



NEWS RELEASE

Resources Prima Obtains In-Principle Approval for “Borrow-Use” Permit

- Receipt of In-Principle IPPKH2, a critical requirement for the issuance of the IPPKH2
- Approved operating area of 899.49 ha, more than double the current operating area

SINGAPORE – 8 January 2016 - Resources Prima Group Limited (“**Resources Prima**” or the “**Company**”, and together with its subsidiaries, the “**Group**”) (stock code: 5MM) is pleased to announce that the Company’s subsidiary, PT Rinjani Kartanegara (“**PT Rinjani**”), had, on 6 January 2016, received the in-principle approval (“**In-Principle IPPKH2**”) for the “borrow-use” permit (“**IPPKH2**”, being the *Izin Pinjam Pakai Kawasan Hutan 2*, which allows applicants to clear forested land to commence mining operations) from the Head of Investment Coordinating Board of the Republic of Indonesia for and on behalf of the Minister of Environment and Forestry of the Republic of Indonesia. The issuance of the In-Principle IPPKH2 is a critical final step for the issuance of the IPPKH2.

PT Rinjani has been granted a “Izin Usaha Pertambangan Operasi Produksi” or “Production Operation IUP” to carry out coal mining operations in an area covering approximately 1,933 hectares (“**ha**”) in the District of Loa Janan and Loa Kulu, Kutai Kartanegara Regency, Province of East Kalimantan, Indonesia (“**Mining Concession Area**”). The tenure for the Mining Concession Area is held under the Production Operation IUP which was granted on 24 November 2009 and is valid until 24 November 2021. The existing “borrow-use” permit issued by the Indonesian Minister of Forestry to PT Rinjani in December 2011 covered 308.54 ha of the Mining Concession Area. As certain areas of the remaining 1,624.46 ha of the Mining Concession Area overlap with the forestry concession area of PT ITCI Hutani Manunggal (“**Overlap Area**”), the In-Principle IPPKH2 only covers an area of 899.49 ha (“**Approved Area**”) and the Overlap Area represents the majority of the area which has been excluded from the Approved Area.

In accordance with the In-Principle IPPKH2, PT Rinjani will work with the Indonesian Minister of Forestry to, amongst others, (i) determine the Approved Area’s boundary coordinates; and (ii) measure and quantify the volume of plants and trees in cubic metres within the boundary’s coordinates, as pre-requisites for the issuance of the IPPKH2 (“**Procedures**”). Such Procedures are undertaken to determine PT Rinjani’s financial obligations to the Indonesian Government. Issuance of the IPPKH2 will

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(Incorporated in the Republic of Singapore)

(Company Registration No. 198602949M)



allow the Group to commence clearance of the forestry land and mining operations in the Approved Area.

Executive Chairman and Chief Executive Officer, Mr. Agus Sugiono says, “The issuance of the In-Principle IPPKH2 is a major milestone in obtaining the IPPKH2. We estimate that, together with the Indonesian Minister of Forestry, the Procedures will be completed by the end of March 2016. Barring unforeseen circumstances, with the additional operating area of 899.49 ha which is more than double that of our current operating area of 308.54 ha, we look forward to higher production output once the IPPKH2 is obtained.”

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About Resources Prima Group Limited

Resources Prima Group Limited (“**Resources Prima**”, and together with its subsidiaries, the “**Group**”) is a mine owner and primarily engages in the business of coal exploration and coal mining, currently, in East Kalimantan, Indonesia.

The Group, through its Indonesia-incorporated subsidiary PT Rinjani Kartanegara (“**PT Rinjani**”), has been granted a Production Operation IUP which is valid for an initial term of 12 years until 24 November 2021 (extendable for up to two (2) additional ten (10)-year tenures) to carry out coal mining operations in the mining concession area (with an area of approximately 1,933 ha). The Group has been issued with a “borrow-use” permit by the Indonesian Minister of Forestry in respect of an area covering 308.54 ha of the mining concession area. The Group, through PT Rinjani, commenced mining operations in June 2012 with first sales in November 2012. In respect of the Group’s application for a “borrow-use” permit for the remaining 1,624.46 ha of the mining concession area, the Group has received the In-Principle IPPKH2 covering 899.49 ha of such area (which excludes the area which overlaps with the forestry concession area of PT ITCI Hutani Manunggal). The In-Principle IPPKH2 is a critical final step for the issuance of the IPPKH2 for 899.49 ha.

The Group also derives additional income through the provision of coal mining facilities (such as coal stockpile, coal crushers, coal conveyor system and jetty facilities) to third party mine owners as the Group may from time to time have excess capacity in respect of such coal mining facilities.

The Group’s competitive strengths, including the location of the mine, supply chain advantages, supportive vendors, strong relationships with local government and a committed management team, will allow it to fulfil its economic potential. This potential is expected to be achieved through both organic growth via an expansion to the existing mining area and future mergers and acquisitions transactions.

Note:

This news release may contain predictions, estimates or other information that may be considered forward-looking statements. Actual results may differ materially from those currently expected because of a number of factors. These factors include (without limitation) changes in general industry and economic conditions, interest rate movements, cost of capital and capital availability, competition from other companies and venues for sale/manufacture/distribution of goods and services, shift in customer demands, changes in operating expenses, including employee wages and raw material

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prices, governmental and public policy changes, social and political turmoil and major health concerns. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management of future events. The Company undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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*This news release has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("**Sponsor**"), Canaccord Genuity Singapore Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Sponsor has not independently verified the contents of this news release.*

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