

# **WILTON**

**WILTON RESOURCES CORPORATION LIMITED**

(Company Registration Number: 200300950D)

## Unaudited Financial Statements and Dividend Announcement for the Half Year and Second Quarter Ended 31 December 2017

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 SIX MONTHS AND SECOND QUARTER ENDED 31 DECEMBER 2017**

**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) %	Group		Increase/ (decrease) %
	2QFY18 <sup>1</sup> Rp million (Unaudited)	2QFY17 <sup>2</sup> Rp million (Unaudited)		1HFY18 <sup>3</sup> Rp million (Unaudited)	1HFY17 <sup>4</sup> Rp million (Unaudited)	
Revenue	-	-	N.M.	-	-	N.M.
Cost of sales	-	-	N.M.	-	-	N.M.
<b>Gross profit</b>	-	-	N.M.	-	-	N.M.
<b>Other items of income</b>						
Other income	(228)	12	N.M.	400	12	N.M.
Interest income from loans and receivables	246	10	N.M.	337	42	N.M.
<b>Other items of expenses</b>						
Other expenses	(149)	(1,152)	-87.1%	(205)	(2,610)	-92.1%
Other operating expenses	(1,641)	(2,056)	-20.2%	(2,952)	(2,873)	2.7%
Finance costs	(4,836)	-	N.M.	(4,836)	-	N.M.
General and administrative expenses	(13,031)	(8,823)	47.7%	(28,295)	(16,993)	66.5%
<b>Loss before tax</b>	<b>(19,639)</b>	<b>(12,009)</b>	63.5%	<b>(35,551)</b>	<b>(22,422)</b>	58.6%
Income tax expense	-	-	N.M.	-	-	N.M.
<b>Loss net of tax for the period and attributable to owners of the Company</b>	<b>(19,639)</b>	<b>(12,009)</b>	63.5%	<b>(35,551)</b>	<b>(22,422)</b>	58.6%
<b>Total comprehensive income for the period and attributable to owners of the Company</b>	<b>(19,639)</b>	<b>(12,009)</b>	63.5%	<b>(35,551)</b>	<b>(22,422)</b>	58.6%
<b>Operating loss before tax is stated after crediting/(charging) the following:</b>						
Depreciation of property, plant and equipment	(506)	(398)	27.3%	(974)	(780)	24.9%
Amortisation of intangible assets	(45)	(45)	-	(90)	(90)	-
Amortisation of prepaid lease	(890)	(582)	52.9%	(1,780)	(1,163)	53.1%
Finance costs	(4,836)	-	N.M.	(4,836)	-	N.M.
Foreign exchange gain/(loss)	(235)	(1,142)	N.M.	393	(2,591)	N.M.

N.M. = Not meaningful

Notes:

- (1) "2QFY18": Second quarter financial period from 1 October 2017 to 31 December 2017.  
(2) "2QFY17": Second quarter financial period from 1 October 2016 to 31 December 2016.  
(3) "1HFY18": Half year financial period from 1 July 2017 to 31 December 2017.  
(4) "1HFY17": Half year financial period from 1 July 2016 to 31 December 2016.

**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.**

	Group		Company	
	As at 31/12/2017 Rp million (Unaudited)	As at 30/6/2017 Rp million (Audited)	As at 31/12/2017 Rp million (Unaudited)	As at 30/6/2017 Rp million (Audited)
<b>Non-current assets</b>				
Exploration and evaluation assets	232,242	214,455	-	-
Mine properties	388	388	-	-
Property, plant and equipment	9,163	8,223	478	688
Intangible assets	921	1,011	-	-
Investment in subsidiaries	-	-	584,811	584,811
Inventories	30	30	-	-
Prepaid lease	41,606	43,386	-	-
Long term fixed deposits	420	250	-	-
	<b>284,770</b>	<b>267,743</b>	<b>585,289</b>	<b>585,499</b>
<b>Current assets</b>				
Other debtors and deposits	330	197	141	192
Prepaid lease	3,687	3,687	-	-
Prepayments	1,551	1,541	781	448
Amounts due from subsidiaries	-	-	482,607	374,535
Inventories	1,666	-	-	-
Investment securities	10	-	-	-
Cash and cash equivalents	112,052	96,691	49,983	85,055
	<b>119,296</b>	<b>102,116</b>	<b>533,512</b>	<b>460,230</b>
<b>Total assets</b>	<b>404,066</b>	<b>369,859</b>	<b>1,118,801</b>	<b>1,045,729</b>
<b>Current liabilities</b>				
Trade payables	3,259	2,084	-	-
Other payables and accruals	4,700	4,805	2,217	2,475
Amount due to a related party	766	1,937	-	-
Amounts due to subsidiaries	-	-	642	608
	<b>8,725</b>	<b>8,826</b>	<b>2,859</b>	<b>3,083</b>
<b>Net current assets</b>	<b>110,571</b>	<b>93,290</b>	<b>530,653</b>	<b>457,147</b>
<b>Non-current liabilities</b>				
Loans and borrowings	69,595	-	69,595	-
Employee benefits liability	2,270	2,006	-	-
Provision for rehabilitation	70	70	-	-
	<b>71,935</b>	<b>2,076</b>	<b>69,595</b>	<b>-</b>
<b>Total liabilities</b>	<b>80,660</b>	<b>10,902</b>	<b>72,454</b>	<b>3,083</b>
<b>Net assets</b>	<b>323,406</b>	<b>358,957</b>	<b>1,046,347</b>	<b>1,042,646</b>
<b>Equity</b>				
Share capital	1,153,516	1,153,516	3,109,639	3,109,639
Accumulated losses	(841,688)	(806,137)	(2,063,292)	(2,066,993)
Merger reserve	13	13	-	-
Capital reserve	11,565	11,565	-	-
	<b>323,406</b>	<b>358,957</b>	<b>1,046,347</b>	<b>1,042,646</b>
<b>Total equity and liabilities</b>	<b>404,066</b>	<b>369,859</b>	<b>1,118,801</b>	<b>1,045,729</b>

**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 31 December 2017		As at 30 June 2017	
Secured	Unsecured	Secured	Unsecured
Nil	Nil	Nil	Nil

**Amount repayable after one year**

(In Rp million)

As at 31 December 2017		As at 30 June 2017	
Secured	Unsecured	Secured	Unsecured
Nil	69,595	Nil	Nil

**Details of any collateral**

Not applicable as there are no collateral on the Group's loans and borrowings.

**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**

	<b>1HFY18</b>	<b>1HFY17</b>
	<b>Rp million</b>	<b>Rp million</b>
<b>Cash flows from operating activities</b>		
Loss before tax	(35,551)	(22,422)
Adjustments for:		
Loss on disposal of subsidiaries		-
Share-based payment expenses		-
Unrealised foreign exchange differences	79	1,878
Gain on disposal of subsidiary		-
Gain on disposal of interest in former associate		-
Interest income	(337)	(42)
Depreciation of property, plant and equipment	974	780
Amortisation of intangible assets	90	90
Amortisation of prepaid lease	1,780	1,163
Finance costs	4,836	-
Increase in employee benefits liability	264	68
<b>Operating cash flows before working capital changes</b>	<b>(27,865)</b>	<b>(18,485)</b>
Increase in prepayments	(10)	(10,475)
Increase in other debtors and deposits	(136)	(166)
Increase in inventories	(1,666)	-
Increase/(decrease) in trade payables	1,175	(1,299)
(Decrease)/increase in amount due to a related party	(1,171)	569
Decrease in other payables and accruals	(29)	(719)
<b>Cash flows used in operations</b>	<b>(29,702)</b>	<b>(30,575)</b>
Interest received	337	42
<b>Net cash used in operating activities</b>	<b>(29,365)</b>	<b>(30,533)</b>
<b>Cash flows from investing activities</b>		
Investment in exploration and evaluation assets	(17,787)	(10,588)
Purchases of property, plant and equipment	(1,914)	(781)
Investment in long term fixed deposits	(170)	-
Investment in investment securities	(10)	-
<b>Net cash flows used in investing activities</b>	<b>(19,881)</b>	<b>(11,369)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of equity shares	-	28,414
Proceeds from project financing	64,759	-
<b>Net cash flows generated from financing activities</b>	<b>64,759</b>	<b>28,414</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>15,513</b>	<b>(13,488)</b>
Effects of exchange rate changes on the balance of cash held in foreign currencies	(152)	(1,878)
Cash and cash equivalents at the beginning of the period	96,691	61,831
<b>Cash and cash equivalents at the end of the period</b>	<b>112,052</b>	<b>46,465</b>

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.

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 2017	1,153,516	(806,137)	13	11,565	358,957
Loss for the period	-	(35,551)	-	-	(35,551)
Total comprehensive income for the period, net of tax	-	(35,551)	-	-	(35,551)
At 31 December 2017	1,153,516	(841,688)	13	11,565	323,406
At 1 July 2016	1,044,920	(760,227)	13	11,565	296,271
Loss for the period	-	(22,422)	-	-	(22,422)
Total comprehensive income for the period, net of tax	-	(22,422)	-	-	(22,422)
Issuance of ordinary shares, representing total transactions with owners in their capacity of owners	28,414	-	-	-	28,414
At 31 December 2016	1,073,334	(782,649)	13	11,565	302,263

Company	Attributable to owners of the Company		
	Share capital Rp million	Accumulated losses Rp million	Total equity Rp million
At 1 July 2017	3,109,639	(2,066,993)	1,042,646
Profit for the period	-	3,701	3,701
Total comprehensive income for the period, net of tax	-	3,701	3,701
At 31 December 2017	3,109,639	(2,063,292)	1,046,347
At 1 July 2016	3,001,043	(390,993)	2,610,050
Loss for the period	-	(28,174)	(28,174)
Total comprehensive income for the period, net of tax	-	(28,174)	(28,174)
Issuance of ordinary shares, representing total transactions with owners in their capacity of owners	28,414	-	28,414
At 31 December 2016	3,029,457	(419,167)	2,610,290

- 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 at 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.**

	<b>Issued and fully paid-up ordinary shares</b>	<b>Share capital Rp million</b>
<b>Balance as at 30 September 2017 and 31 December 2017</b>	2,436,700,286	3,109,639

The Company did not have any outstanding options, convertible securities, treasury shares or subsidiary holdings as at 31 December 2017 and 31 December 2016.

- 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 31 December 2017 and 30 June 2017 was 2,436,700,286.

There were no treasury shares as at 31 December 2017 and 30 June 2017.

- 1(d)(iv) A statement showing all sales, transfers, disposal, 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, disposals, 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 compared with the audited financial statements for the financial year ended 30 June 2017.

**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		Group	
	2QFY18	2QFY17	1HFY18	1HFY17
Loss per ordinary share for the period based on net loss attributable to shareholders:				
(a) Basic loss per share (Rp)	(8.06)	(5.33)	(14.59)	(9.98)
- Basic loss per share (S\$ cents)	(0.08)	(0.06)	(0.15)	(0.10)
Weighted average number of shares	2,436,700,286	2,255,178,547	2,436,700,286	2,245,939,416
(b) On a fully diluted basis (Rp)	(8.06)	(5.33)	(14.59)	(9.98)
- On a fully diluted basis (S\$ cents)	(0.08)	(0.06)	(0.15)	(0.10)

The diluted loss per share and the basic loss per share for each of 2QFY17, 2QFY18, 1HFY17 and 1HFY18 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 9,896.82 for 1HFY18 (1HFY17: S\$ 1: Rp 9,553.23) and S\$ 1: Rp 9,999.61 for 2QFY18 (2QFY17: S\$ 1: Rp 9,397.88).

**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	
	31 December 2017	30 June 2017	31 December 2017	30 June 2017
Net asset value (Rp million)	323,406	358,957	1,046,347	1,042,646
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)	132.72	147.31	429.41	427.89
Net asset value per share (S\$ cents)	1.31	1.54	4.24	4.46

For illustration purposes, the net asset value per share in Rp was converted at the exchange rate of S\$ 1:Rp 10,133.53 for 1HFY18. (FY17 : S\$ 1:Rp 9,590.65)



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 1HFY18:

<u>Period</u>	<u>Ore (Tonnes)</u>	<u>Gold (grams)</u>	<u>Purity</u>
August 2017	500	936	99.0%
September 2017	500	961	99.0%
October 2017	500	898	99.0%
December 2017	<u>1,000</u>	<u>1,593</u>	99.0%
	<u>2,500</u>	<u>4,388</u>	

Revenue/ Cost of sales

There was no revenue or cost of sales reported for 1HFY18 (1HFY17: nil) as the Group has yet to sell the gold extracted from the gold pours in 1HFY18.

Other income

Other income increased by Rp 0.4b, from Rp 12m in 1HFY17 to Rp 0.4b in 1HFY18, mainly due to higher unrealised foreign exchange gains recorded in 1HFY18 in respect of the translation of the Group's US\$ bank balance.

Interest income from loans and receivables

Interest income from loans and receivables increased by Rp 0.3b, from Rp 42m in 1HFY17 to Rp 0.3b in 1HFY18 mainly due to higher interest earned from the US\$ bank account in 1HFY18, as a result of higher interest rate and increased balance of the Group's US\$ bank balance.

Other expenses

Other expenses decreased by Rp 2.4b, from Rp 2.6b in 1HFY17 to Rp 0.2b in 1HFY18, mainly due to higher unrealised foreign exchange losses recorded in 1HFY17.

Other operating expenses

Other operating expenses increased by Rp 0.1b, from Rp 2.9b in 1HFY17 to Rp 3.0b in 1HFY18, mainly due to higher amortisation of prepaid land leases of Rp 0.6b recorded in 1HFY18 as a result of higher pre-paid leases, partially offset by site expenses of Rp 0.5b incurred in 1HFY18.

Finance costs

Finance costs of Rp 4.8b in 1HFY18 relates to interest expense incurred on the project financing arrangement obtained by the Group from Karl Hoffman Mineral Pte. Ltd. ("**Karl Hoffman Mineral**") on 26 October 2017 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 ("**Project Financing**"). There was no such cost incurred in 1HFY17.

### General and administrative (“G&A”) expenses

G&A expenses increased by Rp 11.3b, from Rp 17.0b for 1HFY17 to Rp 28.3b for 1HFY18. The increase was mainly due to an increase in professional fees for work undertaken in relation to resource upgrade and feasibility study of Rp 6.7b, higher staff costs of Rp 3.0b, higher travelling expenses of Rp 1.2b and higher depreciation charges of Rp 0.2b.

### Loss, net of tax

As a result of the above, the Group recorded net loss of Rp 35.6b in 1HFY18, as compared to a net loss of Rp 22.4b in 1HFY17.

## **(B) REVIEW OF FINANCIAL POSITION**

### Assets

Exploration and evaluation assets (“**EEA**”) increased by Rp 17.7b, from Rp 214.5b as at 30 June 2017 to Rp 232.2b as at 31 December 2017, due to the additional exploration and evaluation expenses capitalised in 1HFY18.

Property, plant and equipment (“**PPE**”) increased by Rp 0.9b, from Rp 8.2b as at 30 June 2017 to Rp 9.1b as at 31 December 2017, mainly due to additions to PPE of Rp 1.9b, which was partially offset by depreciation charges of Rp 1.0b.

Prepaid leases (non-current and current) decreased by Rp 1.8b, from Rp 47.1b as at 30 June 2017 to Rp 45.3b as at 31 December 2017, due to the amortisation charges of Rp 1.8b in 1HFY18.

Inventories (non-current and current) increased by Rp 1.7b, from Rp 30m as at 30 June 2017 to Rp 1.7b as at 31 December 2017, due to the recognition of the gold pours of 4,388 grams in 1HFY18.

The Group recorded a positive net working capital of Rp 110.6b as at 31 December 2017, as compared to Rp 93.3b as at 30 June 2017.

### Liabilities

Trade payables increased by Rp 1.2b, from Rp 2.1b as at 30 June 2017 to Rp 3.3b as at 31 December 2017, mainly due to the amount due to a contractor for the gold pours of Rp 1.7b, partially offset by lower exploration and evaluation expenses of Rp 0.5b incurred at the site.

Other payables and accruals decreased by Rp 0.1b, from Rp 4.8b as at 30 June 2017 to Rp 4.7b as at 31 December 2017, mainly due to lower accruals in 1HFY18.

Amount due to a related party decreased by Rp 1.1b, from Rp 1.9b as at 30 June 2017 to Rp 0.8b as at 31 December 2017, mainly due to partial settlement of amount due to the Group’s Executive Chairman in 1HFY18.

Loans and borrowings of Rp 69.6b as at 31 December 2017 (30 June 2017: Nil) relates to the receipt of the first tranche of US\$5m and its associated costs from Karl Hoffman Mineral for the Project Financing, carried at amortised costs.

Employee benefits liability increased by Rp 0.3b, from Rp 2.0b as at 30 June 2017 to Rp 2.3b as at 31 December 2017, mainly due to higher service costs and interest for the employee benefit plan.

## Cashflow

Net cash outflow for operating activities of Rp 29.4b in 1HFY18 was mainly due to the operating loss before working capital changes of Rp 27.9b, changes in working capital of Rp 1.8b, and interest received of Rp 0.3b. Changes in working capital were mainly due to (i) increase in other debtors and deposits of Rp 0.1b; (ii) increase in inventories of Rp 1.7b; and (iii) partially offset by decrease in amount due to a related party of Rp 1.2b.

Net cash used in investing activities of Rp 19.9b in 1HFY18 was mainly due to the investment in EEA of Rp 17.8b, purchase of PPE of Rp 1.9b, and investment in long term fixed deposits of Rp 0.2b.

Net cash from financing activities of Rp 64.8b in 1HFY18 was mainly from the receipt of the US\$5m from Karl Hoffman Minerals for the Project Financing.

As at 31 December 2017, the Group had cash and cash equivalents of Rp 112.1b, representing an increase of Rp 15.4b from Rp 96.7b as at 30 June 2017.

**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.**

Since the beginning of July 2017, the gold price has climbed to approximately US\$1,345/oz as of end January 2018. The Group believes that the higher gold price further enhances the viability of the Ciemas Gold Project.

The Ciemas Gold Project boasts high grades, large and open resources, and low projected costs which help to de-risk the opportunity.

The Group remains focused on gold production at the Ciemas Gold Project. Including the first gold pour in August 2017, a total of 2,500 tonnes of ore was processed by pool leaching which produced 4,388 grams of gold with 99.0% purity from the 2 leaching pools. The third leaching pool was completed in 2QFY18 and a fourth pool is being planned. The pool leaching production capacity will be increased in stages.

Negotiations with an Engineering, Procurement and Construction (“EPC”) contractor for the design and construction of a 500 tonnes per day (“tpd”) flotation and carbon in leach plant continue and further updates will be provided in due course (see Section 14(c) below for further details).

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

**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 31 December 2017.

**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 for interested person transactions.

**Additional disclosure required for Mineral, Oil and Gas Companies**

**14 (a) Rule 705(6)(a) of the Catalist Rules**

**(i) Use of funds/cash for the quarter**

For 2QFY18, the Group’s use of funds/cash for mining and exploration activities was as follows:

<b>Purpose</b>	<b>Budgeted</b>		<b>Actual</b>		<b>Variance</b>	
	<b>US\$ million</b>	<b>Rp million</b>	<b>US\$ million</b>	<b>Rp million</b>	<b>Rp million</b>	<b>%</b>
Exploration and evaluation expenses	2.32	31,365	1.16	15,739	(15,626)	-49.8%
Land acquisition	0.70	9,444	-	-	(9,444)	-100.0%
CAPEX	1.63	21,979	-	-	(21,979)	-100.0%
<b>Total</b>	<b>4.65</b>	<b>62,788</b>	<b>1.16</b>	<b>15,739</b>	<b>(47,049)</b>	<b>-74.9%</b>

\* USD amount converted at US\$1 : Rp13,548 as at 31 December 2017

In 2QFY18, Rp 15.7b (US\$ 1.16m) was incurred for exploration and evaluation expenses out of the Rp 31.4b (US\$ 2.32m) budgeted. During 2QFY18, no capital expenditure was incurred as the Group is in the process of appointing an EPC contractor.

There was no acquisition of additional surface rights in 2QFY18 as the acquisition of additional surface rights which permit mining activities within the Group’s mining permits remains an ongoing process. For strategic reasons, the timing of the expenditure (upon acquisition of rights) will depend on the negotiation process.

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 January 2018 to 31 March 2018 (“**3QFY18**”), the Group’s use of funds/cash for mining and exploration activities is expected to be as follows:

<b>Purpose</b>	<b>Budgeted</b>	
	<b>US\$ million</b>	<b>Rp Million</b>
Exploration and Evaluation Expenses	1.21	16,437
Land acquisition	0.70	9,484
CAPEX	4.31	58,402
<b>Total</b>	<b>6.22</b>	<b>84,322</b>

*\* USD amount converted at US\$1 : Rp13,548 as at 31 December 2017*

The Group’s mining production and development plans for 3QFY18 are expected to be as follows:

The near-term pool leaching production is progressing. Currently, there are three leaching pools in production and the construction of the fourth leaching pool is under preparation. Additional leaching pools will be constructed in stages to increase production capacity over time.

The mining activities have also increased accordingly to match up with the increased in production capacity.

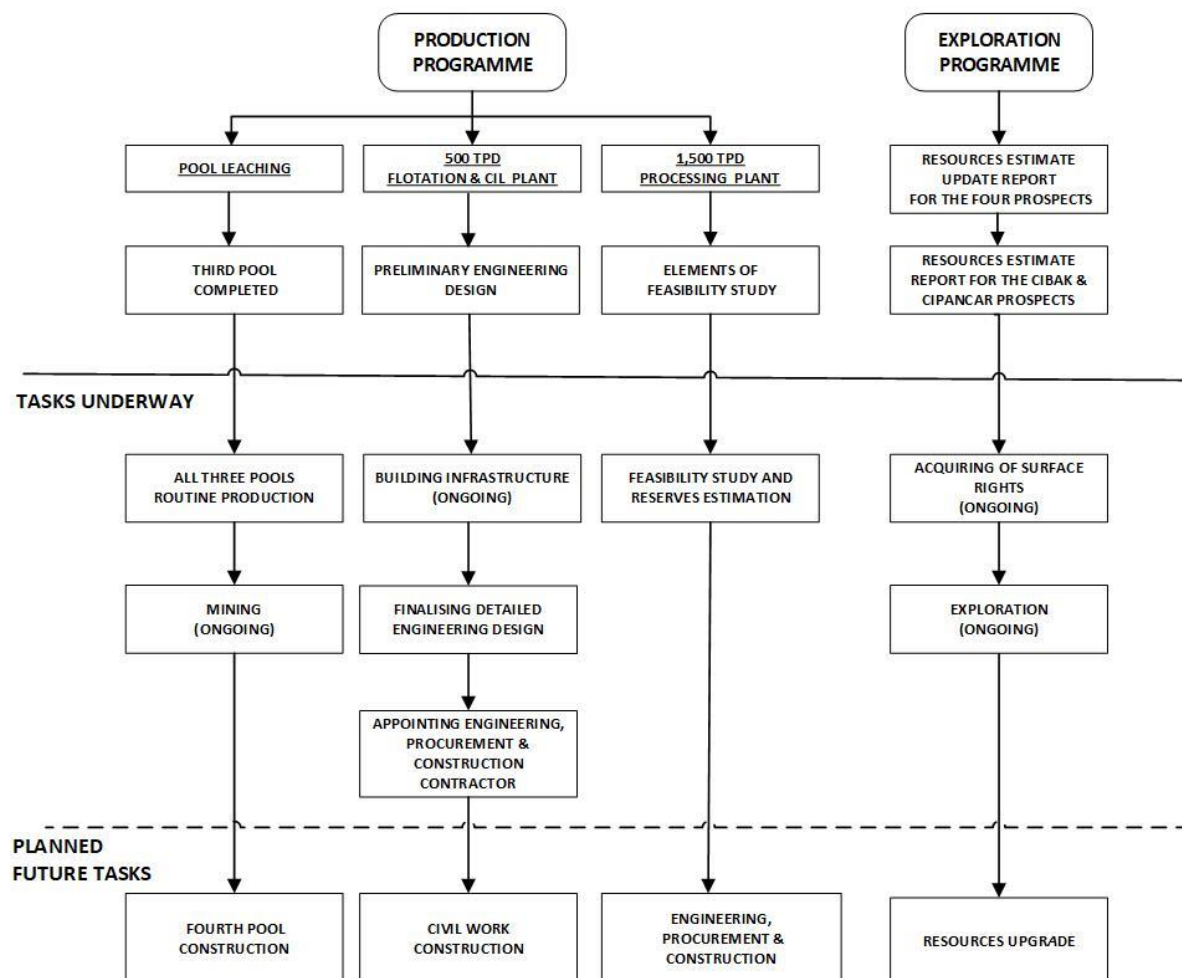
In order to increase the Group’s production via pool leaching, and process higher grade sulphide ores, the Group is in discussion with an EPC contractor to construct a 500 tpd production plant, utilising a flotation and carbon in leach process.

A feasibility study on the 1,500 tpd main production plant, and the Ore Reserves estimation on the four main prospects, namely Pasir Manggu, Cikadu, Cibatu and Sekolah (collectively, the “**Four Main Prospects**”), are in progress. Due to additional work to be performed, the expected completion date is rescheduled to 3QFY18.

Further expansion on the construction of supporting infrastructure that will serve the extended production plant is on-going.

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

**TASKS ACHIEVED UP TO 31 DECEMBER 2017**



**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)(a) 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 2QFY18, the Group continued with its exploration, evaluation and development activities of its mining permits at the Ciemas Gold Project, through the Production Programme and the Exploration Programme.

## **a) Production Programme**

### **• Near-term pool leaching production on the Pasir Manggu Prospect**

Following the completion of the third leaching pool, there are now three leaching pools in production. Two gold pours occurred in 2QFY18, producing 898g and 1593g of 99% purity of gold, from 500 tonnes and 1000 tonnes of ores, respectively. The production from the third pool is expected to commence in 3QFY18.

Additional leaching pools will be added in stages to expand the Group's production capacity. Preparation for the construction of the fourth leaching pool is underway.

Mining, crushing and stockpiling of ore to be processed via pool leaching is on-going with an increase in throughput to match the increase in production capacity.

### **• 500 tpd capacity flotation and carbon in leach ("CIL") plant**

The detailed engineering design for a 500 tpd processing plant (flotation and CIL plant) that can treat both oxide ore and sulphide ore is being finalised. The Group is currently in discussion with an EPC contractor for the construction of the processing plant and is expected to be concluded in the near-term.

Further expansion of supporting infrastructure for the extended production plant is on-going.

### **• 1,500 tpd main production project on the Four Main Prospects**

The 1,500 tpd main production project is in progress to enable the Group to process higher volumes of ore from the Four Main Prospects. The design of the processing plant consists of flotation and CIL circuits capable of treating both oxide ore and sulphide ore. Over recent years, the Group has completed some elements of the feasibility study for the 1,500 tpd production project.

The Group is progressing towards the completion of a feasibility study on this 1,500 tpd production project. This feasibility study and an estimation of Ore Reserves for the Four Main Prospects are in progress.

A qualified person's report presenting the results of the Ore Reserves estimation will be announced as soon as practicable thereafter.

## **b) Exploration Programme**

In parallel with the development of the Four Main Prospects and the Cibak and Cipancar Prospects, the Group may expand its exploration efforts to other mineralised areas identified by historical exploration within its mining permits in the Ciemas district. Additional surface rights to areas within the Group's concession blocks are being negotiated to facilitate future exploration.

**14 (d) Rule 705(7)(b) of the Catalyst Rules**

**Update on its reserves and resources, where applicable, in accordance with the requirements as set out in Practice Note 4C, including a summary of reserves and resources set out in Appendix 7D.**

On 2 February 2017, the Group announced an initial estimate of mineral resources for the Cibak and Cipancar Prospects. The updated estimate of mineral resources for the Group, which includes the Four Main Prospects and the Cibak and Cipancar Prospects, is shown in Table 1, below.

**Table 1: Summary of mineral resources for the Ciemas Gold Project (by prospect area) as of 30 June 2017**

Property	Category	As of 30 June 2017		
		Resource (kt)	Au (g/t)	Au (kg)
Pasir Manggu	Measured	120	7.3	870
	Indicated	450	7.5	3,390
	Inferred	270	3.8	1,030
Cikadu	Indicated	1,100	9.1	9,970
	Inferred	360	8.4	3,040
Sekolah	Indicated	710	9.2	6,520
	Inferred	300	8.6	2,580
Cibatu	Indicated	660	9.1	5,990
	Inferred	670	8.3	5,580
Cibak & Cipancar	Inferred	1100	5.6	6,160
<b>Total</b>	<b>Measured</b>	<b>120</b>	<b>7.3</b>	<b>870</b>
	<b>Indicated</b>	<b>2,920</b>	<b>8.9</b>	<b>25,870</b>
	<b>Measured + Indicated</b>	<b>3,040</b>	<b>8.8</b>	<b>26,740</b>
	<b>Inferred</b>	<b>2,700</b>	<b>6.8</b>	<b>18,390</b>



The table below summarises the total mineral resources of the Group in accordance with Appendix 7D of the Catalyst Rules.

**Table 2: Summary of mineral resources for the Ciemas Gold Project**

Category	Mineral type	Gross attributable to licence		Net attributable to issuer			Remarks
		Tonnes (kt)	Grade (g/t)	Tonnes (kt)	Grade (g/t)	Change from previous update (%)	
<b>Reserves</b>							
Proved	Gold	-	-	-	-	-	
Probable	Gold	-	-	-	-	-	
<b>Total</b>		-	-	-	-	-	
<b>Resources</b>							
Measured	Gold	120	7.3	120	7.3	-	
Indicated	Gold	2,920	8.9	2,920	8.9	-	
Measured + Indicated	Gold	3,040	8.8	3,040	8.8	-	
Inferred	Gold	2,700	6.8	2,700	6.8	-	

*\*Cut-off grades applied for mineral resource statement are 1.0 g/t Au for the Four Main Prospects based on the following assumptions that the Four Main Prospects could be mined by open pit methods: open pit mining, mining dilution of 15%, mineral-processing recovery of 90%, cash operating cost of US\$ 68/t, and 2.5 g/t for the Cibak Prospect and the Cipancar Prospect based on the following assumptions that these may be mined by underground methods: mining dilution of 20%, combined mineral processing recovery of 90%, and cash operating cost of US\$ 75/t.*

*The different assumptions that were applied at the time of resource estimates were disclosed in previous qualified person's reports dated in August 2014 and December 2016, respectively.*

*The gold metal price applied for cut-off grade determination is US\$ 1,300/oz.*

*\*Mineral resources are not ore reserves and do not demonstrate economic viability.*

Name of Qualified Person: Dr Anshun (Anson) Xu, Corporate Consultant (Geology), SRK Consulting China Ltd

Date: 30 June 2017

Professional Society Affiliation/Membership: Fellow of The Australasian Institute of Mining and Metallurgy (AusIMM) /FAusIMM (#224861)

**Competent Persons Statement:**

*The information in this announcement that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Anshun Xu, who is a Fellow of The Australasian Institute of Mining and Metallurgy and a Chartered Professional (Member No. 224861). Anshun Xu has sufficient experience that is relevant to the style of mineralization 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'. Anshun Xu consents to the inclusion in the announcement of the matters based on his information in the form and context in which they appear.*

**15. Use of placement proceeds**

The Company received net proceeds of Rp 80,033 million (S\$8.63 million) (“**Net Proceeds**”) from the placement exercise completed on 9 January 2017, pursuant to a placement agreement entered into with two placees on 20 December 2016. The Net Proceeds have been partially utilised as follows:

	<b>Rp million</b>
<b>Net Proceeds</b>	<b>80,033</b>
Net proceeds utilised as at 30 September 2017	(6,157)
Amount utilised in 2QFY18:	
- Payment for EEA	(21,095)
- Payment for CAPEX	(471)
- Payment for operating expenses	(5,017)
<b>Balance as at 31 December 2017</b>	<b>47,293</b>

**16. 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.

**17. Negative Confirmation by the Board pursuant to Rule 705(5)**

The Board, do hereby confirm that, to the best of its knowledge, nothing has come to the attention of the Board, which may render the unaudited financial statements for the three months ended 31 December 2017 to be false or misleading in any material aspects.

**BY ORDER OF THE BOARD**

**Wijaya Lawrence**  
**Chairman and President**  
8 February 2018