masmindo CoW (**CoW Area**).

The Masmindo CoW contains various obligations that must be satisfied by Masmindo. Please refer to section 1.2 for more information on, including the potential consequences of failing to comply with, these obligations.

The Masmindo CoW is governed, construed and interpreted under Indonesian law.

1.1.2. Masmindo's rights under the Masmindo CoW

Masmindo has an exclusive right, subject to the Masmindo CoW's terms and prevailing laws and regulations (insofar as they are consistent), to:

a. explore for certain minerals within the CoW Area;
b. mine any mineral deposit found in the CoW Area;
c. process, store and transport by any means the extracted minerals;
d. market, sell or dispose of all the products of such mining and processing, inside and outside Indonesia; and
e. perform all other connected operations and activities which may be necessary or convenient.

The Masmindo CoW also gives Masmindo a range of rights, including, subject to the relevant authority's approval (where required), to:

a. enter upon and remain within the CoW Area, including any area identified by Masmindo for mining within the CoW Area (**Mining Area**), for the purposes of the Masmindo CoW, to make drill holes, test pits and excavations, and to take and remove, without royalty or other charge, samples for assays and for metallurgical, pilot plant and laboratory research purposes, including bulk samples for such purposes, subject to paying any export royalties;
b. construct facilities as it deems necessary;
c. take and use from the CoW Area such timber (for construction purposes), soil, stone, sand, gravel, lime, water, other products and materials as are necessary for or are to be used by Masmindo;
d. clear away and remove such timber, overburden and other obstructions as may be necessary or desirable for the mining, construction of facilities and any other operations of Masmindo under the Masmindo CoW;
e. take and use any such products and materials from other areas outside the CoW Area subject to other parties' rights; and
f. request the Mining Authority's cooperation to alleviate interference arising from third parties operating with conflicting rights.

1.1.3. Mining Authority's rights under the Masmindo CoW

The Mining Authority reserves the right to withhold its approval of plans and designs relating to construction, operation, expansion, modification and replacement of Masmindo's facilities in the CoW Area, which may:

a. disproportionately and unreasonably damage the surrounding environment or limit its further development potential;
b. significantly disrupt local 'socio-political stability'; or
c. be adverse to national security interests.

The Mining Authority may also access the CoW Area to inspect Masmindo's operations at any time.

1.1.4. Masmindo CoW activity periods

The Masmindo CoW provides timelines as to when each of the general survey, exploration, feasibility study, construction and operation periods must be completed. However, extensions may be obtained, in the Mining Authority's discretion.

Following completion of its general survey phase, Masmindo commenced its exploration phase on 19 February 1999.

The Awak Mas Project is currently at the end of the feasibility study period, which commenced on 19 February 2008 (following the end of the exploration period). Masmindo was granted four feasibility study period extensions and, in 2016, the Mining Authority granted Masmindo a suspension of its feasibility study activities (**Suspension**), which could be lifted when Masmindo submitted its AMDAL Approval (as defined below), being the remaining requirement to complete the feasibility study.

The feasibility study consists of the technical and economic aspects of the Awak Mas Project, which were approved by the Mining Authority in 2015, and the environmental aspects, which were recently satisfied on 12 April 2017, when Masmindo obtained:

a. approval of its Environmental Impact Analysis (*Analisis Mengenai Dampak Lingkungan*, **AMDAL**) which was granted by the Governor of South Sulawesi by a Decree on Masmindo's Environmental Feasibility for a Gold Mining, Processing and Refining Plan within the Latimojong District, Luwu Regency (**AMDAL Approval**); and
b. an environmental licence, which was granted by the Governor of Sulawesi by a Decree on Masmindo's Gold Mining, Processing and Refining Plan within the Latimojong District, Luwu Regency (**Environmental Licence**).

Please refer to appendix 1.3.2 for more information on the necessary environmental documents that must be held by a mining company (including an AMDAL and an Environmental Licence).

On 2 May 2017, Masmindo submitted the AMDAL Approval and Environmental Licence to the Mining Authority, with a request to lift the Suspension to enable Masmindo to continue to the next stage of activities, being construction. The Mining Authority responded on 17 May 2017 by approving Masmindo's final feasibility study (that is, the technical, economic and environmental aspects) and directing Masmindo to immediately apply for approval to move into the construction stage by submitting various documents including a work plan and budget for the proposed construction activities (**Construction Application**).

The Masmindo CoW states that at any time during the feasibility study period Masmindo may apply in writing to the Mining Authority to proceed with the construction of a mine and facilities to be used by Masmindo in its operations (that is, for Masmindo to submit a Construction Application). The Mining Authority will then have three months to approve the Construction Application.

Following receipt of Mining Authority approval of the Construction Application, Masmindo must then complete the design of the mine and facilities and submit the design for approval to the Mining Authority, together with cost estimates and a schedule for the facilities' construction (**Design Application**), which schedule must be, to the extent economically and practically feasible, no longer than 36 months after the Design Application is approved. The Design Application must be approved within three months of it being submitted.

If the Mining Authority does not approve the Design Application, the Mining Authority and Masmindo must consult in good faith in an attempt to resolve the cause for disapproval. Within 3 months after notification of disapproval, if there has been no such resolution, either party may pursue dispute resolution under the terms of the Masmindo CoW. Please refer to appendix 1.1.7 for more information on dispute resolution.

If construction is not completed within the agreed schedule, Masmindo may seek Mining Authority approval to extend this schedule. Upon completion of the construction of the facilities, Masmindo must commence operation of the mine or part thereof for which such facilities have been constructed, although this will not mark the commencement of the Operating Period.

Under the provisions of the Masmindo CoW, the Operating Period for the Mining Area will:

a. commence on the first day of the calendar month following the first calendar month during which the average daily production throughput is at least 70% of the design capacity of the facilities constructed for the purpose of mining the deposit or deposits in the Mining Area (**Production Target Date**), but not later than 6 months after the date of completion of such facilities (**Facility Completion Date**); and
b. continue for 30 years (beginning at the commencement of either the Production Target Date or 6 months after the Facility Completion Date, whichever is the earlier), or such longer period as the Mining Authority may approve upon Masmindo's written application.

However, according to a Memorandum of Understanding signed by Masmindo and the Mining Authority on 17 October 2014 (**Masmindo MoU**), and indications in the current legislative regime, there is an expectation that Masmindo, in its capacity as a CoW holder, will commence a local divestment program after the Operating Period's 5th year.

Please refer to sections 1.3.2 and 1.3.3 for more information on the divestment provisions under the Masmindo MoU that would require Masmindo to divest at least 40% of the total issued capital to local investors by the end of the Operating Period's 10th year, and to appendix 1.2.4 for information on the current legislative regime that may require Masmindo to, between the ends of the Operating Period's 5th and 10th years, progressively and locally divest a minimum of 51% of Masmindo's total issued capital.

The Masmindo CoW states that the Operating Period must commence no more than 8 years after the commencement of the general survey period allowed for the whole CoW Area (or such longer period as may result from extensions granted by the Mining Authority for the completion of periods succeeding the general survey period under the Masmindo CoW).

The Mining Authority appears to have waived this obligation, by providing for the suspension of the feasibility study period in its discretion.

(Please see appendix 1.2.3 for information on the latest 2017 regulations on mining licences and the obligation on CoW and CCoW companies to change their activity periods set out in their CoW or Coal Contract of Work (**CCoW**).)

1.1.5. CoW Area and other areas

Under the Masmindo CoW, Masmindo was permitted to engage in gold mining in the Enrekang, Sidrap, Luwu and Wajo Regencies of South Sulawesi. The CoW Area initially covered 83,440 hectares (**Ha**) (**Initial CoW Area**).

In 1999, the CoW Area was increased to 119,700 Ha, at which time Masmindo commenced its exploration period, which was limited to 36 months, subject to extensions. Masmindo's exploration period was extended twice, ending on 18 February 2008.

Under the Masmindo CoW, Masmindo was required to relinquish part of the CoW Area. The first relinquishment occurred in 2000, when the CoW Area was reduced to 89,650 Ha.

During its feasibility study period in 2009, Masmindo further reduced the CoW Area so that it is now 14,390 hectares and located in Luwu Regency only.

Masmindo may identify Mining Areas from within the CoW Area and areas outside the Mining Areas, for the purposes of processing, refining and other infrastructure (**Project Areas**).

1.1.6. DGMC map

We reviewed an official map dated 17 April 2017, which was prepared by DGMC (**DGMC Map**). The DGMC Map shows areas where mining activities are taking place and which mining companies have rights to such areas. The DGMC Map refers to a 16 December 2014 MEMR Decree, which states that Masmindo has a CoW Area of 14,390 Ha, located wholly within Luwu Regency. The DGMC Map also indicates that some of the land within the Masmindo CoW Area is located within the following types of forest:

a. protection forest;
b. permanent production forest;
c. limited production forest; and
d. areas used for other `non-forestry ' purposes (*Area Penggunaan Lain*, **APL**).

According to the Supplementary Information:

a. 0.14% of Masmindo 's CoW Area is in protection forest , 8.31% is in permanent production forest, 14.45% is in limited production forest, while the vast majority of 77. 10% is in APL land; and
b. Masmindo has only conducted activities in APL land within its CoW Area.

For further information on forest areas and APL land, please see appendix 1.3.1.

Importantly, the DGMC Map shows that no mining concessions overlap with, although several mining concessions do border, the CoW Area.

We did not conduct a site survey of the CoW Area or any land searches at the Regional or National Land Offices. Our comments on the CoW Area in this section are based solely on the DGMC Map and the Supplementary Information. We therefore cannot comment on whether any non-mining rights holders, such as plantation or oil & gas companies, are located within the CoW Area. According to the Supplementary Information, Masmindo is not aware of the presence of any such non-mining rights holders within the CoW Area.

1.1.7. Default, dispute resolution and termination

The Mining Authority must notify Masmindo in writing if Masmindo is in non-payment default of the Masmindo CoW. Masmindo will have up to 90 days after receipt of such notice to remedy such default, failing which the Mining Authority may terminate the Masmindo CoW.

If Masmindo is in payment default of the Masmindo CoW, Masmindo will only have up to 30 days after receipt of the Mining Authority's written notice to remedy such default, failing which the penalty will be a punitive interest charge on the amount in default from the date payment was due.

Masmindo will not be deemed to be in default while there remains a dispute concerning the default (whether a non-payment or payment default is claimed).

Masmindo and the Mining Authority agree disputes will be amicably settled by conciliation or, failing which, arbitration, which respectively must take place in accordance with either the UNCITRAL Conciliation or Arbitration Rules.

At any time during the Masmindo CoW's term, if Masmindo assess the mining activities to be unworkable, after having used its best and reasonable endeavours, Masmindo must consult with the Mining Authority and thereafter may submit a written notice to terminate the Masmindo CoW. Upon confirmation from the Mining Authority, the Masmindo CoW will be terminated and Masmindo will be relieved from of its Masmindo CoW obligations.

If termination occurs during the construction period, Masmindo must offer for sale to the Mining Authority all movable and immovable property in the CoW Area. The Mining Authority may buy such property, but only at a fair and reasonable market price within 30 days of such offer. If the Mining Authority does not buy such property, Masmindo may sell, remove or dispose of such property within 12 months after the expiration of the offer and the unremoved or undisposed of property will belong to the Mining Authority.

If termination occurs during the operating period , or upon the Masmindo CoW's expiry, Masmindo must offer for sale to the Mining Authority all movable and immovable property in the CoW Area. The Mining Authority may buy such property , but only at cost or market value, whichever is the lower but such value must not be lower than the depreciated book value, within 30 days of such offer. If the Mining Authority does not buy such property, Masmindo may sell, remove or dispose of such property within 12 months after the offer's expiration and the unremoved or undisposed property will belong to the Mining Authority.

1.1.8. Opinion on the Masmindo CoW's validity

On the basis of our review of the Masmindo CoW, Authority Documents and Supplementary Information, and subject to our assumptions and qualifications in this Report:

a. the Masmindo CoW is valid and has not been terminated by the Mining Authority and we have not sighted any Authority Documents to indicate any intention of the Mining Authority to warn or threaten Masmindo or to terminate the Masmindo CoW due to any breach of the Masmindo CoW by Masmindo;
b. the exploration period extension approvals, which were issued by the Director General of Minerals Coal and Geothermal (as the position was then called), appear to be in order;
c. the feasibility study period extension approvals and suspension, which were issued by the Director General of Minerals Coal and Geothermal (as the relevant Mining Authority was then called), appear to be in order;
d. the Mining Authority has approved Masmindo's technical, economic and environmental feasibility study for the Awak Mas Project, so Masmindo has ended the feasibility study period under the Masmindo CoW; and
e. Masmindo is now able to apply to the Mining Authority to move into the construction stage upon submission of certain documents, including a work plan and budget for Masmindo's construction stage.

1.2. Summary of, and opinion on Masmindo's compliance with, Masmindo's material obligations under the Masmindo CoW

Masmindo must satisfy all of its obligations under the Masmindo CoW. Any failure by Masmindo to comply with these could result in a range of sanctions from warnings and orders, up to the ultimate sanction of termination. Masmindo's compliance with its material obligations under the Masmindo CoW is considered below:

1.2.1. Pre-feasibility study period

Based on the Authority Documents and Supplementary Information, Masmindo complied with all of its material obligations during the general survey and exploration periods, including by paying the required security deposit during the general survey period, submitting certain technical data after the exploration period's end, and complying with each of the obligations considered below (which apply with respect to the feasibility study period).

1.22 Relinquishment of CoW Area during the Feasibility Study Period

Masmindo is required to relinquish on or before the end of the feasibility study period to an area not more than 25 % of the Initial CoW Area, which must in any case be no more than 62,500 hectares.

In March 2009, Masmindo so relinquished , resulting in the CoW Area being reduced by 75,260 Ha to 14,390 Ha (ie 17% of the Initial CoW Area). The Masmindo CoW area is therefore no longer subject to relinquishment requirements.

1.2.3. Deadrent during the feasibility study period

Masmindo must make deadrent payments , which are calculated by reference to the CoW Area on 1 January and 1 July each year, to the Mining Authority. These payments must be made in advance within 30 days of their calculation date.

We have sighted documents evidencing Masmindo having made deadrent payments up to and including the first half of 2017. Accordingly, Masmindo has satisfied its obligation under the Masmindo CoW to make deadrent payments up to end June 2017.

1.2.4. Annual work plan and budget during the feasibility study period

The Masmindo CoW provides that no later than 6 weeks before the end of Masmindo's fiscal year, Masmindo must submit an annual work plan and budget for the following year. The work plan and budget must be submitted together with documents sufficient to permit the Mining Authority to determine whether Masmindo is complying with its obligations under the Masmindo CoW.

Masmindo has complied with its work plan and budget obligations, having obtained work plan and budget approvals, with the latest approval being granted on 10 April 2017 for the 2017 financial year. The 2017 work plan and budget contemplates Masmindo obtaining the Environmental Licence (which was granted to Masmindo on 12 April 2017) and applying to commence the construction period in the second half of 2017. For more information on environmental licences see appendix 1.3.2.

1.2.5. Quarterly progress reports during the feasibility study period

The Masmindo CoW provides that Masmindo must submit to the Mining Authority quarterly progress reports , which must include comprehensive data on Masmindo and activities subject to the Masmindo CoW, within 30 days after the end of each quarter.

We have sighted quarterly progress reports for each quarter up to and including the 1st quarter of 2017, together with their Mining Authority submission receipts. Masmindo is therefore currently in compliance with its obligation to submit quarterly reports.

1.2.6. Local business development during the feasibility study period

The Masmindo CoW provides that Masmindo must:

a. comply with minimum local content requirements, including by making maximum use of locally registered Indonesian subcontractors , where services are available from such subcontractors , at reasonably competitive prices and to standards comparable to those obtainable from elsewhere whether inside or outside Indonesia;
b. insofar as it is practicable, give priority, in its local business development activities , to landowners in and other people originating from the area in which the mining activities are completed;
c. at the commencement of the feasibility study period, for so long as is reasonably necessary, appoint full time a staff member with experience in Indonesia of the establishment, control , and day-to day-running of enterprises controlled and run by Indonesians;
d. prepare a business development program for the development of Indonesian businesses and enterprises associated with or incidental to mining activities and submit this to the Mining Authority as part of the feasibility study report; and
e. consult from time to time with Mining Authority representatives, and furnish the Mining Authority at quarterly intervals with reports concerning the implementation of the training and employment aspects of the business development program (considered at e. above), and local business development efforts more generally.

According to the Supplementary Information, Masmindo has complied and will comply with the above requirements, to the extent it has been and will be reasonably able to do so. We are not aware of any communications between the Mining Authority and Masmindo that would lead us to believe otherwise.

1.2.7. Masmindo's land holdings

According to the Supplementary Information, Masmindo constructed a camp for its activities in 1998 within the CoW Area (**Camp**), following payment of compensation to users of the land on which the Camp was constructed (**Camp Land**). Although there is no available documentation for the Camp indicating that Masmindo has any title to the Camp Land, we understand from the Authority Documents and Supplementary Information that it is unlikely any issues will arise to challenge Masmindo's right to occupy the Camp, given that:

a. initially, Masmindo paid compensation to the users of the land (even though such users had no title to the land);
b. the Camp was built on APL land (see appendix 1.3.1 for further information on APL land) approximately 19 years ago;
c. there have been no approaches by any person to claim rights to the land on which the Camp is located; and
d. this land is recognised by the local community as being Masmindo's property.

1.2.8. Forestry areas within the CoW Area

Based on the DGMC map (considered at section 1.1.6, and the Authority Documents and the Supplementary Information, the Masmindo CoW Area is located in different types of forest , including within protection forest and production forest, as well as 'non-forest' APL land.

As noted in section 1 .1.6 the majority of the Masmindo CoW Area (that is, 77.10%) is within land classified as APL, which does not require any permit to be obtained from MoEF before Masmindo can commence activities over such land , but is subject to Masmindo resolving the claims from any users of such land who indicate they have rights to such land (if any). Such resolution may involve the payment by Masmindo of compensation to such rights holders and the entry into agreements between the relevant parties.

If Masmindo intends to carry out any activities in any production forest areas within its CoW Area, Masmindo would need to obtain a formal permit from MoEF before commencing any such activities.

Please refer to appendix 1.3.1 for details on forestry permits in Indonesia.

According to the Supplementary Information , Masmindo has not conducted any activities in any forestry areas within its CoW Area. Accordingly, Masmindo has not needed to obtain any forestry permits to date, and will not be required to unless and until Masmindo intends to conduct activities within a production forest area within its CoW Area.

1.2.9. Environmental documents and permits

Under Law 39 on Environmental Protection and Management together with its relevant implementing regulations (together, **Environmental Law**), a mining company is required to prepare documents setting out Environmental Management Efforts (**UKL**) and Environmental Monitoring Efforts (**UPL**) in respect of activities that do not require an environmental impact analysis (AMDAL), such as exploration activities . While no specific penalties are imposed on a mining company for failing to prepare UKL/UPL, the relevant mining company and its officers may be vulnerable to third party claims for environmental violations for so long as it has not prepared UKL/UPL or obtained an AMDAL (**Third Party Claims**).

Please refer to appendix 1 .3.2 for further information on environmental requirements.

Masmindo was required to prepare a UKL/UPL in respect of its exploration activities , but did not do so . Conducting exploration activities without a UKLIUPL would weaken Masmindo ' s position should any Third Party Claims be made against Masmindo . However, such third party would be required to prove that the damage and loss suffered were due to Masmindo's failure to prepare UKL/UPL.

According to the Supplementary Information and litigation searches (see section 3.1 for information on the litigation searches), there are no such Third Party Claims.

Masmindo obtained its AMDAL Approval and Environmental Licence on 12 April 2017. Accordingly, Masmindo has complied with the requirements under the Environmental Law to obtain an AMDAL Approval and Environmental Licence before carrying out construction activities.

1.2.10. Opinion on Masmindo's compliance with its material Masmindo CoW obligations

On the basis of our review of the Masmindo CoW, Authority Documents and Supplementary Information, and subject to our assumptions and qualifications in this Report:

a. Masmindo has complied with its material Masmindo CoW obligations; and
b. we have not sighted any Authority Documents to indicate any intention of the Mining Authority to warn or threaten Masmindo or to terminate the Masmindo CoW due to any breach of the Masmindo CoW obligations by Masmindo.

1.3. Summary of Masmindo's potential future obligations under negotiated amendments of the Masmindo CoW

1.3.1. Adjustment of the Masmindo CoW

The Masmindo CoW, and as far as we are aware, no other CoWs, were amended within one year of the 2009 Mining Law. According to recent media reports and Mining Authority press releases, as at the Effective Date, various CoW mining companies have so adjusted their CoWs, but there are also a number of CoW mining companies that have not yet completed their CoW adjustment negotiations, including the Masmindo CoW. Accordingly, negotiations continue between Masmindo and the Mining Authority regarding the amendment of the Masmindo CoW.

1.3.2. The Masmindo MoU

A memorandum of understanding, unless stated to the contrary, is a contract between parties, which binds the parties to certain agreed principles and to act in good faith to realise these agreed principles by entering into a further contract, which will more specifically bind the parties.

The Masmindo MoU provides that neither of its parties waives their rights and obligations under the Masmindo CoW. However, in the Masmindo MoU, Masmindo and the Mining Authority agree to work toward implementing 6 'strategic areas of change' to the Masmindo CoW by further negotiating an amendment agreement to the Masmindo CoW (**6 Strategic Areas**).

We set out below a comparison of the 6 Strategic Areas between the Masmindo CoW and the Masmindo MoU:

	MASMINDO CoW	MASMINDO MoU
1.	The CoW Area is deemed to equal 83,440 Ha.	The CoW Area will be reduced to no more than 14,390 Ha. (We note that this has already occurred).
2.	The Mining Authority will, within a reasonable period prior to the expiration of the operating period (which is limited to 30 years) for any Mining Area, give sympathetic consideration to any Masmindo request to extend the relevant operating period by the maximum period under the 1967 Mining Law (which allow for 2 10-year extensions). For more information on the 1967 Mining Law see appendix 1.2.1.	Within 2 years before the expiration of the Masmindo CoW (ie 2 years before the end of the operating period), Masmindo may apply to the Mining Authority for 1 10-year extension of a period equivalent to an operating period. (The 10-year extension is only `equivalent', since the Masmindo CoW must be converted into a Special Mining Business Licence (IUPK) at the end of the operating period for such extension to be granted. For more information on IUPKs see appendix 1.2.1.)
3.	Deadrent will vary depending on the Masmindo CoW period, as detailed in the Masmindo CoW.	Deadrent will vary depending on the provisions set out in Government Regulation 9 of 2012 on MEMR taxes and its amendments.
4.	• Masmindo must process ore to produce metal or marketable concentrate. • Masmindo will also work towards and assist the Mining Authority in developing downstream metal-processing facilities in Indonesia in relation to smelting, refining and/or metals manufacturing and fabricating if the minerals to be mined by Masmindo are considered sufficient and economically and practically feasible to be done. • In the event that smelting, refining or manufacturing facilities are established in Indonesia by an entity other than Masmindo for further processing of mining products, Masmindo must make the products available to that entity.	Masmindo will carry out processing and refining domestically in accordance with its obligations under the 2009 Mining Law and its implementing regulations. For more information on the domestic processing and refining obligations imposed on mining companies see appendix 1.2.6.
5.	Masmindo must comply with Government Regulation 20 of 1994 on PMA Company Ownership, which requires shareholders of wholly-foreign owned companies to locally divest an unspecified proportion of their shares within 15 years of commencing commercial production.	Masmindo's foreign shareholders must locally divest at a 'fair value' 40%, progressively over 5 years commencing after the 5th year of commercial production, so long as Masmindo: • itself processes dare bullion products with a minimum gold content of 85%; and • refines gold to 99.99% purity domestically. Up to 20% of the required divestment may comprise shares listed on the Indonesia Stock Exchange.
6.	Masmindo must: • prioritise employing local personnel as much as practicable, consistent with 'efficient operations' and subject to prevailing laws and regulations; and • involve local personnel in all mining and management activities, including on its Board of Directors.	Masmindo will prioritise employing local personnel and using domestic goods, as well as using registered `local' and 'national' mining service companies.

1.3.3. Negotiations subsequent to the Masmindo MoU being signed

Since the Masmindo MoU was signed, there have been ongoing negotiations between Masmindo and the Mining Authority regarding what amendments to the Masmindo CoW would be required, in light of the Masmindo MoU. It was conceived that these negotiations would result in a Masmindo CoW amendment agreement (**Masmindo Amendment Agreement**).

In December 2016, the Mining Authority and Masmindo sent each other different versions of a proposed Masmindo Amendment Agreement, however the parties did not agree on any definitive Masmindo Amendment Agreement as a result.

In early 2017, there were indications that the government may consider itself not bound by memoranda of understanding reached with CoW companies, like the Masmindo MoU. Even so, the Masmindo MoU cannot be unilaterally terminated, which means that the negotiation of the Masmindo Amendment Agreement is currently governed by the Masmindo MoU until otherwise agreed by the parties.

A further meeting between the Mining Authority and Masmindo took place on 20 April 2017, to discuss the potential future obligations under negotiated amendments of the Masmindo CoW (**CoW Meeting**). The Supplementary Information indicates that Masmindo sent a letter to the Mining Authority on 26 April 2017 setting out its position in response to various issues raised by the Mining Authority during the CoW Meeting (**Position Letter**). As at the Effective Date, Mining Authority has not responded to the Position Letter. The main points set out in the Position Letter are summarised in the below table.

	POINT DISCUSSED	MASMINDO's POSITION
1.	Divestment of a minimum of 51% shares to local shareholders after 10 years of production.	Masmindo reiterated its current agreed position to divest 40% shares, as reflected in the Masmindo MoU.
2.	Set the price of divestment shares (Divestment Price) at a value that excludes the valuation of mineral reserves from the valuation of the divestment shares.	Masmindo did not agree with such valuation method because it would result in a Divestment Price below the fair market value.
3.	Maintain a prohibition on pledging any shares that must be divested as security for Masmindo's loans.	Masmindo did not agree with the prohibition on pledging divestment shares.
4.	Maintain a prohibition on any dilution of divestment shares acquired by Indonesian parties.	Masmindo did not agree with the prohibition on dilution of divestment shares.
5.	Pay "Regional tax and retribution", "other Non-Tax State Revenue (other ministries)", and "reregistration fee".	Masmindo requested clarification of such amounts in order to better consider the potential impact on the Awak Mas Project's economic feasibility.
6.	Pay corporate taxes and royalties for gold based on the prevailing regulations.	Masmindo has accepted the government's position that Masmindo pay corporate taxes and royalties based on the prevailing regulations.

Masmindo and the Mining Authority continue their ongoing negotiations in relation to how the Masmindo CoW should be adjusted to the provisions of the 2009 Mining Law, by reference to the agreed position under the Masmindo MoU. However it is possible that the Mining Authority may at some time in the future try and force CoW companies (including Masmindo) to sign the Mining Authority's proposed version of its amendments to CoWs regardless of any objections from the CoW holder.

However, as noted in the introduction to this Report, a CoW is a binding contract between the parties and cannot be unilaterally amended. In the case of the Masmindo CoW, any unilateral attempt by the Mining Authority to amend the Masmindo CoW could trigger Masmindo's right to invoke the dispute resolution provisions under the Masmindo CoW, which could result in conciliation or arbitration under UNCITRAL. (Please see section 1.1.7 for information on the dispute resolution provisions under the Masmindo CoW.)

2. Summary of, and opinion on, Masmindo's compliance with its material corporate and other statutory requirements

2.1. Masmindo corporate establishment and shareholdings

Masmindo was established as a PMA company on 10 February 1998 pursuant to Deed 10, dated 10 February 1998 (**Deed 10**), which was approved by Minister of Justice and Human Rights (now known as the Minister of Law and

Human Rights, **MoLHR**) on 16 February 1998. Under Deed 10, Masmindo can conduct mining activities in Indonesia in accordance with a CoW.

Indonesian law requires a minimum of 2 shareholders.

The current shareholders of Masmindo are:

SHAREHOLDER	SHARES	TOTAL NOMINAL VALUE OF ISSUED AND PAID-UP CAPITAL IN UNITED STATES DOLLARS (US$)
Vista Gold 1 (Barbados) Corp.	1	US$100
Salu Siwa Pty Ltd	99	US$9,900

All of the issued shares have been fully paid up.

The total nominal value of the issued and paid-up shares would appear to be low, given that BKPM Regulation 14 of 2015 now requires PMA companies to have a minimum issued and paid-up capital of Rp2.5 billion. Although Masmindo was permitted to be established with the above issued and paid-up capital, it is likely BKPM will require Masmindo to increase its issued and paid-up capital.

Masmindo is aware of this likely BKPM requirement and, according to the Supplementary Information, is in the process of seeking approval from the Mining Authority to convert its current offshore funding into equity, which, if obtained, would be likely to satisfy any BKPM requirement to increase Masmindo's paid-up and issued capital.

2.2. Boards of Directors and Commissioners

The statutory minimum number of directors and commissioners in a PMA company (such as Masmindo) is one director and one commissioner. While directors have the responsibility for the day to day management of the company, the commissioners' role is to supervise and advise the directors.

According to the Corporate Documents, the current composition of Masmindo's Boards of Directors and Commissioners as at the Effective Date is:

Board of Directors

President Director:	Boyke Poerbaya Abidin
Director:	Adrian Reinhart David Rollke
Director:	Craig Kevin Smyth

Board of Commissioners

President Commissioner:	Rob Alan Hogarth
Commissioner:	Martin James Pyle
Commissioner:	Michael John Spreadborough

In order for Masmindo's directors and commissioners to carry out activities as Masmindo representatives, Masmindo requires MEMR approval of any director or commissioner appointment or termination. The Authority Documents show that MEMR approval for the above compositions of the Board of Directors and Board of Commissioners was obtained on 10 May 2017.

2.3. Other statutory requirements

a. Masmindo has aligned its Articles of Association (**AoA**) as required by Law 40 of 2007 on Limited Liability Companies (**Company Law**).
b. Masmindo has a current Certificate of Domicile dated 18 January 2017 that states, among other things, Masmindo's current address. This certificate is valid until 30 November 2017 and is renewable.
c. Masmindo has a current Company Registration Certificate (TDP), which is valid until 13 March 2018 and is renewable.

   Although the TDP we have sighted does not reflect Masmindo's current address, the Supplementary Information indicates that Masmindo is taking steps to update the TDP to reflect Masmindo's current address.

   Pursuant to Minister of Trade (**MoT**) Regulation 37 of 2007 (as amended), failing to update a TDP to, for example, reflect the current address, may result in administrative sanctions.

d. Masmindo has a valid Taxpayer Registration Number (*Nomor Pokok Wajib Pajak*, **NPWP**), registered from 11 February 1998.

e. The Company Law obliges companies carrying out activities in the natural resources and related sectors to meet certain corporate social responsibility (**CSR**) requirements. The CSR implementing regulation provides that CSR activities must be described in a company's annual report and the BoD is responsible for the implementation of these activities.

   However, these requirements will only be triggered if this would be 'appropriate and feasible' in view of the company's financial condition.

   Although it is not yet clear whether Masmindo's financial condition renders it appropriate and feasible for Masmindo's CSR requirements to be triggered , pursuant to the Supplementary Information, Masmindo has already sought to comply with its CSR requirements by implementing social programs from 2013 to 2016 that benefit the community local to the CoW Area by, for example, providing a clean water system.

f. According to Article 171 of the 2009 Mining Law, Masmindo must submit a plan of activities to be carried out within the entire contract area up to the expiry of PT Masmindo's CoW, to be approved by the government. We have sighted Masmindo's Long Term Work Plan which, according to the Supplementary Information, Masmindo submitted to the Mining authority in order to comply with this requirement.

g. Masmindo is required to file an annual Mandatory Employment Report (*Wajib Lapor Ketenagakerjaan*, **WLK**) with the local government. The latest current annual report was filed on 21 April 2017, satisfying the requirement to file a WLK annually.

   Masmindo, in its capacity as an employer, is required to register and make contributions on behalf of its employees to a social security program (known as **BPJS Labour Program**) and a healthcare program (known as **BPJS Healthcare Program**).

   The Authority Documents and the Supplementary Information indicate that Masmindo has registered its employees with BPJS Labour and has been making relevant payments on behalf of the employees. The Supplementary Information also indicates that Masmindo is currently in the process of registering its employees in order to comply with the statutory requirements. There is only a low risk that the Ministry of Employment would issue any warnings to, or take any administrative action against, Masmindo in relation to the delayed registration of its employees with the BPJS Healthcare Program.

h. Masmindo is required to submit quarterly Capital Investment Activity Reports (**LKPM Reports**) to BKPM and to seek prior approvals from BKPM for any borrowings. We understand from the Supplementary information that following consultation with BKPM, Masmindo filed its first LKPM Report on 13 March 2017 covering the period from 2013 to 2016 (**First LKPM Report**), followed by another LKPM Report for Q1 2017, submitted on 27 April 2017 (**Second LKPM Report**).

   In both the First LKPM Report and the Second LKPM Report, Masmindo reported all of its funding as equity, but no loans or borrowings were reported. This reported equity is inconsistent with Masmindo's issued and paid-up capital and loan/funding structure and needs to be rectified to make it consistent.

   The Supplementary Information indicates Masmindo is aware of the above administrative discrepancies and is working together with BKPM to rectify the information. The Supplementary Information also indicates that BKPM has not issued any warnings to Masmindo in relation to the discrepancies.

i. Under current Bank of Indonesia (**BI)** and other regulations, Masmindo must report all offshore loans (including foreign exchange activities) to BI, the Ministry of Finance and the Offshore Loan Reporting Team (**PKLN**) (together referred to as the **Relevant Finance Regulators**).

   According to Masmindo's 2015 financial report (since Masmindo's 2016 financial report was still being prepared at the Effective Date), Masmindo had received various loans from related parties and from Masmindo's shareholders, which loans have no term of payment, interest or collateral (together **Masmindo Loans**).

   According to the Supplementary Information, Masmindo has not complied with the relevant regulations requiring Masmindo to have sought approval for the Masmindo Loans from both MEMR and BKPM, as well as to register and report the Masmindo Loans to the Relevant Finance Regulators.

   While there are no specific penalties for failure to have reported the Masmindo Loans to MEMR or BKPM, failure to have reported the Masmindo Loans to the Relevant Finance Regulators could result in fines and/or administrative sanctions. See appendix 1.2.11 for further information on these offshore loan reporting requirements.

We have sighted:

- a number of 2017 assignment agreements governed under New South Wales law, by which the related parties and the 1% shareholder, Vista, appear to have assigned their Masmindo Loans to the 99% shareholder, Salu Siwa (**Assignments**); and
- a 2017 funding agreement between Masmindo and Salu Siwa governed under Australian law, (**2017 Funding Agreement**) acknowledging that Masmindo has received funding from Salu Siwa in an amount just higher than the total Masmindo Loans (**Funding Amount**). The Funding Agreement recites that the Funding Amount has no terms of repayment, and gives no entitlement to Salu Siwa to receive interest on the Funding Amount, but gives Salu Siwa the right to convert the total Funding Amount, together with any further amount advanced by Salu Siwa to Masmindo, into equity in Masmindo.

On 22 May 2017 Masmindo submitted an application to MEMR to approve of a proposal to convert the full Funding Amount under the 2017 Funding Agreement (which may include any additional amounts advanced by Salu Siwa) into equity in Masmindo (**Debt to Equity Conversion Plan**). Masmindo's application for approval of the Debt to Equity Conversion Plan appeared to be accompanied by complete supporting documents so we would expect MEMR to approve the Debt to Equity Conversion Plan, although MEMR has the discretion to require Masmindo to submit further information and documents.

The Supplementary Information also indicates that Masmindo is taking steps to comply with the relevant regulations by seeking:

- to register and report the 2017 Funding Agreement with the Relevant Finance Regulators; and
- approval of the 2017 Funding Agreement and the Debt to Equity Conversion Plan by BKPM, following the above MEMR approval of the Debt to Equity Conversion Plan being obtained.

In our view, although the seeking and obtaining of approval from MEMR and BKPM for the Funding Agreement and the Debt to Equity Conversion Plan are required under the relevant regulations, they are administrative matters only.

j. The Company Law requires that Masmindo convene an Annual General Meeting of Shareholders (**AGMS**) within six months of the end of each of Masmindo's financial year. We have sighted evidence of AGMSs having been held from 2008 to 2016. There is no administrative sanction in the Company Law for noncompliance with this AGMS obligation.

k. According to the Company Law and the Masmindo CoW, Masmindo's shareholders must approve an annual report each year within 6 months of the end of the accounting year. The annual report must contain, among other documents, financial statements consisting of at least the balance of the previous accounting year, profit and loss report, cash flow report, and any changes in equity. We have sighted the independent auditor's report and financial statements for the 2012-2015 financial years. According to the Supplementary Information, Masmindo's auditors are currently preparing the independent auditor's report on the financial statements for the 2016 financial year.

2.4. Opinion on Masmindo's compliance with its material corporate and other requirements

Subject to Masmindo completing each of the required administrative actions referred to above, Masmindo will be in compliance with its material corporate and other requirements.

Otherwise, on the basis of our review of relevant laws and regulations, the Authority Documents, the Corporate Documents and the Supplementary Information, and subject to our assumptions and qualifications in this Report:

a. Masmindo has complied with its material corporate and other requirements; and
b. we have not sighted any Authority Documents to indicate any intention of any government authority to warn or threaten Masmindo with respect to any material corporate or other requirements.

3. Litigation searches

3.1. Summary of litigation searches

We filed applications for limited court, tribunal and arbitration searches in the following forums, which are considered to be the most likely forums, to find out whether any litigation or other proceedings have been commenced against: (1) PT Masmindo; or (2) members of its Board of Directors or Board of Commissioners:

a. Commercial Court of Jakarta (from 1 January 2013 until 7 April 2017);
b. Indonesian National Arbitration Board (BANI) (from 1 January 2014 until 30 March 2017);
c. Industrial Relations Court of Jakarta (from 14 January 2006 until 30 March 2017);
d. Industrial Relations Court of Makassar (from 1 January 2012 until 29 March 2017);
e. State Administrative Court of Jakarta (from 1 January 2014 until 30 March 2017);

f. State Administrative Court of Makassar (from 1 January 2013 until 27 March 2017);
g. District Court of Central Jakarta (from 1 January 2015 until 31 March 2017);
h. District Court of South Jakarta (from 1 January 2013 until 30 March 2017); and
i. District Court of Palopo (from 30 March 2012 until 30 March 2017).

It should be noted that the results of litigation searches in Indonesia are not definitive and are limited to the periods identified above, the specific courts and arbitration forums searched, since there is no central search facility available in Indonesia.

3.2. Opinion on litigation searches

Based on the Supplemental Information and the results of the litigation searches we conducted (described above), neither PT Masmindo nor any members of its Board of Directors or Board of Commissioners is involved in any material litigation, arbitration or disputes. The results of these searches are valid and effective as at the dates referred to above in respect of each court or tribunal.

Appendices

1. Brief overview of Indonesian legal system and legal framework for mining (including CoW companies)

1.1 Indonesian legal system

Indonesia has a civil law system that was inherited from the Dutch colonial system and is now a unitary republic established pursuant to the 1945 Constitution (Constitution). The Constitution was maintained in its original form during the 32-year regime of Soeharto, the second President of Indonesia; it was only after his resignation in May 1998 that amendments were introduced to the Constitution.

To date, the Constitution has been amended four times -- in October 1999, August 2000, November 2001 and August 2002. Among other things, these amendments dealt with far-reaching issues such as limitations on the powers and term of office of the president, decentralisation of the central government's authority and granting of greater autonomy to the provincial and regional government, and the creation of additional constitutional bodies such as the Regional People's House of Representatives (*Dewar Perwakilan Daerah*, **DPD**) and the Constitutional Court (*Mahkamah Konstitusi*, **MK**).

The Constitution provides for a number of constitutional bodies - the most important of which are the People's Consultative Assembly (*Majelis Permusyawaratan Rakyat*, **MPR**) and the People's House of Representatives (*Dewar Perwakilan Rakyat,* **DPR**).

The MPR currently has 692 members, comprised of all members of the DPR and the DPD. Under the Constitution, the MPR is the only institution that holds the power to amend the Constitution. The MPR is constitutionally obliged to meet at least once every five years, which is less frequent than the DPR; typically, however, it will meet on an annual basis.

Whereas the MPR previously elected the President and Vice-President, recent constitutional amendments stipulate that the President and Vice-President must be directly elected by the people. The first direct presidential and vice-presidential elections took place in 2004. Presidential powers have also been circumscribed to some extent by recent constitutional amendments. Furthermore, pursuant to such amendments, a person may only be elected as President or Vice-President for a maximum of two consecutive 5-year terms. Nevertheless, the Presidency is still a powerful position as the President is the head of state, the head of government and the supreme commander of the armed forces.

The DPR has 560 members and consists of elected and appointed representatives. Its main function is to prepare and pass legislation. The DPR meets during sessions scheduled throughout the year.

Generally, the procedures to enact a new law and the hierarchy of written laws and regulations are governed by Law 12 of 2011 on the Enactment of Laws and Regulations (**Law 12 of 2011**). The hierarchy of laws and regulations (in descending order) is as follows:

a. The Constitution;
b. MPR Resolutions;
c. Law (*Undang-Undang*)/Government Regulation in lieu of Law (*Peraturan Pemerintah Pengganti Undang-Undang*);
d. Government Regulation (*Peraturan Pemerintah*);
e. Presidential Regulation (*Peraturan Pres/den*);
f. Provincial-level Regulation (*Peraturan Daerah Provinsi*); and
g. District-level regulation (*Peraturan Daerah Kabupaten/Kota*).

Please note that this is not an exhaustive list, as there are other types of regulations not specifically mentioned in Law 12 of 2011. These include Ministerial Regulations, which in practice act as a specific and technical guidance to particular Laws or Government Regulations, which provides a more general scope of regulation on a particular field/topic.

1.2. Mining legal framework

1.2.1. Overview

The mining regime is premised on article 33 of the Constitution, which provides that land, water and natural resources contained within Indonesia are controlled by the state and must be used for the greatest benefit of the people.

The laws and regulations regulating the mining industry are divided into those that directly regulate mining activities and those that do not specifically regulate mining, but must be followed when carrying out mining or related activities.

The mining industry is regulated at each of the central, provincial and regency or municipal levels of government through laws and regulations. The relevant central law, that is, the 2009 Mining Law, sets out general provisions, which are further implemented through government, presidential, ministerial and regional regulations (depending on the law's delegation of authority).

The mining industry is also subject to a wide range of laws and regulations on regional governance, investment, forestry, land and the environment, which can have a significant impact on mining projects. Mining companies that have foreign participation will also come under the auspices of the Indonesian investment coordinating board (**BKPM**).

One of the main objectives of the 2009 Mining Law is to phase out the usage of the two different forms of mining rights that were valid under the 1967 Mining Law, which was in force immediately before the 2009 Mining Law, that is, the form of a:

a. *Kuasa Pertambangan* or **KP** (a mining licence available only to Indonesian nationals); and
b. mining contract of work with the Mining Authority (CoW) available to foreign investors) or a coal cooperation agreement or coal contract of work (CCoW) with the government, also available to foreign investors),

neither of which can, since 2009, be issued and will eventually become invalid.

Foreign investors could not carry out mining activities directly under a CoW or CCoW but were required to establish a foreign investment limited liability company (**PMA company**) as a special purpose vehicle. The relevant PMA company was the entity that entered into a CoW or CCoW with the government.

The 2009 Mining Law introduced a new and simplified licensing system in the form of mining business licences (**IUPs**) (issued as exploration IUPs and operation production IUPs), special mining business licences (**IUPKs**) (issued as exploration IUPKs and operation production IUPKs), and people's mining licences (**IPRs**). One significant feature of the 2009 Mining Law is that there is now no distinction between the licences issued to local investors and foreign investors (the latter through shareholdings in a PMA company that holds an IUP/IUPK), although PMA companies holding an IUPIIUPK that are majority foreign owned are subject to divestment requirements after 5 years of operations. (Please see appendix 1.2.4 for further information on the divestment requirements.)

IUPKs are referred to under the 2009 Mining Law as "special mining licences" that can only be granted over certain designated state reserve (strategic) areas by auction. The winner of the auction will then be able to apply for and be granted an IUPK. According to the 2009 Mining Law, IUPKs can be granted in the form of exploration IUPKs or operation production IUPKs for metal minerals or coal.

Under the 2009 Mining Law, metal mineral operation production IUPKs have the following characteristics, among others:

a. maximum area of 25,000 hectares;
b. grant for up to 20 years and can be extended twice, each time for a 10 year period;
c. operation production IUPK holders must pay 4% of their net profit from the commencement of production to the central government and 6% to the local governments;
d. if other minerals are found within an IUPK area , the IUPK holder will have a priority to exploit the other mineral(s) and must establish a new legal entity;
e. an IUPK is not transferable to another party unless the transferor holds at least a 51 % interest in the other party;
f. any transfer of ownership or transfer of shares in the holder of an IUPK through the Indonesian stock exchange can only be carried out after certain stage of exploration has been achieved;
g. the holder of an IUPK is subject to the prevailing divestiture obligations (currently divestment of at least 51% commencing after 5 years of production and ending after 10 years of production), must comply with the domestic market obligation, prioritise the use of local manpower and materials and is obliged to carry out domestic processing and refining; and
h. any taxes and non tax state revenues that must be paid by the holder of an IUPK are subject to prevailing rates.

The recently issued 2017 mining licences regulation that came into force on 9 May 2017 (**MEMR Regulation 34**) also sets out (among other matters) various general and specific rights, obligations and prohibitions for holders of an IUPK (including many of the matters that have been referred to in various sections of this Report).

(We refer to the IUPK characteristics referred to above under paragraphs (a) to (h), together with the rights , obligations and prohibitions for holders of an IUPK under MEMR Regulation 34 as the **IUPK Characteristics.**)

(For information on the conversion/transition from CoW to IUPK under the most recent 2017 regulations, please see appendix 1.2.5.)

CoW holders pay dead rent, royalties and corporate income tax at rates specified in their CoWs. However IUP or IUPK holders must pay dead rent at the rates set out under Government Regulation 9 of 2012 (ranging from US$1 to 4 per hectare per year) and are subject to corporate income tax at the prevailing rate (currently 25 per cent).

In 2016 , discussion drafts of a new mining bill to replace the 2009 Mining Law were circulated by MEMR. We understand that the draft mining bill is not yet near final form and is likely to change in the future, so it is not at this stage worth speculating about the proposed changes contained in the 2016 draft of the mining bill. It is anticipated that the 2009 Mining Law will be either amended or replaced in the near future. However it is difficult to predict when a new mining bill will be finalised and passed into law.

1.2.2. Further information on CoWs

CoWs were entered into by the government up until 1999 and evolved from 1st generation to 7th generation CoWs (which is Masmindo CoW's generation). CoWs of the same generation contain the same rights and obligations, while different generations of CoWs may have different rights and obligations, specifically with respect to financial obligations. For example, the obligations set out in a 4th generation CoW are based on tax and non-tax state revenue obligations prevailing at the time such CoW was entered into, and may differ from the obligations of a 3rd generation COW.

1.2.3. Transition under the 2009 Mining Law for CoWs

According to the transitional provision of the 2009 Mining Law, holders of CoWs and CCoWs were required, within a year of its enactment, to make certain 'adjustments' to the terms of their CoWs and CCoWs to make them comply with the 2009 Mining Law. Although many COW and CCoW holders have already negotiated such ' adjustments' with the government, a number of CoW and CCoW holders are still in the process of negotiating with the government. The government has identified 6 'strategic areas' for adjustment of CoWs, being limiting the size of the mining area, increasing royalties, domestic processing and refining obligations, divestment obligation, continuance of operation at the end of the term of the CoW and the use of local labour, as well as locally sourced goods and services.

The Mining Authority has made public announcements to the effect that their target is to complete the contract amendments for all the remaining 'unadjusted' CoWs and CCoWs by the end of 2017. However, whether the Mining Authority achieves this target remains uncertain.

Under MEMR Regulation 34, CoWs and CCoWs must be adjusted so that there will be only the following 2 activity periods:

a. exploration stage (consisting of general survey , exploration and feasibility study); and
b. operation production stage (consisting of construction, mining, processing and/or refining, and transporting and sales).

MEMR Regulation 34 states that the above adjustment must be carried out by no later than 9 November 2017 (although no details are provided as to how such adjustments are intended to be achieved).

With respect to Masmindo , we expect the adjustment obligation described above will involve another negotiated agreement between the Mining Authority and Masmindo to amend the CoW.

As already noted in the introduction to this Report , the Masmindo CoW is a legally binding contract , so neither the Indonesian Government nor Masmindo can unilaterally change its provisions without the other party having the right to challenge such unilateral action. (Please see section 1.1.7 for information on the dispute resolution provisions under the Masmindo CoW).

1.2.4. Divestment Obligation

Under the 2017 regulatory regime, a PMA company that holds an operation production IUP or IUPK is required to gradually divest certain fixed portions of shares after five years of commercial production, regardless of whether it carries out its own underground mining or mining processing /refining activities, so that the maximum foreign ownership must eventually be reduced from 100% to become:

a. 80 per cent after 6 years of commercial production;
b. 70 per cent after 7 years of commercial production;
c. 63 per cent after 8 years of commercial production;
d. 56 per cent after 9 years of commercial production; and
e. 49 per cent after 10 years of commercial production.

The mining company is obliged to make initial offers of divestment shares sequentially to the central government, regional or municipal governments, central and regional state owned companies, then Indonesian private limited liability companies.

Offering of divestment shares must follow the above requirements and the manner for share divestment under the 2017 regulatory regime. However, if, after following the above sequence, the relevant IUP or IUPK holder fails to divest the required percentage of shares to an Indonesian participant, the share divestment can be carried out by listing the shares on the Indonesia Stock Exchange. If the offer through the Indonesia Stock Exchange fails, the percentage of shares to be divested must be carried over.

Holders of IUPs, IUPKs and CoWs that are obliged to offer divestment shares are prohibited from lending the funds to Indonesian parties for the purpose of enabling them to acquire the divestment shares.

The current regulations also specify the price for divested shares, which must not take into consideration the value of the mineral reserves in the relevant mining area, resulting in a much lower valuation compared to a valuation that could consider the value of the mineral reserves.

1.2.5. Conversion/transition from a CoW to an operation production IUPK

a. Conversion before expiry of CoW.

According to the most recent 2017 mining regulations, CoW companies in the operation production period before the expiry of the CoW may convert into an operation production IUPK for either: (i) the remaining term of the CoW (that is until the end of the operation period); or (ii) a certain agreed period to 'adjust the CoW company's operational sustainability' as an IUPK.

The 2017 mining regulations indicate that the provisions of the relevant CoW (and any other agreements between the Mining Authority and the CoW holder), will govern the operation production IUPK and prevail for the period set out in the operation production IUPK. Given that the provisions of the CoW will prevail, it is unclear whether any or all of the IUPK Characteristics will apply to the operation production IUPK holder.

At this stage, with so little practice, it is unclear how the 2009 Mining Law (together with its implementing government regulations) is intended to interact with the 2017 mining regulations concerning the conversion of a CoW into an operation production IUPK before the expiry of the CoW period.

With respect to an IUPK granted for a certain period to adjust the CoW holder's operational sustainability', if after the end of the agreed IUPK period, there is agreement between the parties for the CoW holder to continue with an IUPK, then the CoW (and its amendments) would cease, and a `permanent' IUPK would be simultaneously issued. Conversely, if after the end of the agreed IUPK period there is no agreement between the parties for the CoW holder to continue with an IUPK, then the IUPK would terminate and the mining operations would continue to be carried out in accordance with the provisions of the relevant CoW.

Again, there is a lack of clarity in how such approvals will work in practice, but it currently appears that the Mining Authority will deal with each CoW conversion on a case by case basis.

b. Transition to IUPK after expiry of CoW

The 2014 and 2017 mining regulations indicate that at least 6 months before an operation production CoW expires, if the holder wishes to continue, it can only do so by transitioning into an IUPK form for period of 10 years commencing on the expiry of the CoW (with a possible extension of a further 10 years).

Since the process to convert a CoW into an IUPK is relatively new and there is very little practice, it is unclear whether the relevant expiring CoW holder will be able to negotiate any favourable terms that were applicable under the relevant CoW. Again, it is also unclear whether any or all of the IUPK Characteristics will apply to the new operation production IUPK.

c. Potential for forced conversion of CoW into IUPK

Even though the 2009 Mining Law requires mining companies to adjust their CoW or CCoW to make it compliant with the 2009 Mining Law, the government has not legislated the forced conversion from CoW or CCoW into IUPK, except where the term of the CoW or CCoW is about to expire (if the holder wishes to extend past the expiry date).

There is a body of legal thought that would regard such forced conversion (that is, a unilateral termination or amendment of the CoW or CCoW) as a breach of a binding contract that could trigger the dispute resolutions provisions under the relevant CoW or CCoW, ultimately leading to international conciliation or arbitration. (Please see section 1.1.7 for information on the dispute resolution provisions under the Masmindo CoW.)

Accordingly, the government has adopted numerous policies and regulations to try and push CoW and CCoW companies to convert to IUPKs, particularly copper mining companies at the stage of operation production that wish to export concentrate.

1.2.6. Processing and Refining

Holders of operation production IUPs/IUPKs are required to process and refine their mining commodities domestically, with some temporary exceptions in accordance with a range of recent 2017 regulations. Operation production IUPIIUPK holders may engage certain third parties that have appropriate processing and refining licences to carry out refining, processing, transporting and marketing of the commodities, subject to approval of the Mining Authority.

Under the recent 2017 regulations, CoW companies in the operation production stage are only able to export certain quantities of unrefined products until January 2022 if they convert into an IUPK, and comply with a series of onerous obligations, including commitment to build a processing and refining facility in Indonesia. Accordingly, as a CoW company, Masmindo is only permitted to export gold bars that have been refined to the statutory level of purity. This requirement should not have any negative impact on Masmindo, since Masmindo has already indicated its intention in the Masmindo MoU to carry out its processing and refining of gold domestically (see section 1.3.2 on the Masmindo MoU).

1.2.7. Contract mining

When contracting with mining services companies, CoW holders and IUP/IUPK holders are required to use local or national mining services companies. This means that priority is given to non-PMA mining services companies. Where local or national mining services companies are not available, the CoW or IUP/IUPK holder may use a PMA mining services company, provided that: (a) it is an Indonesian registered and licensed legal entity; (b) the CoW or IUPIIUPK holder makes an announcement in the mass media that there are no local or national companies available that have the technical or financial capability; and (c) the PMA mining services company engages a local mining services company as a subcontractor to carry out part of the work.

An IUPIIUPK holder or a CoW company is not permitted to engage a mining services contractor to conduct actual digging of the relevant minerals, which must be carried out by the IUP holder or CoW company itself.

In carrying out operations in its mining area , neither an IUP/IUPK holder nor a CoW company may engage the services of any subsidiary or affiliate, except with the approval of the Minister.

Neither an IUP holder nor a CoW company is able to discharge its liabilities in respect of mining operations in the relevant mining area by engaging the services of a mining contractor and ultimately remains responsible for meeting the obligations set out in its IUP or CoW, as the case may be.

1.2.8. Domestic Market Obligation (DMO)

On the export or sale of minerals, the 2009 Mining Law contains DMO provisions on the control of levels of production and the export of minerals.

The DMO essentially provides that mining companies must sell a certain minimum percentage of their production to domestic users and must comply with benchmark selling price provisions (see next section below).

The Mining Authority will determine the minimum amount of minerals to be allocated to domestic users on an annual basis. At the time of writing this chapter, no determination of the estimated domestic needs for minerals has been determined by the Mining Authority.

1.2.9. Benchmark selling price

In January 2017, the Mining Authority issued a revision to the regulation on the benchmark price for minerals and coal, revoking the previous 2010 regulation. In summary , the regulation provides that mineral and coal producers (that is, the holders of operation production IUPs/IUPKs and CoW companies) are obliged to sell minerals and coal based on a regulated benchmark price, whether for domestic or export sales. The benchmark pricing obligation applies to all minerals and coal sales made by mining licence holders (such as Masmindo) to any third parties (including affiliates), spot sales and sales by way of long term contracts.

In 2015 , the government issued a regulation on the applicable formulae for calculating mineral benchmark prices , in which the only benchmark price for gold is for refined gold, referenced to the price published by the London Bullion Market Association. The benchmark price is a floor price used in royalty calculations. The holders of operation production IUPs1IUPKs or CoWs must pay royalties to the Mining Authority based on the actual sales prices of their mining products, which must be at least the benchmark price.

1.2.10. Repatriation of funds and domestic currency requirement

Although there are no restrictions or limitations on the repatriation or use of proceeds from the permitted export or sale of certain mining products, such as metals, domestically, Bank Indonesia regulations impose requirements to use Indonesian bank accounts, including Indonesian branches of offshore banks (foreign exchange banks), to receive any export proceeds and certain types of offshore loans (including non-revolving loans).

The Indonesian Investment Law specifically allows foreign investors to repatriate their funds overseas. There are no laws and regulations currently in force that require approval to obtain or hold foreign currency in Indonesia or transfer foreign currency out of Indonesia. However, there is a restriction on the transfer of rupiah overseas. All transfers of funds to and from abroad above US$10,000 or its equivalent in rupiah must be reported to Bank Indonesia.

Any purchase of at least US$100,000 (or the equivalent in other foreign currency) per month must be supported by an underlying transaction. Evidence of such underlying transaction must be submitted to the relevant bank upon the purchase of any foreign currency of US$100,000 or more.

The Indonesian Currency Law requires the use of rupiah in payment transactions within Indonesia, with some exceptions. Bank Indonesia regulations require all cash and non-cash payment transactions within Indonesia to be made in rupiah, with very limited exceptions. These regulations also require Indonesian businesses to use rupiah to quote prices for their goods and services.

1.2.11. Offshore loan regulations

Reporting and filing requirements will be applicable to project finance transactions since they are likely to involve the project company becoming indebted to offshore finance providers. According to the relevant BI regulations, before an offshore loan with a term of over one year can be entered into by a project company, the project company must first submit an offshore loan plan to BI that sets out certain details of the offshore loan, including a risk-management analysis. BI regulation No.16/21/PBI/2014 on the Implementation of Prudential Principles in Management of Offshore Debt of Non-Bank Corporations (BI Regulation 16/21) as amended by BI Regulation No.18/41PBI12016, requires companies that are not banks that have offshore debt in a foreign currency to adopt certain prudential principles, including compliance with a minimum hedging ratio, liquidity ratio and credit rating.

A project company with an offshore loan must also submit several reports to BI (plus supporting documents) with regard to the management of its offshore loans as part of the implementation of prudential principles.

A debtor who fails to submit an offshore loan withdrawal report or is late in submitting the report will be subject to administrative sanctions, which may include fines.

Offshore loans must also be reported to the PKLN Team and the Fiscal Analysis Agency of the Ministry of Finance and regular reporting to these institutions must be maintained. The approval of the PKLN Team may also be required, particularly for any offshore loan arrangements that involve state-owned companies as borrowers.

1.3. Forestry and environmental legal framework.

1.3.1. Forestry-related matters

Under Law 41 of 1999 on Forestry and its implementing regulations (together, the **Forestry Law**), there are three categories of forest areas in Indonesia as set out below (in this Report we refer to the Ministry of Environment and Forestry and the Minister of Environment and Forestry as **MoEF**, as applicable):

a. **conservation forest**, which is a forest area, the main function of which is to preserve plant and animal biodiversity and the ecosystem. Non-conservation activities are strictly prohibited in conservation forests;
b. **production forest**, which is a forest area designated by the MoEF for the purpose of producing “forest products”. There are 3 subcategories of production forest, being permanent production forest, limited production forest and conversion production forest. Production forest can also be used for other non-forestry business activities, such as mining, as long as a relevant permit has been obtained (such as a Borrow Use Permit, as defined below). There is no prohibition on mining entities carrying out open pit or underground mining activities in production forest areas (with the appropriate permits in place); and

c. **protection forest**, which is a forest area designated by MoEF for the purpose of protecting life-support systems for hydrology, preventing floods, controlling erosion, preventing sea water intrusion and maintaining soil fertility. The Forestry Law prohibits open pit mining in protection forest areas. However, in 2004 the then President issued a decree granting 13 mining permits to 12 firms to operate open-pit mines in protection forest areas.

According to certain regulations passed in 2010, the Mining Authority may allow protection and conservation forests to be converted to production forest areas to enable activities in those areas, including mining activities.

APL land is specifically characterized as 'non-forest' land that may be designated for other purposes, and can be occupied or unoccupied. Jurisdiction over APL land comes under the administration of the National Land Agency, and proper title can be applied for over APL land, such as the 'right to build' (known as Hak Guna Bangunan title) which would give the holder the right to construct and own buildings on the relevant land. Before a proper title can be obtained over any APL land, various licencing procedures would need to be satisfied.

Under Law 41 of 1999 on Forestry and its implementing regulations (together, the **Forestry Law**), a mining entity is prohibited from carrying out mining related activities within a forest zone without the relevant permit granted by the relevant authority. A mining entity that intends to carry out preliminary survey, general survey, exploration or exploitation activities (operation production under the 2009 Mining Law) in any forest area must first obtain a specific permit known as a "**Borrow Use Permit**" to use the particular forest area for such activities from the Ministry of Environment and Forestry.

Failure to obtain, or comply with the obligations and duties of, the Borrow Use Permit may lead to cancellation or revocation of the relevant mining licence or CoW.

1.3.2. Environment-related matters

Environmental approval process

Before commencing any mining-related activities, mining companies must prepare and submit environmental management-monitoring effort (UKLIUPL) or environmental impact analysis (AMDAL) documents, as applicable, to the relevant authority for recommendation or approval. Environmental Law introduced the requirement to obtain an environmental licence (used as a prerequisite to obtain various operational permits) (**Environmental Licence**) in addition to an AMDAL or a UKL/UPL.

The processes to obtain an AMDAL, UKL/UPL and Environmental Licence are described below.

AMDAL and UKLIUPL

An AMDAL, which consists of an:

a. Environmental Impact Assessment (**ANDAL**);
b. Environmental Management Plan (**RKL**); and
c. Environmental Monitoring Plan (**RPL**).

For a mining project, an AMDAL will only be required when the project proceeds to the operation production stage. However, a UKLIUPL will usually be required for the exploration phase.

For the purpose of evaluating an AMDAL, the MoEF may establish a Central AMDAL Assessment Commission and the relevant governor or regent/mayor may establish a Regional AMDAL Assessment Commission. The recommendations of the Central AMDAL Assessment Commission or the Regional AMDAL Assessment Commission will be taken into consideration by the relevant authority (either the MoEF, the governor or regent) when approving an AMDAL.

The approval process for an AMDAL requires two steps:

a. the company must submit the ToR to the relevant AMDAL Commission for review. A decision as to whether to approve or to reject the ToR must be made within 30 business days after the ToR is received and declared complete by the AMDAL Commission; and
b. based on the approved ToR, the company must then prepare and submit the AMDAL documents to the MoEF, the governor, the regent or mayor (as appropriate) through the relevant AMDAL Commission. The AMDAL Commission will review the AMDAL documents and notify the relevant company if any additional information or documents are required. A decision as to whether to approve the AMDAL documents must be made within 75 business days of the receipt of the completed AMDAL documents.

In obtaining a recommendation for a UKL/UPL, a company must submit a UKL/UPL application to the relevant authority (that is, the MoEF, the governor, the regent or mayor (as appropriate), or other appointed relevant authorities). The

relevant authority will assess the UKL/UPL application and will issue a recommendation for the UKL/UPL within 14 business days after the UKL/UPL application is deemed complete.

Environmental Licence

Once AMDAL approval or UKL/UPL recommendation has been granted, the approval or recommendation, as applicable, will be used as the basis for an Environmental Licence. An Environmental Licence may be granted by the MoEF, the governor or regent/mayor as applicable. An Environmental Licence is a prerequisite to obtaining relevant business and activities permits required by the mining entity.

In practice, once the AMDAL documents have been submitted for approval (or the UKL/UPL documents have been submitted for recommendation), the company may also submit an application for an Environmental Licence without waiting for the issuance of an AMDAL approval (or UKL/UPL recommendation). Accordingly, it is possible for an AMDAL approval (or a UKL/UPL recommendation) to be issued at the same time as an Environmental Licence.

If an Environmental Licence is revoked, the company's relevant business or activities permits that allow the relevant business to operate may also be revoked.

Dangerous and toxic material/waste

The Environmental Law regulates that a person or entity that imports, produces, transports, distributes, stores, uses, discharges, processes and or dumps dangerous and toxic material (**B3 Material**) is required to manage B3 Material properly. Further requirements in respect of the management of B3 Material are to be regulated in a government regulation.

During the exploration phase, a mining company would be unlikely to deal with any B3 Material. However, if the mining company were to use chemicals that contain B3 Material, they will be obliged to manage them according to the relevant regulations on B3 Material and must not discharge it to any environmental media (land, waters). The mining company may deal with B3 Material at the operation production stage, particularly in the processing stage, if the mining company chooses to process the gold itself.

Reclamation and post-mining

Government regulations introduced in 2010 impose an obligation on IUP holders and existing CoW holders to: (1) restore relevant mining areas to their original condition through a planned and sustainable program upon completion of part of or the entire mining operations; and (2) to provide an approved guarantee in accordance with the reclamation and mine closure budget plan.

Other key changes introduced under the Environmental Law

a. Entities that conduct activities having a high environmental risk are required to carry out periodic environmental audits. If the relevant entity does not carry out the environmental audit, the MoEF is authorised to carry out or appoint a third party to carry out the audit.
b. Holders of Environmental Licences may be required to set aside funds to be used as a type of environmental bond. The funds must be deposited in a government bank designated by the MoEF, governor or regent/mayor, as the case may be.
c. Community and environmental organizations are given expanded rights to file lawsuits concerning environmental pollution or damage and immunity from any criminal charges or civil claims made against any person who fights for a sustainable and healthy environment.

Violations of certain provisions of the Environmental Law can lead to jail terms and/or fines being imposed.

1.4. The application of any indigenous land rights

Under Indonesian law, ownership of surface rights does not give ownership to the minerals in the ground nor does it automatically provide the surface rights owner with a licence to carry out mining activities. There is no separate legal regime that allows the holders of surface rights to automatically hold mining rights if minerals are found on their land.

Legal entities established in accordance with Indonesian law and domiciled in Indonesia (which would include locally owned companies and PMA companies) can hold the various land titles that must be registered with the National Land Agency, the main titles being the 'right to build' and the 'right to use'.

In practice, these rights, particularly the right to build, are usually applied for by, and granted to, a mining entity for areas of land to be used for more permanent infrastructure, facilities and plant.

The land rights acquisition process for a given mining project depends on the status of the land titles held by parties in the required area. Compensation for the rights to the acquired land may take the form of monetary compensation, substitute land, resettlement or a combination of any of these or any other form of compensation that is agreed between the mining entity, the indigenous community and the relevant owners. As the acquisition of land will usually involve negotiations between the mining entity and land title and/or surface rights holders, it is possible for the latter to resist the mining company's compensation offers, since they cannot be compelled to accept any offer by the mining company.

1.5. Foreign investment framework

The general law governing investment in Indonesia is the Investment Law of 2007, which regulates both foreign and domestic investment.

Under the Investment Law, foreign investors or foreign entities may carry out direct investment in Indonesia by establishing a new foreign investment (PMA) company, or by purchasing shares in an existing limited liability company (provided that the line of business is open for foreign investment). Indonesian companies, whether PMA or a domestic investment limited liability company (PMDN) must comply with the requirements of the Company Law together with its regulations, as well as follow the requirements of other regulating ministries, such as the Ministry of Trade.

All foreign investment requires registration with, and licences/permits from, BKPM (the investment coordinating board), which is a government investment service agency created to regulate foreign as well as domestic investment.

BKPM has broad authority and discretion to approve foreign investment in Indonesia and has many unwritten policies. BKPM also monitors the implementation of foreign investment in Indonesia by requiring PMA companies to submit regular investment activity reports.

Masmindo is an Indonesian PMA company subject to the jurisdiction and regulations of BKPM.

2. Overview of the main legal risks associated with mining operations in Indonesia.

(a) **New major laws:** The enactment of new major laws, such as a new mining law to replace the 2009 Mining Law or a new environmental law to replace the Environmental Law, could cause Masmindo to incur significant additional costs or delays in completing the Awak Mas Project. Government and media reports indicate that the government is pushing for a new Mining Law to be passed before the end of 2017. However it is far from certain whether this will be achieved, even though the new Mining Law is listed in the 2017 national legislation program of the DPR (the national law-making body).

(b) **Future potential regulatory change:** In addition to MEMR, other government agencies such as the Ministry of Trade, the MoEF, Ministry of Employment, the Ministry of Finance and/or Bank Indonesia are authorised to administer and issue regulations relevant to the mining industry with respect to a broad range of matters, including taxation and royalties, exchange controls, import and export duties, foreign currency transfers, restrictions on foreign currency holdings and repatriation of foreign currency earnings, investment approvals, environmental approvals, forestry zoning and spatial planning, employment and other human resources matters, as well as corporate social responsibility requirements.

The expanding importance of the role of these governmental agencies and the increasing focus of media attention on foreign mining activities in Indonesia, particularly from the environmental, fiscal and human resources perspectives, may result in the adoption of further resourcenationalist legislation and policies that could adversely impact Masmindo.

(c) **Regulatory approvals:** As a gold mining company, Masmindo must obtain numerous licences, permits and approvals from various Indonesian governmental agencies and regulatory bodies that regulate operational, environmental and safety matters. The applicable regulations and unwritten policies of the regulators are complex and may change over time. As at the Effective Date, Masmindo has not yet obtained all the licences, permits and approvals required for the Awak Mas Project.

Most significantly, Masmindo has not yet submitted and received approval by the Mining Authority of the final feasibility study and has yet to be given approval to move into the construction stage , which would be followed by approval to enter into the operations stage. Indonesian government agencies and regulators may fail to issue required regulatory licences, approvals and permits necessary for the progress of the Awak Mas Project on a timely basis or at all, or may issue them on terms unfavourable to Masmindo.

(d) **Domestic market obligation and benchmark pricing risks:** As mentioned in sections 1.2.8 and 1.2.9 of this Report, mining companies must sell a certain minimum percentage of their production to domestic users and must comply with benchmark selling price provisions. Regulations on the level of Masmindo's domestic market obligation and the relevant benchmark prices will be determined by the Mining Authority at the relevant time after Masmindo has commenced production, and may not be commercially favourable to Masmindo.

(e) **Divestment possibility:** Even though Masmindo has already agreed in the Masmindo MoU to divest 40% of Masmindo's foreign shareholdings to local interests commencing 5 years after commercial operations until the end of the 10tH year of operations, the government may try to push Masmindo to fall into line with other mining companies that hold an IUP or IUPK mining licence, which are obliged to divest a minimum of 51% of their foreign shareholdings to local interests. However, as mentioned in section 1.3.3, the Mining Authority cannot unilaterally amend the Masmindo CoW without triggering Masmindo's right to invoke the dispute resolution provisions under the Masmindo CoW. (Please see section 1.1.7 for information on the dispute resolution provisions under the Masmindo CoW.)

(f) **Environmental issues:** Under the Environment Law, if obligations in the AMDAL approval are not met (including monitoring and reporting obligations), one of the sanctions that could be imposed is the revocation of Masmindo's Environmental Licence. Revocation of Masmindo's Environmental Licence could lead to nullification of its business licenses, and consequent discontinuance of Masmindo's operations.

(g) **Land rights and the local community:** Masmindo will need to negotiate rights to occupy land within its areas of activity if such areas are already occupied by any parties. There is a risk that Masmindo may not be able to acquire necessary land rights on a timely basis or at all from any occupiers, and it may encounter opposition from local population groups if Masmindo cannot maintain a good working relationship with such groups.

(h) **Currency exchange risk:** Bank Indonesia has from time to time intervened in the currency exchange markets, either by selling Rupiah or by using its foreign currency reserves to purchase Rupiah. There can be no assurance that the current floating exchange rate policy of Bank Indonesia will not be modified, that additional depreciation of the Rupiah against other currencies, including the US Dollar, will not occur, or that the Government will take additional action to stabilise, maintain or increase the value of the Rupiah, or that any of these actions, if taken, will be successful.

(i) **Potential labour unrest:** Employee union activity resulting in the Indonesian Constitutional Court declaring various provisions of the Labour Law unconstitutional, thereby eroding certain employer rights under the Employment Law, combined with weak economic conditions in Indonesia, have resulted and may continue to result in labour unrest and activism in Indonesia that could disrupt Masmindo's operations.

(j) **Indonesian judicial decision-making:** Indonesian judges operate in an inquisitorial legal system, have very broad fact finding powers and a high level of discretion in relation to the manner in which those powers are exercised. Consequently, Indonesian judges can sometimes be influenced by factors, issues and evidence which may not be immediately apparent on the face of the court documents in question.

(k) **Public registries ineffective:** There is no effective public registry of companies in Indonesia or any effective public register for registration of corporate information, such as complete Articles of Association, encumbrances, pledges and charges over corporate assets or the appointment of receivers, administrators and liquidators. Consequently, complete and up-to-date corporate information on any Indonesian company, including Masmindo, may be difficult to obtain.

(l) **Limitations of Indonesian court judgments and enforcement:** Decisions by Indonesian courts are not binding on lower courts or in the same court in any subsequent case. Indonesian court judgments are not systematically published and judges are often unfamiliar with sophisticated commercial or financial transactions, leading in practice to a lack of certainty in the interpretation and application of Indonesian legal principles. There may also be difficulties, delays and increased costs involved in enforcing agreements, collecting receivables and enforcing judgments against third parties.

3. Interpretation, assumptions and qualifications

3.1. Interpretation

Where the phrase to our knowledge" is used in a section of this Report, such phrase means that we have made no independent investigation of the matter referred to in the particular section, have no knowledge to the contrary and that the section is based solely on the documents or representations conveyed to us under the Authority Documents, the Corporate Documents and/or the Supplementary Information, as the case may be, and that we have no grounds to doubt the contents of such documents or representations.

We express no opinion as to any laws other than the laws of the Republic of Indonesia as in force and applied as at the date of this Report and we have assumed that there is nothing in any other law that affects this Report.

3.2. Assumptions

This Report assumes the following matters in relation to the Masmindo CoW, Authority Documents, Corporate Documents and Supplementary Information:

a. that the information and documents given to us and the responses to the questions which we have put to the representatives of Masmindo and Nusantara have been true and accurate in all respects and contained no material omissions;
b. except as otherwise provided in this Report, all information and documents in whatever form Masmindo gave us access to for the purpose of preparing this Report was complete, true and accurate at the time of giving us such access and also as at the Effective Date;
c. the authenticity of all seals and signatures and of any duty stamp or marking;
d. that all documents Masmindo informed us were in the process of being lodged, registered and reported, as the case may be, to the government authorities, are being processed diligently by Masmindo with the relevant government authorities;
e. that all documents which Masmindo informed us have been lodged with the relevant authorities have been so lodged;
f. the completeness and the conformity to original documents or instruments of all copies examined by us;
g. the agreements and documents reviewed by us have not been modified, amended or terminated by subsequent actions or agreements of which we are not aware;
h. all corporate records and other documents examined by us are genuine, complete, up-to-date and accurate and correctly record the business of, and resolutions passed at, any meeting of Masmindo's shareholders, directors and/or commissioners, have not been changed or revoked after they were examined to us, and remain in full force and effect;
i. all factual matters stated in any document or given to us verbally are true and correct;
j. the terms of any agreement or arrangement have not been amended, either by means of another document not made available to us, or verbally or by a course of conduct of which we are unaware, and there are no additional relevant documents and verbal arrangements of which we are unaware; and
k. no relevant documents or information have been withheld, deliberately or inadvertently, from us.

Nothing has come to our attention to lead us to believe that the above assumptions are not correct, but we have not made any independent investigation with respect to the matters the subject of such assumptions.

3.3. Qualifications

This Report is subject to the following qualifications:

a. This Report is strictly limited to the matters stated in it, and does not extend by implication to any other matter. Specifically, the Report does not include any comments on the accounting, financial or tax status of Nusantara, Masmindo and their operations or commercial agreements or any comments on the value of the assets of Nusantara or Masmindo.
b. The statements made and opinions in this Report are given only to the extent that a law firm, having the role described above and elsewhere in this Report, could reasonably be expected to have become aware of relevant facts and to have identified the implications of those facts.
c. This Report is given solely for the benefit of Nusantara and its successors and assigns and may not be relied on by any other person or for any other purpose or quoted or referred to in any public document, except for being reproduced for publication in the Prospectus, or filed with any government body or other person without our prior written consent.
d. Apart from being reproduced for publication in the Prospectus, this Report may not be reproduced for publication in full or in part without our prior consent in writing in each instance.
e. We provide fee-based legal services to Nusantara in relation to Indonesian law and will receive a fee for preparing this Report. We will not receive any other monetary or other benefit, either directly or indirectly, for doing so.
f. This firm makes no assessment of any possible commercial, technical, financial, environmental or tax consequences arising out of any of the matters we have investigated.
g. This Report only covers matters as to the law of Indonesia in force as at the Effective Date and this firm expresses no opinion and accepts no responsibility as to the law of any other jurisdiction or any documents, agreements or arrangements which may be subject to, or to be construed in accordance with, any such law.

Awak Mas camp and core storage facility.

10 DETAILS OF THE OFFER

10.1 Offer

Under this Prospectus, the Company offers for subscription up to 47,619,048 New Shares at an issue price of A$0.42 per Share to raise up to A$20 million (before costs).

All of the New Shares offered under this Prospectus will rank equally with Shares on issue at the date of this Prospectus.

As at the date of this Prospectus the Lead Manager to the Offer has received Firm Commitments for an aggregate amount of A$13.1 million representing 87% of the Minimum Subscription amounts. Refer to **section 10.12** for further details.

10.2 Minimum Subscription and Other Conditions

The Minimum Subscription in respect of the Offer is A$15 million. No Shares will be issued pursuant to this Prospectus until the Minimum Subscription is reached and the following conditions have been satisfied:

(a) The Company receiving conditional approval from ASX for the Company to be admitted to the Official List;
(b) One Asia's shareholders approving the Capital Reduction Resolution;
(c) Final approval of One Asia's directors.

The Company will apply to ASX no later than 7 days from the date of this Prospectus for official quotation of all Shares on ASX. No issue of New Shares will be made until permission is granted for quotation of the New Shares on the ASX. If the New Shares are not admitted for quotation within 3 months after the date of this Prospectus or if any of the other conditions precedent to the Offer are not met, no funds will be raised pursuant to this Prospectus.

10.3 Opening and Closing Date of the Offer

The opening date of the Offer will be 23 June 2017 and the Closing Date for the Offer will be 5:00pm AEST on 18 July 2017 unless otherwise extended.

The Directors reserve the right to close the Offer early or extend the Closing Date (as the case may be), should it be considered by them necessary to do so.

10.4 How to apply for New Shares

Applications for New Shares must be made by completing the Offer Application Form accompanying this Prospectus.

Payment for New Shares must be made in full at the issue price of A$0.42 per Share. Applications for Shares must be in for a minimum of 5,000 Shares and in multiples of 1,000 Shares.

Completed Application Forms and accompanying cheques must be mailed to the Company as follows:

Delivery by post or hand

Nusantara Resources Limited
C/-Computershare Investor Services
GPO Box 52
MELBOURNE VIC 3001

OR
Computershare Investor Services
Yarra Falls
452 Johnston Street
ABBOTSFORD VIC 3067

Cheques should be made payable to 'Nusantara Resources Limited – Share Offer Account' and crossed 'Not Negotiable'. Completed Application Forms and cheques must reach the address set out above by no later than 5.00pm AEST on the Closing Date.

BPAY is available for electronic payment. Follow the instructions on the Application Form which accompanies this Prospectus.

10.5 Allocation and Issue of Shares

The issue or transfer of securities under this Prospectus will take place as soon as practicable after the Closing Date. Application Monies will be held in a separate subscription account until the Shares are issued. This account will be established and Application Monies kept by the Company in trust for each Applicant. Any interest earned on the Application Monies will be for the benefit of the Company and will be retained by the Company irrespective of whether any Shares are issued and each Applicant waives the right to claim any interest.

The Company reserves the right to reject any Application or to allocate to any Applicant fewer Shares than the number applied for. The Company also reserves the right to reject or aggregate multiple applications in determining final allocations.

In the event an Application is not accepted or accepted in part only, the relevant portion of the Application Monies will be returned to Applicant, without interest.

The Company and One Asia reserve the right not to proceed with the Offer or any part of it at any time before the allocation of the Shares to Applicants. If the Offer or any part of it is cancelled, all Application Monies, or the relevant Application Monies will be refunded.

The Company also reserves the right to close the Offer or any part of it early, or extend the Offer or any part of it, or accept late Applications either generally or in particular cases.

10.6 Restricted Securities

ASX has determined that In Specie Shares distributed to Directors, other related parties and promoters (including Lion Selection Group) should be subject to ASX imposed mandatory escrow for a period of 24 months from the date of quotation of the Shares on ASX.

ASX has also determined that In-Specie Shares issued to non-related parties who received their shares in One Asia in the 12 months prior to quotation of the Shares on ASX should be subject to ASX imposed mandatory escrow for a period of 12 months from the date those shares were issued.

The Company will enter into escrow agreements with shareholders who are subject to mandatory escrow as set out above in accordance with Chapter 9 of the Listing Rules.

None of the Shares offered under this Prospectus will be treated as restricted securities and will be freely transferable from their date of allotment.

10.7 Brokerage, Stamp Duty or Commissions Payable

No brokerage or stamp duty is payable by Applicants on acquisition of New Shares under the Offer. Any commissions on capital subscribed will be at the discretion of Patersons.

10.8 Rights and Liabilities attaching to Shares

Full details of the rights attaching to Shares offered under the Offer are set out in Nusantara's Constitution, a copy of which can be inspected at the Company's registered office at Level 2, 175 Flinders Lane, Melbourne, Victoria.

The following is a summary of the principal rights which are proposed to attach to Shares and are primarily set:

(a) **Voting rights**
Subject to any right or restrictions for the time being attached to any class or classes of Shares (at present there are none), at a general meeting, every holder of Shares present in person or by proxy, attorney or corporate representative has one vote on a show of hands and one vote per Share on a poll.

A person who holds a Share which is not fully paid is entitled to a fraction of a vote equal to the amount paid up (but not credited as paid up) on the Share divided by the total amount paid and payable on the Share (excluding amounts credited).

(b) **Dividend rights**
The Board may declare or pay dividends as it sees fit and determine that a dividend is payable and fix the amount, the time for payment and the method of payment.

Subject to the rights of holders of Shares issued with any special or preferential rights (at present there are none), holders of fully paid Shares on which any dividend is declared or paid are entitled to participate in that dividend equally.

Each Share which is not fully paid is entitled to a fraction of the dividend declared or paid on a fully paid Share equivalent to the proportion which the amount paid (not credited) on the Share bears to the total amounts paid and payable (excluding amounts credited) on the Share.

(c) **Rights on winding-up**
Subject to the rights of holders of Shares issued upon special terms and conditions (at present there are none), a liquidator may with a sanction of a special resolution of the Company, divide among the holders of Shares any surplus assets on a winding-up of the Company in proportion to the number of Shares held by them respectively (irrespective of the amounts paid or credited as paid on the Shares) or vest all of the Company's assets in a trustee on trusts determined by the liquidator for the benefit of the Shareholders.

(d) **Transfer of Shares**
Subject to the constitution, the Corporations Act and any other applicable laws of Australia and rules of the ASX, Shares are freely transferable. The Board may refuse to register a transfer of shares if permitted by the Corporations Act or the ASX Rules. The ASX Rules also require the Board to refuse to register a transfer if it relates to Shares which are subject to escrow requirements.

(e) **Future increases in capital**
The allotment and issue of any Shares or other Securities is under the control of the Directors. Subject to the constitution and the Corporations Act, the Directors may allot or otherwise dispose of Shares or other Securities on such terms and conditions as they think fit.

(f) **Variation of rights**
The rights attaching to the Shares and other Securities may be varied by the written consent of holders of such Shares or other Securities with at least 75% of the votes in the class or with the sanction of a special resolution passed at a meeting of the class of holders holding Shares or other Securities in the relevant class.

(g) **Meetings and notice**
A Director may call a meeting of the Company's shareholders. Annual meetings and meetings requested by the Company's shareholders are called and arranged in accordance with the Corporations Act (including requirements as to notice).

(h) **Listing Rules**
If Nusantara is admitted to the Official List of ASX, then despite anything in Nusantara's Constitution, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision or not to contain a provision the Constitution is deemed to contain that provision or not to contain that provision (as the case may be). If a provision of the Constitution is or becomes inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

10.9 CHESS

The Company will apply to participate in the Clearing House Electronic Sub-Register System (CHESS), operated by ASX Settlement (a wholly owned subsidiary of ASX), in accordance with the ASX Settlement Operating Rules. On admission to CHESS, the Company will operate an electronic issuer-sponsored sub-register and an electronic CHESS sub-register. These two sub-registers together will make up the Company's principal register of securities.

Under CHESS, the Company will not issue certificates to Shareholders. Instead, Shareholders will receive holding statements that set out the number of Shares each Shareholder owns. If a Shareholder is broker-sponsored, ASX Settlement will send the shareholder a CHESS statement. This statement will also advise investors of either their Holder Identification Number (HIN) in the case of a holding on the CHESS sub-register or Securityholder Reference Number (SRN) in the case of a holding on the issuer-sponsored sub-register.

A CHESS statement or issuer-sponsored statement will routinely be sent to Shareholders at the end of every calendar month during which the balance of their holding changes. A Shareholder may request a statement at any other time; however a charge may be imposed for additional statements.

10.10 Expenses of the Offer

The total estimated expenses of the Offer (including GST/VAT) are estimated to be approximately A$1,665,000 (Minimum Subscription) to A$1,972,000 (Maximum Subscription) consisting of the following:

Item of Expenditure	Minimum Subscription Amount	Maximum Subscription Amount
	(A$'000)	(A$'000)
Legal fees (Australia and Indonesia)	222	222
Investigating Accountant	75	75
Tax review (Australia and Indonesia)	73	73
Independent Geologist	66	66
Lead Arranging Fee	900	1,200
Corporate Adviser Fee	83	83
ASX fees	144	150
Share Registry, prospectus design and printing	103	103
Total	**1,665**	**1,972**

10.11 Queries

This Prospectus provides information for investors to decide if they wish to invest in the Company and should be read in its entirety. If you have any questions about investing in the Company, please contact your stockbroker, financial planner, accountant, lawyer or other professional advisers.

Any queries regarding the Offer should be directed to the Company on +61 3 9620 0718.

Any queries regarding the Application Form should be directed to the Share Registry on 1300 850 505 (within Australia) or +613 9415 4000 (outside Australia).

10.12 Firm Commitments

As at the date of this Prospectus the Lead Manager to the Offer has received firm commitments to subscribe for Shares under the Offer for an aggregate amount of A$13.1 million representing 87% of the Minimum Subscription amounts (**Firm Commitments**). This figure includes:

(a) Lion Selection Group Limited which will be a substantial shareholder in the Company following the Distribution of In-Specie Shares, agreeing on 30 May 2017 to subscribe for Shares under the Offer for an amount of $4,500,000; and
(b) AustralianSuper which will be a substantial shareholder in the Company having provided a Firm Commitment to subscribe for Shares under the Offer for an amount of $3,900,000.

The voting power of the investors in the Company following completion of the Offer is disclosed in **section 11.5**. In consideration for entering into these Firm Commitments, arm's length fee arrangements have been entered between the respective investors and the Lead Manager, with the fee being paid by the Lead Manager.

11 ADDITIONAL INFORMATION

11.1 Material contracts

Nusantara is party to the following material contracts:

(a) **Awak Mas Contract of Work**
Refer to **section 3.3** for the summary of the CoW.

(b) **Corporate Advisory & Lead Manager Mandate**
Nusantara has appointed Patersons Securities Limited (Patersons) as Nusantara's Corporate Adviser, Lead Manager to provide all assistance necessary to achieve a successful listing of Nusantara on ASX, including the raising of Capital (Capital Raising).

Patersons will be paid a corporate advisory fee of A$75,000 and a 6.0% equity raising fee payable on the total gross proceeds raised pursuant to the Capital Raising.

(c) **Convertible Loan Agreement with One Asia**
Nusantara has entered a convertible loan agreement with its parent company, One Asia, in relation to outstanding funding amounts provided by to the Group. Prior to the completion of the Offer, One Asia has agreed to convert outstanding loan amounts owed by Nusantara and its subsidiaries, being US$24,280,952 at 31 December 2016, and Nusantara will issue One Asia 58,969,875 Shares.

(d) **Executive Service Agreement**
See **section 5.8** for a summary of the Executive Service Agreements entered into with Michael Spreadborough (Managing Director), Colin McMillan (General Manager, Geology), Boyke Abidin (Executive Director) and the Non-Executive Directors.

(e) **Lion Manager Services Agreement**
See **section 5.5** for a summary of the Lion Manager Services Agreement.

(f) **SKG Services Agreement**
Nusantara has appointed PT Selaras Karya Gemilang (SKG) to provide shared services and administration in Indonesia, including accounting, tax and legal support services. SKG also provides office space for Nusantara's Indonesian subsidiary. SKG is paid a services fee of IDR76 million per month (approximately A$7,700 per month at current exchange rates).

(g) **Tax Sharing Agreement**
The Australian tax resident companies within the One Asia group of companies, including Nusantara, have entered into a tax sharing agreement on 6 June 2017. This agreement sets out how tax payments will be allocated within the One Asia group, and limits the liability of subsidiaries in the tax consolidated group under joint and several liability requirements of the tax consolidation system, in the event of default by the parent entity to meet its payment obligations. In addition, the tax sharing agreement allows for subsidiary members to leave the tax consolidated group clear of a specific group liability (clear exit). The Company is expected to achieve such clear exit at the time the In-Specie Shares are distributed.

11.2 Sufficiency of working capital

The directors are of the opinion that the Company will have sufficient working capital to carry out its business objectives as described in this Prospectus.

11.3 Capital structure

Nusantara's pro forma capital structure following completion of the Offer will be as per table below.

As at the date of this Prospectus, the Company has one Share on issue.

11.4 Loyalty Options

After the successful completion of the Offer and Nusantara's listing on ASX, the Company intends to offer Shareholders one free Loyalty Option for every three Shares held at an exercise price of A$0.42 with an expiry date in September 2018. The offer of the Loyalty Options would need to be made under a separate prospectus which will be provided to eligible shareholders with a record date to be set approximately two months from Nusantara's listing on ASX. The Company will send eligible shareholders a copy of the prospectus containing the offer of Loyalty Options shortly after the record date. Pursuant to ASIC Corporations(Application Form Requirements) Instrument 2017/241, an application form will not accompany the prospectus. Eligible shareholders will be issued the number of Loyalty Options that they are entitled to without the need to complete an application form. The Company will apply to ASX for quotation of the Loyalty Options.

Shareholders who have sold their Nusantara shares before the record date will not be entitled to free Loyalty Options.

Capital structure

	Minimum Subscription		Maximum Subscription	
	No. of shares	**Total % undiluted**	**No. of shares**	**Total % undiluted**
Shares on issue prior to completion of Offer	58,969,876	62.3%	58,969,876	55.3%
Shares issued under the Offer	35,714,286	37.7%	47,619,048	44.7%
Total Shares on issue on an undiluted basis	**94,684,162**	**100.0%**	**106,588,924**	**100.0%**
Total options on issue at completion of IPO	4,897,000		4,897,000	
Total securities on a diluted basis	**99,581,162**		**111,485,924**	

11.5 Effect on Voting Power

Nusantara's pro forma capital structure following completion of the Offer will be as shown in the table below.

Details of the Directors' holdings are set out in **section 5.3**.

11.6 Demerger

Prior to the completion of the Offer Nusantara will have 58,969,876 Shares on issue (the In-Specie Shares). One Asia is proposing to undertake a capital reduction by way of an in-specie distribution of the shares it holds in Nusantara to its shareholders (**Demerger**). As a condition of the Offer, One Asia shareholders must approve the distribution of these shares on a pro rata basis to One Asia shareholders (**Distribution**). The Shares will be transferred as a 1 for 3 distribution at no cost to One Asia Shareholders who are holders as at 20 July 2017 (the **In-Specie Shares**).

The Distribution remains conditional upon the following (together, the **Demerger Conditions**):

(a) Nusantara receiving subscriptions for Shares for the Minimum Subscription of A$15 million;
(b) One Asia's shareholders approving the Capital Reduction Resolutions;
(c) Nusantara obtaining a conditional admission letter from ASX on terms satisfactory to Nusantara's Directors, acting reasonably; and
(d) Final approval of One Asia's directors.

There is no certainty that the above conditions will be satisfied. In the event the Demerger Conditions are not met then the listing of Nusantara on ASX will not proceed and all Application Monies received will be returned to applicants without interest.

11.7 Continuous disclosure

Upon admission to the official list of ASX the Company will be required to notify ASX of information which may have a material effect on the price or value of the Company's Shares apart from information which falls within the exceptions to continuous disclosure.

11.8 Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All prospective investors in the Company are urged to take independent financial advice about the taxation and any other consequences of investing in the Company. To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability or responsibility with respect to taxation and any other consequences of investing in the Company.

11.9 Company tax status and financial year

The Group will be subject to tax in Australia and Indonesia. Applicable Indonesian taxes and royalties are summarised in **section 11.10**.

The Company will be taxed as a company at the prevailing company tax. Where the Company incurs a tax loss for income tax purposes in any given year, the tax loss may be carried forward and offset against future taxable income of the Company subject to satisfaction of the loss recoupment tests.

If the Company is successful in ultimately developing positive cash flows from its operations in Indonesia, it is anticipated that the Company will derive income from foreign operations (via dividends). As noted in section 11.10, local taxes will apply. The dividends are anticipated to be non-assessable non-exempt in Australia on the basis that the Company owns greater than 10% control interest in the Indonesian company. To the extent that the Company pays corporate income tax in Australia, the Company will be required to maintain a franking account and may declare franked dividends to investors.

Effect on Voting Power

	In-Specie Shares		Minimum Subscription		Maximum Subscription	
Shareholder	**No. of shares**	**Total % undiluted**	**No. of shares**	**Total % undiluted**	**No. of shares**	**Total % undiluted**
Lion Selection Group Limited[1]	20,802,944	35.3%	31,517,230	33.3%	31,517,230	29.6%
Macquarie Bank Limited	4,991,056	8.5%	4,991,056	5.3%	4,991,056	4.7%
Jim Nominees Limited	4,086,251	6.9%	4,086,251	4.3%	4,086,251	3.8%
Other One Asia Shareholders	29,089,624	49.3%	29,089,624	30.7%	29,089,624	27.3%
AustralianSuper[2]			9,285,714	9.8%	9,285,714	8.7%
Other Shares issued under the Offer			15,714,286	16.6%	27,619,048	25.9%
Total Shares	**58,969,876**	**100.0%**	**94,684,161**	**100.0%**	**106,588,923**	**100.0%**

1. Lion Selection Group Limited includes the ownership interest held by its subsidiary, Asian Lion Limited. Lion Selection Group Limited has confirmed it will subscribe for Shares under the Offer for an amount of A$4.5 million.
2. AustralianSuper has confirmed it will subscribe for Shares under the Offer for an amount of A$3.9 million.

Note: This assumes the Demerger is effected and no Shares are acquired by other One Asia Shareholders under this Prospectus.

The financial year of the Company will end on 31 December 2017.

11.10 Applicable Indonesian taxes and royalties

Subject to the provisions of the CoW, Masmindo shall fulfil its tax liabilities, including its obligation as a tax withholder on defined payments to other taxpayers, as provided for in the CoW. Under the CoW, Masmindo shall not be subject to any other taxes, duties or levies, contributions, charges or fees levied or imposed or approved by the GOI other than those provided for in the CoW.

In October 2014 Masmindo signed a non-binding Memorandum of Understanding (MOU) with the GOI to align parts of the CoW to prevailing laws and regulations. Pursuant to the MOU, in regards to taxation and royalties Masmindo indicated a willingness to align; personal income tax, withholding taxes, value added tax (VAT), stamp duty, import duty, land and building tax, royalties and tax compliance with prevailing regulations however this has not yet been formalised.

11.10.1 Indonesian Corporate Tax

Under the current income tax law and regulations a company is subject to corporate income tax on its taxable income. Taxable income is calculated based on gross income minus deductible expenses, costs and allowances. Companies resident in Indonesia are subject to corporate income tax on their worldwide taxable income.

The calculation of taxable income under the CoW is largely subject to the Income Tax law of 1994 and its implementing regulations except as otherwise stated in the CoW. Specific tax rules set out in the CoW generally take precedence over the current tax Laws.

The CoW specifies a corporate income tax rate as set forth by government regulation up to a maximum of 30%.

The MoU between the GOI and Masmindo confirmed that the corporate income tax rate under CoW would remain unchanged.

However, Masmindo is currently under negotiation with the GOI to adjust the CoW to follow the current corporate income tax rate of 25%.

11.10.2 Indonesian Personal Income Tax

Masmindo has an obligation to withhold income tax on income related to work paid to employees of Masmindo according to Article 21 or 26 of the Income Tax Law of 1994.

Severance payments paid to employees shall be subject to income tax in accordance with prevailing regulation.

The MOU confirmed a willingness to amend Masmindo's obligations with respect to withholding of personal tax under the terms of the CoW to prevailing rates for Personal Income Taxes.

Under the prevailing regulations, personal income tax rate is as follows:

Taxable income brackets	Tax Rate
Up to IDR 50,000,000 (fifty million rupiah)	5%
Over IDR 50,000,000 (fifty million rupiah) up to IDR 250,000,000 (two hundred and fifty million rupiah)	15%
Over IDR 250,000,000 (two hundred and fifty million rupiah) up to IDR 500,000,000 (five hundred million rupiah)	25%
Over IDR 500,000,000 (five hundred million rupiah)	30%

11.10.3 Indonesian Withholding Tax

Masmindo, in accordance with the Income Tax Law of 1994 and regulations prevailing at the date of the CoW, is obliged to withhold and remit income tax at a rate specified in the CoW or lesser rate applicable under relevant Double Tax Agreements as follows:

- 15% of gross income in in the case of payments of dividends, interest and royalties, paid to a resident taxpayer excluding dividend, paid to a resident company, cooperative, foundation or similar organisation, state owned company or company owned by local government;
- 7.5% of gross income in the case of payment of dividend to a non-resident founder shareholder and individual resident founder shareholder;
- 15% of gross income on payments to resident taxpayer for rents and income related to the use of property, and compensation paid for technical, management and other services; and
- 20% of gross income, or lesser rate applicable under relevant Double Tax Agreements, for income payments made to a non-resident taxpayers for dividends, interest, rents, royalties, other income for the use of property, compensation for technical services, management services, and other services performed in Indonesia and after-tax profits of a permanent establishment in Indonesia.

The MOU confirmed a willingness to amend the CoW to prevailing rates for withholding taxes.

Under the prevailing regulations, the following rates are applied:

- 15% of gross income in in the case of payments of dividends, interest, royalties, and prizes and awards.
- 2% of gross income on payments to resident taxpayer for rents except which is already subject to final tax, payment related to compensation in connection to technical, management and other services.
- 20% of gross income, or lesser rate applicable under relevant Double Tax Agreements, for income payments made to a non-resident taxpayers for dividends, interest, rents, royalties, other income for the use of property, compensation for technical services, management services, and other services performed in Indonesia and after-tax profits of a permanent establishment in Indonesia.

11.10.4 Royalties

Specific royalties are set out in the CoW that take precedence over the prevailing Tax Laws. Based on the CoW, the applicable royalty for gold production is US$235/kg of gold. The MOU confirmed a willingness to amend the CoW to the prevailing royalty rate.

The prevailing regulation for royalties on gold is set at 3.75% Net Smelter Royalty.

Further detail and commentary on the Indonesian royalty regime with respect to the CoW and the Awak Mas Gold Project are set out in the Indonesian Solicitor's Report on Mining Tenements in **section 9**.

11.10.5 Deadrent

Masmindo is subject to deadrent in respect of the CoW area measured by the number of hectares multiplied by the rate stipulated in the CoW. During the feasibility and construction period the amount is set at US$0.50 per hectare and during operations this amount increases to US$1.50 per hectare. Masmindo is currently paying deadrent at a rate US$0.50 per hectare.

The MOU confirmed a willingness to amend the CoW to prevailing rates.

Prevailing rates for deadrent are currently US$1.50 per hectare during the feasibility and construction periods and US$3.00 per hectare for operations.

11.10.6 Value Added Tax

The delivery of goods and services in Indonesia is generally subject to VAT except for the delivery of certain defined types of goods and services. Masmindo is subject to VAT according to the VAT law of 1994. Masmindo is obligated to collect, remit and report VAT on the delivery of taxable goods and or services at a rate of 10%.

The MOU confirmed a willingness to amend the CoW to prevailing regulations for VAT.

Prevailing rates for VAT are currently unchanged from the rates specified in the CoW.

The recoverability of VAT paid is subject to tax office audit, and VAT refunds may take some time or may not be able to be recovered in some circumstances.

11.10.7 Land and Building Tax

Under the CoW, Masmindo is obligated to pay land and building tax equal to the amount of deadrent up until operations. During operations Masmindo shall pay land and building tax of an amount equal to the amount of deadrent plus an amount of 0.5% x 30% of gross revenue from the mining operations. The MOU confirmed a willingness to amend the CoW to prevailing regulations for land and building tax.

Prevailing rates for land and building tax are currently unchanged from the rates specified in the CoW.

11.10.8 Local Government Taxes and Charges

Under the CoW, Masmindo shall pay levies, taxes, charges and duties imposed by the Local Government (Province of South Sulawesi and Luwu Regency) which have been approved by the GOI in accordance with prevailing laws and regulations at rates and calculated in a manner not greater than the amount calculated based on the laws and regulations in force at the date of the CoW.

Under the CoW, Masmindo shall pay general administrative fees and charges for facilities or services and special rights granted by the Local Government to the extent that such fees and charges have been approved by the Central Government.

11.11 Non-government royalties

In respect of the Awak Mas Gold Project, please see the summary of the Vista Gold Royalty Agreement in **section 3.16**.

11.12 Project Divestment Requirements

Current Indonesian mining law provides that foreign shareholders must divest part of their interest in a mining concession company in defined periods once the company is in commercial production. The CoW does not require a divestment of a specified interest in the project.

Current Government regulations governing divestment applicable to foreign held mining concessions after the commencement of commercial production is as follows:

- 20% by the end of the 6th year;
- 30% by the end of the 7th year;
- 37% by the end of the 8th year;
- 44% by the end of the 9th year; and
- 51% by the end of the 10th year.

The mining company is obliged to make initial offers of divestment shares sequentially to the central government, regional or municipal governments, central and regional state owned companies, then Indonesian private limited liability companies. Restrictions also apply on providing loan finance to Indonesian parties to acquire divestment shares.

The current regulations set out a mechanism for determining the price for divested shares, which must not take into consideration the value of the mineral reserves in the relevant mining area, resulting in a much lower valuation compared to a valuation that could consider the value of the mineral reserves. Notably the GOI proposed sale pricing mechanism is unclear, and if adopted may result in divestment at a price lower than the market value.

While a specific divestment requirement does not apply to the CoW, this issue is being dealt with through on-going re-negotiations and it is possible that a divestment requirement will become applicable at some point. In the October 2014 non-binding MOU between Masmindo and the GOI, Masmindo confirmed a willingness to amend the CoW to incorporate divestment of up to 40% of its interest in the project at fair value from years 6 to 10 following the commencement of commercial production, although this amendment is yet to be

formalised. Recent correspondence from the GOI suggests they are now seeking to apply the current mining law with respect to divestment as noted above.

Further detail and commentary on the Indonesian divestment requirements are set out in the Indonesian Solicitor's Report on Mining Tenements in **section 9**.

11.13 Employee Incentive Plan

The Company has established the Nusantara Incentive Plan (Incentive Plan) to provide an opportunity to eligible participants to participate in the Company's future growth and provide an incentive to contribute to that growth. The Incentive Plan is further designed to assist in attracting and retaining employees. On completion of the Offer, the Company will issue 4,425,000 options to executives and directors under the Incentive Plan and an additional 472,000 sign-on options on completion of the Offer to executives for services provided.

Directors are entitled to participate in the Incentive Plan with existing arrangements disclosed in the Directors Interest's in **section 5.2**. Any subsequent issues to Directors are subject to prior shareholder approval.

A summary of the terms of the Incentive Plan is set out below:

(a) The Company must obtain Shareholder approval under the Listing Rules and/or the Corporations Act before the participation under the Incentive Plan of any eligible participant who is a Director of or otherwise a related party of the Company.
(b) Subject to the Corporations Act and the Listing Rules, the Board may at such times as it determines, issue invitations (in such form as the Board decides from time to time) to eligible participants, inviting applications for a grant of incentive securities up to the number specified in the invitation (Specified Securities) and specifying an acceptance period.
(c) The number of Specified Securities will be determined by the Board in its absolute discretion.
(d) Awards granted under the Incentive Plan (Awards) will be granted free of charge.
(e) The Board may impose performance criteria for the vesting of Specified Securities.
(f) The Board may in its absolute discretion determine the general terms of the Awards subject to the Corporations Act, the Listing Rules and the Company's Constitution.
(g) The Board may in its absolute discretion determine the terms of the Awards in the event of a takeover bid, court-ordered arrangement or compromise, subject to the Corporations Act, the Listing Rules and the Company's Constitution.
(h) Prior to or within 90 days after a participant ceases to be an employee of the Company, the Board may determine (in its absolute discretion) that some or all of a participant's Awards will:
    (i) vest or become exercisable;
    (ii) are only exercisable for a prescribed period and will otherwise lapse;
    (iii) continue to be subject to some or all of the performance conditions; or
    (iv) lapse on the date of cessation of employment.
(i) Subject to (h) above, where a participant ceases to be an employee of the Company, that participant's Awards will continue to be held by the participant (or by his or her estate as representative) and continue to be subject to the terms of the Incentive Plan except that any continuous service condition will be deemed to have been waived.
(j) Unless otherwise determined by the Board, the exercise price of each Specified Security will be a minimum of the market value of a Share when the Board resolves to offer the securities.
(k) An invitation or offer of incentive securities may only be made under the Incentive Plan if the number of Shares that may be acquired when aggregated with:
    (i) the number of Shares which would be issued if each outstanding offer or Award, being an offer made or option or performance right acquired pursuant to the Incentive Plan or any other employee share scheme was to be accepted or exercised; and
    (ii) the number of Shares issued during the previous 3 years pursuant to the Plan or any other employee share scheme,

    but disregarding any offer made, or Award acquired or Share issued, by way of or as a result of:

    (iii) an offer to a person situated outside of Australia at the time of receipt of the offer; or
    (iv) an offer which did not require disclosure to investors under the Corporations Act; or
    (v) an offer made under a disclosure document (within the meaning under the Corporations Act),

    does not exceed 8% of the total number of issued Shares of the Company as at the time of the invitation or offer.

11.13.1 Incentive Plan Options

The options will be exercisable at a 43% premium to the issue price of New Shares under this Prospectus, being A$0.42 (**Issue Price**) and will expire 4 years from the Listing date (**Expiry Date**). Vesting conditions of the options are:

(1) 33⅓% of the options will vest when the Company is listed and the 45 day VWAP of the Shares is 25% above the Issue Price or greater;
(2) 33⅓% of the options will vest upon the decision to mine at the Awak Mas Gold Project, defined as a board decision to commence construction of the processing facility with applicable finance available; and
(3) 33⅓% of the options will vest upon the commencement of commercial production at the Awak Mas Gold Project, with commercial production defined as the first pour of gold dore.

General option terms are set out in **section 11.13.3** following.

11.13.2 Executive Sign-On Options

The Company will also issue 472,000 options on completion of the Offer to executives for services provided. The options will be exercisable at the Issue Price and will expire 3 years from the Listing date. The options vest on the Listing Date.

11.13.3 General Option Terms

(a) Each option entitles the holder to one Share in the capital of the Nusantara Resources Limited ACN 150 791 290 (Company), subject to the vesting terms of the options.

(b) The options may be exercised by lodging with Nusantara, before the Expiry Date either:

(i) a written notice of exercise of options specifying the number of options being exercised together with a cheque or electronic funds transfer for the Exercise Price for the Options being exercised; or

(ii) a written election signed by the optionholder electing to use the Cashless Exercise Facility in respect of the number of Options set out in the written election,

1. (either of the above being an **Exercise Notice**).
2. For the purpose of the above '**Cashless Exercise Facility**' means to exercise a number of options and not pay an Exercise Price, and thereby receive a lesser number of Shares on exercise of the options such that the optionholder is allotted a number of Shares with an aggregate value equivalent to the net value of the Shares the optionholder would have otherwise acquired if the optionholder had paid an Exercise Price, after that Exercise Price is deducted from the value of those Shares.

(c) The options lapse or are deemed to be forfeited 90 days after the option holder ceases to be an executive of Nusantara, unless the Board determines otherwise.

(d) The options are not transferable.

(e) All Shares issued upon exercise of options will rank pari passu in any respects with Nusantara's then issued Shares.

(f) There are no participating rights and entitlements inherent in the options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the options without exercising their options. However, Nusantara will ensure that option holders will be allowed ten business days notice to convert their options to Shares to participate in an entitlement issue on the same basis as Shareholders.

(g) If any takeover bid (including by way of scheme of arrangement or otherwise) is publicly announced in respect of Nusantara, then the following provisions apply in relation to the takeover bid:

(i) Nusantara must promptly give written notice of the takeover bid to the option holder whereupon all options (which have not lapsed or expired), notwithstanding anything to the contrary, must be exercised at any time prior to the expiry of the later of:

A. 60 days after receiving such notice; and

B. the date that a takeover bid (which is recommended for acceptance by the Board) becomes unconditional,

3. ("Takeover Exercise Period") or, if applicable, within the further seven day period referred to in (iv) below.
4. The dates referred to in paragraph (h)(i)(A) and (B) above only apply where they occur before the Expiry Date. For the avoidance of doubt, where the Expiry Date occurs before a date referred to in (h)(i)(A) or (B), the options must be exercised on or before the Expiry Date.

(ii) If, during the Takeover Exercise Period, the person making the takeover bid ("bidder") offers to grant options in the capital of the bidder ("Replacement Options") to the option holder (and, for the avoidance of doubt, this does not obligate Nusantara in any way to procure such an offer from the bidder) in consideration for the cancellation or acquisition of the options, the option holder may, in their discretion, accept such Replacement Options instead of exercising their options.

(iii) If no offer of Replacement Options is made during the Takeover Exercise Period and accepted, the option holder has (other than in the case of a scheme of arrangement) a further seven days' grace after the expiry of the Takeover Exercise Period within which to exercise their options (Grace Period), whereupon unexercised options will lapse. For the avoidance of doubt, where the Expiry Date occurs before the end of the Grace Period, the options must be exercised on or before the Expiry Date. In the case of a scheme of arrangement, the options will lapse at the end of the Takeover Exercise Period.

(iv) If the takeover bid lapses or is withdrawn or closes without being recommended for acceptance by the Board, whether the bid is conditional or unconditional, then the provisions of all the paragraphs hereof will revive in respect of any unexercised options which options will remain on foot.

(h) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of Nusantara prior to the Expiry Date of the options, the number of options or the exercise price of the options, or both, shall be reconstructed in accordance with the Listing Rules.

(i) **Adjustment for bonus issues**

If Nusantara makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu of, or in satisfaction of, dividends or by way of dividend reinvestment):

(i) the number of Shares which must be issued on the exercise of an option will be increased by the number of Shares which the option holder would have received if the option holder had exercised the option before the record date for the bonus issue; and

(ii) no change will be made to the exercise price of the options.

(j) **Adjustment for pro rata issue**
If Nusantara makes a pro rata issue of Shares or other securities to existing Shareholders (other than a bonus issue or an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment) the exercise price of an option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E\,[P-(S+D)]}{N+1}$$

O = the old Exercise Price of the option.
E = the number of underlying Shares into which one option is exercisable.
P = average market price per Share weighted by reference to volume of the underlying Shares during the five trading days ending on the day before the ex rights date or ex entitlements date.
S = the subscription price of a Share under the pro rata issue.
D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).
N = the number of Shares with rights or entitlements that must be held to receive a right to one new share.

(k) **Definition of Listing Price**
The Listing Price is defined as:
(i) the issue price of the Initial Public Offering, or
(ii) if Nusantara is listed by way of a reverse takeover, the issue price of any associated equity raising. If there is no associated equity raising, the implied valuation per share of Nusantara of the transaction based on the 30-day Volume Weighted Average Price prior to the announcement of the transaction.

(l) **Definition of Listing Date**
The Listing Date is defined as:
(i) The first date of trading on ASX (or other public stock exchange) following an Initial Public Offering, or
(ii) if Nusantara is listed by way of a reverse takeover, the date on which shares commence trading on ASX (or other public stock exchange) following completion of the takeover.

11.14 Interests of Experts and Advisers

Except as disclosed in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the two year period ending on the date of this Prospectus, any interest in:

(a) The formation or promotion of the Company;
(b) Property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
(c) The Offer.

Thomson Geer has acted as legal adviser to the Company in connection with its application to list on ASX. The Company has paid or will pay an aggregate of approximately A$95,000 (excluding GST) to Thomson Geer for these services. Thomson Geer is also acting for One Asia with respect to the distribution of the In Specie Shares. Thomson Geer has not provided other professional services to the Group during the last two years.

Soemadipradja & Taher has prepared the Indonesian Solicitor's Report on Mining Tenements to the Company in connection with its application to list on ASX. The Company has paid or will pay an aggregate of approximately A$67,000 (US$50,000, excluding VAT) to Soemadipradja & Taher for these services. Soemadipradja & Taher has not provided other professional services to the Group during the last two years.

CSA Global Pty Ltd has prepared the Technical Assessment Report for the Company in relation to the Company's application to list on ASX. In respect of this work, the Company has paid or will pay a sum of approximately A$60,000 (excluding GST) for these services. CSA Global Pty Ltd has not provided other professional services to the Group during the last two years.

Ernst & Young has acted as the Investigating Accountant in relation to the Offer and has prepared the Independent Limited Assurance Report included in section 8 of this Prospectus. In respect of this work, the Company has paid or will pay a sum of approximately A$28,000 (excluding GST) for these services. Ernst & Young has also conducted an audit of the Nusantara financial statements for the years ended 31 December 2015 and 2016, being paid approximately A$40,000 (excluding GST) for these services. Ernst & Young has not provided other professional services to the Group during the last two years.

Patersons has acted as lead manager and corporate adviser to the Company in connection with its application to list on ASX. The Company has paid or will pay Patersons an aggregate of approximately A$75,000 (excluding GST) and a 6.0% equity raising fee payable on the total gross proceeds raised pursuant to the Capital Raising for these services. Patersons has not provided other professional services to the Group during the last two years. Refer to **section 11.1(b)** for details of its engagement.

Computershare Investor Services Pty Ltd acts as the Company's share registry functions and to provide administrative services in respect to the processing of Applications received pursuant to this Prospectus, and will be paid for these services on standard industry terms and conditions.

11.15 Dividend Policy

The Company does not intend to pay dividends on securities for the financial year ending 31 December 2017.

As the Company is a mineral exploration company and is not currently mining, generating revenue or making profits, the Directors do not anticipate that Nusantara will declare or distribute dividends in the period the subject of the program and budget proposed in this Prospectus.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and the rules

of the relevant securities exchange, taking into account factors such as the availability of distributable earnings, the operating results and financial conditions of the Company, future capital requirements, general business and other factors considered relevant by the Directors.

11.16 Litigation

Legal proceedings may arise from time to time in the course of the Company's business. As at the date of this Prospectus, the Company, its subsidiaries and its controlled entities are not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company, its subsidiaries and its controlled entities.

11.17 Consents

Each of the persons referred to in this section:

(a) Has given and has not, before the date of lodgement of this Prospectus with ASIC withdrawn their written consent:
   (i) to be named in the Prospectus in the form and context which they are named; and
   (ii) where applicable, to the inclusion in this Prospectus of the statement(s) and/or reports (if any) by that person in the form and context in which it appears in this Prospectus;

(b) Has not caused or authorised the issue of this Prospectus;

(c) Has not made any statement in this Prospectus or any statement on which a statement in this Prospectus is based, other than specified below; and

(d) To the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Prospectus, other than the references to their name and the statement(s) and/or report(s) (if any) specified below and included in this Prospectus with the consent of that person.

11.18 Competent Person's Statement

Exploration and Resource Targets

Any discussion in relation to the potential quantity and grade of Exploration Targets is only conceptual in nature. While Nusantara may report additional resources for the Awak Mas Gold Project, there has been insufficient exploration to define resources in addition to the current Mineral Resource inventory reported in accordance with the guidelines of the JORC Code (2012 Edition) and it is uncertain if further exploration will result in the determination of additional Mineral Resources.

Exploration Results

The information in this Prospectus which relates to Exploration Results is based on, and fairly represents, information compiled by Mr Colin McMillan, (BSc) for Nusantara. Mr McMillan is an employee of Nusantara and is a Member of the Australian Institute of Mining and Metallurgy (AusIMM No: 109791).

Mr McMillan has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves". Mr McMillan consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Mineral Resources

The information in this report that relates to the Mineral Resource Estimation for the Awak Mas Gold Project is based on, and fairly represents, information compiled by Mr Adrian Shepherd, Senior Geologist, B.App.Sc., MAusIMM CP(Geo), for Cube Consulting Pty Ltd. Mr Shepherd is an employee of Cube Consulting Pty Ltd and is a Chartered Professional geologist and a current Member of the Australian Institute of Mining and

Name	Role	Statement/Report
Thomson Geer	Solicitors to the Offer	Nil
Soemadipradja & Taher	Indonesian Legal Advisers	Indonesian Solicitor's Report on Mining Interests (section 9)
CSA Global Pty Ltd	Independent Geologist	Technical Assessment Report (section 6)
Ernst & Young	Investigating Accountant	Independent Limited Assurance Report (section 8)
Patersons Securities Limited	Corporate Adviser and Lead Manager	Nil
Computershare Investor Services Pty Ltd	Share registry	Nil
Mr Colin McMillan	Competent person with respect to exploration	Competent Person's Statement
Mr Adrian Shepherd, Senior Geologist, (BSc), MAusIMM CP(Geo), for Cube Consulting Pty Ltd.	Mineral Resource estimate	Competent Person's Statement

Metallurgy (AusIMM No: 211818). Mr Shepherd has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as Competent Persons as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Shepherd consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

11.19 ASX Waivers

The Company has applied for and obtained in principle confirmation from ASX of waivers from:

(i) Listing Rule 1.1 (Condition 12) to permit the Company to have options on issue with an exercise price of less than 20 cents. Although the exercise price of the options to be issued by the Company under **section 11.13** is not less than 20 cents, the terms of the options provide that the optionholder may elect to use a cashless exercise facility (whereby the option holder can elect to receive a lesser number of Shares on the exercise of the options); and

(ii) Listing Rule 9.1.3 to the extent necessary to permit the Company not to apply the restrictions in Appendix 9B to the In-Specie Shares (refer to **section 10.6** for further information).

12

DIRECTORS' RESPONSIBILITY AND CONSENT

The Directors state that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive and that in respect to any other statements made in the Prospectus by persons other than Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, those persons have given their consent to the statements being included in this Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with the ASIC, or to the Directors knowledge, before any issue of the Shares pursuant to this Prospectus.

Each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

13 GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

2009 Mining Law	Law of the Republic of Indonesia Number 4 of 2009 on Mineral and Coal Mining enacted 12 January 2009.
A$	Australian dollar.
AEST	Australian Eastern Standard Time.
AMDAL	Analisis Mengenai Dampak Lingkungan, being a government decree on the environmental feasibility following lodgement of an environmental impact analysis.
Applicant	a person who submits a valid Application Form pursuant to this Prospectus.
Application	a valid application for Securities pursuant to an Application Form.
Application Form	an application form accompanying this Prospectus to apply to subscribe for Shares pursuant to this Prospectus.
Application Monies	has the meaning given in **sections 10.4 and 10.5**.
ASIC	Australian Securities & Investments Commission.
ASX	ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange operated by ASX Limited (as the context requires).
ASX Settlement	ASX Settlement Pty Ltd (ACN 008 504 532).
ASX Settlement Operating Rules	the operating rules of ASX Settlement.
Awak Mas Gold Project	exploration, development, mining and mineral processing rights for the Mineral Resources and Ore Reserves contained within the 7th generation Contract of Work (CoW) a mineral exploration and extraction licence which is owned 100% by PT Masmindo Dwi Area, a wholly owned subsidiary of Nusantara.
Board	the board of Directors of the Company as constituted from time to time.
Business Day	a week day when trading banks are ordinarily open for business in Melbourne, Victoria.
Capital Reduction Resolution	the capital reduction resolution to be put to shareholders at an extraordinary general meeting to be held on or around 18 July 2017.
Closing Date	the date on which the Offer closes as set out in the indicative timetable in **section 10.3**.
Company or Nusantara	Nusantara Resources Limited (ACN 150 791 290).
Constitution	the constitution of the Company.
Contract of Work (CoW)	Government of Indonesia's system to administer Foreign Direct Investment in mining. The CoW framework was created in 1967. A CoW is an agreement between the Indonesian Government and a company, as a contractor, to carry out all mining activity periods, which include general survey, exploration, exploitation, processing and refining and sale of the relevant minerals in the area covered by the CoW. The original intention behind the CoW regime was to create an attractive 'fixed' set of contractual provisions that would not fluctuate with the changes in law and circumstances, particularly with respect to taxes, royalties, permitted mining area, share divestment obligations, term and dispute resolution process.
Corporate Adviser or Adviser	Patersons Securities Limited (ACN 008 896 311).
Corporate Advisory & Lead Manager Mandate	means the agreement dated 30 March 2017 between the Company and Patersons Securities Limited (ACN 008 896 311) as detailed in **section 11.1(b)**.
Corporations Act	*Corporations Act 2001* (Cth).
DFS	definitive feasibility study.
Director	a director of the Company and, where the context requires, any proposed director.
Distribution	has the meaning given in **section 11.6**.
Demerger	has the meaning given in **section 11.6**.
Demerger Conditions	has the meaning given in **section 11.6**.
Existing One Asia Shareholders	One Asia shareholders with a registered address in Australia as at the date of this Prospectus.
Exploration Target	a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade (or quality), relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resource.
Exposure Period	the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act.
GOI	Government of Indonesia.
Group	the Company and its subsidiaries.
Independent Geologist Report	the independent geologist report in **section 6**.

Indicated Mineral Resource	part of a mineral resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence.
Inferred Mineral Resource	part of a mineral resource for which tonnage, grade and mineral content can be estimated with a low level of confidence.
In-Specie Shares	58,969,876 Nusantara Shares transferred at no cost on a 1 for 3 distribution to One Asia Shareholders who were holders as at 20 July 2017. See **section 11.6** for details.
Investigating Accountant's Report	the Independent Limited Assurance Report in **section 8**.
Issue Price	issue price of New Shares under this Prospectus, being A$0.42.
ITAR	Independent Technical Assessment Report prepared by CSA Global Pty Ltd in **section 6**.
JORC Code	The JORC Code 2012 Edition, the professional code of practice of the Joint Ore Reserves Committee, a committee overseeing the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, setting minimum standards for public reporting.
Lead Manager or Patersons	means Patersons Securities Limited (ACN 008 896 311).
Lion Manager	Lion Manager Pty Ltd (ACN 078 018 934).
Listing Rules	the official listing rules of ASX.
Loyalty Options	free options which Nusantara intends to issue to all Nusantara Shareholders on a record date approximately 2 months from the date Nusantara is admitted to the Official List. The Company intends to issue one Loyalty Option for every three Nusantara Shares held. The exercise price is proposed to be A$0.42 per share and will expire in September 2018. The Company will apply to ASX for quotation of the Loyalty Options.
Masmindo CoW or 'the CoW'	means the 7th Generation Contract of Work entered on 19 February 1998 covering 14,390 hectares located in Luwu Regency, Sulawesi, between the Government of Indonesia and Masmindo providing Masmindo the exclusive right, subject to the CoW's terms and prevailing laws and regulations (insofar as they are consistent), to: a. Explore for certain minerals within the CoW; b. Mine any mineral deposit found in the CoW; c. Process, store and transport by any means the extracted minerals; d. Market, sell or dispose of all the products of such mining and processing, inside and outside Indonesia; and e. Perform all other connected operations and activities which may be necessary or convenient.
Maximum Subscription	47,619,048 New Shares or A$20 million.
Measured Mineral Resource	part of a mineral resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence.
Mineral Resource Estimate or MRE	a concentration or occurrence of material of intrinsic economic interest on the earth's crust in such form and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.
Minimum Subscription	35,714,286 New Shares or A$15 million.
Mining Authority	the Directorate General of Minerals and Coal (**DGMC**) and Ministry of Energy and Mineral Resources (**MEMR**)
New Shares	the shares offered under the Offer.
Offer	the offer to issue up to 47,619,048 Shares at an offer price of A$0.42 to raise up to A$20 million (before costs of the Offer) as outlined in **section 10.1**.
Official List	the official list of ASX.
Official Quotation	official quotation of the Securities by ASX in accordance with the Listing Rules.
One Asia	One Asia Resources Limited (ACN 150 653 982).
Opening Date	the first date for receipt of completed Application Forms which is 23 June 2017.
Option	an option to acquire an unissued Share.
Ore Reserve	the economically mineable part of a Measured or Indicated Mineral Resource. It includes diluting materials and allowance for losses which may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out, and will include consideration of an modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified.
Prospectus	this prospectus dated 15 June 2017.
PT Masmindo Dwi Area or Masmindo	PT Masmindo Dwi Area, a wholly owned subsidiary of Nusantara incorporated in Indonesia as a foreign investment limited liability (PMA) mining company, and holder of the CoW.
Restricted Securities	has the meaning given to that term in the Listing Rules.
Section	a section of this Prospectus.
Services Agreement	the agreement dated 1 May 2017 between Nusantara and Lion Manager.
Share	a fully paid ordinary share in the capital of the Company.
Share Registry	Computershare Investor Services Pty Limited (ABN 48 078 279 277).
Shareholder	a holder of Shares.
US$ or $	a United States dollar.

APPENDIX 01

NUSANTARA RESOURCES LIMITED AND ITS CONTROLLED ENTITIES GENERAL PURPOSE FINANCIAL REPORT YEAR ENDED 31 DECEMBER 2016

NUSANTARA RESOURCES LIMITED

NUSANTARA RESOURCES LIMITED

(FORMERLY AWAK MAS HOLDINGS PTY LTD)

and its controlled entities
ACN 150 791 290

General Purpose Financial Report
Year ended 31 December 2016

CONTENTS

DIRECTORS' REPORT

The Directors present their report together with the financial statements of the Group, being Nusantara Resources Limited (the Company) and its controlled entities (the Group), for the financial year ended 31 December 2016.

Directors

The following persons held the office of director during the year ended 31 December 2016 and to the date of this report:

Mr Adrian Rollke (resigned 10 April 2017)	Director
Mr Robert Thomson (resigned 23 February 2017)	Director
Mr Craig Smyth (appointed 24 February 2017, resigned 8 May 2017)	Director
Mr Robert Hogarth (appointed 17 February 2017)	Director
Mr Martin Pyle (appointed 3 February 2017)	Director
Mr Michael Spreadborough (appointed 16 February 2017)	Director
Mr Boyke Abidin (appointed 11 April 2017)	Director

Directors have been in office since the start of the financial year unless otherwise stated in this report.

Company Secretary

Mr Craig Smyth was Company Secretary for the duration of the year and to the date of this report.

Ultimate Parent Company

The Company is a 100 percent owned subsidiary of its ultimate parent company, One Asia Resources Limited (One Asia).

Principal Activities and Significant Changes in the Nature of Activities

The principal activity of the Group during the financial year was as a gold explorer focusing on evaluating the Awak Mas Gold project in Sulawesi, Indonesia.

Operating Results

The consolidated loss of the Group was $448,708 after providing for income tax (2015: loss of $661,120).

During the year the Group continued its ongoing exploration and evaluation work on the Awak Mas project.

During the year the Group released the results of an updated PFS for the Awak Mas Project benefiting from lower fuel prices and generally declining industry costs. Using a gold price assumption of US$1,250/oz the PFS demonstrated that a commercial scale gold project can be developed at Awak Mas and the results warrant the completion of a Definitive Feasibility Study (DFS). The ultimate parent entity of the Company, One Asia, is actively exploring and evaluating strategic options for Awak Mas. This includes assessing the most appropriate way to fund and manage a DFS and the best pathway to project funding if the DFS confirms the results of earlier work, with One Asia investigating listing Awak Mas.

The Awak Mas project is owned 100% under a Contract of Work. The Group continues to have dialogue with the Government of the Republic of Indonesia in relation to possible amendments to the Awak Mas Contract of Work, with the Government seeking to align key terms with the provisions of the 2009 Mining Law. To date, the Group and most foreign owned Contract of Work holders have not completed their negotiations with the Government, with key topics for Awak Mas being royalty rates, and levels of local ownership and input.

Financial Position

The net liabilities of the Group have increased by $448,708 from 31 December 2015 to $2,164,674 as at 31 December 2016 due to the reported loss for the period. The operations of the Group were funded by way of loans from related body corporates, with these loan liabilities increasing by $562,130 from 31 December 2015 to $24,280,952. The Group is economically dependent on its ultimate parent entity for continued funding for its operations. The Group is currently making preparations for listing, which if successful, would make the Group self sufficient from a funding perspective.

Significant Changes in State of Affairs

There are no significant changes in the state of affairs of the Group during the financial year, other than as disclosed in the Directors' Report.

Dividends Paid or Recommended

No dividends were paid or declared during the year by the Group and the Directors do not recommend paying a final dividend for the year ended 31 December 2016.

Events Subsequent to Balance Date

On 7 February 2017 the Company approved the change to become a public company and change of name to Nusantara Resources Limited, subject to regulatory approval. In addition, the Company adopted a new constitution consistent with an ASX listed company and appointed new directors and executives as plans for listing the company progress. The contracts for the incoming executives include the issue of options of shares in the Company, however at the date of this report no options have been issued.

On 9 May 2017 One Asia announced a new geological model and Mineral Resource Estimate reported in accordance with the JORC Code (2012) guidelines for the Awak Mas Gold Project. The total Indicated and Inferred Resource is reported at 38.4 Mt at 1.41 g/t Au for 1.74 Moz.

Other than the matter above, no matters have arisen since the end of the financial year to the date of this report of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Likely Future Developments

The Group will continue to focus on exploration, evaluation and development activities at Awak Mas.

Environmental Regulations

The Group's operations are subject to significant environmental regulation under the laws of Indonesia. The Directors are not aware of any breaches of the legislation during the financial year that are material in nature.

INFORMATION ON DIRECTORS

Adrian Rollke
Director (Resigned 10 April 2017)
Adrian Rollke is a co-founder and acting Managing Director of the Company's ultimate parent entity, One Asia.

Adrian started his career in 1992 as an accountant for two resources companies listed on the Toronto Stock Exchange. In 1996 he became Corporate Secretary for Atlanta Gold Corporation, a TSE listed company. Adrian was instrumental in the organisation and development of Pencari Mining Corporation (formerly Azure Resources Corporation). He founded and brought the company public on the TSX Venture Exchange in 2003 and raised over CAD$13 million. Adrian holds a BA in Economics from the University of Western Ontario.

Robert Thomson
Director (Resigned 23 February 2017)
Rob Thomson is a Non-Executive Director of One Asia.

Rob has over 30 years of experience covering exploration, bankable feasibility studies, construction operations and company/project financing. Rob was formerly the General Manager Development for Kingsgate's Chatree Mine in Thailand and Project Director of Oxiana's Sepon Gold Mine in Laos. Rob was CEO of Philippine focussed Climax Mining Limited from 2003 to 2006 which merged, including the Didipio Project, into Oceana Gold and CEO/Director of Vietnam focussed Asian Mineral Resources Limited from 2006 to 2008. Rob was Executive Director of Finders Resources Limited responsible for the Wetar Copper Cathode Development in Indonesia. Rob holds a BE (Mining) from the University of Queensland, an MBA from the University of Wollongong, and is a fellow of the AusIMM.

Craig Smyth
Director (Appointed 24 February 2017, resigned 8 May 2017)
Craig Smyth has a background in finance, graduating from the Victoria University of Wellington with a Bachelor of Commerce and Administration, and completed his Master of Applied Finance at the University of Melbourne. Craig's financial background includes Coopers Lybrand, Credit Suisse First Boston (London) and ANZ Investment Bank. Craig is a member of the Institute of Chartered Accountants of Australia.

Craig is Chief Executive Officer of Lion Selection Group Limited and an Executive Director of Lion Manager Pty Ltd.

Rob Hogarth
Director (Appointed 17 Feburary 2017)
Rob Hogarth built his mining industry expertise during a 37-year career with KPMG where he was leader of KPMG's Energy and Natural Resources and Major Projects Advisory Practices and lead partner for many of the firm's listed mining clients working with large and small companies in the Asia Pacific region. He has been involved with Indonesia since 1983. Since retiring from KPMG in 2009 he has become a director of a range of companies, including AMC Consultants, and sits on a number of audit committees.

Rob is also a non-executive director of the Environment Protection Authority of Victoria, Federation Training and PR Exploration Pty Ltd.

Rob holds a Bachelor of Economics (Accounting and Business Law) and is a Fellow, Institute of Chartered Accountants in Australia.

Martin Pyle
Director (Appointed 3 February 2017)
Martin Pyle is a geologist and a mining industry specialist with over 30 years' experience in the finance and resources industry in Australia. Having worked across a diverse range of commodities and been involved in various ASX listed companies, he has particular expertise in geology, exploration, resource and reserve estimation and feasibility study analysis. He currently serves as Managing Director of Aurora Minerals Limited and is non-executive Director of Gold Road Resources Limited and Peninsula Mines Limited.

Martin was previously in senior corporate finance roles with prominent Australian stock broking firms where he was responsible for the generation and execution of resources related equity raisings, mergers and acquisitions, corporate advisory and research, as well as resource analysis.

Martin holds a Bachelor of Science (First Class Honours – Geology) and a MBA.

Michael Spreadborough
Director (Appointed 16 February 2017)
Mike Spreadborough is a mining engineer with extensive experience in the development and operation of mineral resources projects spanning a range of commodities including copper, gold, uranium, lead, zinc and iron ore. Over the past 20 years Mike has held senior executive roles with a number of mining companies including Chief Operating Officer of Sandfire Resources and Inova Resources Ltd (formerly Ivanhoe Australia), General Manager, Coastal Operations for Rio Tinto and General Manager, Mining for WMC and later Vice President, Mining for BHP Billiton at the world-class Olympic Dam mine in South Australia.

Mike holds a Bachelor of Mining Engineering from the University of Queensland and an MBA from Deakin University, as well as a WA First Class Mine Manager's Certificate of Competency. He is also a non-executive director of Clean TeQ Holdings Limited.

Boyke Abidin
Director (Appointed 11 April 2017)
Boyke holds a Bachelor of Science in Business Administration from International University Europe – London. He has more than 25 years' experience in Indonesian management. Previously a Government Liaison Officer for Rawas Gold Mine in South Sumatra, Boyke has extensive in-country expertise. He is President Director of Indonesian Operations for One Asia and has been a Director of PT Masmindo DWI Area since 2000. He is also a director of PT Pani Bersama Emas, PT Dwinad Nusa Sejahtera and PT Sorikmas Mining.

Craig Smyth
Company Secretary

Meetings of the Board

The Board of Directors held one meeting during the year ended 31 December 2016. Attendances of Directors at these meetings is shown in the table below:

	Meetings Attended	No. eligible to attend
Mr Adrian Rollke	1	1
Mr Robert Thomson	1	1

Indemnification of Directors and Officers

Under the Constitution of the Company every officer (and former officer) of the Company is indemnified, to the extent permitted by law, against all costs expenses and liabilities incurred as such by an officer providing it is in respect of a liability to another person (other than the Company or a related body corporate) where such liability does not arise out of conduct involving a lack of good faith and is in respect of a liability for costs and expenses incurred in defending proceedings in which judgment is given in favour of the officer or in which the officer is acquitted or is granted relief under the Law.

Indemnification of Auditors

To the extent permitted by law, the Company has agreed to indemnify the auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit. No payment has been made to indemnify Ernst & Young during or since the financial year.

Options

At the reporting date of this report, there are no unissued ordinary shares of the Company under option.

Non – audit services

The Board of Directors is satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that any services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

There were no fees payable to Ernst and Young for non-audit services provided during the year ended 31 December 2016.

Auditor's Independence Declaration

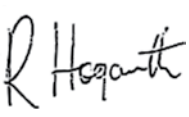
The auditor's independence declaration as required under section 307C of the Corporations Act 2001 for the year ended 31 December 2016 is set out on page 6 and forms part of this report.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

This Directors' Report, is signed in accordance with a resolution of the Board of Directors.

Mr Rob Hogarth
DIRECTOR



25 May 2017
MELBOURNE

Ernst & Young
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Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

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ey.com/au

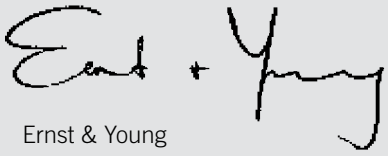
Auditor's Independence Declaration to the Directors of Nusantara Resources Limited

As lead auditor for the audit of Nusantara Resources Limited for the financial year ended 31 December 2016, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Nusantara Resources Limited and the entities it controlled during the financial year.



Ernst & Young

Scott Jarrett
Partner
25 May 2017

Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2016

	NOTES	2016 $US	2015 $US
EXPENSES			
Employee and Directors benefits expense		(237,875)	(398,533)
Depreciation and amortisation		(65,230)	(88,188)
Community and Social		(15,570)	(5,595)
Other expenses		(130,033)	(168,804)
Loss before income tax		**(448,708)**	**(661,120)**
Income tax expense	2	-	-
Loss for the year		(448,708)	(661,120)
Other comprehensive income		-	-
Total Comprehensive Loss for the year attributable to owners of the parent		**(448,708)**	**(661,120)**

The financial statements should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position as at 31 December 2016

ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	106,274	57,185
Other receivables	6	67,845	251,014
TOTAL CURRENT ASSETS		**174,119**	**308,199**
NON-CURRENT ASSETS			
Property, plant and equipment	9	60,412	65,126
Exploration and evaluation expenditure	10	22,851,800	22,526,769
Other assets	11	84,003	144,108
TOTAL NON-CURRENT ASSETS		**22,996,215**	**22,736,003**
TOTAL ASSETS		**23,170,334**	**23,044,202**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	217,157	206,305
Provisions	13	836,899	835,041
Loans from related body corporate	14	24,280,952	23,718,822
TOTAL CURRENT LIABILITIES		**25,335,008**	**24,760,168**
TOTAL LIABILITIES		**25,335,008**	**24,760,168**
NET ASSETS		**(2,164,674)**	**(1,715,966)**
EQUITY			
Issued capital	15	1	1
Accumulated losses		(2,164,675)	(1,715,967)
TOTAL EQUITY		**(2,164,674)**	**(1,715,966)**

The financial statements should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity for the Year ended 31 December 2016

	Issued Capital $US	Accumulated Losses $US	Total $US
At 1 January 2015	1	(1,054,847)	(1,054,846)
Loss for the period attributable to members of the Company	-	(661,120)	(661,120)
Other comprehensive income	-	-	-
Total comprehensive loss	-	(661,120)	(661,120)
Shares issued during the period	-	-	-
Balance as at 31 December 2015	**1**	**(1,715,967)**	**(1,715,966)**

	Issued Capital $US	Accumulated Losses $US	Total $US
At 1 January 2016	1	(1,715,967)	(1,715,966)
Loss for the period attributable to members of the Company	-	(448,708)	(448,708)
Other comprehensive income	-	-	-
Total comprehensive loss	-	(448,708)	(448,708)
Shares issued during the period	-	-	-
Balance as at 31 December 2016	**1**	**(2,164,675)**	**(2,164,674)**

The financial statements should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows for the Year Ended 31 December 2016

	NOTES	2016 $US	2015 $US
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(189,317)	(792,046)
Net cash used in operating activities	17	**(189,317)**	**(792,046)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(411)	-
Payments for exploration expenditure		(322,916)	(539,123)
Net cash used in investing activities		**(323,327)**	**(539,123)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan proceeds from related body corporate		561,733	1,356,399
Net cash provided by financing activities		**561,733**	**1,356,399**
Net increase in cash held		49,089	25,230
Cash and cash equivalents at beginning of the year		57,185	31,955
Cash and cash equivalents at end of the year	5	**106,274**	**57,185**

The financial statements should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This consolidated financial report includes the consolidated financial statements and notes of Nusantara Resources Limited and controlled entities for the year ended 31 December 2016 ("Consolidated Group" or "Group") and financial information relating to Nusantara Resources Limited as an individual parent entity ("Parent Entity" or "Company") for the year ended 31 December 2016.

The presentation currency for the Group is US dollars.

Basis of preparation

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements were authorised for issue by the Directors on 25 May 2017.

a. Going concern basis of accounting

The Group has made losses for the year of $448,708 (2015: $661,120) and experienced net cash outflows from operating activities of $189,317 (2015: $792,046). Net current liabilities as at 31 December 2016 were $25,160,889 (2015: $24,451,969), with a net liability position of $2,164,674 (2015: $1,715,966). The Group continues to focus on exploration, evaluation and development activities at Awak Mas and is currently without an operating cash inflow. The operations of the Group will continue to rely upon funding from its ultimate parent company, One Asia, until the Group either successfully raises funds and lists or generates positive operating cashflows. One Asia itself is dependent on further equity raisings to fund the Group and One Asia's other activities. There is material uncertainty in relation to going concern as the Group will need to raise additional capital to advance the Awak Mas project, meet its payment obligations and its ongoing working capital requirements. While no assurances can be given about future ability to finance the Group's activities, One Asia has a proven past ability to raise funds and invest in the Group, the Directors believe the Company, given the quality of the Awak Mas project, can raise future funds to pursue its business strategy and meet its obligations as and when they fall due. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

b. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2016. 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.

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

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. A list of controlled entities is contained in Note 8 to the financial statements. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group 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 into 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.

c. Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income). Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority. Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses. Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity. Deferred tax assets and liabilities are ascertained based on temporary differences arising between the

tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss. Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future. Current tax assets and liabilities are off set where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are off set where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

d. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on a cost basis. The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts. The cost of property, plant and equipment constructed within the Consolidated Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the Consolidated Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The depreciation rates used for each class of depreciable assets are:

- Plant and equipment 17% - 33%.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

e. Exploration and Development Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development or sale of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full against profit in the period in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. There are currently no material restoration requirements for the areas of interest held.

Farm-in arrangements

The acquisition of working interests are accounted for according to the substance of the asset acquired. Where the interests are in the nature of a business, the acquisition will be treated as a business combination otherwise the interests will be treated as an asset acquisition.

f. Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to entities in the Consolidated Group, are classified as finance leases. Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period. Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

g. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement as the expense category that is consistent with the function of the intangible assets. The useful life for each class of intangible assets are:

- Software: 4 years.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

h. Financial Instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Group commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted). Financial assets are initially measured at fair value plus transaction costs, except where the instrument is classified at fair value through profit or loss, in which case transaction costs are expensed to profit or loss immediately. Financial liabilities are recognised initially at fair value, and, in the case of loans, borrowings and payables, net of directly attributable transaction costs.

Classification and subsequent measurement

Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted. Amortised cost is calculated as:

a. the amount at which the financial asset or financial liability is measured at initial recognition;
b. less principal repayments;
c. amount initially recognised and the maturity amount calculated using the effective interest method; and
d. less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss. The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

i. Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

ii. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period.

iii. Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other investments are classified as current assets.) If during the period the Group sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

iv. Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. Available-for-sale financial assets are included in non-current assets, except for

those which are expected to mature within 12 months after the end of the reporting period. (All other financial assets are classified as current assets.)

v. Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

De-recognition

Financial assets are de-recognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are de-recognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in the profit or loss.

Offsetting of financial instruments

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.

i. Impairment of Non-Financial Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

j. Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in United States dollars. The parent entity's functional currency is United States dollars and its presentation currency is United States dollars.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined. Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge. Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of comprehensive income.

Group companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of comprehensive income in the period in which the operation is disposed.

k. Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wages increases and the probability that the employee may satisfy vesting requirements. Those cash outflows are discounted using market yields on corporate bonds with terms to maturity that match the expected timing of cash flows.

l. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

m. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

n. Revenue and Other Income

Interest income is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. All revenue is stated net of the amount of goods and services tax (GST).

o. Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and service received by the Group during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount normally paid within 30 days of recognition of the liability.

p. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cashflows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cashflows.

q. Fair value measurement

Where required, the Group measures financial instruments and non-financial assets at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

r. Comparative Figures

When required by Accounting Standards, comparative amounts have been adjusted to conform to changes in presentation for the current financial year. When the Group applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed. The Group has not changed its accounting policy during the year. In addition, the adoption of new accounting standards had no impact on the Group.

s. Key estimates

i. Impairment

The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value in-use calculations which incorporate various key assumptions. These assumptions are disclosed in each of the notes to the financial report where applicable.

ii. Exploration and Evaluation Expenditure

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the Directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded.

t. New Accounting Standards for Application in Future Periods

PART A - Changes in accounting policy, new and amended standards and interpretations

There was no material impact of any new accounting policies adopted during the period.

PART B – Accounting standards issued but not yet effective

The following standards and interpretations have been issued by the AASB but are not yet effective for the period ending 31 December 2016.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

Reference	Discussion	Application date of standard*	Application date for Group*
AASB 9 Financial Instruments	AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, including hedge accounting. AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. There will be no impact on the group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the group does not have any such liabilities. The new hedging rules align hedge accounting more closely with risk management practices. As a general rule it will be easier to apply hedge accounting going forward. The new standard also introduces expanded disclosure requirements and changes in presentation.	1 January 2018	1 January 2018
AASB 15 Revenue from Contracts with Customers	AASB 15 specifies the accounting treatment for revenue arising from contracts with customers (except for contracts within the scope of other accounting standards such as leases or financial instruments). The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps: (a) Step 1: Identify the contract(s) with a customer (b) Step 2: Identify the performance obligations in the contract (c) Step 3: Determine the transaction price (d) Step 4: Allocate the transaction price to the performance obligations in the contract (e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.	1 January 2018	1 January 2018
AASB 16 Leases	The key features of AASB 16 are as follows: Lessee accounting • Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. • Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. • AASB 16 contains disclosure requirements for lessees. Lessor accounting • AASB 16 substantially carries forward the lessor accounting requirements in AASB 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. • AASB 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk.	1 January 2019	1 January 2019

* Designates the beginning of the applicable annual reporting period unless otherwise stated

The management have not assessed the impact of the above changes on the Group yet.

NOTE 2: INCOME TAX EXPENSE	2016 $	2015 $
a. The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:		
Loss before tax	(448,708)	(661,120)
Total income tax benefit calculated at 30% (2015: 30%)	(134,612)	(198,336)
Tax effect of:		
– Foreign tax rate adjustment	21,685	32,306
– (Decrease) / Increase in provisions	4,500	4,500
	(108,427)	(161,530)
Deferred tax asset not brought to account	108,427	161,530
Income Tax Expense	-	-
Deferred tax asset not taken to account		
Tax losses carried forward (Indonesia)	108,427	161,530

The Company is a member of an Australian consolidated tax group, with tax losses transferred to the Company's ultimate parent entity and head entity of the consolidated tax group. Accordingly these losses are not available to the Group, and deferred tax assets have not been recognised in respect of these losses.

Deductible temporary differences do not expire under Australian current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not yet considered probable that future taxable income will be available to utilise them.

The Group has available tax losses of $4,262,636 (2015 $3,829,220). These tax losses have been carried forward in Indonesia, and have not been recognised due to the uncertainty of their recoverability in future periods. Indonesian tax losses can be carried forward for 8 years under the Awak Mas Contract of Work.

NOTE 3: INTERESTS OF KEY MANAGEMENT PERSONNEL	2016 $	2015 $
a) Compensation for Key Management Personnel		
Short term employee benefits	72,000	72,000
Total compensation	**72,000**	**72,000**

b) Other Key Management Personnel Transactions

There have been no other KMP transactions involving equity instruments. For details of other transactions with KMP refer to Note 19 Related Party Transactions.

NOTE 4: AUDITORS' REMUNERATION	2016 $	2015 $
Ernst & Young Australia - audit services	15,000	15,000
	15,000	**15,000**

NOTE 5: CASH AND CASH EQUIVALENTS	2016 $	2015 $
Cash at bank	106,274	57,185
	106,274	**57,185**

NOTE 6: OTHER RECEIVABLES	2016 $	2015 $
CURRENT		
Prepayments	3,578	225,425
Other receivables	64,267	25,589
	67,845	**251,014**

NOTE 7: INFORMATION RELATING TO NUSANTARA RESOURCES LTD (THE PARENT ENTITY)	2016 $	2015 $
Current assets	-	-
Total assets	20,741,033	20,078,204
Current liabilities	20,771,032	20,093,203
Total Liabilities	20,771,032	20,093,203
Issued capital	1	1
Reserves	-	-
Accumulated losses	(30,000)	(15,000)
Net equity	**(29,999)**	**(14,999)**
Profit or (loss) of the parent entity	(15,000)	(15,000)
Total comprehensive (loss) of the parent entity	(15,000)	(15,000)

NOTE 8. CONTROLLED ENTITIES

The consolidated financial statements include the financial statements of Nusantara Resources Limited and the subsidiaries listed in the following table:

Controlled Entities consolidated	Country of Incorporation	Percentage Owned 2016 %	Percentage Owned 2015 %
PT Masmindo Dwi Area	Indonesia	100	100
Salu Siwa Pty Limited	Australia	100	100
Vista Gold Corp Barbados Inc	Barbados	100	100

NOTE 9: PROPERTY, PLANT AND EQUIPMENT	2016 $	2015 $
Plant and equipment		-
At cost	281,600	281,189
Accumulated depreciation	(221,188)	(216,063)
Total plant and equipment	**60,412**	**65,126**
Reconciliation of the carrying amounts are set out below:		
Plant and equipment		
Carrying amount at beginning of year	65,126	83,534
Additions	411	-
Depreciation	(5,125)	(18,408)
Carrying amount of plant and equipment at end of year	**60,412**	**65,126**

NOTE 10: EXPLORATION AND EVALUATION EXPENDITURE	2016 $	2015 $
Costs carried forward in respect of areas of interest in:		
– exploration and evaluation phases at the end of year	**22,851,800**	**22,526,769**
Reconciliations		
Carrying amount at the beginning of year	22,526,769	21,987,522
Expenditure incurred during current year	325,031	539,247
Carrying amount at the end of year	**22,851,800**	**22,526,769**

NOTE 11: OTHER ASSETS	2016 $	2015 $
Intangible asset – computer software		
At cost	285,126	285,126
Accumulated amortization	(201,123)	(141,018)
Total intangible asset	**84,003**	**144,108**
Reconciliation of the carrying amounts are set out below:		
Intangible asset		
Carrying amount at beginning of year	144,108	213,888
Additions	-	-
Amortisation	(60,105)	(69,780)
Carrying amount of intangible asset at end of year	**84,003**	**144,108**

NOTE 12: TRADE AND OTHER PAYABLES	2016 $	2015 $
Trade payables	-	9,283
Other payables and accrued expenses	217,157	197,022
	217,157	**206,305**

NOTE 13: PROVISIONS	2016 $	2015 $
Provisions	836,899	835,041

The provision recognised reflects the exposure to additional VAT, withholding tax and penalties estimated at the date of this report.

NOTE 14: LOANS FROM RELATED BODY CORPORATE	2016 $	2015 $
Loan from ultimate parent entity	19,141,833	18,479,003
Loan from Pan Asia Resources Limited	5,134,959	5,236,055
Loan from other related body corporate	4,160	3,764
	24,280,952	**23,718,822**

Refer to Note 19 for the terms and conditions of the loans.

NOTE 15: CONTRIBUTED EQUITY	2016 $	2015 $
1 (2015: 1) fully paid ordinary shares. The shares have no par value.		
a. Movements in ordinary share capital	**Shares**	**Shares**
At the beginning of the reporting period	1	1
Shares issued during the year	-	-
At the end of the reporting period	**1**	**1**
b. Movements in ordinary share capital		
Balance at beginning of the reporting period	1	1
Shares issued during the year	-	-
At the end of the reporting period	**1**	**1**

NOTE 16: COMMITMENTS AND CONTINGENT LIABILITIES

(a) In December 2013 the Company entered into an agreement with Vista Gold Corporation to acquire 100% of Salu Siwa, PT Masmindo via acquisition of all shares in Vista Gold (Barbados) Inc. In accordance with the terms of the agreement, as consideration for the transaction, the Company agreed to grant Vista Gold Corporation a royalty of 2.0% of Net Smelter Returns on the first 1,250,000 ounces of gold produced from the Awak Mas gold project and 2.5% on the next 1,250,000 ounces of gold produced.

(b) In order to maintain current rights of tenure to exploration tenements the Group is required to perform minimum exploration work to meet minimum expenditure requirements specified by various government authorities. Awak Mas is currently in the Feasibility Stage and the Group is required to pay Dead Rent of US$0.50 per hectare and Land Tax of US $0.50 per hectare annually with respect to the Awak Mas CoW, amounting to US$14,390 per year. Upon approval of the feasibility Study by the Indonesian Government, the Awak Mas will enter the "Construction" phase of the CoW, and the Group will be required to pay Dead Rent of US$1.50 per hectare and Land Tax of US$1.50 per hectare annually.

(c) The Group is subject to VAT and withholding tax audits by the Indonesian tax department and has been issued with a revised assessment with respect to VAT paid in 2012 for approximately $255,000 including penalties. The Group is in the process of disputing this assessment and is confident that the VAT and penalties are not payable, however this is subject to due process and not beyond doubt. The Group may be subject to tax audits for periods after 2012 from which additional claims could arise, however is confident its position in these periods is defensible.

NOTE 17: NOTES TO THE CASH FLOW STATEMENT	2016 $	2015 $
a. Reconciliation of Cash		
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:		
Cash at bank	106,274	57,185
	106,274	**57,185**
b. Reconciliation of Loss from ordinary activities after Income Tax to net cash used in operating activities		
Loss from ordinary activities after income tax	(448,708)	(661,120)
Add/(less) non-cash items:		
Depreciation and amortization	65,230	88,188
Changes in assets and liabilities, net of the effects of purchase and disposal of Controlled Entities during the financial year:		
(Increase)/Decrease in receivables	183,169	(38,544)
Increase/(Decrease) in payables	10,700	(180,613)
Increase/(Decrease) in provisions	292	43
Net cash used in operating activities	**(189,317)**	**(792,046)**

NOTE 18: EVENTS SUBSEQUENT TO REPORTING DATE

On 7 February 2017 the Company approved the change to become a public company and change of name to Nusantara Resources Limited, subject to regulatory approval. In addition, the Company adopted a new constitution consistent with an ASX listed company and appointed new directors and executives as plans for listing the company progress. The contracts for the incoming executives include the issue of options of shares in the Company, however at the date of this report no options have been issued.

On 9 May 2017 One Asia announced a new geological model and Mineral Resource Estimate reported in accordance with the JORC Code (2012) guidelines for the Awak Mas Gold Project. The total Indicated and Inferred Resource is reported at 38.4 Mt at 1.41 g/t Au for 1.74 Moz.

Other than the matter above, no matters that have arisen in the interval between the end of the financial year and the date of this report of a material or unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

NOTE 19: RELATED PARTIES

Transactions between related parties as set our below are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Directors
The names of each person holding the position of Director of Nusantara Resources Limited during the financial year are:

Mr Rob Thomson and Mr Adrian Rollke.

Transactions with related parties:
No Directors entered into a material contract with the Company or the Group since the end of the previous financial year.

Directors' and Executive Officer's holdings of shares and options
There were no shares or options held by Directors in the Company or Group during the year.

Transactions with Parent Entity
During the year, the Group's loan liability to its ultimate parent entity increased by $662,830 from 31 December 2015 to $19,141,833. The Group is economically dependent on its ultimate parent entity for continued funding for its operations. The loan is non-interest bearing and at call.

Transactions with other related parties
During the year the Group's loan liabilities to related bodies corporate other than its ultimate parent entity decreased by $100,700 from 31 December 2015 to $5,139,119. These loans are non-interest bearing and have no fixed term.

NOTE 20: COMPANY DETAILS

Nusantara Resources Limited is a company domiciled in Australia and its registered office and principal office is located at:

Level 2
175 Flinders Lane
Melbourne
Victoria 3000 Australia

Director's Declaration

In accordance with a resolution of the Directors of Nusantara Resources Limited, I state that:

In the opinion of the Directors:

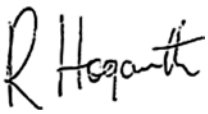
(a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001* including:

(i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Director

Mr Robert Hogarth

Dated 25 May 2017

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Independent auditor's report to the members of Nusantara Resources Limited

Opinion

We have audited the financial report of Nusantara Resources Limited (the "Company") and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2016, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2016 and of its consolidated financial performance for the year ended on that date; and

b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Without qualifying our conclusion, we draw attention to Note 1 in the financial report which describes the principal conditions that raise doubt about the entity's ability to continue as a going concern. As a result of these matters, there is significant uncertainty whether the consolidated entity will continue as a going concern, and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the company not continue as a going concern.

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Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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 Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating 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 Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 the Australian Auditing Standards 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

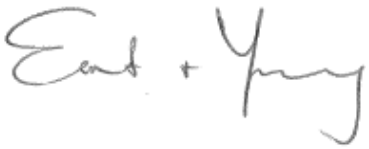
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Ernst & Young

Scott Jarrett
Engagement Partner
Sydney
25 May 2017