

WILTON

WILTON RESOURCES CORPORATION LIMITED

(Company Registration Number: 200300950D)

Unaudited Financial Statements and Dividend Announcement for the Three Months and First Quarter Ended 30 September 2018

This announcement has been prepared by Wilton Resources Corporation Limited (the “**Company**”) and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the “**Sponsor**”), for compliance with the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE THREE MONTHS AND FIRST QUARTER ENDED 30 SEPTEMBER 2018

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

- 1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated statement of comprehensive income

| | Group | | Increase/ (decrease) % |
|---|--|--|------------------------------|
| | 1QFY19 ¹ Rp million (Unaudited) | 1QFY18 ² Rp million (Unaudited) | |
| Revenue | - | - | N.M. |
| Cost of sales | - | - | N.M. |
| Gross profit | - | - | N.M. |
| Other items of income | | | |
| Other income | - | 628 | -100.0% |
| Interest income from loans and receivables | 400 | 91 | 339.6% |
| Other items of expenses | | | |
| Other expenses | (3,877) | (56) | N.M. |
| Other operating expenses | (7,598) | (6,667) | 14.0% |
| Finance costs | (20,095) | - | N.M. |
| General and administrative expenses | (15,472) | (9,908) | 56.2% |
| Loss before tax | (46,642) | (15,912) | 193.1% |
| Income tax expense | - | - | N.M. |
| Loss net of tax for the period and attributable to owners of the Company | (46,642) | (15,912) | 193.1% |
| Total comprehensive income for the period/year and attributable to owners of the Company | (46,642) | (15,912) | 193.1% |
| Loss before tax is stated after (charging)/crediting the following: | | | |
| Depreciation of property, plant and equipment | (531) | (468) | 13.5% |
| Amortisation of intangible assets | (45) | (45) | 0.0% |
| Amortisation of prepaid lease | (890) | (890) | 0.0% |
| Finance costs | (20,095) | - | N.M. |
| Foreign exchange (loss)/gain | (3,655) | 628 | N.M. |

N.M. = Not meaningful

Notes:

(1) "1QFY19": First quarter financial period from 1 July 2018 to 30 September 2018.

(2) "1QFY18": First quarter financial period from 1 July 2017 to 30 September 2017.

- 1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Consolidated statement of financial position

| | Group | | Company | |
|-------------------------------------|---|---|---|---|
| | As at 30/9/2018 Rp million (Unaudited) | As at 30/6/2018 Rp million (Audited) | As at 30/9/2018 Rp million (Unaudited) | As at 30/6/2018 Rp million (Audited) |
| Non-current assets | | | | |
| Exploration and evaluation assets | 254,049 | 232,416 | - | - |
| Mine properties | 8,423 | 8,423 | - | - |
| Property, plant and equipment | 8,585 | 8,715 | 164 | 269 |
| Intangible assets | 793 | 838 | - | - |
| Investment in subsidiaries | - | - | 584,811 | 584,811 |
| Prepaid lease | 38,936 | 39,826 | - | - |
| Prepayments | 49,659 | 28,724 | - | - |
| Long term fixed deposits | 420 | 420 | - | - |
| | 360,865 | 319,362 | 584,975 | 585,080 |
| Current assets | | | | |
| Other debtors and deposits | 505 | 491 | 235 | 217 |
| Prepaid lease | 3,687 | 3,687 | - | - |
| Prepayments | 21,886 | 19,297 | 906 | 850 |
| Amounts due from subsidiaries | - | - | 603,621 | 574,784 |
| Inventories | 5,323 | 2,851 | - | - |
| Investment securities | 10 | 10 | - | - |
| Cash and cash equivalents | 64,818 | 127,583 | 28,743 | 40,180 |
| | 96,229 | 153,919 | 633,505 | 616,031 |
| Total assets | 457,094 | 473,281 | 1,218,480 | 1,201,111 |
| Current liabilities | | | | |
| Trade payables | 9,205 | 5,430 | - | - |
| Other payables and accruals | 8,875 | 8,269 | 4,642 | 3,641 |
| Amount due to a related party | 453 | 485 | - | - |
| Amounts due to subsidiaries | - | - | 692 | 667 |
| Loans and borrowings | 23,214 | 23,214 | - | - |
| | 41,747 | 37,398 | 5,334 | 4,308 |
| Net current assets | 54,482 | 116,521 | 628,171 | 611,723 |
| Non-current liabilities | | | | |
| Loans and borrowings | 178,983 | 153,009 | 178,983 | 153,009 |
| Employee benefits liability | 2,893 | 2,761 | - | - |
| Provision for rehabilitation | 88 | 88 | - | - |
| | 181,964 | 155,858 | 178,983 | 153,009 |
| Total liabilities | 223,711 | 193,256 | 184,317 | 157,317 |
| Net assets | 233,383 | 280,025 | 1,034,163 | 1,043,794 |
| Equity | | | | |
| Share capital | 1,153,516 | 1,153,516 | 3,109,639 | 3,109,639 |
| Accumulated losses | (931,711) | (885,069) | (2,075,476) | (2,065,845) |
| Merger reserve | 13 | 13 | - | - |
| Capital reserve | 11,565 | 11,565 | - | - |
| Total equity | 233,383 | 280,025 | 1,034,163 | 1,043,794 |
| Total equity and liabilities | 457,094 | 473,281 | 1,218,480 | 1,201,111 |

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

(In Rp million)

| As at 30 September 2018 | | As at 30 June 2018 | |
|-------------------------|-----------|--------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| 23,214 | Nil | 23,214 | Nil |

Amount repayable after one year

| As at 30 September 2018 | | As at 30 June 2018 | |
|-------------------------|-----------|--------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| Nil | 178,983 | Nil | 153,009 |

Details of any collateral

The secured loan is a short term overdraft facility that is secured over a short term bank deposit of Rp 25.0b.

- 1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated statement of cash flows

| | 1QFY19 | 1QFY18 |
|--|-------------------|-------------------|
| | Rp million | Rp million |
| Cash flows from operating activities | | |
| Loss before tax | (46,642) | (15,912) |
| Unrealised foreign exchange differences | 5,891 | 707 |
| Interest expense | 20,095 | - |
| Interest income | (400) | (91) |
| Depreciation of property, plant and equipment | 531 | 468 |
| Amortisation of intangible assets | 45 | 45 |
| Amortisation of prepaid lease | 890 | 890 |
| Increase in employee benefits liability | 132 | 132 |
| | <u>(19,458)</u> | <u>(13,761)</u> |
| Movements in working capital | | |
| Increase in prepayments | (23,524) | (862) |
| Increase in other debtors and deposits | (9) | (30) |
| Increase in inventories | (2,472) | (703) |
| Increase in trade payables | 3,775 | 102 |
| Decrease in amount due to a related party | (32) | (1,565) |
| Increase/(decrease) in other payables and accruals | 471 | (161) |
| Cash used in operations | <u>(41,249)</u> | <u>(16,980)</u> |
| Interest received | 400 | 91 |
| Net cash used in operating activities | <u>(40,849)</u> | <u>(16,889)</u> |
| Cash flows from investing activities | | |
| Investment in exploration and evaluation assets | (21,633) | (4,436) |
| Purchases of property, plant and equipment | (401) | (315) |
| Investment in long term fixed deposits | - | (170) |
| Net cash used in investing activities | <u>(22,034)</u> | <u>(4,921)</u> |
| Net decrease in cash and cash equivalents | (62,883) | (21,810) |
| Effects of exchange rate changes on the balance of cash held in foreign currencies | 118 | (784) |
| Cash and cash equivalents at the beginning of the period | <u>127,583</u> | <u>96,691</u> |
| Cash and cash equivalents at the end of the period | <u>64,818</u> | <u>74,097</u> |

- 1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of changes in equity

| Group | Attributable to owners of the Company | | | | |
|---|---------------------------------------|----------------------------------|-------------------------------|--------------------------------|----------------------------|
| | Share capital Rp million | Accumulated losses Rp million | Merger reserves Rp million | Capital Reserves Rp million | Total equity Rp million |
| At 1 July 2018 | 1,153,516 | (885,069) | 13 | 11,565 | 280,025 |
| Loss for the period | - | (46,642) | - | - | (46,642) |
| Total comprehensive income for the period, net of tax | - | (46,642) | - | - | (46,642) |
| Effect of changes in functional currency | | | | | - |
| At 30 September 2018 | 1,153,516 | (931,711) | 13 | 11,565 | 233,383 |
| At 1 July 2017 | 1,153,516 | (806,137) | 13 | 11,565 | 358,957 |
| Loss for the period | - | (15,912) | - | - | (15,912) |
| Total comprehensive income for the period, net of tax | - | (15,912) | - | - | (15,912) |
| At 30 September 2017 | 1,153,516 | (822,049) | 13 | 11,565 | 343,045 |

| Company | Attributable to owners of the Company | | |
|---|---------------------------------------|----------------------------------|----------------------------|
| | Share capital Rp million | Accumulated losses Rp million | Total equity Rp million |
| At 1 July 2018 | 3,109,639 | (2,065,845) | 1,043,794 |
| Loss for the period | - | (9,631) | (9,631) |
| Loss for the period, representing total comprehensive income for the period, net of tax | - | (9,631) | (9,631) |
| At 30 September 2018 | 3,109,639 | (2,075,476) | 1,034,163 |
| At 1 July 2017 | 3,109,639 | (2,066,993) | 1,042,646 |
| Profit for the period | - | 8,429 | 8,429 |
| Profit for the period, representing total comprehensive income for the period, net of tax | - | 8,429 | 8,429 |
| At 30 September 2017 | 3,109,639 | (2,058,564) | 1,051,075 |

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial reported on and as the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of issued shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

| | Issued and fully paid-up ordinary shares | Share capital (Rp million) |
|---|---|---------------------------------------|
| Balance as at 30 June 2018 and 30 September 2018 | 2,436,700,286 | 3,109,639 |

The Company did not have any outstanding options, convertible securities, treasury shares or subsidiary holdings as at 30 September 2018 and 30 September 2017.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued shares (excluding treasury shares) as at 30 September 2018 and 30 June 2018 was 2,436,700,286.

There were no treasury shares as at 30 September 2018 and 30 June 2018.

- 1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable. The figures have not been audited nor reviewed by the auditors.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computations in the financial statements for the current reporting period as those in the audited financial statements for the financial year ended 30 June 2018.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

- (a) Based on the weighted average number of ordinary shares on issue; and
(b) On a fully diluted basis (detailing any adjustments made to the earnings).

| | Group | |
|--|---------------|---------------|
| | 1QFY19 | 1QFY18 |
| Loss per ordinary share for the period based on net loss attributable to shareholders: | | |
| (a) Basic loss per share (Rp) | (19.14) | (6.53) |
| - Basic loss per share (S\$ cents) | (0.18) | (0.07) |
| Weighted average number of shares | 2,436,700,286 | 2,436,700,286 |
| (b) On a fully diluted basis (Rp) | (19.14) | (6.53) |
| - On a fully diluted basis (S\$ cents) | (0.18) | (0.07) |

The diluted loss per share and the basic loss per share for each of 1QFY18 and 1QFY19 were the same as there were no outstanding convertible securities during the respective periods.

For illustration purposes, the loss per share and diluted loss per share in Rp are converted to S\$ cents using the average rate of S\$ 1: Rp 10,686.13 for 1QFY19 (1QFY18: S\$ 1: Rp 9,796.84).

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

- (a) current financial period reported on; and
(b) immediately preceding financial year.

| | Group | | Company | |
|---|-------------------|---------------|-------------------|---------------|
| | 30 September 2018 | 30 June 2018 | 30 September 2018 | 30 June 2018 |
| Net asset value (Rp million) | 233,383 | 280,025 | 1,034,163 | 1,043,794 |
| Number of shares at the end of the period | 2,436,700,286 | 2,436,700,286 | 2,436,700,286 | 2,436,700,286 |
| Net asset value per share (Rp) | 95.78 | 114.92 | 424.41 | 428.36 |
| Net asset value per share (S\$ cents) | 0.88 | 1.09 | 3.89 | 4.07 |

For illustration purposes, the net asset value per share in Rp was converted at the exchange rate of S\$ 1:Rp 10,919.00 as at 30 September 2018 and S\$ 1:Rp 10,529.64 as at 30 June 2018.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors;
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

(A) **REVIEW OF FINANCIAL RESULTS**

The Group has completed the following gold pours during 1QFY19:

| Date of gold pour | Tonnes of ore | Gold (grams) |
|--------------------------|----------------------|---------------------|
| Jul'18 | 1,000 | 1,799 |
| Aug'18 | 1,000 | 1,644 |
| Aug'18 | 1,000 | 1,485 |
| Sep'18 | 1,000 | 1,656 |
| Total | 4,000 | 6,584 |

Revenue/ Cost of sales

There was no revenue or cost of sales reported for 1QFY19 (1QFY18: Nil) as the Group did not sell any of its gold in 1QFY19.

Interest income from loans and receivables

Interest income from loans and receivables increased by Rp 0.3b from Rp 0.1b in 1QFY18 to Rp 0.4b in 1QFY19, mainly due to higher fixed deposits placed with banks.

Other income/expenses

Other income of Rp 0.6b in 1QFY18 relates to unrealised foreign exchange gain. Other expenses of Rp 3.9b in 1QFY19, comprised mainly unrealised foreign exchange losses of Rp 3.6b. The unrealised foreign exchange gains/losses relate to the project financing arrangement obtained by the Group from Karl Hoffman Mineral Pte. Ltd. ("**Karl Hoffman Mineral**") on 26 October 2017 ("**Project Financing**") which is denominated in USD. The USD has appreciated against the IDR significantly in 1QFY2019.

Other operating expenses

Other operating expenses increased by Rp 0.9b from Rp 6.7b for 1QFY18, to Rp 7.6b in 1QFY19 mainly due to higher exploration and evaluation expenses as well as higher site expenses incurred in 1QFY19 as compared to 1QFY18.

Finance costs

Finance costs of Rp 20.0b in 1QFY19 related to interest expense incurred on the Project Financing to fund a 500 tonnes per day flotation and carbon-in-leach mineral processing facility at the Group's Ciemas Gold Project located in West Java, Indonesia . There was no such cost incurred in 1QFY18.

General and administrative ("**G&A**") expenses

G&A expenses increased by Rp 5.6b, from Rp 9.9b for 1QFY18 to Rp 15.5b for 1QFY19. The increase was mainly due to increase in expenses incurred for visiting the vendor/contractor and equipment inspection, in preparation for the Processing Facility, as well as general increase in expenses due to higher headcount and activities.

Loss before tax

As a result of the above, the Group's loss before tax increased by Rp 30.7b from Rp 15.9b in 1QFY18 to Rp 46.6b in 1QFY19.

(B) REVIEW OF FINANCIAL POSITION

Assets

Exploration and evaluation assets (“**EEA**”) increased by Rp 21.6b, from Rp 232.4b as at 30 June 2018 to Rp 254.0b as at 30 September 2018, due to the additional exploration and evaluation expenses capitalised in 1QFY19.

Mine properties remained unchanged at Rp 8.4b as at 30 September 2018, as there is no transfer from EEA in 1QFY19.

Property, plant and equipment (“**PPE**”) decreased by Rp 0.1b from Rp 8.7b as at 30 June 2018 to Rp 8.6b as at 30 September 2018, mainly due to depreciation charges of Rp 0.5b, which was partially offset by additions to PPE of Rp 0.4b.

Intangible assets which consist of SAP and HR softwares remained unchanged at Rp 0.8b as at 30 September 2018.

Prepaid leases (non-current and current), decreased by Rp 0.9b, from Rp 43.5b as at 30 June 2018 to Rp 42.6b as at 30 September 2018, due to the amortisation of prepaid land lease of Rp 0.9b.

Prepayments increased by Rp 23.5b, from Rp 48.0b as at 30 June 2018 to Rp 71.5b as at 30 September 2018, mainly due to higher deposit paid for processing equipment of Rp 19.3b to be installed at the Processing Facility.

Other debtors and deposits remained unchanged at Rp 0.5b as at 30 September 2018.

Inventories increased by Rp 2.4b from Rp 2.9b as at 30 June 2018 to Rp 5.3b as at 30 September 2018, mainly due to the capitalisation of the cost of gold pours of 6.6kg in 1QFY19.

Cash and cash equivalents decreased by Rp 62.8b, from Rp 127.6b as at 30 June 2018 to Rp 64.8b as at 30 September 2018. Please refer to “Cashflows” on the movement in cash and cash equivalents.

Liabilities

Trade payables increased by Rp 3.8b, from Rp 5.4b as at 30 June 2018 to Rp 9.2b as at 30 September 2018, mainly due to amount due to a contractor for the work done in respect to the gold pours in 1QFY19.

Other payables and accruals increased by Rp 0.6b, from Rp 8.3b as at 30 June 2018 to Rp 8.9b as at 30 September 2018, mainly due to higher accruals for staff costs in 1QFY19.

Amount due to a related party, which relates to amount due to the Executive Chairman of the Company, remained unchanged at Rp 0.5b as at 30 September 2018.

Loans and borrowings (current) of Rp 23.2b as at 30 September 2018 and 30 June 2018 relate to short term overdraft secured by one of our Indonesia's subsidiaries from a financial institution.

Loans and borrowings (non-current) increased by Rp 26.0b from Rp 153.0b as at 30 June 2018 to Rp 179.0b as at 30 September 2018 due to capitalisation of amortised costs of Rp 20.0b and higher unrealised exchange differences of Rp 6.0b.

Employee benefits liability increased by Rp 0.1b, from Rp 2.8b as at 30 June 2018 to Rp 2.9b as at 30 September 2018, mainly due to increased headcount and longer duration of the pension plans in Indonesia.

The Group's working capital decreased by Rp 62.0b, from Rp 116.5b as at 30 June 2018 to Rp 54.5b as at 30 September 2018.

Cashflows

Net cash outflow for operating activities of Rp 40.8b in 1QFY19 was mainly due to the operating loss before working capital changes of Rp 19.5b and working capital changes of Rp 21.7b.

Changes in working capital in FY18 was mainly due to (i) increase in prepayments of Rp 23.5b; and (ii) increase in inventories of Rp 2.5b, which was partially offset by (iii) increase in trade payables of Rp 3.8b; and (iv) increase in other payables and accruals of Rp 0.5b.

Net cash used in investing activities of Rp 22.0b in 1QFY19 was mainly due to the investment in EEA of Rp 21.6b, and purchase of property, plant and equipment of Rp 0.4b.

There was no cash used in/generated from financing activities in 1QFY19.

As at 30 September 2018, the Group had cash and cash equivalents of Rp 64.8b, representing a decrease of Rp 62.8b from Rp 127.6b as at 30 June 2018.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Independent Qualified Person's Report ("IQPR") dated 30 September 2018 reaffirmed a high grade of gold mineral resources (in accordance to JORC 2012) found in the Group's Ciemas Gold Project, as compared to other mines in Asia. The IQPR includes the estimation of gold mineral resources and ore reserves (in accordance to JORC 2012) in the Ciemas Gold Project. The total mineral resources has 46 tonnes of contained gold, while the ore reserves has 25 tonnes of contained gold. The average grade is 7.7 g/t.

The Group remains focused in unlocking the value in the Ciemas Gold Project. It currently has three leaching pools in routine production, and in aggregate, are expected to process approximately 18,000 tonnes of ore per year, yielding approximately 25kg of gold with 99% purity for the financial year ending 30 June 2019, barring unforeseen circumstances and adverse weather conditions.

Construction of a 500 tonnes per day flotation and carbon-in-leach mineral processing plant is well under way. Barring unforeseen circumstances, commercial production is

expected to start by June 2019. Further updates will be provided in due course (see Section 14(c) below for further details).

In the announcement dated 27 October 2018, the Group has outlined its intention to undertake a restructuring exercise that involves subsuming a company, PT Renuka Coalindo Tbk (the “**Target Company**”) into the Group through a share swap exercise between the Group’s subsidiaries – (namely Wilton Resources Holdings Pte. Ltd. and PT Wilton Investment) - and the Target Company (“**Proposed Restructuring**”). The board of directors of the Company believes that the Proposed Restructuring offers more tangible economic benefits to the shareholders of the Company as it presents a solution to the divestment obligation of PT Wilton Investment pursuant to the relevant mining regulations in Indonesia. The Proposed Restructuring is subject to shareholders’ approval at an extraordinary general meeting of the Company to be convened.

Meanwhile, the volatility of the foreign exchange for the US dollar against the functional currency, IDR, will continue to have a significant impact on the Group’s financial results.

Since the beginning of July 2018, gold price has decreased from US\$1,248/oz to the current price of approximately US\$1,232/oz¹ due to the stronger USD.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared or recommended for the quarter ended 30 September 2018 (1QFY19).

13. If the Group has obtained a general mandate from shareholders for Interested Person Transactions (“IPT”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have any general mandate from shareholders pursuant to Rule 920.

¹ <http://www.lbma.org.uk/precious-metal-prices>

Additional disclosure required for Mineral, Oil and Gas Companies

14 (a) Rule 705(6)(a) of the Catalyst Rules

(i) Use of funds/cash for the quarter

For 1QFY19, the Group's use of funds/cash for mining and exploration activities was as follows:

| Purpose | Budgeted | | Actual | | Variance | |
|-------------------------------------|---------------------|-------------------|---------------------|-------------------|-------------------|--------------|
| | US\$ Million | Rp Million | US\$ Million | Rp Million | Rp Million | % |
| Exploration and evaluation expenses | 1.2 | 16,947 | 0.9 | 12,663 | (4,284) | -25.3% |
| Capex | 1.8 | 25,605 | 2.3 | 34,650 | 9,045 | 35.3% |
| Total | 3.0 | 42,552 | 3.2 | 47,313 | 4,761 | 11.2% |

* USD amount converted at US\$1 : Rp14,929 as at 30 September 2018

In 1QFY19, Rp 12.7b (US\$ 0.9m) was incurred for exploration and evaluation expenses. This was 25.3% lower than the budgeted amount of Rp 16.9b (US\$ 1.2m) as priority was given to the construction work for the Ciemas Gold Project. During 1QFY19, Rp 34.7b (US\$ 2.3m) of capital expenditure was incurred as the Group made payment for the plant equipment and the associated civil and steel structure work. The capital expenditure was 35.3% higher as more construction work was brought forward than previously anticipated

Please see Section 14 (c) below for a more comprehensive outline of activities during the quarter under review.

(ii) Projection on the use of funds/cash for the next immediate quarter, including principal assumptions:

For the next immediate quarter, from 1 October 2018 to 31 December 2018 ("2QFY19"), the Group's use of funds/cash for mining and exploration activities is expected to be as follows:

| Purpose | Budgeted | |
|-------------------------------------|---------------------|-------------------|
| | US\$ million | Rp million |
| Exploration and Evaluation Expenses | 0.7 | 10,180 |
| CAPEX | 3.4 | 50,208 |
| Total | 4.1 | 60,388 |

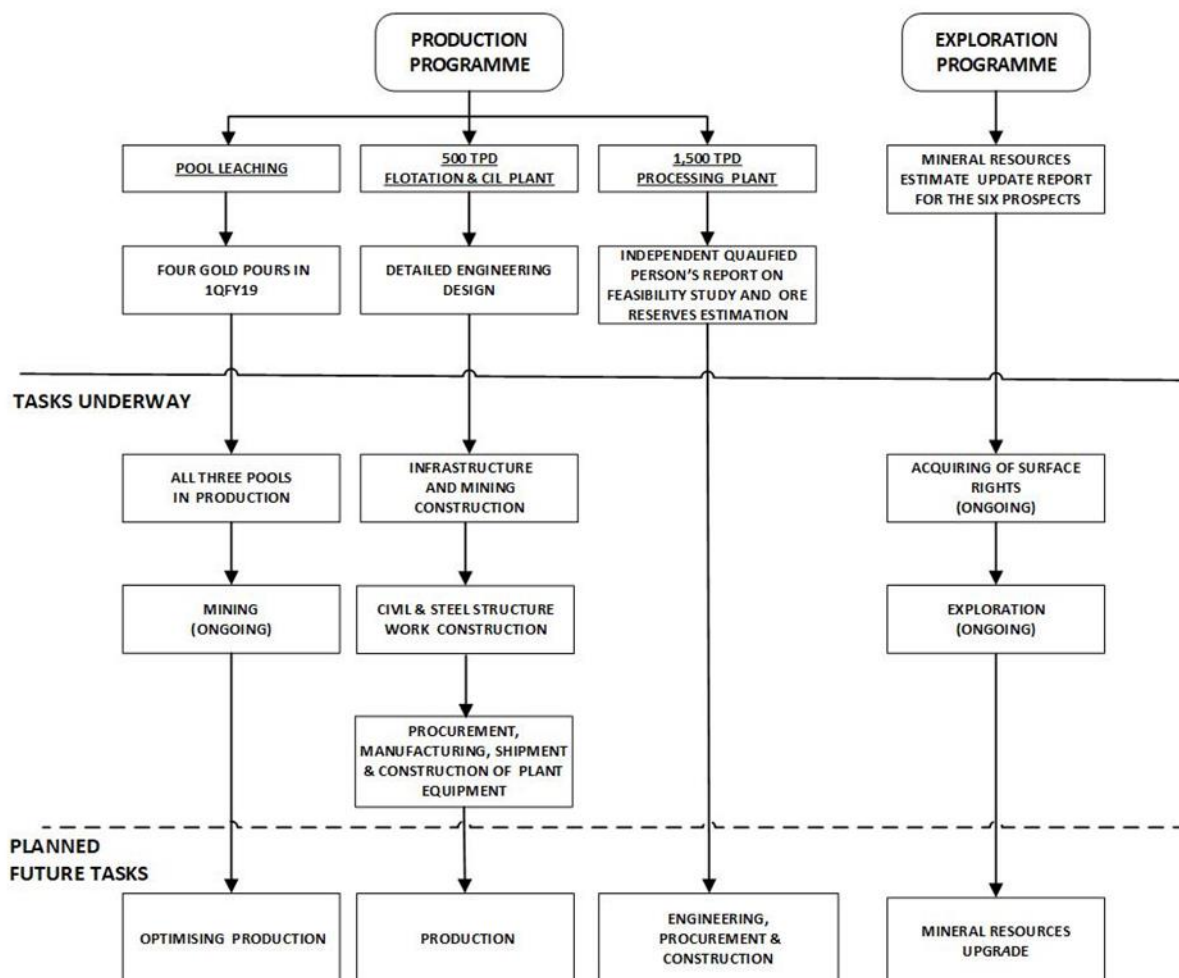
* USD amount converted at US\$1 : Rp14,929 as at 30 September 2018

The Group's mining production and development plans for 2QFY19 are expected to be as follows:

- The pool leaching production is ongoing with three leaching pools in routine production.
- The Group is constructing a 500 tonnes per day flotation and carbon-in-leach mineral processing plant, utilising a flotation and carbon-in-leach process. The underground mining head portal and tunnelling are under construction.

These activities are shown in the chart below in the context of the overall project workflow:

TASKS ACHIEVED UP TO 30 SEPTEMBER 2018



14 (b) Rule 705(6)(b) of the Catalyst Rules

The Board confirms that to the best of their knowledge, nothing has come to its attention which may render the above information provided to be false or misleading in any material aspects

14 (c) Rule 705(7) of the Catalyst Rules

Details of exploration (including geophysical surveys), mining development and/or production activities undertaken by the Group and a summary of the expenditure incurred on those activities including explanations for any material variances with previous projections, for the period under review. If there has been no exploration development and/or production activity respectively, that fact must be stated.

For 1QFY19, the Group continued with its exploration, evaluation and development activities at the Ciemas Gold Project, through the Production Programme and the Exploration Programme.

a) Production Programme

• Pool leaching production

Three leaching pools are in routine production. Four gold pours occurred in 1QFY19, producing a total of 6,584 g of 99% purity of gold, from 4,000 tonnes of ores.

• 500 tonnes per day production capacity flotation and carbon-in-leach mineral processing plant

Procurement, manufacturing and fabrication of the processing equipment and components are well underway. Part of the manufactured and prefabricated components of the processing equipment have arrived on site, and ready for installation.

Civil and steel structural construction work is in progress.

The underground mining head portal and tunnelling work are under construction.

Barring unforeseen circumstances, the Group is on track to commence production of gold at the 500 tonnes per day flotation and carbon-in-leach mineral processing plant by June 2019

• 1,500 tonnes per day production capacity project

The IQPR on the feasibility study of the Ciemas Gold Project has been released. The IQPR includes the estimation of gold mineral resources and ore reserves (in accordance to JORC 2012) in the Group's Ciemas Gold Project as follows:

- 3,415 kt of measured and indicated mineral resources with an average grade of 8.6 g/t of gold, containing 29,301 kg of gold.
- 2,559 kt of inferred mineral resources with an average grade of 6.5 g/t of gold, containing 16,757 kg of gold.
- 3,260 kt of ore reserves with an average grade of 7.7 g/t of gold, containing 25,203 kg of gold.

The latest IQPR includes the design of the 1,500 tonnes per day production capacity plant. In the masterplan design, acquired land has been allocated for the 1,500 tonnes per day flotation and carbon-in-leach mineral processing plant and other key facilities. In the mid- to long-term, the Group has plans to upgrade the processing plant from the current capacity of 500 tonnes per day up to 1,500 tonnes per day. Other key facilities will be included in due course. This will facilitate the efficient operation and management of the plant as a whole.

b) Exploration Programme

The Group will focus on developing the six prospects where the gold mineral resources have been quantified. Where appropriate, exploration efforts will also extend to other mineralised areas within the concession blocks. Whenever needed, additional surface rights to area within the Group's concession blocks will be acquired to facilitate future exploration.

15. Confirmation that the issuer has procured undertakings from all of its directors and executive officers (in the format set out in Appendix 7H) under rule 720(1)

The Company confirms that it has procured undertakings from all of its directors and executive officers in the format set out in Appendix 7H of the Catalist Rules, as required under Rule 720(1) of the Catalist Rules.

16. Negative confirmation by the Board pursuant to Rule 705(5)

The Board, do hereby confirm that, to the best of our knowledge, nothing has come to the attention of the Board, which may render the unaudited financial statements for the three months ended 30 September 2018 to be false or misleading in any material aspects.

BY ORDER OF THE BOARD

Wijaya Lawrence
Chairman and President
9 November 2018