

# **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 2018

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

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# UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE HALF YEAR AND SECOND QUARTER ENDED 31 DECEMBER 2018

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

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

### Consolidated statement of comprehensive income

	Group		Increase/ (decrease) %	Group		Increase/ (decrease) %
	2QFY19 <sup>1</sup> Rp million (Unaudited)	2QFY18 <sup>2</sup> Rp million (Unaudited)		1HFY19 <sup>3</sup> Rp million (Unaudited)	1HFY18 <sup>4</sup> Rp million (Unaudited)	
Revenue	4,221	-	N.M.	4,221	-	N.M.
Cost of sales	(2,970)	-	N.M.	(2,970)	-	N.M.
<b>Gross profit</b>	<b>1,251</b>	<b>-</b>	<b>N.M.</b>	<b>1,251</b>	<b>-</b>	<b>N.M.</b>
<b>Other items of income</b>						
Other income	5,508	(228)	N.M.	1,696	400	N.M.
Interest income	338	246	37.4%	738	337	119.0%
<b>Other items of expenses</b>						
Other expenses	-	(149)	N.M.	(65)	(205)	-68.3%
Other operating expenses <sup>5</sup>	(7,759)	(6,998)	10.9%	(15,357)	(8,309)	84.8%
Finance costs	(20,610)	(4,836)	N.M.	(40,705)	(4,836)	N.M.
General and administrative expenses <sup>5</sup>	(16,063)	(7,674)	109.3%	(31,535)	(22,938)	37.5%
<b>Loss before tax</b>	<b>(37,335)</b>	<b>(19,639)</b>	<b>90.1%</b>	<b>(83,977)</b>	<b>(35,551)</b>	<b>136.2%</b>
Income tax expense	-	-	N.M.	-	-	N.M.
<b>Loss net of tax for the period and attributable to owners of the Company</b>	<b>(37,335)</b>	<b>(19,639)</b>	<b>90.1%</b>	<b>(83,977)</b>	<b>(35,551)</b>	<b>136.2%</b>
<b>Total comprehensive income for the period and attributable to owners of the Company</b>	<b>(37,335)</b>	<b>(19,639)</b>	<b>90.1%</b>	<b>(83,977)</b>	<b>(35,551)</b>	<b>136.2%</b>
<b>Operating loss before tax is stated after crediting/(charging) the following:</b>						
Depreciation of property, plant and equipment	(554)	(506)	9.5%	(1,085)	(974)	11.4%
Amortisation of intangible assets	(45)	(45)	0.0%	(90)	(90)	0.0%
Amortisation of prepaid lease	(890)	(890)	0.0%	(1,780)	(1,780)	0.0%
Finance costs	(20,610)	(4,836)	N.M.	(40,705)	(4,836)	N.M.
Foreign exchange gain/(loss)	5,346	(235)	N.M.	1,691	393	N.M.

N.M. = Not meaningful

#### Notes:

- (1) "2QFY19": Second quarter financial period from 1 October 2018 to 31 December 2018.
- (2) "2QFY18": Second quarter financial period from 1 October 2017 to 31 December 2017.
- (3) "1HFY19": Half year financial period from 1 July 2018 to 31 December 2018.
- (4) "1HFY18": Half year financial period from 1 July 2017 to 31 December 2017.
- (5) An amount of Rp 5,357m incurred for exploration and evaluation purposes were reclassified from general and administrative expenses to other operating expenses for both 2QFY18 and 1HFY18, to be consistent with the classification of the exploration and evaluation expenses for the financial year ended 30 June 2018.

**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 31/12/2018 Rp million (Unaudited)	As at 30/6/2018 Rp million (Audited)	As at 31/12/2018 Rp million (Unaudited)	As at 30/6/2018 Rp million (Audited)
<b>Non-current assets</b>				
Exploration and evaluation assets	273,187	232,416	-	-
Mine properties	8,423	8,423	-	-
Property, plant and equipment	8,908	8,715	60	269
Intangible assets	748	838	-	-
Investment in subsidiaries	-	-	584,811	584,811
Prepaid lease	38,046	39,826	-	-
Prepayments	49,716	28,724	-	-
Long term fixed deposits	420	420	-	-
	<b>379,448</b>	<b>319,362</b>	<b>584,871</b>	<b>585,080</b>
<b>Current assets</b>				
Other debtors and deposits	763	491	240	217
Prepaid lease	3,687	3,687	-	-
Prepayments	25,835	19,297	341	850
Amounts due from subsidiaries	-	-	635,044	574,784
Inventories	5,069	2,851	-	-
Investment securities	10	10	-	-
Cash and cash equivalents	60,714	127,583	18,649	40,180
	<b>96,078</b>	<b>153,919</b>	<b>654,274</b>	<b>616,031</b>
<b>Total assets</b>	<b>475,526</b>	<b>473,281</b>	<b>1,239,145</b>	<b>1,201,111</b>
<b>Current liabilities</b>				
Trade payables	5,668	5,430	-	-
Other payables and accruals	5,905	8,269	3,001	3,641
Amount due to a related party	-	485	-	-
Amounts due to subsidiaries	-	-	672	667
Loans and borrowings	23,214	23,214	-	-
	<b>34,787</b>	<b>37,398</b>	<b>3,673</b>	<b>4,308</b>
<b>Net current assets</b>	<b>61,291</b>	<b>116,521</b>	<b>650,601</b>	<b>611,723</b>
<b>Non-current liabilities</b>				
Loans and borrowings	241,578	153,009	241,578	153,009
Employee benefits liability	3,025	2,761	-	-
Provision for rehabilitation	88	88	-	-
	<b>244,691</b>	<b>155,858</b>	<b>241,578</b>	<b>153,009</b>
<b>Total liabilities</b>	<b>279,478</b>	<b>193,256</b>	<b>245,251</b>	<b>157,317</b>
<b>Net assets</b>	<b>196,048</b>	<b>280,025</b>	<b>993,894</b>	<b>1,043,794</b>
<b>Equity</b>				
Share capital	1,153,516	1,153,516	3,109,639	3,109,639
Accumulated losses	(969,046)	(885,069)	(2,115,745)	(2,065,845)
Merger reserve	13	13	-	-
Capital reserve	11,565	11,565	-	-
	<b>196,048</b>	<b>280,025</b>	<b>993,894</b>	<b>1,043,794</b>
<b>Total equity and liabilities</b>	<b>475,526</b>	<b>473,281</b>	<b>1,239,145</b>	<b>1,201,111</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 2018		As at 30 June 2018	
Secured	Unsecured	Secured	Unsecured
23,214	Nil	23,214	Nil

**Amount repayable after one year**

As at 31 December 2018		As at 30 June 2018	
Secured	Unsecured	Secured	Unsecured
Nil	241,578	Nil	153,009

**Details of any collateral**

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

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

**Consolidated statement of cash flows**

	<b>1HFY19</b>	<b>1HFY18</b>
	<b>Rp million</b>	<b>Rp million</b>
<b>Cash flows from operating activities</b>		
Loss before tax	(83,977)	(35,551)
Adjustments for:		
Unrealised foreign exchange differences	150	79
Interest income	(738)	(337)
Depreciation of property, plant and equipment	1,085	974
Amortisation of intangible assets	90	90
Amortisation of prepaid lease	1,780	1,780
Interest expenses	40,705	4,836
Increase in employee benefits liability	264	264
<b>Operating cash flows before working capital changes</b>	<b>(40,641)</b>	<b>(27,865)</b>
Increase in prepayments	(27,530)	(10)
Increase in other debtors and deposits	(283)	(136)
Increase in inventories	(2,218)	(1,666)
Increase in trade payables	238	1,175
Decrease in amount due to a related party	(485)	(1,171)
Decrease in other payables and accruals	(2,313)	(29)
<b>Cash flows used in operations</b>	<b>(73,232)</b>	<b>(29,702)</b>
Interest received	738	337
Interest paid	(517)	-
<b>Net cash used in operating activities</b>	<b>(73,011)</b>	<b>(29,365)</b>
<b>Cash flows from investing activities</b>		
Investment in exploration and evaluation assets	(40,771)	(17,787)
Purchases of property, plant and equipment	(1,278)	(1,914)
Investment in long term fixed deposits	-	(170)
Investment in investment securities	-	(10)
<b>Net cash flows used in investing activities</b>	<b>(42,049)</b>	<b>(19,881)</b>
<b>Cash flows from financing activities</b>		
Proceeds from project financing	48,711	64,759
<b>Net cash flows generated from financing activities</b>	<b>48,711</b>	<b>64,759</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(66,349)</b>	<b>15,513</b>
Effects of exchange rate changes on the balance of cash held in foreign currencies	(520)	(152)
Cash and cash equivalents at the beginning of the period	127,583	96,691
<b>Cash and cash equivalents at the end of the period</b>	<b>60,714</b>	<b>112,052</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.

Statement of changes in equity

Group	Attributable to owners of the Company				Total equity Rp million
	Share capital Rp million	Accumulated losses Rp million	Merger reserves Rp million	Capital Reserves Rp million	
At 1 July 2018	1,153,516	(885,069)	13	11,565	280,025
Loss for the period	-	(83,977)	-	-	(83,977)
Total comprehensive income for the period, net of tax	-	(83,977)	-	-	(83,977)
At 31 December 2018	1,153,516	(969,046)	13	11,565	196,048
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

Company	Attributable to owners of the Company		
	Share capital Rp million	Accumulated losses Rp million	Total equity Rp million
At 1 July 2018	3,109,639	(2,065,845)	1,043,794
Loss for the period	-	(49,900)	(49,900)
Loss for the period, representing total comprehensive income for the period, net of tax	-	(49,900)	(49,900)
At 31 December 2018	3,109,639	(2,115,745)	993,894
At 1 July 2017	3,109,639	(2,066,993)	1,042,646
Profit for the period	-	3,701	3,701
Profit for the period, representing 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

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

	<b>Issued and fully paid-up ordinary shares</b>	<b>Share capital (Rp million)</b>
<b>Balance as at 30 September 2018 and 31 December 2018</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 2018 and 31 December 2017.

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

The total number of issued shares (excluding treasury shares) as at 31 December 2018 and 30 June 2018 was 2,436,700,286.

There were no treasury shares as at 31 December 2018 and 30 June 2018.

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

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

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

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

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

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

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

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

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

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

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

Not applicable.

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

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

	Group		Group	
	2QFY19	2QFY18	1HFY19	1HFY18
Loss per ordinary share for the period based on net loss attributable to shareholders:				
(a) Basic loss per share (Rp)	(15.32)	(8.06)	(34.46)	(14.59)
- Basic loss per share (S\$ cents)	(0.14)	(0.08)	(0.32)	(0.15)
Weighted average number of shares	2,436,700,286	2,436,700,286	2,436,700,286	2,436,700,286
(b) On a fully diluted basis (Rp)	(15.32)	(8.06)	(34.46)	(14.59)
- On a fully diluted basis (S\$ cents)	(0.14)	(0.08)	(0.32)	(0.15)

The diluted loss per share and the basic loss per share for each of 2QFY18, 2QFY19, 1HFY2018 and 1HFY2019 were the same as there were no outstanding convertible securities during the respective periods.

For illustration purposes, the loss per share and diluted loss per share in Rp are converted to S\$ cents using the average rate of S\$ 1: Rp 10,720.77 for 1HFY19 (1HFY18: S\$ 1: Rp 9,896.82) and S\$ 1: Rp 10,755.40 for 2QFY19 (2QFY18: S\$ 1: Rp 9,996.81).

**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 2018	30 June 2018	31 December 2018	30 June 2018
Net asset value (Rp million)	196,048	280,025	993,894	1,043,794
Number of shares at the end of the period	2,436,700,286	2,436,700,286	2,436,700,286	2,436,700,286
Net asset value per share (Rp)	80.46	114.92	407.89	428.36
Net asset value per share (S\$ cents)	0.76	1.09	3.85	4.07

For illustration purposes, the net asset value per share in Rp was converted at the exchange rate of S\$ 1:Rp 10,602.97 as at 31 December 2018 and S\$ 1:Rp 10,529.64 as at 30 June 2018.



8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors;
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

**(A) REVIEW OF FINANCIAL RESULTS**

The Group has completed the following gold pours during 2QFY19 and 1HFY19:

Period	Date of gold pour	Tonnes of ore	Gold (Grams)
1QFY19	Jul-18	1,000	1,799
1QFY19	Aug-18	1,000	1,644
1QFY19	Aug-18	1,000	1,485
1QFY19	Sep-18	1,000	1,656
2QFY19	Oct-18	1,000	1,428
2QFY19	Oct-18	1,000	1,660
2QFY19	Nov-18	1,000	1,620
2QFY19	Dec-18	1,000	1,463
	<b>Total</b>	<b>8,000</b>	<b>12,755</b>

Revenue/ Cost of sales/Gross Profits

A total of 7.4kg of gold dore was sold at approximately US\$1,182/oz, and the Group reported revenue of Rp 4.2b for 2QFY19 and 1HFY19. Correspondingly, cost of sales for 2QFY19 and 1HFY19 amounted to Rp 3.0b, being the cost of the gold dore sold. As a result, the Group recorded gross profit of Rp 1.2b for 2QFY19 and 1HFY19. There was no revenue or cost of sales reported for 2QFY18 and 1HFY18.

Interest income

Interest income increased by Rp 0.4b, from Rp 0.3b in 1HFY18 to Rp 0.7b in 1HFY19, mainly due to higher fixed deposits placed with banks.

Other income

Other income increased by Rp 1.3b, from Rp 0.4b in 1HFY18 to Rp 1.7b in 1HFY19 due to increase in foreign exchange gain of Rp 1.3b in 1HFY19 as compared to 1HFY18, arising from realised exchange gain from the maturity and liquidation of the Group's USD fixed deposits and unrealised foreign exchange gains from the revaluation of the Group's USD assets and liabilities such as USD bank deposits and long term loan liability.

Other expenses

Other expenses decreased by Rp 0.1b, from Rp 0.2b in 1HFY18 to Rp 0.1b in 1HFY19 mainly due to lower bank charges incurred.

Other operating expenses

Other operating expenses increased by Rp7.1b, from Rp 8.3b for 1HFY18, to Rp 15.4b in 1HFY19 mainly due to higher exploration and evaluation expenses incurred, arising from the preparation of the Independent Qualified Person's Report ("IQPR") dated 30 September 2018 and feasibility study, as well as higher site expenses incurred in 1HFY19 as compared to 1HFY18.

### Finance costs

Finance costs increased by Rp 35.9b, from Rp 4.8b in 1HFY18 to Rp 40.7b in 1HFY19, mainly due to (i) increase in interest expenses incurred on the project financing arrangement obtained by the Group from Karl Hoffman Mineral Pte. Ltd. on 26 October 2018 (“**Project Financing**”) as the fund was fully disbursed to the Company in 1HFY19; and (ii) interest expenses incurred for the overdraft facilities for the Company’s subsidiaries in Indonesia. The Project Financing is 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 (“**Processing Facility**”).

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

G&A expenses increased by Rp 8.6b, from Rp 22.9b in 1HFY18 to Rp 31.5b in 1HFY19. The increase was mainly due to increase in expenses incurred for visiting the vendor/contractor and equipment inspection, in preparation of the Processing Facility, as well as general increase in expenses due to higher headcount and activities.

### Loss before tax

As a result of the above, the Group’s loss before tax increased by Rp 48.4b from Rp 35.6b in 1HFY18 to Rp 84.0b in 1HFY19.

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

### Assets

Exploration and evaluation assets (“**EEA**”) increased by Rp 40.8b, from Rp 232.4b as at 30 June 2018 to Rp 273.2b as at 31 December 2018, due to the additional exploration and evaluation expenses capitalised in 1HFY19.

Mine properties remained unchanged at Rp 8.4b as at 31 December 2018, as there was no transfer from EEA in 1HFY19.

Property, plant and equipment (“**PPE**”) increased by Rp 0.2b, from Rp 8.7b as at 30 June 2018 to Rp 8.9b as at 31 December 2018, mainly due to additions to PPE of Rp 1.3b, which was partially offset by depreciation charges of Rp 1.1b.

Intangible assets which consist of SAP and HR software decreased by Rp 0.1b, from Rp 0.8b as at 30 June 2018 to Rp 0.7b as at 31 December 2018 due to amortisation charges of Rp 0.1b.

Prepaid leases (non-current and current) decreased by Rp 1.8b, from Rp 43.5b as at 30 June 2018 to Rp 41.7b as at 31 December 2018, due to the amortisation of prepaid land lease of Rp 1.8b.

Prepayments (non-current and current) increased by Rp 27.5b, from Rp 48.0b as at 30 June 2018 to Rp 75.5b as at 31 December 2018, mainly due to higher deposit paid for processing equipment of Rp 19.3b to be installed at the Processing Facility.

Other debtors and deposits increased by Rp 0.3b, from Rp 0.5b as at 30 June 2018 to Rp 0.8b as at 31 December 2018 due to increase in deposits paid for logistics services in 1HFY19.

Inventories increased by Rp 2.2b, from Rp 2.9b as at 30 June 2018 to Rp 5.1b as at 31 December 2018, mainly due to the capitalisation of the cost of gold pours of 12.8kg in 1HFY19 of Rp 5.1b, partially offset by the recognition of inventories of Rp 2.9b as costs of goods sold.

Cash and cash equivalents decreased by Rp 66.9b, from Rp 127.6b as at 30 June 2018 to Rp 60.7b as at 31 December 2018. Please refer to “Cashflows” on the movement in cash and cash equivalents.

### Liabilities

Trade payables increased by Rp 0.3b, from Rp 5.4b as at 30 June 2018 to Rp 5.7b as at 31 December 2018, mainly due to amount due to a contractor for the work done in respect to the gold pours in 2QFY19.

Other payables and accruals decreased by Rp 2.4b, from Rp 8.3b as at 30 June 2018 to Rp 5.9b as at 31 December 2018, mainly due to decrease in accruals for staff costs as payment was made in 2QFY19.

Amount due to a related party, which relates to amount due to the Executive Chairman of the Company, decreased by Rp 0.5b from Rp 0.5b as at 30 June 2018 to Nil as at 31 December 2018 due to the settlement of the balance in 2QFY19.

Loans and borrowings (current) of Rp 23.2b as at 31 December 2018 and 30 June 2018 relate to short term overdraft secured by one of our Indonesia’s subsidiaries from a financial institution.

Loans and borrowings (non-current) increased by Rp 88.6b, from Rp 153.0b as at 30 June 2018 to Rp 241.6b as at 31 December 2018 due to capitalisation of amortised costs of Rp 40.2b and proceeds received of Rp 48.7b from the Project financing, partially offset by unrealised exchange differences of Rp 0.3b.

Employee benefits liability increased by Rp 0.2b, from Rp 2.8b as at 30 June 2018 to Rp 3.0b as at 31 December 2018, mainly due to increased headcount and longer duration of the pension plans in Indonesia.

The Group’s working capital decreased by Rp 61.3b, from Rp 116.5b as at 30 June 2018 to Rp 55.2b as at 31 December 2018.

### Cashflow

Net cash outflow for operating activities of Rp 73.0b in 1HFY19 was mainly due to the operating loss before working capital changes of Rp 40.6b, working capital changes of Rp 32.6b, and interest expenses paid of Rp 0.5b, partially offset by interest received of Rp 0.7b.

Changes in working capital in 1HFY19 was mainly due to (i) increase in prepayments of Rp 27.9b; (ii) increase in inventories of Rp 2.2b, (iii) increase in other debtors and deposits of Rp 0.3b, (iv) decrease in other payables and accruals of Rp 2.3b; and (iv) decrease in amount due to a related party of Rp 0.5b, which were partially offset by (vi) increase in trade payables of Rp 0.2b.

Net cash used in investing activities of Rp 42.1b in 1HFY19 was mainly due to the investment in EEA of Rp 40.8b, and purchase of property, plant and equipment of Rp 1.3b.

Net cash generated from financing activities in 1HFY19 of Rp 48.7b was mainly from the receipt of funds from the Project Financing.

As at 31 December 2018, the Group had cash and cash equivalents of Rp 60.7b, representing a decrease of Rp 66.9b from Rp 127.6b as at 30 June 2018.

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

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

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

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

The Group remains focused in unlocking the value in the Ciemas Gold Project. It currently has three leaching pools in routine production, and in aggregate, are expected to process approximately 18,000 tonnes of ore per year, yielding approximately 25kg of gold with 99% purity for the financial year ending 30 June 2019, barring unforeseen circumstances and adverse weather conditions. In 1HFY19, 8,000 tonnes of ore were processed where 8 gold pours by the Group yielded approximately 12.8kg of gold with 99% purity.

Construction of the Processing Facility (i.e. a 500 tonnes per day flotation and carbon-leach mineral processing plant at the Group's Ciemas Gold Project in West Java, Indonesia) is well under way. The Group expects to take delivery of the last shipment of plant machinery in March 2019. Barring unforeseen circumstances, trial production is expected to commence in March 2019, while commercial production is slated to start by June 2019. The Processing Facility will play a key role in the Group's growth strategy and unlock the value of the Ciemas Gold Project. Further updates will be provided in due course (see Section 14(c) below for further details).

Since the beginning of July 2018, gold price has increased from US\$1,248/oz to the current price of approximately US\$1,294/oz<sup>1</sup> as at 28 January 2019, due to the increased market uncertainty.

Following Shareholders' approval on 29 November 2018 for the Group to undertake a restructuring exercise that involves subsuming a target company, PT Renuka Coalindo Tbk (the "**Target Company**") into the Group through a share swap exercise between the Group's subsidiaries (namely Wilton Resources Holdings Pte. Ltd. and PT Wilton Investment) and the Target Company ("**Proposed Restructuring**"), the Target Company had, on 14 January 2019, obtained the effective letter from the Otoritas Jasa Keuangan or Indonesian Financial Services Authority ("**OJK**") notifying that all related registration documents in relation to the rights issue that would be undertaken and completed by the Target Company ("**Renuka Rights Issue**"), had been effectively submitted to the OJK and no additional information was required by the OJK ("**Effective Letter**").

The Renuka Rights Issue had taken place on 28 January 2019 and the excess share allocation from the Renuka Rights Issue is expected to complete by 7 February 2019.

The board of directors believes that the Proposed Restructuring offers more tangible economic benefits to Shareholders as it presents a solution to the divestment obligation of PT Wilton Investment pursuant to the relevant mining regulations in Indonesia.

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<sup>1</sup> <https://www.kitco.com/gold.londonfix.html>

Meanwhile, the volatility of the foreign exchange for the US dollar against the Group's functional currency ("IDR") will continue to have an 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 2018 (2QFY19).

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

The Group does not have any general mandate from shareholders pursuant to Rule 920 of the Catalist Rules.

**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 2QFY19, 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	0.7	10,180	0.9	12,878	2,697	26.5%
Capex	3.4	50,208	1.1	15,773	(34,434)	-68.6%
<b>Total</b>	<b>4.1</b>	<b>60,388</b>	<b>2.0</b>	<b>28,651</b>	<b>(31,737)</b>	<b>-52.6%</b>

\* USD amount converted at US\$1 : Rp14,481 as at 31 December 2018

In 2QFY19, Rp 12.9b (US\$ 0.9m) was incurred for exploration and evaluation expenses. This was 26.5% higher than the budgeted amount of Rp 10.2b (US\$ 0.7m) due to additional work performed onsite. During 2QFY19, Rp 15.8b (US\$ 1.1m) of capital expenditure was incurred as the Group made payment for the plant equipment and the associated civil and steel structure work. The capital expenditure was 68.6% lower, as some works were brought forward to the next quarter due to logistic considerations.

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 2019 to 31 March 2018 (“3QFY19”), 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	0.51	7,324
CAPEX	2.66	38,485
<b>Total</b>	<b>3.17</b>	<b>45,809</b>

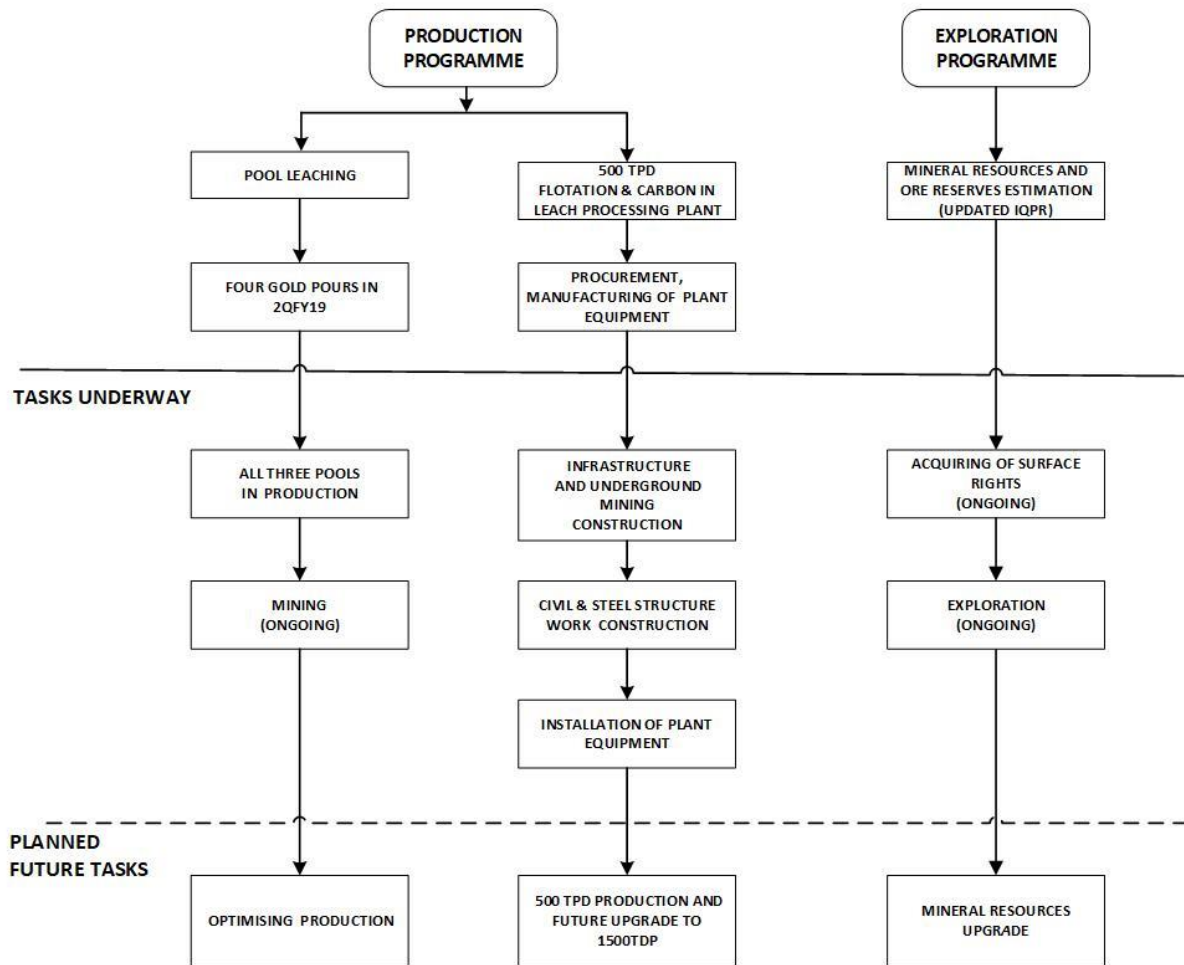
*\* USD amount converted at US\$1 : Rp14,481 as at 31 Dec 2018*

The Group’s mining production and development plans for 3QFY19 are expected to be as follows:

- The pool leaching production is ongoing with three leaching pools in production.
- The Group is constructing a 500 tonnes per day flotation and carbon-in-leach mineral processing plant, utilising a flotation and carbon-in-leach process. Construction of the tunnelling for the underground mining is ongoing.

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

**TASKS ACHIEVED UP TO 31 DECEMBER 2018**



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

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

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

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

For 2QFY19, the Group continued with its exploration, evaluation and development activities at the Ciemas Gold Project, through the Production Programme and the Exploration Programme.

**a) Production Programme**

- **Pool leaching production**

Four gold pours were completed in 2QFY2019 from the three leaching pools in production, producing a total of 6,171 g of gold of 99% purity, from 4,000 tonnes of ores.

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

Procurement, manufacturing and fabrication of the processing equipment and components have been completed. The first two batches of processing equipment and components have arrived on site, and installation is in progress. The remaining three batches of equipment are in-transit on shipments from China to Jakarta. They are scheduled to arrive on site ready for installation by end of February 2019.

Civil and steel structural construction work is progressing towards completion.

Construction of the tunnelling for the underground mining is on-going, so is the construction of the supporting infrastructure.

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

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

The latest IQPR includes the design of the 1,500 tonnes per day production capacity plant. In the masterplan design, acquired land has been allocated for the 1,500 tonnes per day flotation and carbon-in-leach mineral processing plant and other key facilities. 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 when 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 where the gold mineral resources have been quantified in the latest IQPR. Where appropriate, exploration efforts will 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.

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

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



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

The Board, do hereby confirm that, to the best of our knowledge, nothing has come to the attention of the Board, which may render the unaudited financial statements for the half year ended 31 December 2018 to be false or misleading in any material aspects.

**BY ORDER OF THE BOARD**

**Wijaya Lawrence**  
**Chairman and President**  
1 February 2019