

INTENTION TO ISSUE INCENTIVE OPTIONS

In recognition of the Chairman's appointment as interim Chief Executive Officer and Mr Foulis' pivotal role in:

- Seeking out and securing an appropriate replacement Chief Executive Officer for the Company;
- Ongoing investor relations; and
- Seeking the debt and equity financing for the Awak Mas Gold Project.

The Board (excluding the Chairman) considers it appropriate to recognise the additional devotion of time and effort by the Chairman with an appropriate non-cash incentive.

The Board advises its intention, subject to shareholder approval, to allot the following incentive options to Chairman and Interim Chief Executive Officer, Mr Greg Foulis:

- 500,000 options;
- Exercise price 35¢;
- Term 3 years from the date of this announcement.

Shareholder approval is required prior to these options being issued to Mr Foulis as he is a director of the Company. This means a formal vote by shareholders at a general meeting. The Board has chosen to avoid the expense associated with a special general meeting for the single purpose of securing approval of these incentive options and rather defer the issue and add the required Resolution to the agenda of next necessary general meeting.

Corporate Governance Commentary

There are three factors which guide directors on the issue of equity-based remuneration for Mr Foulis.

Firstly, Nusantara is guided by the ASX Corporate Governance Council Guidelines for Executive and Non-Executive Directors Remuneration.

This is available on the following website <https://www.asx.com.au/documents/regulation/cgc-principles-and-recommendations-fourth-edn.pdf>

Secondly, the option exercise price of A\$0.35 each is 94.4% above yesterday's closing share price (A\$0.18) and the option price is 16.7% above the exercise price of the existing listed options held by many shareholders (A\$0.30 each).

Thirdly, major shareholders Lion Selection Group Limited and PT Indika Energy Tbk have indicated their support for the future issuance on the terms listed above.

About Nusantara Resources

Nusantara is an ASX-listed gold development company with its flagship project comprising the 1.1 million-ounce Ore Reserve and 2.0 million-ounce Mineral Resource Awak Mas Gold Project located in South Sulawesi, Indonesia. Discovered in 1988, the Project has over 135 km of drilling completed in over 1,100 holes.

The Project is 100% owned through a 7th Generation CoW with the Government of Indonesia (GoI). The CoW was secured prior to the current Mining Law and has recently been amended by mutual agreement to align with the current law.

PT Masmindo Dwi Area (Masmindo), a wholly owned subsidiary of Nusantara, has sole rights to explore and exploit any mineral deposits within the project area until 2050. After this period, the operations under the CoW may be extended in the form of a special mining business license (IUPK) in accordance with prevailing laws and regulations, which currently allows for an extension of 10 years and a further extension of 10 years.

In the 10th year after commercial production, Masmindo is required to offer at least 51% of its share capital to willing Indonesian participants at fair market value according to international practice.

Nusantara's development strategy is for construction of a modern, low strip ratio open pit operation with ore processed by standard carbon-in-leach (CIL) processing delivering high gold recoveries. Environmental approval has already been received for the Project, which is favourably located in non-forestry land close to established roads, ports, airports, and grid power.

Nusantara's second strategy is to grow the resource base and support a mining operation beyond the initial project life of 11 years. Multiple drill-ready targets have already been outlined extending from the three main deposits and in other areas of the 140km² CoW.

**For more
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Nusantara Resources



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