

Commencement of Awak Mas DFS

Highlights

- Definitive Feasibility Study ('DFS') for Awak Mas Gold Project commences.
- Leading consultants appointed to expand on previous studies completed by One Asia Resources.
- DFS to reflect new resource model and a more favourable cost environment, including the supply of grid power¹.
- Delivery targeted for Q2 2018 in advance of an investment decision.

Indonesian gold development company Nusantara Resources Limited ('Nusantara', ASX: NUS) is pleased to announce commencement of a DFS into the proposed development of its 100%-owned Awak Mas Gold Project ('Project') located in South Sulawesi, Indonesia. The Project contains an estimated gold Mineral Resource of 1.74 million oz².

The DFS will advance the high-quality study work previously completed by One Asia Resources and will be delivered in two stages. Initially, the DFS will focus on mine plan optimisation using the new Mineral Resource estimate and revised mining costs, and process flowsheet enhancements incorporating the benefits of low cost grid power. This first stage will be delivered in late 2017. The final DFS is targeted for delivery in Q2 2018 including updated Mineral Resource and Ore Reserve estimates, formal DFS documentation and the DFS financial model.

Nusantara has appointed a prominent group of experienced mining industry consultants for the DFS, including relevant Indonesian expertise as follows:

- Cube Consulting (Geology)
- AMC Consultants (Mining, geotechnical and hydrogeology)
- Minnovo (Metallurgy and processing)
- PT Geotechnical and Environmental Services Indonesia (Golder Associates) (Hydrology, water and tailings management)
- PT Lorax Indonesia (Environment studies)
- PT Resindo Resources & Energy (Infrastructure and lead consultant)

Key milestones leading up to the completion of the DFS and an investment decision are a Mineral Resource update in Q1 2018 and an Ore Reserve estimate in Q2 2018.

¹ Refer ASX announcement (15 August 2017): "Grid power supply secured for Awak Mas".

² Reference should be made to Section 3 of Nusantara's IPO Prospectus dated 15 June 2017 as lodged on ASX on 1 August 2017 for further information on the Company's Mineral Resource and Exploration Target.

Nusantara's CEO and Managing Director Mike Spreadborough commented:

"We are delighted to have secured the services of such a diverse and skilled group of top shelf consultants ensuring the DFS is of a standard capable of supporting an investment decision and funding for the proposed future development of this world class gold project."

About Nusantara Resources

Nusantara is an ASX-listed gold development company with its flagship project comprising the 1.74 million ounce Awak Mas Gold Project located in Sulawesi, Indonesia. Discovered in 1988, the Project has had some 124km of drilling completed in over 1,000 holes. The Project is currently 100%-owned through a 7th Generation Contract of Work (CoW) with the Indonesian Government.

Nusantara's development strategy is for construction of a large-scale, low strip ratio open pit operation with ore to be processed by conventional flotation and cyanide leaching. Environmental approval has already been received for the Project, which is favourably located in non-forestry land close to established roads, ports and grid power, enabling the Project to quickly advance towards development upon completion of the DFS by mid-2018.

Nusantara's second strategy is to grow the resource base and sustain a mining operation beyond the initial targeted life of 10 years. Multiple drill-ready targets have already been outlined extending from the three main deposits and in other areas of the 140km² CoW.

Website: www.nusantararesources.com

Linked In: <https://au.linkedin.com/company/nusantararesources>

Competent Persons Statement

The information in this announcement that relates to the exploration results and Mineral Resources of Nusantara Resources is summarised from publicly available reports as released to the ASX of the respective companies. The results are duly referenced in the text of this report and the source documents noted above.

Exploration and Resource Targets

Any discussion in relation to the potential quantity and grade of Exploration Targets is only conceptual in nature. While Nusantara Resources may report additional JORC compliant resources for the Awak Mas Gold Project, there has been insufficient exploration to define mineral resources in addition to the current JORC compliant Mineral Resource inventory and it is uncertain if further exploration will result in the determination of additional JORC compliant Mineral Resources.

Exploration Results

The information in this report which relates to Exploration Results is based on, and fairly represents, information compiled by Mr Colin McMillan, (BSc) for Nusantara Resources. Mr McMillan is an employee of Nusantara Resources and is a Member of the Australian Institute of Mining and Metallurgy (AusIMM No: 109791).

Mr McMillan has sufficient experience that is relevant to the style of mineralisation 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". Mr McMillan consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Mineral Resources

The information in this report that relates to the Mineral Resource Estimation for the Awak Mas Gold Project is based, and on and fairly represents information compiled by Mr Adrian Shepherd, Senior Geologist, (BSc), MAusIMM CP(Geo), for Cube Consulting Pty Ltd. Mr Shepherd is an employee of Cube Consulting Pty Ltd and is a Chartered Professional geologist and a current Member of the Australian Institute of Mining and Metallurgy (AusIMM No: 211818).

Mr Shepherd has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as Competent Persons as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Shepherd consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

New Information or Data

Nusantara Resources confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources and Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not materially changed from the original market announcement.

For more information regarding this release, please contact:**Mike Spreadborough**

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