

WILTON

WILTON RESOURCES CORPORATION LIMITED

(Company Registration Number: 200300950D)

Unaudited Condensed Interim Consolidated Financial Statements For the six months ended 30 June 2021

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**”), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalyst.

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.

The contact person for the Sponsor is Ms. Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 8 Robinson Road, #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.

Wilton Resources Corporation Limited and its subsidiaries

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A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	Note	Group		Increase/ (decrease) %
		6 months ended 30 June 2021 ("HY2021") Rp million (Unaudited)	6 months ended 30 June 2020 ("HY2020") Rp million (Unaudited)	
		Revenue	5	
Cost of sales		(1,752)	(1,855)	-5.6%
Gross profit		596	643	-7.3%
Other items of income				
Other income		128	615	-79.2%
Interest income from loans and receivables		314	477	-34.2%
Other items of expense				
Other expenses		(13,475)	(7,407)	81.9%
Other operating expenses		(3,325)	(3,783)	-12.1%
Finance costs		(74,967)	(107,001)	-29.9%
General and administrative expenses		(17,228)	(21,222)	-18.8%
Loss before tax	7	(107,957)	(137,678)	-21.6%
Income tax expense		-	-	-
Loss for the period, representing total comprehensive income for the period, net of tax		(107,957)	(137,678)	-21.6%
Loss attributable to:				
- Owners of the Company		(106,765)	(136,745)	-21.9%
- Non-controlling interests		(1,192)	(933)	27.9%
		(107,957)	(137,678)	-21.6%
Total comprehensive loss attributable to:				
- Owners of the Company		(106,765)	(136,745)	-21.9%
- Non-controlling interests		(1,192)	(933)	27.9%
		(107,957)	(137,678)	-21.6%
<u>Loss per share attributable to owners of the Company (Rp per share)</u>				
(a) Basic loss per share (Rp)		(41.66)	(53.38)	-21.9%
- Basic loss per share (S\$ cents) ⁽¹⁾		(0.39)	(0.51)	-23.5%
Weighted average number of shares		2,562,636,443	2,561,700,286	
(b) On a fully diluted basis loss per share (Rp)		(41.66)	(53.38)	-21.9%
- On a fully diluted basis loss per share (S\$ cents) ⁽¹⁾		(0.39)	(0.51)	-23.5%

Note:

(1) 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 10,726.78 for HY2021 (HY2020: 10,522.45).

B. Condensed interim consolidated statement of financial position

	Note	Group		Company	
		30 June 2021	31 December 2020	30 June 2021	31 December 2020
		Rp million (Unaudited)	Rp million (Audited)	Rp million (Unaudited)	Rp million (Audited)
Non-current assets					
Mine properties	10	293,116	280,196	–	–
Property, plant and equipment		220,163	221,805	4	6
Intangible assets		296	386	–	–
Right-of-use assets		48,244	50,654	705	–
Investment in subsidiaries		–	–	1,217,860	1,217,860
Prepayments		3,500	3,500	–	–
Other debtors and deposits	6	316	315	82	81
Long term fixed deposits	6	420	420	–	–
		566,055	557,276	1,218,651	1,217,947
Current assets					
Other debtors and deposits	6	11,502	471	137	74
Prepayments		831	485	310	143
Amounts due from subsidiaries	6	–	–	22,320	19,870
Inventories		3,709	4,841	–	–
Investment securities	6	10	10	–	–
Restricted time deposits	6	25,000	25,000	–	–
Cash and cash equivalents	6	5,670	4,766	2,042	1,977
		46,722	35,573	24,809	22,064
Total assets		612,777	592,849	1,243,460	1,240,011
Current liabilities					
Trade payables		8,658	6,874	–	–
Other payables and accruals		52,328	53,377	13,992	15,740
Lease liabilities		1,648	430	720	–
Loans and borrowings	11	15,071	25,161	–	–
Mandatory convertible bonds	12	11,911	–	11,911	–
		89,616	85,842	26,623	15,740
Net current (liabilities)/ assets		(42,894)	(50,269)	1,814	6,324
Non-current liabilities					
Loans and borrowings	11	370,070	287,378	370,070	287,378
Accruals		48,216	48,216	–	–
Employee benefits liability		3,632	3,498	–	–
Provision for rehabilitation		420	420	–	–
Lease liabilities		1,358	1,805	–	–
		423,696	341,317	370,070	287,378
Total liabilities		513,312	427,159	396,693	303,118
Net assets		99,465	165,690	846,767	936,893
Equity attributable to owners of the Company					
Share capital	13	1,188,407	1,187,008	3,144,530	3,143,131
Accumulated losses		(1,381,381)	(1,274,616)	(2,297,763)	(2,206,238)
Merger reserve		13	13	–	–
Capital reserve		309,416	265,865	–	–
Other reserve		–	–	–	–
		116,455	178,270	846,767	936,893
Non-controlling interests		(16,990)	(12,580)	–	–
Total equity		99,465	165,690	846,767	936,893
Total equity and liabilities		612,777	592,849	1,243,460	1,240,011

C. Condensed interim consolidated statement of changes in equity

Group	Attributable to owners of the Company				Non-controlling interests	Total equity
	Share capital	Accumulated losses	Merger reserve	Capital reserve		
	Rp million	Rp million	Rp million	Rp million		
Balance at 1 January 2021	1,187,008	(1,274,616)	13	265,865	(12,580)	165,690
Loss for the period representing total comprehensive income for the period, net of tax	–	(106,765)	–	–	(1,192)	(107,957)
Issuance of ordinary shares	1,399	–	–	–	–	1,399
Changes in ownership of subsidiary without change in control	–	–	–	43,551	(3,218)	40,333
Balance at 30 June 2021	1,188,407	(1,381,381)	13	309,416	(16,990)	99,465
Balance at 1 January 2020	1,187,008	(1,253,567)	13	220,806	(7,215)	147,045
Loss for the period representing total comprehensive income for the period, net of tax	–	(136,745)	–	–	(933)	(137,678)
Changes in ownership of subsidiary without change in control	–	–	–	1,378	(57)	1,321
Balance at 30 June 2020	1,187,008	(1,390,312)	13	222,184	(8,205)	10,688

C. Condensed interim consolidated statement of changes in equity (cont'd)

Company	Share capital	Accumulated losses	Total equity
	Rp million	Rp million	Rp million
Balance at 1 January 2021	3,143,131	(2,206,238)	936,893
Loss for the period, representing total comprehensive income for the period, net of tax	–	(91,525)	(91,525)
Issuance of ordinary shares	1,399	–	1,399
Balance at 30 June 2021	3,144,530	(2,297,763)	846,767
Balance at 1 January 2020	3,143,131	(2,225,673)	917,458
Loss for the year, representing total comprehensive income for the year, net of tax	–	(128,250)	(128,250)
Balance at 30 June 2020	3,143,131	(2,353,923)	789,208

D. Condensed interim consolidated statement of cash flows

	Note	Group	
		6 months ended 30 June 2021 Rp million (Unaudited)	6 months ended 30 June 2020 Rp million (Unaudited)
Cash flows from operating activities			
Loss before tax		(107,957)	(137,678)
Adjustments for:			
Payment of commitment fees related to mandatory convertible bonds		2,404	–
Payment of professional fees related to mandatory convertible bonds		547	–
Reversal of gain on dilution of interests in subsidiary		583	–
Unrealised foreign exchange differences		8,815	6,443
Finance costs		74,967	107,001
Interest income		(314)	(477)
Depreciation of property, plant and equipment		1,662	1,579
Depreciation of right-of-use assets		3,351	3,015
Amortisation of intangible assets		90	90
Increase in employee benefits liability		134	127
Operating cash flows before working capital changes		(15,718)	(19,900)
Increase in prepayments		(346)	–
Increase in other debtors and deposits		(11,029)	(3,373)
Decrease in inventories		1,132	1,225
Increase in trade payables		1,784	5,631
Increase in amount due to a related party		–	500
Decrease in other payables and accruals		(1,804)	(2,620)
Cash flows used in operations		(25,981)	(18,537)
Interest received		314	477
Interest paid		(311)	(827)
Net cash flows used in operating activities		(25,978)	(18,887)
Cash flows from investing activities			
Investment in mining properties	10	(12,920)	(8,548)
Purchase of property, plant and equipment		(20)	(206)
Proceeds from dilution of interests in subsidiary without loss of control		39,750	–
Net cash flows generated from/(used in) investing activities		26,810	(8,754)
Cash flows from financing activities			
Proceeds from issuance of mandatory convertible bonds	12	10,381	–
Payment for bank overdrafts	11	(10,090)	–
Proceeds from short term borrowing		–	21,620
Payment of lease liabilities		(248)	–
Net cash generated from financing activities		43	21,620
Net increase/(decrease) in cash and cash equivalents		875	(6,021)
Effect of exchange rate changes on cash and cash equivalents		29	511
Cash and cash equivalents at beginning of the period		4,766	32,425
Cash and cash equivalents at the end of the period		5,670	26,915

E. Notes to condensed interim consolidated financial statements

1. Corporate information

1.1 *The Company*

Wilton Resources Corporation Limited (the "**Company**" or "**WRC**") is a limited liability company incorporated and domiciled in Singapore. The Company is a sponsored company listed on Catalist Board ("**Catalist**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

The registered office and principal place of business of the Company is located at 62 Ubi Road 1, #03-10 Oxley Bizhub 2, Singapore 408734.

The principal activity of the Company is investment holding.

Going concern assumption

The Covid-19 outbreak and the measures taken to contain the spread of the pandemic have created a high level of uncertainty to global economic prospects and this has negatively impacts the Group's operations and its financial performance for the financial period.

For the 6 months period ended 30 June 2021, the Group incurred loss before tax of Rp 107,973 million (2020: Rp 137,678 million). As at 30 June 2021, the Group's current liabilities exceeded its current assets by Rp 42,894 million (31 December 2020: net current liabilities of Rp 50,269 million).

As at 30 June 2021, the installation of the mining processing facility is still ongoing and the Group's technical contractors from China have not been able to travel to Indonesia due to the Covid-19 pandemic and this has resulted in further delays in the completion of the mining processing facility.

Notwithstanding this, the Directors are of the view that the Group is able to continue as a going concern for the following reasons:

- The Group will be able to generate cash flows from the sale of its current inventory of gold dore;
- On 30 March 2021, the Group entered into a subscription agreement with a securitization fund (the "**Subscriber**"), pursuant to which the Subscriber has committed to provide funds to the Company of up to S\$4,500,000 by subscribing for mandatory convertible notes with share subscription warrants attached. As at 30 June 2021, S\$1,000,000 of the first tranche has been drawn down.

These financial statements have been prepared on a going concern basis and do not include any adjustments to the carrying amounts and classification of assets, liabilities and reported expenses that may otherwise be required if the going concern basis was not appropriate.

2. Basis of preparation

The condensed interim consolidated financial statements for the six-month ended 30 June 2021 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("**SFRS(I)**") 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council of Singapore. The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the 18 months period ended 31 December 2020 (1 July 2019 to 31 December 2020).

E. Notes to condensed interim consolidated financial statements (cont'd)

2. Basis of preparation (cont'd)

The condensed interim consolidated financial statements are presented in Indonesian Rupiah ("IDR" or "Rp") and all values are rounded to the nearest million ("Rp Million") except when otherwise indicated.

The accounting policies adopted are consistent with those of previous financial period which were prepared in accordance with SFRS(I)s, except for the adoption of new amended standards as set out in Note 2.1.

2.1. New and amended accounting standards adopted by the Group

The adoption of the new and revised SFRS(I) effective for annual financial year beginning on or after 1 January 2021 does not have a material financial effect on the Group and the Company.

3. Use of judgments and estimates

The preparation of the condensed interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities. Uncertainty of these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the 18 months period ended 31 December 2020.

Estimates and underlying assumptions are reviewed on ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed in Note 3.1.

3.1. Judgments made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements:

(a) *Impairment of non-financial assets pertaining to mining operation*

The Group's non-financial assets pertaining to mining operation include exploration and evaluation assets, mine properties, property, plant and equipment, intangible assets, right-of-use assets and prepayments. The carrying amount of these assets is dependent on the successful development and commercial exploitation of the Group's mines. These assets are assessed for impairment if sufficient data exists to determine the technical feasibility and commercial viability or facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

(b) *Going concern*

The ability of the Group to continue as a going concern depends on its ability to generate cash flow through the activities as disclosed in Note 1. Management has assessed and made a judgement that the Group will be able to generate sufficient cash flows to meet their working capital needs for the next twelve months from the date of this report.

E. Notes to condensed interim consolidated financial statements (cont'd)

4. Seasonal operations

The Group businesses are not affected significantly by seasonal or cyclical factors during the financial period.

5. Segment and revenue information

The Group principally operates a gold mining business which management considers a single operating segment.

5.1 *Reportable segment*

The breakdown of non-current assets by geographical information is as follows:

Geographical information

Non-current assets

	Group	
	30 June 2021	31 December 2020
	Rp million	Rp million
Singapore	46,611	48,399
Indonesia	519,444	508,877
	566,055	557,276

Non-current assets information provided above consists of mine properties, property, plant and equipment, intangible assets, right-of-use assets, prepayments, other debtors and deposits and long term fixed deposits as presented in the condensed interim consolidated statement of financial position.

5.2 *Disaggregation of Revenue*

	Group	
	6 months ended 30 June 2021	6 months ended 30 June 2020
	Rp million	Rp million
Sales of goods recognised at a point in time	2,348	2,498

All revenue are generated in Indonesia.

E. Notes to condensed interim consolidated financial statements (cont'd)

6. Financial assets and financial liabilities

Set out below is an overview of financial assets and financial liabilities of the Group and the Company as at 30 June 2021 and 31 December 2020:

	Group		Company	
	30 June 2021 Rp million	31 December 2020 Rp million	30 June 2021 Rp million	31 December 2020 Rp million
Financial assets				
Long term fixed deposits	420	420	–	–
Other debtors and deposits (non-current)	316	315	82	81
Other debtors and deposits (current)	11,502	471	137	74
Investment securities	10	10	–	–
Amounts due from subsidiaries	–	–	22,320	19,870
Cash and cash equivalents	5,670	4,766	2,042	1,977
Restricted time deposit	25,000	25,000	–	–
Total financial assets carried at amortised cost	42,918	30,982	24,581	22,002
Financial liabilities				
Trade payables	8,658	6,874	–	–
Other payables and accruals (current)	52,328	53,377	13,992	15,740
Accruals (non-current)	48,216	48,216	–	–
Loans and borrowings	385,141	312,539	370,070	287,378
Total financial liabilities carried at amortised cost	494,343	421,006	384,062	303,118

7. Loss before taxation

7.1. Significant items

	Group	
	6 months ended 30 June 2021 Rp million	6 months ended 30 June 2020 Rp million
Depreciation of property, plant and equipment	1,662	1,579
Depreciation of right-of-use assets	3,351	3,015
Amortisation of intangible assets	90	90
Employee benefits expense	134	127
Foreign exchange loss	9,772	5,530

E. Notes to condensed interim consolidated financial statements (cont'd)

7. Loss before taxation

7.1. Related Party Transaction

Sale and purchase of goods and services

The following significant transactions between the Group and a related party took place at terms agreed between the parties during the financial period.

	Group	
	6 months ended 30 June 2021 Rp million	6 months ended 30 June 2020 Rp million
Rental expense paid to a director for the rental of office premises	250	250

8. Net Asset Value

	Group		Company	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Net asset value attributable to owners of the Company (Rp million)	116,455	178,270	846,767	936,893
Number of shares at the end of the period	2,566,614,815	2,561,700,286	2,566,614,815	2,561,700,286
Net asset value per ordinary shares (Rp)	45.37	69.59	329.92	365.73
Net asset value per ordinary shares (S\$ cents)	0.42	0.65	3.06	3.44

For illustration purposes, the net asset value per share in Rp was converted at the exchange rate of S\$1.00 : Rp10,781.31 as at 30 June 2021 and S\$1.00 : Rp10,644.09 as at 31 December 2020.

9. Fair value of financial instruments

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Long term fixed deposits, other debtors and deposits, amounts due from subsidiaries, Investment securities, cash and cash equivalents, restricted time deposit, trade payables, other payables and accruals, loans and borrowings and mandatory convertible bonds.

Management has determined that the carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature or because they are re-priced frequently.

E. Notes to condensed interim consolidated financial statements (cont'd)

10. Mine properties

Group	Mines under construction Rp million
At 31 December 2020	
Cost	280,196
Depletion of mine properties	—
Net book amount	<u>280,196</u>
6 months ended 30 June 2021	
Opening net book amount	280,196
Additions	12,920
Depletion of mine properties	—
Closing net book amount	<u>293,116</u>
At 30 June 2021	
Cost	293,116
Accumulated amortisation	—
Net book amount	<u>293,116</u>

In the previous financial period, Rp 271,247 million of exploration and evaluation expenditures were transferred to mine properties.

11. Loans and borrowings

	Maturity	Group		Company	
		30 June 2021	31 December 2020	30 June 2021	31 December 2020
		Rp million	Rp million	Rp million	Rp million
Current					
Bank overdrafts, secured	On demand	10,071	20,161	—	—
Short term borrowing, secured	Within 12 months	5,000	5,000	—	—
		<u>15,071</u>	<u>25,161</u>	<u>—</u>	<u>—</u>
Non-current					
Project financing liability	10 years from the start of operations	370,070	287,378	370,070	287,378
Total loans and borrowings		<u>385,141</u>	<u>312,539</u>	<u>370,070</u>	<u>287,278</u>

E. Notes to condensed interim consolidated financial statements (cont'd)

11. Loans and borrowings (cont'd)

Bank overdrafts secured

Bank overdrafts are denominated in IDR, bear interest at 1.0% above the restricted time deposit used as collateral and are secured by restricted time deposits of Rp 25,000 million (31 December 2020: Rp 25,000 million).

Short term borrowing, secured

In the previous financial period, the Group entered into a sale of shares and repurchase agreement, whereby a short-term loan of Rp 5,000 million was drawn and secured against the shares of PT WMI that were sold to be repurchase at a later date. The short-term borrowings are denominated in IDR and bear interest of 22% per annum.

Project Financing Liability

On 26 October 2017, the Group secured a project financing arrangement of US\$13.5 million with Karl Hoffmann Mineral Pte. Ltd. ("**KHM**") to build a 500 tonnes per day flotation and carbon-in-leach mineral processing facility ("**the Facility**") at the Group's Ciemas Gold Project located in West Java, Indonesia (the "**Project Financing Liability**"). The Project Financing Liability is recorded at amortised cost.

Repayment

The repayment amount for the project financing over the tenure of the arrangement is variable as it is dependent on the future profitability of the Group's mining facility ("**Facility**"). The repayments are repayable on a semi-annual basis until maturity and are denominated in USD. The repayment of the Project Financing Liability will commence, for a period of 10 years, once the Facility has operated at the designed capacity and processed no less than 500 tonnes per day of gold ore for a continuous period of no less than 7 days.

Embedded derivatives

The project financing arrangement carries an option for the holder to extend the tenure of the project financing arrangement if the Facility delays commencement of operations or does not maintain the minimum production volume agreed upon. In an event of default, the project financing arrangement carries an option for the holder to terminate the arrangement and settle on an amount defined in the contract. If the Group is unable to settle in cash, the holder has the option to convert the outstanding project financing liability into shares of the Company.

The Company identified that the options feature are embedded derivatives that should be recognised separately and through profit or loss measured at fair value at each reporting date. As at 30 June 2021, the Company made an assessment of the fair value considering the probability of occurrence of the above trigger events and determined the fair value of the derivatives to be immaterial (31 December 2020: Nil).

12. Mandatory convertible bonds

In HY2021, the Company issued 122 mandatory convertible bonds, each with a denomination of S\$10,000. The mandatory convertible bonds will mandatorily convert into ordinary shares of the Company. As at 30 June 2021, 13 MCs had been converted into ordinary shares. Please refer to Note 13 for further information.

E. Notes to condensed interim consolidated financial statements (cont'd)

13. Share capital

	Group		Company	
	No. of shares	Rp million	No. of shares	Rp million
Issued and fully paid				
As at 30 June 2019 and 1 July 2019	2,436,700,286	1,153,516	2,436,700,286	3,109,639
Issuance of new shares pursuant to a share placement exercise on 11 October 2019 ⁽¹⁾	125,000,000	33,492	125,000,000	33,492
As at 31 December 2020	2,561,700,286	1,187,008	2,561,700,286	3,143,131
Issuance of new shares pursuant to exercise of convertible notes	4,914,529	1,399	4,914,529	1,399
As at 30 June 2021	2,566,614,815	1,188,407	2,566,614,815	3,144,530

Note:

⁽¹⁾ On 11 October 2019, the Company issued an aggregate 125,000,000 new shares in the capital of the Company, at an issue price of S\$0.0261 each.

	As at 30 June 2021	As at 31 December 2020
Number of issued shares	2,566,614,815	2,561,700,286

The Company does not have any treasury shares as at the end of 30 June 2021, 31 December 2020 and 30 June 2020.

The Company did not have any subsidiary holdings during and as at the end of 30 June 2021, 31 December 2020 and 30 June 2020.

Issuance of Convertible Notes and Non-Listed Warrants

On 31 March 2021, the Company announced that it had, on 30 March 2021, entered into a subscription agreement ("**Subscription Agreement**") with European High Growth Opportunities Securitization Fund (the "**Subscriber**"), pursuant to which the Subscriber has committed to provide funds to the Company of up to S\$4.5 million by subscribing for convertible notes with share subscription warrants attached, and the Company has agreed to issue to the Subscriber ("**Proposed Issue**"):

- up to S\$4.5 million in aggregate principal amount of unsecured convertible notes ("**Notes**" or "**mandatory convertible bonds**"), convertible in whole or in part into fully-paid ordinary shares in the capital of the Company, subject to adjustments in accordance with the terms of the Subscription Agreement; and
- unlisted warrants ("**Warrants**"), which shall be attached to the Notes subscribed for by the Subscriber, entitling the holder of such Warrants to subscribe for such number of new shares in the capital of the Company as may be determined in accordance with the terms of the Subscription Agreement.

As of 29 April 2021, the Subscriber has subscribed for, and the Company has duly issued to the Subscriber, an aggregate principal amount of S\$1.22 million of Notes ("**Issued Notes**"), and 24,999,999 Warrants be attached to the Issued Notes, based on the Warrant Exercise Price of S\$0.033.

E. Notes to condensed interim consolidated financial statements (cont'd)

13. Share capital (cont'd)

As at 30 June 2021, 13 of the Issued Notes have been converted, and 4,914,529 shares of the Company have been allotted and issued to the Subscriber ("**Issuance of Conversion Shares**"). Following the Issuance of Conversion Shares, 109 Issued Notes are outstanding.

Save for the abovementioned Convertible Notes, the Company did not have any outstanding options or convertible securities as at 30 June 2021 and 30 June 2019.

F. Other Information as required pursuant to Appendix 7C of the Catalist Rules

1. Review

The condensed interim consolidated statement financial position of Wilton Resources Corporation Limited and its subsidiaries as at 30 June 2021 and the related condensed interim consolidated profit or loss and other comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows for the six-month period then ended and certain explanatory have not been audited or reviewed.

1.A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

- (a) Updates on the efforts taken to resolve each outstanding audit issue.
- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable. The latest audited financial statements of the Company and the Group for the 18 month financial period ended 31 December 2020 ("FY2020") are not subject to any adverse opinion, qualified opinion or disclaimer of opinion.

2. Review of the performance of the group

(A) REVIEW OF FINANCIAL RESULTS

Revenue / Cost of sales / Gross profit

For HY2021, the Group sold a total of 2.9 kilograms (HY2020: 3.1 kilograms) of gold dore at an average price of approximately US\$1,735/oz (HY2020: US\$1,662/oz) of gold. Correspondingly, the Group recorded cost of sales of Rp 1.8b (HY2020: Rp 1.9b). As a result, the Group recorded gross profit of Rp 0.6b for HY2021 (HY2020: Rp 0.6b).

Other income

Other income decreased by Rp 0.5b, from Rp 0.6b in HY2020 to Rp 0.1b in HY2021, mainly due to lower amount of grant received of Rp 0.1b in HY2021 pursuant to the Wage Credit Scheme and Jobs Support Scheme implemented by the Singapore Government (HY2020: Job Support Scheme and Temporary Employment Credit implemented by the Singapore Government of Rp 0.6b).

Interest income from loans and receivables

Interest income decreased by Rp 0.2b, from 0.5b in HY2020 to Rp 0.3b in HY2021, mainly due to lower cash and bank balances and lower interest rates on long term fixed deposits and current account.

Other expenses

Other expenses increased by Rp 6.1b, from Rp 7.4b in HY2020 to Rp 13.5b in HY2021, mainly due to (i) increase in foreign exchange loss of Rp 4.3b as the USD and SGD had strengthened against IDR, (ii) commitment fees of Rp 2.4b and professional fees of Rp 0.5b arising from the drawdown of the first tranche of the mandatory convertible bonds.

Other operating expenses

Other operating expenses decreased by Rp 0.5b, from Rp 3.8b in HY2020 to Rp 3.3b in HY2021, mainly due to a decrease in utility expenses by Rp 0.2b, repair and maintenance expense by Rp 0.1b, and office supplies expense by Rp 0.1b.

Finance costs

Finance costs decreased by Rp 32.0b, from Rp 107.0b in HY2020 to Rp 75.0b in HY2021. Lower interest expense amounting to Rp 31.6b had been recognised in FY2020 due to the change in net present value of the project financing liability obtained by the Group from Karl Hoffmann Mineral Pte Ltd.

General and administrative (“G&A”) expenses

G&A expenses decreased by Rp 4.0b, from Rp 21.2b in HY2020 to Rp 17.2b in HY2021. The decrease was mainly due to (i) decrease in professional fees of Rp 3.2b; (ii) decrease in traveling expenses by Rp 1,8b; and (iii) partially offset by increase in depreciation of right of use assets (“ROU”) by Rp0.4b.

Depreciation of ROU assets increased from Rp3.0b in HY2020 to Rp3.4b in HY2021, mainly due to additions of ROU of vehicles by Rp0.4b.

Loss before tax

As a result of the above, the Group’s loss before tax decreased by Rp 29.7b, from Rp 137.7b in HY2020 to Rp 108.0b in HY2021.

(B) REVIEW OF FINANCIAL POSITION

Assets

Mine properties increased by Rp 12.9b, from Rp 280.2b as at 31 December 2020 to Rp 293.1b as at 30 June 2021, due to additions.

Property, plant and equipment (“PPE”) decreased by Rp 1.6b, from Rp 221.8b as at 31 December 2020 to Rp 220.2b as at 30 June 2021, mainly due to depreciation charge of Rp 1.6b in HY2021.

Intangible assets decreased by Rp 0.1b, from Rp 0.4b as at 31 December 2020 to Rp 0.3b as at 30 June 2021, due to amortization charge in HY2021.

ROU assets relate to prepaid leases of land within the Group’s Concession Blocks as well as office and vehicle rental. ROU assets of Rp 50.7b as at 31 December 2020 decreased by Rp 2.5b, as compared to Rp 48.2b as at 30 June 2021. The decrease is mainly due to depreciation charge of Rp 3.4b, partially offset by the recognition of additional ROU assets amounting to Rp 0.9b.

Other debtors and deposits (current) increased by Rp 11.0b, from Rp 0.5b as at 31 December 2020 to Rp 11.5b as at 30 June 2021, mainly due to advances made to increase electricity power at site area of Rp 3.7b and advance payments to vendors for mining management services and civil construction works of Rp7.0b.

Prepayments (current) increased by Rp 0.3b, from Rp 0.5b as at 31 December 2020 to Rp 0.8b as at 30 June 2021. The increase is mainly due to prepayments for corporate secretarial fees of Rp 0.1b and annual listing fees Rp 0.2b.

Inventories decreased by Rp 1.1b, from Rp 4.8b as at 31 December 2020 to Rp 3.7b as at 30 June 2021, due to sales that have been made in HY2021.

Cash and cash equivalents increased by Rp 0.9b, from Rp 4.8b as at 31 December 2020 to Rp 5.7b as at 30 June 2021. Please refer to the section on “Cashflow” for the movement in cash and cash equivalents.

Liabilities

Trade payables increased by Rp 1.8b, from Rp 6.9b as at 31 December 2020 to Rp 8.7b as at 30 June 2021. The increase is mainly due to additional amount owing to vendors for mining management services.

Other payables and accruals decreased by Rp 1.1b, from Rp 53.4b as at 31 December 2020 to Rp 52.3b as at 30 June 2021 mainly due to decrease in payables and accruals in relation to professional fees by Rp1.4b and director fees by Rp0.9b, partially offset by an increase in payroll related expenses of Rp1.3b.

Information on other payables and accruals (all owing to non-related parties) as well as the aging of the items, is set out below:

Other Payables

	Current	1-30 Days	31-60 Days	61-90 Days	>90 Days	Total
	Rp million	Rp million	Rp million	Rp million	Rp million	Rp million
Payable to former controlling shareholder of PT WMI	-	-	-	-	26,052	26,052
Purchase of Property, Plant and Equipment	-	-	-	-	329	329
Professional Fees	38	-	1,329	16	1,622	3,006
Permit Fees	6	-	-	-	256	262
Royalty Fees	62	-	-	-	-	62
Operational reimbursement	54	1	-	-	-	55
Utility and maintenance	127	0	-	-	2	129
Others	2	-	-	-	-	2
Sub-total	290	1	1,329	16	28,261	29,897

As at the date of this announcement, there has not been any request from the former controlling shareholder of PT WMI for the outstanding payables.

The remaining balance of Rp 22,431 million relates to accruals of professional fees (Rp 5,675 million), payroll related expenses (Rp 8,349 million), director fees (Rp 2,648 million), interest expense (Rp 446 million) and others – deemed interest, rent car, etc (Rp 5,313 million).

Lease liabilities (current and non-current) increased by Rp 0.8b from Rp 2.2b as at 31 December 2020 to Rp 3.0b as at 30 June 2021 mainly due to renewal of the Company's office leases for 24 months (January 2021 to December 2022).

Loans and borrowings (current) decreased by Rp 10.1b from Rp 25.2b as at 31 December 2020 to Rp 15.1b as at 30 June 2021 due to partial repayment of bank overdrafts.

Mandatory convertible bonds of Rp 11.9b as at 30 June 2021 (31 December 2020: Nil) relates to the value of the 109 Issued Notes which have yet to be converted by the Subscriber as at 30 June 2021. Please refer to Note 13 under Section E for further information.

Loans and borrowings (non-current) increased by Rp 82.7b, from Rp 287.4b as at 31 December 2020 to Rp 370.1b as at 30 June 2021 due to interest expense of Rp 74.0b and unrealized exchange differences of 8.7b.

Working Capital

The Group's working capital decreased by Rp 7.4b, from Rp 50.3b as at 31 December 2020 to Rp 42.9b as at 30 June 2021. Please refer to the above sections on "Assets" and "Liabilities" on the movement in current assets and current liabilities. The Company is exploring options to secure funding arrangement for working capital and capital expenditure financial requirements. Notwithstanding, the board of directors of the Company is of the view that the Company is able to operate as a going concern and the reasons are duly set out in Note 1.1 in Section E of this announcement.

Cashflow

Net cash outflow for operating activities of Rp 26.0b in HY2021 was mainly due to the operating loss before working capital changes of Rp 15.7b, and working capital changes of Rp 10.3b.

Changes in working capital in HY2021 was due to (i) an increase in prepayments of Rp 0.3b, (ii) an increase in other debtors and deposits of Rp 11.0b, (iii) a decrease in inventories of Rp 1.1b, (iv) an increase in trade payables of Rp 1.8b, and (v) a decrease in other payables and accruals of Rp 1.8b.

Net cash generated from investing activities of Rp 26.8b in HY2021 was mainly due to (i) net proceeds received from the disposal of interest in a subsidiary without loss of control of Rp 39.8b, and (ii) an increase in investment in mining properties of Rp 12.9b.

Net cash used in financing activities in HY2021 of Rp 43 million was mainly due to (i) proceeds from issuance of mandatory convertible bonds of Rp10.4b, (ii) payments made for bank overdrafts of Rp 10.1b, and (iii) payment of lease liability of Rp 0.2b.

As at 30 June 2021, the Group had cash and cash equivalents of Rp 5.7b, representing an increase of Rp 0.9b from Rp 4.8b as at 31 December 2020.

3. Where 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.

4. 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.

Since the beginning of January 2020, gold price has increased significantly by 19.7% from US\$1,520/oz to the current price of approximately US\$1,819/oz¹ as at 29 July 2021, largely due to the increased market uncertainty over the Covid-19 outbreak.

The Covid-19 outbreak in early 2020 has caused severe disruption to the global economy and businesses, and has affected the Group's operations in Indonesia. The ongoing worsening of the Covid-19 pandemic, particularly with the current Covid-19 Delta variant in Indonesia, has led to the enforcement of the Emergency Social Activity Restrictions (Pemberlakuan Pembatasan Kegiatan Masyarakat, Darurat) by the local government since 3 July 2021. The Group's Engineering, Procurement, Construction and Management contractor for the Processing Facility (Yantai Jinyuan Mining Machinery Co. Ltd. China ("**Jinyuan**") has been delayed from returning to Indonesia, and such disruption poses a challenge to the Group in meeting the projected timelines.

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

Despite the worsening Covid-19 pandemic in Indonesia, there had been some progress on the 500 tonnes per day Flotation and Carbon-in-Leach Processing Facility, as the installation of electrical power supply from Perusahaan Listrik Negara (“**PLN**”) has commenced and the completion of the other infrastructures such as laboratories, offices, slope protection and drainage, etc at the said facility.

The Group will continue to adjust to the evolving environment while ensuring that the needs and concerns of key stakeholders are met, all employees and workers are healthy and safe. Despite the delays, the Group continues to work closely with Jinyuan to manage the project delays and plan for the restart of the construction activities at the Processing Facility.

5. Dividend Information.

5 (a) Current Financial Period Reported on

Any dividend recommended for the current financial period reported on?

None.

5 (b) Corresponding Period of the Immediate Preceding Financial Year

Any dividend recommended for the corresponding period of the immediate preceding Financial Year?

None.

5 (c) Date payable

Not applicable.

5 (d) Book closure date

Not applicable.

5 (e) If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended for HY2020 as the Group is loss making.

6. 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 of the Catalist Rules.

7. Additional disclosure required for Mineral, Oil and Gas Companies

7 (a) Rule 705(6)(a) of the Catalyst Rules in relation to the use of funds/cash for the quarter and a projection on the use of funds/cash for the next immediate quarter, including material assumptions.

(i) Use of funds/cash for the quarter

The Group's expenditure incurred for mining and exploration activities during the quarter from 1 April 2021 to 30 June 2021 ("2QFY21") was as follows:

Purpose	Budgeted		Actual		Variance	
	US\$ Million*	Rp Million	US\$ Million**	Rp Million	Rp Million	%
Mining Properties	0.46	6,750	0.52	7,471	721	10.7%
Capex	0.81	11,850	0.25	3,655	(8,195)	-69.2%
Total	1.27	18,600	0.77	11,126	(7,474)	-40.2%

* USD amount converted at US\$1 : Rp14,572 as at 31 March 2021 for budgeted amount

** USD amount converted at US\$1 : Rp14,496 as at 30 June 2021 for actual amount

In 2QFY21, the Group incurred (i) Rp 7.47 b (US\$ 0.52 m) for mining properties which was 10.7% higher than budgeted; and (ii) Rp 3.66 b (US\$0.25 m) for capital expenditure ("Capex") which was 69.2% lower than budgeted. It was due to deferment of some works due to the impact of the Covid-19 pandemic.

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

For the next immediate quarter, from 1 July 2021 to 30 September 2021 ("3QFY21"), subject to the Group securing the necessary financing facilities, availability of adequate funds and easing of the imposed measures due to the Covid-19 pandemic, the Group's use of funds/cash for mining and exploration activities is expected to be as follows:

Purpose	Budgeted	
	US\$ million*	Rp Million
Mining Properties	0.47	6,750
Capex	0.60	8,646
Total	1.07	15,396

* USD amount converted at US\$1 : Rp14,496 as at 30 June 2021

The Indonesian government has implemented Social Activity Restriction and travelling restrictions measures to curb community infections due to the Covid-19 pandemic. Activities at the Group's mine site have been affected and adapted to the situation accordingly. The Group's mining production and development plans for 3QFY21 are expected to be as follows:

- Progressing on the construction work and the installation of plant equipment on the 500 tonnes per day production capacity flotation and carbon-in-leach mineral processing facility ("Processing Facility").
- Progressing on the civil, infrastructure and other supporting work for the Processing Facility.

7(b) Rule 705(6)(b) of the Catalyst Rules in relation to the confirmation from the Board.

The Board confirms that to the best of its knowledge, nothing has come to its attention which may render the information contained in this announcement to be false or misleading in any material aspects.

7(c) Rule 705(7) of the Catalyst Rules in relation to details of exploration (including geophysical surveys), development and/or production activities undertaken by the Company 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

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.

a) Production Programme

- **Processing Facility**

Due to the ongoing worsening of the COVID-19 pandemic in Indonesia, the Group's Engineering, Procurement, Construction and Management contractor for the Processing Facility (Yantai Jinyuan Mining Machinery Co. Ltd. China ("**Jinyuan**")) has been delayed from returning to Indonesia to complete the construction of the Processing Facility. As a result, the Company expects a delay in the previous commitment by Jinyuan to commence trial production in October 2021 and commercial production in January 2022. Despite the delays, the Group continues to work closely with Jinyuan to manage the project delays and plan for the restart of the construction activities at the Processing Facility.

The civil, infrastructure and other supporting work by local contractors for the Processing Facility are progressing.

- **1,500 tonnes per day production capacity project**

The 2018 Independent Qualified Person's Report ("**2018 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. 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 while other key facilities will be added 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, (namely Cikadu, Sekolah, Cibatu, Pasir Manggu, Cibak and Cipancar), where the gold mineral resources have been quantified in the 2018 IQPR. Where appropriate, exploration efforts may also extend to other mineralised areas within the concession blocks. Additional surface rights to area within the Group's concession blocks may be acquired to facilitate future exploration, when necessary.

8. Use of proceeds from issuance of convertible notes and non-listed warrants

Following the issuance of the first tranche of Notes to the Subscriber in April 2021 that amounted to S\$1,000,000 (“**Principal Amount**”), the Company raised net proceeds of S\$950,000 (approximately Rp 10,381 million) arising from the subscription price of the Principal Amount (“**April 2021 Net Proceeds**”).

The Board has decided to reallocate the entire amount originally allocated for exploration and evaluation expenses, to be utilised for capital expenditure (“**Amended Allocation**”). Capital expenditure would cover all capitalised costs (including exploration and evaluation assets (“**EEA**”), mine properties and property, plant and equipment).

In financial period ended 31 December 2020, EEA had been reclassified to mine properties as technical feasibility and commercial viability of the extraction of the mineral resources at the six prospects within the Ciemas Gold Project are demonstrable.

The April 2021 Net Proceeds have been fully utilised as follows:

Intended uses	Allocation as per Announcement ⁽¹⁾ (S\$'000)	Amended Allocation (S\$'000)	Allocation based on the April 2021 Net Proceeds (S\$'000)	Amount utilised based on the April 2021 Net Proceeds (S\$'000)	Balance of the April 2021 Net Proceeds (S\$'000)
Capital expenditure	1,950 (or 50%)	2,925 (or 75%)	712.5 (or 75%)	712.5 ⁽¹⁾⁽³⁾	-
Exploration and evaluation expenses	975 (or 25%)	-	-	-	-
General working capital	975 (or 25%)	975 (or 25%)	237.5 (or 25%)	237.5 ⁽²⁾⁽³⁾	-
Total	3,900	3,900	950	950	-

Notes:

- (1) Relates to additions to mine properties arising from mining management services which have been capitalised.
- (2) Relates to partial payment of bank overdrafts (that are denominated in IDR), which bear interest at 1.0% above the restricted time deposit used as collateral and are secured by the restricted time deposits.
- (3) For illustration purposes, the amount utilized was converted at the exchange rate of S\$1.00 : Rp10,927.53.

Save as disclosed on the Amended Allocation, the use of the April 2021 Net Proceeds is in accordance with the intended use as set out in the Company’s announcement on 31 March 2021, in relation to the proposed issuance of unsecured convertible notes and unlisted warrants

9. 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.

10. Confirmation by the Board pursuant to Rule 705(5) of the Catalist Rules

The Board of Directors of the Company confirm that, to the best of their knowledge, nothing has come to their attention which may the financial statements for the six-month period ended 30 June 2021 to be false or misleading in any material aspect.

11. Disclosure pursuant to Rule 706(A)

The Company did not acquire or dispose shares in an entity which will result in that entity in becoming or ceasing to be, a subsidiary of the Company, or result in a change in the Company's shareholding percentage in a subsidiary during HY2021.

On behalf of the Boards of Directors

Wijaya Lawrence
Chairman and President

Singapore
13 August 2021