

1 August 2017

Dear Fellow Nusantara Shareholders

On behalf of the Nusantara Resources Board, I am delighted to announce that we are listing on the ASX under the code NUS. The IPO was very successful, raising \$16.2M pursuant to the Nusantara Prospectus and we now have over 500 shareholders supporting the company. This includes an investment of \$1.5 million from a subsidiary of Zhaojin Mining Industry Company Limited (Zhaojin), a leading gold producer listed on the main board of the Stock Exchange of Hong Kong Limited (code HK: 1818). Zhaojin's investment follows the cornerstone investments by Lion Selection Group Limited of \$4.5 million and AustralianSuper of \$3.9 million.

Many of our new shareholders are shareholders of One Asia Resources (One Asia) and I would like to thank those investors for their long term commitment to the Awak Mas Gold Project (Awak Mas). Indeed, under the guidance of One Asia steady progress on Awak Mas was made, albeit impeded by budgetary restraints and other challenges within the One Asia Group.

With a highly skilled Board and management team lead by Mike Spreadborough and a strong cash balance, Nusantara is able to focus on the task of further expanding the Awak Mas resource and completing outstanding feasibility work in preparation for a final development decision in mid to late 2018.

We are fortunate to have an extensive database of historical work completed on Awak Mas and this will be put to good use in fast tracking the Definitive Feasibility Study (DFS). The planned drilling program of over 8,000m comprising resource infill and targeting resource extensions will commence in mid-August. This drilling offers the potential, as outlined in the Prospectus, to increase the resource base and is part of the pathway to an updated Mineral Resource and Ore Reserve to be announced in early 2018.

Our drilling program will also focus on testing additional gold targets on the Contract of Work (CoW) where previous explorers identified either gold mineralisation in surface trenching or used scout diamond core drilling to highlight areas of existing gold mineralisation. These represent prime targets for follow-up exploration.

In parallel with the exploration activities, we are assembling a first class feasibility team to build on the previous studies and to optimise Awak Mas based on the May 2017 Mineral Resource estimate. Areas of focus in the DFS will include pit scheduling and optimisation, metallurgical recovery and optimisation, and selection of a final processing route.

We are thankful to One Asia for the hard work in advancing the permitting of Awak Mas and already we have an approved AMDAL study (Environmental Impact Study) and have advanced the CoW to the 'Construction Phase'. At the conclusion of the 3-year Construction Phase, the Production Phase of the CoW will have a 30 year term.

We are also continuing the extensive community relations work undertaken by One Asia. A key part of our values is supporting and working with the community in advancing the Project. This includes working with current land users to provide access for the Project development. The land on which we propose to mine and build infrastructure is gazetted as 'Area Penggunaan Lain', meaning areas for other 'non-forestry' purposes. No areas proposed to be mined are captured under forestry reserves.



We take very seriously the need to maintain and build on the social licence to operate in rural Sulawesi and to this end we are spending considerable time and money on community projects such as schools, medical centres and of course employment to ensure benefits of a new mining venture have tangible results for the local community.

Watch out for regular news flow from our exploration, drilling and feasibility study work over the next six months as your Nusantara team works hard to advance the stepping stones to a commercial development decision.

Finally, please be reminded that Nusantara intends to offer eligible Shareholders one free Loyalty Option for every three Shares held under a separate prospectus and on a record date to be set approximately two months from the date of Nusantara's admission to the Official List. The option exercise price is proposed to be \$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.

Yours sincerely

Martin Pyle

Chairman

Nusantara Resources Limited