

ASIC REGISTRATION OF SCHEME BOOKLET

Nusantara Resources Limited
ABN 69 150 791 290

Registered Office:

Level 4, 100 Albert Road,
South Melbourne Vic 3205
Ph: +61 (3) 9692 7222

Issued Capital

229,273,007 shares
20,000,000 unlisted options
4,600,000 unlisted employee
options and performance rights

Substantial Holders

PT Indika Energy TBK	28%
Lion Selection Group	22%
Federation Mining Pty Ltd, IMF Pty Ltd, and Simon Le Messurier	12%

Nusantara Resources Limited is listed on the Australian Securities Exchange – ticker symbol NUS

Dollar values in this report are United States Dollars unless otherwise stated.

Enquiries regarding this report may be directed to:
Mr Greg Foulis
Chairman
+61 438 544 399

This announcement has been authorised by the Board

23 August 2021: Nusantara Resources Limited (ASX: NUS) (**NUS**) refers to its announcements regarding:

- the proposed acquisition by its major shareholder PT Indika Energy (**Indika**) (IDX:INDY) of NUS by way of a scheme of arrangement (**Scheme**); and
- the orders made by the Supreme Court of Western Australia (**Court**) approving the convening of the shareholders meeting to consider the Scheme (**Scheme Meeting**) and the despatch of an explanatory statement and notice of the Scheme Meeting (together, the **Scheme Booklet**).

NUS is pleased to confirm that the Australian Securities and Investments Commission has now registered the Scheme Booklet. A copy of the Scheme Booklet is attached to this announcement, including the Independent Expert's Report from Grant Thornton Corporate Finance Pty Ltd. The Independent Expert's Report concludes that the Scheme is fair and reasonable and in the best interests of NUS shareholders, in the absence of a superior proposal.

Shareholders who have elected to receive notifications of meetings electronically will receive an email with links to where they can download the Scheme Booklet and lodge their proxy online. Shareholders who have not made such an election will be mailed a printed copy of the Scheme Booklet. An electronic version of the Scheme Booklet will also be available on NUS' website (www.nusantararesources.com) and on NUS' announcements page on www.asx.com.

The Scheme Meeting is scheduled to be held virtually via Lumi at <https://web.lumiagm.com/328764135> at 12:00pm (AEST) on 22 September 2021. An online guide in respect of the Scheme Meeting will be released separately. NUS shareholders, authorised proxies, attorneys and corporate representatives will be able to watch, ask questions and vote on the Scheme during the virtual meeting. Please monitor NUS' website and ASX announcements where updates will be provided if it becomes necessary or appropriate to make alternative arrangements for the holding or conduct of the Scheme Meeting.

The NUS Independent Board Committee (**IBC**) unanimously recommends that NUS shareholders vote in favour of the Scheme in the absence of a superior proposal. Subject to the same qualification, all the directors on the IBC intend to or cause to be voted, all NUS shares in which they have a relevant interest in favour of the Scheme.

NUS encourages you to read the Scheme Booklet in its entirety before deciding whether or not to vote in favour of the Scheme at the Scheme Meeting. All NUS shareholders are encouraged to vote either by attending the Scheme Meeting in person (by attending the Scheme Meeting online and voting via the online platform) or by appointing a proxy, attorney or corporate representative to attend the meetings and vote on their behalf.

If after reading the Scheme Booklet you have any further questions in relation to the Scheme or the Scheme Booklet, please contact the Nusantara Shareholder Information Line on 1300 148 439 (within Australia) or +61 3 9415 4314 (outside Australia) any time between 8:30am and 5:00pm (AEST) on Monday to Friday (excluding public holidays).

About Nusantara Resources

Nusantara is an ASX Listed gold development company with its flagship Awak Mas Gold Project located in South Sulawesi, Indonesia.



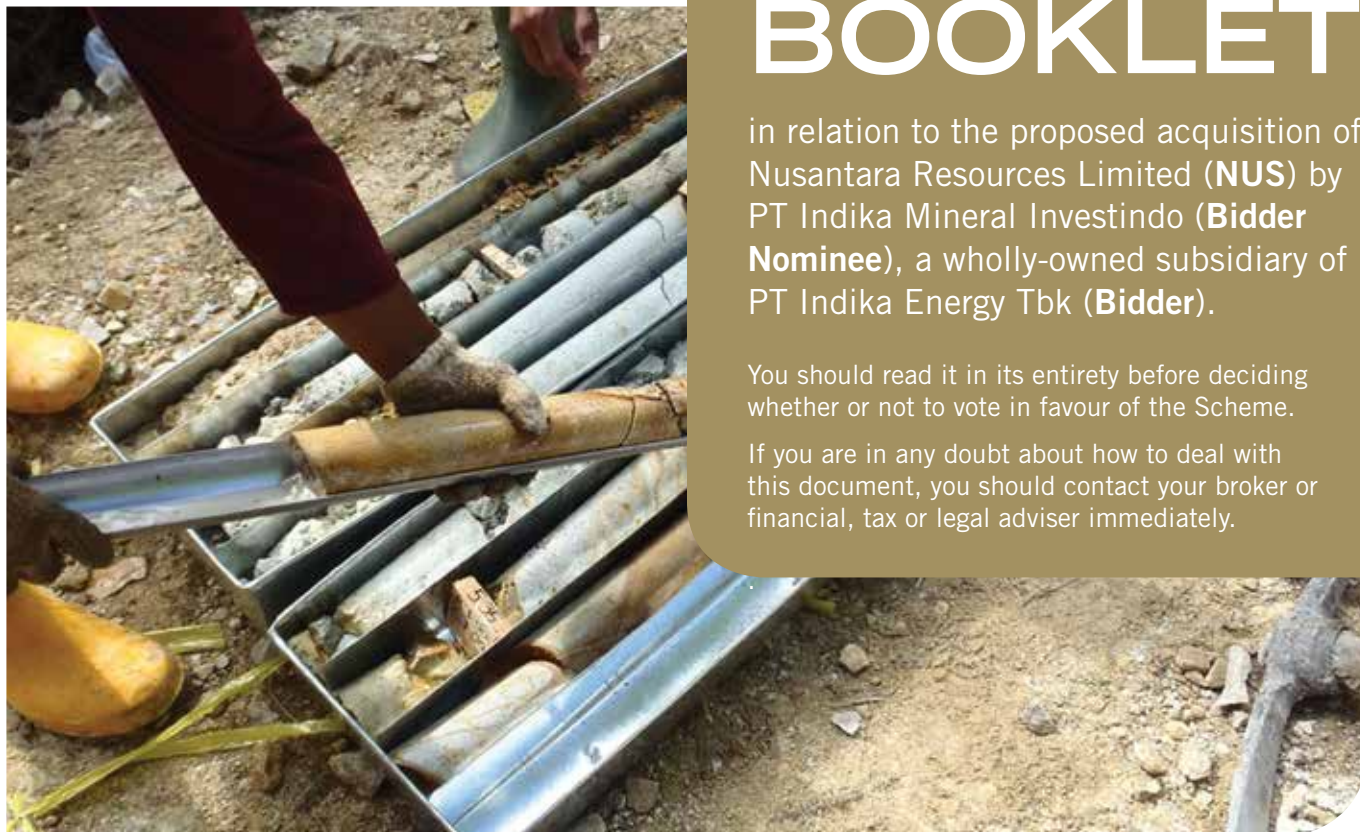
THIS IS AN IMPORTANT DOCUMENT AND
REQUIRES YOUR IMMEDIATE ATTENTION

SCHEME BOOKLET

in relation to the proposed acquisition of Nusantara Resources Limited (**NUS**) by PT Indika Mineral Investindo (**Bidder Nominee**), a wholly-owned subsidiary of PT Indika Energy Tbk (**Bidder**).

You should read it in its entirety before deciding whether or not to vote in favour of the Scheme.

If you are in any doubt about how to deal with this document, you should contact your broker or financial, tax or legal adviser immediately.



VOTE IN FAVOUR

THE NUS INDEPENDENT BOARD COMMITTEE UNANIMOUSLY RECOMMENDS THAT YOU VOTE IN FAVOUR OF THE SCHEME RESOLUTION SUBJECT TO THE INDEPENDENT EXPERT CONTINUING TO CONCLUDE THAT THE SCHEME IS IN THE BEST INTERESTS OF NUS SHAREHOLDERS, AND THERE BEING NO SUPERIOR PROPOSAL

FINANCIAL ADVISER



TAYLOR COLLISON

LEGAL ADVISER



If you have any questions in relation to this Scheme Booklet or the Scheme, you should call the Nusantara Shareholder Information Line on 1300 148 439 (within Australia) or +61 3 9415 4314 (outside Australia) any time between 8:30am and 5:00pm (AEST) on Monday to Friday (excluding public holidays).

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General

Nature of this document

This Scheme Booklet is important and requires your immediate attention. You should read it carefully and in its entirety before deciding how to vote at the Scheme Meeting. If you are in doubt as to what you should do, you should consult your legal, financial or other professional adviser.

This Scheme Booklet explains the terms of the proposed acquisition of all NUS Shares by the Bidder, by way of a company scheme of arrangement between NUS and NUS Shareholders under Part 5.1 of the Corporations Act (a copy of the Scheme is set out in Appendix D to this Scheme Booklet).

This Scheme Booklet details how the Scheme will be considered and implemented if all the Conditions to the Scheme are satisfied or, if permitted, waived. It is not a disclosure document required by Chapter 6D or Part 7.9 of the Corporations Act.

If you have sold all your NUS Shares, please disregard this Scheme Booklet.

Defined terms

Capitalised terms used in this Scheme Booklet are defined in the Glossary in Section 11.

Investment decisions

The information in this Scheme Booklet does not constitute financial product advice. This Scheme Booklet (including the taxation implications summarised in Section 9 of this Scheme Booklet) does not constitute tax advice. This Scheme Booklet has been prepared without reference to the investment objectives, financial and tax situation or particular needs of any NUS Shareholder or any other person. This Scheme Booklet should not be relied on as the sole basis for any investment decision. Independent legal, financial and tax advice should be sought before making any investment decision in relation to your NUS Shares.

Purpose of this Scheme Booklet

The purpose of this Scheme Booklet is to give NUS Shareholders the information required to make an informed decision about whether to vote in favour of the Scheme Resolution. This Scheme Booklet also provides information as is prescribed by law or is otherwise material to the decisions of NUS Shareholders as to whether to vote in favour of the Scheme Resolution.

The Scheme Meeting is scheduled to be held virtually at 12:00pm (AEST) on 22 September 2021 via Lumi at <https://web.lumiagm.com/328764135>. NUS Shareholders,

authorised proxies, attorneys and corporate representatives will be able to watch, ask questions and vote on the Scheme Resolution during the virtual meeting. Further details of how you can participate are set out in Section 5 of this Scheme Booklet. You should read this Scheme Booklet in full before deciding how to vote on the Scheme Resolution. The Scheme has advantages, disadvantages and risks, which may affect NUS Shareholders in different ways depending on their individual circumstances. You should seek professional advice on your circumstances, as appropriate.

Preparation of and responsibility for this Scheme Booklet

NUS has been solely responsible for preparing the NUS Information. The information concerning NUS and the intentions, views and opinions of NUS and the NUS Directors (including the NUS IBC) contained in this Scheme Booklet has been prepared by NUS and is the responsibility of NUS. The Bidder, its Related Bodies Corporate and their respective directors, officers, employees and advisers have not verified any NUS Information and do not assume any responsibility for its accuracy or completeness.

The Bidder has been solely responsible for preparing the Bidder Information. The information concerning the Bidder and the intentions, views and opinions of the Bidder contained in this Scheme Booklet, has been prepared by the Bidder and is the responsibility of the Bidder. NUS, its Related Bodies Corporate and their respective directors, officers, employees or advisers have not verified any Bidder Information and do not assume any responsibility for its accuracy or completeness.

The Independent Expert has prepared the Independent Expert's Report and takes responsibility for that report. NUS, the Bidder, and their respective Related Bodies Corporate and their respective directors, officers, employees or advisers do not take any responsibility for the Independent Expert's Report, except in the case of NUS in relation to the information which it has provided to the Independent Expert. The Independent Expert's Report is set out in Appendix B to this Scheme Booklet.

Regulatory information and role of ASIC and ASX

This document is the explanatory statement for the proposed scheme of arrangement between NUS and Scheme Shareholders for the purposes of section 412(1) of the Corporations Act. A copy of the proposed Scheme is included at Appendix D to this Scheme Booklet.

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A copy of this Scheme Booklet (including the Independent Expert's Report) has been lodged with, and registered by, ASIC as required by section 412(6) of the Corporations Act on 23 August 2021. ASIC has been given the opportunity to comment on this Scheme Booklet in accordance with subsection 411(2) of the Corporations Act. ASIC has also been requested to provide a statement in accordance with section 411(17)(b) of the Corporations Act that ASIC has no objection to the Scheme. If ASIC provides that statement, then the statement will be produced to the Court at the Second Court Hearing.

Neither ASIC nor any of its officers take any responsibility for the contents of this Scheme Booklet.

A copy of this Scheme Booklet has been provided to ASX. Neither ASX nor any of its officers take any responsibility for the contents of this Scheme Booklet.

Important notice associated with Court order under section 411(1) of the Corporations Act.

The fact that under section 411(1) of the Corporations Act the Court has ordered that a meeting be convened and has approved the explanatory statement required to accompany the Notice of Scheme Meeting does not mean that the Court:

- (a) has formed any view as to the merits of the proposed Scheme or as to how NUS Shareholders should vote in respect of the Scheme Resolution (which NUS Shareholders must reach their own decisions on); or
- (b) has prepared, or is responsible for the content of, this Scheme Booklet.

Scheme Meeting Notice

The Notice of Scheme Meeting is set out at Appendix A to this Scheme Booklet. Throughout this Scheme Booklet, it may be referred to as the **Scheme Meeting**.

The purpose of the Scheme Meeting is to consider and, if thought fit, to agree to the Scheme (with or without any modifications or conditions as are thought fit by the Court) to be made between NUS and NUS Shareholders and to consider and, if thought fit, to pass the Scheme Resolution.

To enable you to make an informed voting decision, further information about the Scheme is set out in the accompanying explanatory statement (for the purposes of section 412(1) of the Corporations Act) which, together with the Notice of the Scheme Meeting, forms part of this Scheme Booklet.

Notice of Second Court Hearing

At the Second Court Hearing, the Court will consider whether to approve the Scheme, following the vote in

respect of the Scheme at the Scheme Meeting. The date of the Second Court Hearing to approve the Scheme is expected to be 24 September 2021. The hearing will be at 2:30pm (AWST) at the Supreme Court of Western Australia, 28 Barrack Street, Perth, Western Australia.

Any NUS Shareholder has the right to appear and be heard at the Second Court Hearing and may oppose the approval of the Scheme. If you wish to appear in this manner, you must file with the Court and serve on NUS a notice of appearance, in the prescribed form, together with any affidavit on which you wish to rely on. The notice of appearance and affidavit must be served on NUS at its address for service at least one day before the Second Court Date.

The address for service for NUS is: c/- Leydin Freyer, Level 4, 100 Albert Road, South Melbourne, VIC 3205, Australia (Attention: Claire Newstead-Sinclair) (Email: cnewstead@leydinfreyer.com.au).

Status of this Scheme Booklet

Section 708(17) of the Corporations Act provides that disclosure to investors under Part 6D.2 of the Corporations Act is not required for any offer of securities if it is made under a compromise or arrangement under Part 5.1 of the Corporations Act and approved at a meeting held due to an order made by the Court under section 411(1) of the Corporations Act. Accordingly, this Scheme Booklet is not a prospectus lodged under Chapter 6D of the Corporations Act.

Note to Shareholders in foreign jurisdictions

This Scheme Booklet and the Scheme are subject to Australian disclosure requirements, which may be different from the requirements applicable in other jurisdictions. The financial information included in this Scheme Booklet is based on financial statements that have been prepared in accordance with Australian equivalents to International Financial Reporting Standards, which may differ from generally accepted accounting principles in other jurisdictions. No action has been taken to register or qualify this Scheme Booklet or any aspect of the Scheme in any jurisdiction outside Australia.

Forward-looking statements

This Scheme Booklet contains both historical and forward-looking statements.

The forward-looking statements in this Scheme Booklet (including in the Independent Expert's Report) are not

IMPORTANT NOTICES

based on historical facts, but rather reflect the current views of NUS or, in relation to the Bidder Information, the Bidder, held only as at the date of this Scheme Booklet concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as 'believe', 'aim', 'expect', 'anticipated', 'intending', 'foreseeing', 'likely', 'should', 'planned', 'may', 'estimated', 'potential', or other similar words and phrases. Similarly, statements that describe NUS' or the Bidder's objectives, plans, goals, intentions or expectations are or may be forward-looking statements. The statements in this Scheme Booklet about the impact that the Scheme may have on the results of NUS' operations, and the advantages and disadvantages anticipated to result from the Scheme, are also forward-looking statements.

Any other forward-looking statements included in this Scheme Booklet and made by NUS have been made on reasonable grounds and reflect its present intentions as at the date of this Scheme Booklet and may be subject to change. Although NUS believes that the views reflected in any forward-looking statements in this Scheme Booklet (other than the Bidder Information) have been made on a reasonable basis, no assurance can be given that such views will prove to have been correct.

These forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause either NUS' or the Bidder's actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed, projected or implied by these forward-looking statements. Deviations as to future results, performance and achievements are both normal and to be expected. Certain important factors that could cause actual results, performances or achievements to differ materially from those in the forward looking statements include, among others, customer risks, commodity price volatility, discrepancies between actual and estimates costs or production, Ore Reserves and Mineral Resources being inaccurate or changing over time, mining operational and development risks, litigation risks, regulatory restrictions (including environmental regulatory restrictions and liability), decisions by governmental authorities, currency fluctuations, mineral exploration and production, the global economic climate, the global COVID-19 pandemic and additional funding requirements.

NUS Shareholders should note that the historical financial performance of NUS is no assurance of the future financial performance of NUS (whether or not the Scheme is implemented). NUS Shareholders should review carefully all of the information included in this Scheme Booklet. The forward-looking statements included in this

Scheme Booklet are made only as of the date of this Scheme Booklet. None of NUS, the Bidder or any of their respective directors, officers, employees and advisers give any representation, warranty, assurance or guarantee to NUS Shareholders that any forward-looking statements will actually occur or be achieved. NUS Shareholders are cautioned not to place undue reliance on such forward-looking statements.

Subject to any continuing obligations under law or the ASX Listing Rules, NUS and the Bidder do not give any undertaking to update or revise any forward-looking statements after the date of this Scheme Booklet to reflect any change in expectations in relation to those statements or any change in events, conditions or circumstances on which any such statement is based.

Forward-looking statements – Bidder Information

Any forward-looking statements included in the Bidder Information have been made on reasonable grounds. Although the Bidder believes that the views reflected in any forward-looking statements included in the Bidder Information have been made on a reasonable basis, no assurance can be given that such views will prove to have been correct. Additionally, statements of the intentions of the Bidder reflect its present intentions as at the date of this Scheme Booklet and may be subject to change.

Presentation of financial information

Section 7.10 contains financial information relating to the NUS Group for FY20 and FY19, and for the half-year ended 30 June 2021.

The financial information in Section 7.10 is a summary only and has been prepared and extracted for the purposes of this Scheme Booklet only. The information has been extracted from the audited financial reports of the NUS Group for FY20 and FY19, and from the reviewed financial report for the half-year ended 30 June 2021.

Privacy and personal information

NUS and the Bidder may need to collect personal information in connection with the Scheme.

The personal information may include the names, contact details and details of holdings of NUS Shareholders, together with contact details of individuals appointed as proxies, attorneys or corporate representatives for the purposes of the Scheme Meeting. Personal information is held on the public register in accordance with Chapter 2C of the Corporations Act. The primary purpose of the collection of personal information is to assist NUS and the

IMPORTANT NOTICES

Bidder to conduct the Scheme Meeting and implement the Scheme. The information may be disclosed to NUS, the Bidder and their respective Related Bodies Corporate and advisers, print and mail service providers, share registries, securities brokers and any other service provider to the extent necessary to affect the Scheme.

NUS Shareholders who are individuals, and other individuals in respect of whom personal information is collected, have certain rights to access the personal information collected about them. NUS Shareholders may contact the Registry if they wish to exercise such rights.

If the information outlined above is not collected, NUS may be hindered in, or prevented from, conducting the Scheme Meeting or implementing the Scheme. NUS Shareholders who appoint an individual as their proxy, attorney or corporate representative to vote at the Scheme Meeting should inform that individual of the matters outlined above.

External websites

Content on the websites of NUS and the Bidder does not form part of this Scheme Booklet, unless expressly stated otherwise. Accordingly, NUS Shareholders should not rely on any such content in making their decision as to whether to vote in favour of the Scheme Resolution.

For the avoidance of doubt, the Scheme Meeting Online Guide does not form part of this Scheme Booklet.

Interpretation

Capitalised terms used in this Scheme Booklet are defined in the Glossary in Section 11. Some of the documents reproduced in the Appendices to this Scheme Booklet have their own defined terms, which are sometimes different from those in the Glossary in Section 11.

Any diagrams, charts, graphs and tables appearing in this Scheme Booklet are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in diagrams, charts, graphs and tables is based on information available at the date of this Scheme Booklet. All numbers are rounded, unless otherwise indicated.

The financial amounts in this Scheme Booklet are expressed in Australian currency, unless stated otherwise. A reference to dollars, \$, A\$ or cents is to Australian currency, unless otherwise stated. The financial information in Section 7.10 is in US dollars. All times referred to in this Scheme Booklet are references to times in Melbourne, Victoria, Australia, unless stated otherwise.

Date

This Scheme Booklet is dated 23 August 2021.

Supplementary information

NUS will issue supplementary information to this Scheme Booklet if it becomes aware of any of the following between the date of this Scheme Booklet and the Effective Date:

- (a) a material statement in this Scheme Booklet is or becomes false or misleading in a material respect;
- (b) a material omission from this Scheme Booklet;
- (c) a significant change affecting a matter included in this Scheme Booklet; or
- (d) a significant new matter has arisen, and it would have been required to be included in this Scheme Booklet if it had arisen before the date of this Scheme Booklet.

Depending on the nature and timing of the changed circumstances, and subject to consultation with the Bidder and the obtaining of any relevant approvals, NUS may circulate and publish any supplementary document by:

- (a) making an announcement to ASX;
- (b) placing an advertisement in a prominently published newspaper which is circulated generally or accessible throughout Australia;
- (c) posting the supplementary document to NUS Shareholders at their registered address as shown in the Share Register, or by email for NUS Shareholders who have elected to receive communications electronically; or
- (d) posting a statement on NUS' website <https://nusantararesources.com>, as NUS, in its absolute discretion, considers appropriate.

Dear Nusantara Shareholders

On behalf of the Nusantara Board of Directors, I am pleased to provide you with this Scheme Booklet, which contains important information for your consideration about the proposed cash acquisition of NUS by its largest shareholder and joint venture partner, PT Indika Energy Tbk (**Bidder**), a diversified energy and mining company listed on the Indonesian Stock Exchange, through its wholly-owned subsidiary PT Indika Mineral Investindo (**Bidder Nominee**).

The Scheme

On 28 June 2021, NUS announced that it had entered into the Scheme Implementation Deed with the Bidder to acquire all of the NUS Shares it does not already own, for \$0.35 cash per NUS Share. The proposed acquisition will be effected via a company scheme of arrangement, subject to NUS Shareholders' and Court approval, and certain other Conditions.

Scheme Consideration

The Scheme Consideration of \$0.35 in cash per NUS Share represents a premium of:

- 14.8% to the close of trading of NUS Shares on Friday, 25 June 2021 of \$0.305 per NUS Share (being the last trading day prior to the date of the Scheme Announcement);
- 18.7% to the VWAP of NUS Shares in the 5 NUS trading days before Monday, 28 June 2021, being the date of the Scheme Announcement;
- 21.0% to the VWAP of NUS Shares in the 30 NUS trading days before Monday, 28 June 2021; and
- 26.2% to the VWAP of NUS Shares in the 90 NUS trading days before Monday, 28 June 2021.

The Scheme Consideration of \$0.35 per NUS Share values NUS at approximately \$80 million on a 100% basis.

NUS Independent Board Committee Recommendation

The NUS Independent Board Committee (**NUS IBC**) comprises the following Directors, Greg Foulis, Rob Hogarth, Robin Widdup and Neil Whitaker.

The following NUS Directors, Richard Ness and Kamen Palatov, are not part of the NUS IBC and do not make a recommendation in relation to the Scheme. As each of Richard Ness and Kamen Palatov are associated with the Bidder, they do not consider it appropriate to make a recommendation to NUS Shareholders in relation to the Scheme. Refer to Sections 7.15, 7.16 and 7.17 for more information on NUS Directors' interests.

With the assistance of external legal and financial advisors and after considering the advantages and disadvantages of the Scheme, the Directors on the NUS IBC believe that the Scheme is in the best interests of NUS Shareholders and **unanimously recommend that NUS Shareholders vote in favour of the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is fair and reasonable and in the best interests of NUS Shareholders. Subject to those qualifications, all the Directors on the NUS IBC intend to cause to be voted all NUS Shares in which they have a Relevant Interest in favour of the Scheme Resolution.**

The NUS IBC believes the Scheme provides you with an attractive opportunity to realise certain cash proceeds at a fair premium for your NUS Shares.

The reasons for the NUS IBC's unanimous recommendation are detailed in Section 3.2 of this Scheme Booklet. In particular, the NUS IBC considered the following factors:

- the Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of NUS Shareholders in the absence of a Superior Proposal;
- the Scheme Consideration represents a fair premium to historical NUS Share prices;
- the Scheme Consideration provides attractive liquidity in what has been a highly illiquid stock;
- major shareholders of NUS (representing 39.07% of the total number of issued NUS Shares), have confirmed to NUS their intention to vote in favour of the Scheme (in the absence of a Superior Proposal);¹
- the Scheme provides NUS Shareholders with certainty of value and removes the significant risks and uncertainties of remaining a NUS Shareholder;²
- the price of NUS Shares may fall in the near-term if the Scheme is not implemented and in the absence of a Superior Proposal; and
- no Superior Proposal has emerged since the Scheme Announcement.

Reasons to vote in favour of the Scheme Resolution are set out in detail in Section 3.2.

There are also reasons why you may choose to vote against the Scheme Resolution, which include:

- you will no longer be able to directly participate in the future financial performance and possible growth of NUS' business;
- you may find it difficult to identify or invest in an alternative business with similar characteristics to NUS;
- you may consider that there is potential for a Superior Proposal to emerge in the foreseeable future; and

CHAIRMAN'S LETTER

- the tax implications of the Scheme may not be suitable to your financial circumstances or position.

Reasons to vote against the Scheme Resolution are set out in detail in Section 3.3.

The following NUS Directors, Greg Foulis, Neil Whitaker, Robin Widdup, Kamen Palatov and Craig Smyth, have a Relevant Interest in NUS Shares. Greg Foulis and Neil Whitaker also hold or have an interest in NUS Employee Options. These matters and other interests and benefits of NUS Directors in relation to the Scheme are set out in Sections 7.15, 7.16 and 7.17.

In addition, the following senior management and directors of Masmindo, Adrian Rollke and Boyke Abidin, hold NUS Shares as set out in Section 7.15. In the absence of a Superior Proposal, these NUS Directors and Masmindo senior management intend to vote or cause to be voted their NUS Shares in favour of the Scheme Resolution.

Independent Expert's Report

The NUS IBC has appointed Grant Thornton as the Independent Expert. **The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of NUS Shareholders in the absence of a Superior Proposal.** The Independent Expert has assessed the full underlying value of NUS at between \$0.28 and \$0.35 per NUS Share. The Scheme Consideration of \$0.35 per NUS Share is within this valuation range.

The Independent Expert's Report is included as Appendix B to this Scheme Booklet.

Voting Intention Statements

Major shareholders of NUS (representing 39.07% of the total number of issued NUS Shares), including Lion Selection Group Ltd (21.77% of the total number of issued NUS Shares), Federation Mining Pty Ltd (12.34% of the total number of issued NUS Shares) and Cumulus Wealth (4.96% of the total number of issued NUS Shares), have confirmed to NUS their intention to vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of NUS Shareholders.³

How To Vote

The Scheme can only be implemented if it is approved by a majority in number of the NUS Shareholders that vote on the Scheme Resolution (in person online or by proxy) and that represent at least 75% of the total votes cast, and if it is subsequently approved by the Court at the Second Court Hearing. The Scheme is also subject to a number of Conditions.



Your vote is important in determining whether or not the Scheme proceeds. You may vote on the Scheme Resolution by attending the Scheme Meeting in person, or by appointing a proxy, attorney or body corporate representative to attend the Scheme Meeting and vote on your behalf. If you do not wish to or are unable to attend the Scheme Meeting in person, I encourage you to vote on the Scheme Resolution by completing the personalised proxy form accompanying this Scheme Booklet and returning it to the Registry so that it is received no later than 7:00pm (AEST) on 20 September 2021.

The Scheme Meeting is scheduled to be held at 12:00pm (AEST) on 22 September 2021 virtually via Lumi at <https://web.lumiagm.com/328764135>. NUS Shareholders, authorised proxies, attorneys and corporate representatives will be able to watch, ask questions and vote on the Scheme Resolution during the virtual meeting. Please monitor NUS' website and ASX announcements where updates will be provided if it becomes necessary or appropriate to make alternative arrangements for the holding or conduct of the Scheme Meeting.

1. Lion Selection (21.77%), Federation Mining Pty Ltd (12.34%) and Cumulus Wealth (4.96%), have confirmed to NUS their intention to vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of shareholders.
2. See Section 7.13 for more information on the risks associated with NUS.
3. Each of Lion Selection, Federation Mining and Cumulus Wealth have provided their consent for this statement to appear in this Scheme Booklet. Refer to Section 10.2 for further information regarding consents and disclosures.

CHAIRMAN'S LETTER

Scheme Consideration Payment

If the Scheme becomes Effective and you remain a NUS Shareholder as at the Record Date, all of your NUS Shares will be transferred to the Bidder Nominee under the Scheme and you will be paid the Scheme Consideration of \$0.35 per NUS Share.

NUS will pay the Scheme Consideration either to your nominated bank account (if you have provided the Registry with your bank account details before the Record Date) or by sending a cheque for the Scheme Consideration that you are entitled to receive to your address shown in the Share Register as at the Record Date. If you wish to notify the Registry of your nominated bank account, you can update your account online at www.computershare.com.au/easyupdate/nus or you can contact the Registry on 1800 850 505 (within Australia) or +61 8 9415 4000 (outside Australia) Monday to Friday (excluding public holidays) between 8:30am and 5:00pm (AEST) before the Record Date.

Further Information

This Scheme Booklet sets out important information relating to the Scheme, including the reasons for the NUS IBC's recommendation and the Independent Expert's Report. It also sets out some reasons why you may wish to vote against the Scheme Resolution.

I encourage you to read this Scheme Booklet carefully and in its entirety. You should also seek independent legal, financial, tax or other professional advice before making an investment decision in relation to your NUS Shares.

If you have any questions regarding the Scheme or this Scheme Booklet you should contact the NUS Shareholder Information Line on 1300 148 439 (within Australia) or +61 3 9415 4314 (outside Australia) on Monday to Friday (excluding public holidays) between 8:30am and 5:00pm (AEST).

On behalf of the NUS Board, I thank you for your ongoing support and I look forward to your participation at the Scheme Meeting.

Yours sincerely,



Greg Foulis
Chairman
Nusantara Resources Limited

2 KEY DATES

Unless expressly stated otherwise, all references in this Scheme Booklet to time relate to the time in Melbourne, Victoria, Australia.

Event	Date and Time
First Court Date The date on which the Court made orders convening the Scheme Meeting	20 August 2021
Date of this Scheme Booklet	23 August 2021
Last time and date for proxy forms Last time and date for proxy forms or powers of attorney to be received by the Registry for the Scheme Meeting	7:00pm (AEST) on 20 September 2021
Eligibility to vote Time and date for determining eligibility to vote at the Scheme Meeting	7:00pm (AEST) on 20 September 2021
Scheme Meeting	Meeting to be held online at 12:00pm (AEST) on 22 September 2021
If the Scheme Resolution is approved by NUS Shareholders at the Scheme Meeting:	
Event	Date and Time
Second Court Date NUS to apply for Court orders approving the Scheme	2:30pm (AWST) on 24 September 2021
Effective Date Court orders to be lodged with ASIC, announced on ASX Trading in NUS Shares on ASX to be suspended from close of trading	24 September 2021
Record Date Record Date to determine entitlements to Scheme Consideration	29 September 2021
Implementation Date Scheme Consideration to be paid to Scheme Shareholders on the Implementation Date	6 October 2021

Please note that all of the above times and dates are indicative only and subject to change. NUS may vary any or all of these dates and times and will provide reasonable notice of any such variation. In particular, the date of the Scheme Meeting may be postponed or adjourned if satisfaction of a Condition is delayed. Certain times and dates are conditional on the approval of the Scheme by NUS Shareholders and by the Court. Any changes will be announced by NUS to ASX.

The Scheme has a number of advantages and disadvantages that may affect NUS Shareholders in different ways depending on their individual circumstances. NUS Shareholders should seek professional advice on their particular circumstances, as appropriate.

Section 3.2 provides a summary of some of the reasons why the NUS IBC unanimously recommends NUS Shareholders vote in favour of the Scheme Resolution. Section 3.2 should be read in conjunction with Section 3.3, which sets out reasons why NUS Shareholders may wish to vote against the Scheme Resolution. You should read this Scheme Booklet in full, including the Independent Expert's Report, before deciding how to vote at the Scheme Meeting. While the NUS IBC acknowledges the reasons to vote against the Scheme Resolution, they believe the advantages of the Scheme significantly outweigh the disadvantages.

3.1. Summary of reasons why you might vote for and against the Scheme Resolution

REASONS TO VOTE IN FAVOUR OF THE SCHEME

- ✓ The NUS IBC unanimously recommends you vote in favour of the Scheme Resolution in the absence of a Superior Proposal
- ✓ The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of NUS Shareholders in the absence of a Superior Proposal
- ✓ The Scheme Consideration represents a fair premium to historical NUS Share prices
- ✓ The Scheme Consideration provides attractive liquidity in what has been a highly illiquid stock
- ✓ Certain major shareholders of NUS have confirmed to NUS their intention to vote in favour of the Scheme
- ✓ The Scheme provides you with certainty of value and removes the risks and uncertainties of remaining a NUS Shareholder
- ✓ NUS' share price may fall in the near-term if the Scheme is not implemented and in the absence of a Superior Proposal
- ✓ No Superior Proposal has emerged since the announcement of the Scheme
- ✓ The Scheme is subject to limited Conditions
- ✓ No brokerage will be payable by you for the transfer of your NUS Shares under the Scheme

POTENTIAL REASONS TO VOTE AGAINST THE SCHEME RESOLUTION

- ✗ You may disagree with the NUS IBC's unanimous recommendation and the conclusion in the Independent Expert's Report, and believe that the Scheme is not in your best interests
- ✗ You will no longer be able to directly participate in the future financial performance and possible growth of NUS' business
- ✗ You may find it difficult to identify or invest in an alternative business with similar characteristics to NUS
- ✗ You may consider that there is the potential for a Superior Proposal to emerge in the foreseeable future
- ✗ The tax implications of the Scheme may not be suitable to your financial circumstances or position

KEY CONSIDERATIONS RELEVANT TO YOUR VOTE

3.2. Reasons to vote in favour of the Scheme Resolution

3.2.1. The NUS IBC unanimously recommends that you vote in favour of the Scheme in the absence of a Superior Proposal

The NUS IBC unanimously believes the Scheme to be in the best interests of NUS Shareholders and unanimously recommends that NUS Shareholders vote in favour of the Scheme Resolution at the Scheme Meeting, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of NUS Shareholders.

Subject to those qualifications, each Director intends to cause to be voted all NUS Shares in which he has a Relevant Interest in favour of the Scheme Resolution. This represents in total 3,862,787 NUS Shares or 1.6% of the total number of issued NUS Shares, comprising all of the NUS Shares that the Directors have a Relevant Interest in, as set out in Section 7.15 of this Scheme Booklet.

Though the NUS IBC acknowledges that there may be reasons to vote against the Scheme, it believes that the advantages of the Scheme significantly outweigh the potential disadvantages (set out in Section 3.3 of this Scheme Booklet).

3.2.2. The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of NUS Shareholders in the absence of a Superior Proposal

The NUS IBC appointed Grant Thornton as Independent Expert to prepare an Independent Expert's Report providing an opinion as to whether the Scheme is in the best interests of NUS Shareholders.

The Independent Expert has valued NUS Shares on a control basis in the range of \$0.28 to \$0.35 per NUS Share. As the Scheme Consideration of \$0.35 per share is within this range, the Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of NUS Shareholders, in the absence of a Superior Proposal.

The Independent Expert's Report is included as Appendix B to this Scheme Booklet and the NUS IBC encourages you to read this report in full.

3.2.3. The Scheme Consideration represents a fair premium to historical NUS Share prices

The Scheme Consideration of \$0.35 in cash per NUS Share represents a premium of:

- 14.8% to the closing price of NUS Shares on 25 June 2021 of \$0.305 per NUS Share (being the last trading day prior to the Scheme Announcement);
- 18.7% to the VWAP of NUS Shares in the 5 NUS trading days before Monday, 28 June 2021, being the date of the Scheme Announcement;
- 21.0% to the VWAP of NUS Shares in the 30 NUS trading days before Monday, 28 June 2021; and
- 26.2% to the VWAP of NUS Shares in the 90 NUS trading days before Monday, 28 June 2021.

The chart below (on page 12) illustrates the premium represented by the Scheme Consideration relative to historical trading prices of NUS Shares on the ASX prior to 28 June 2021, being the date of the Scheme Announcement.

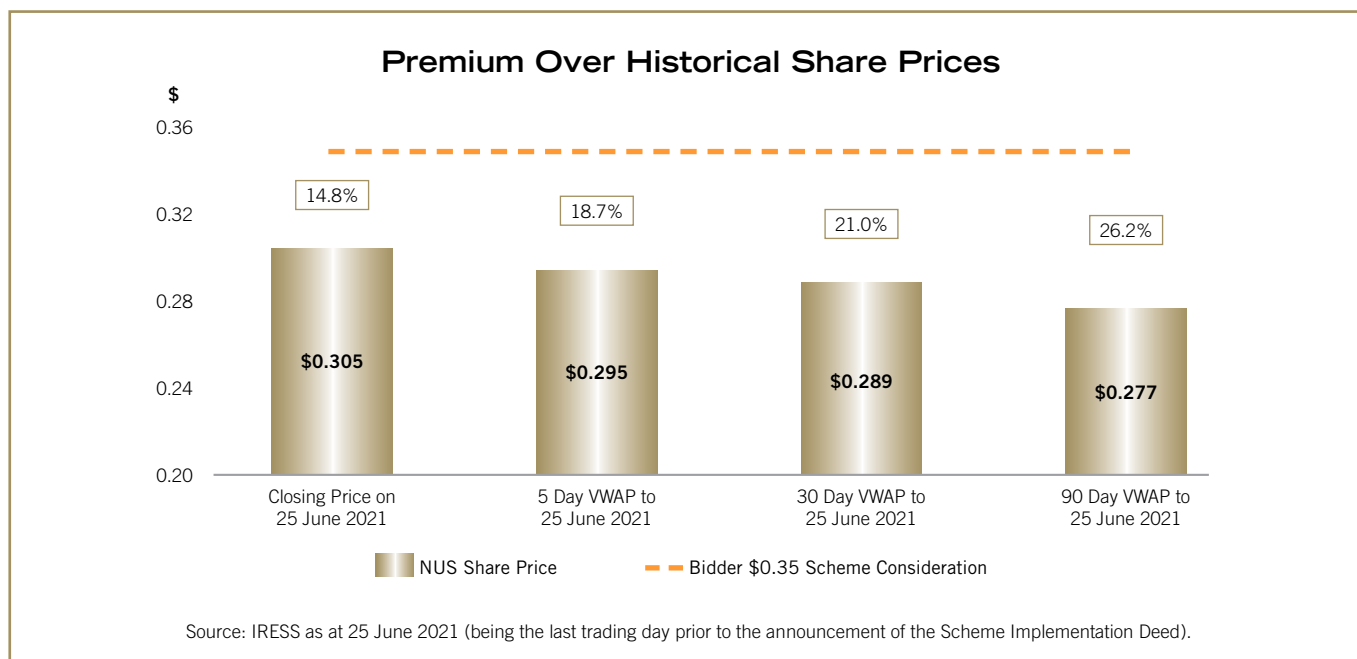
3.2.4. The Scheme Consideration provides attractive liquidity in what has been a highly illiquid stock

In addition to the Scheme Consideration of \$0.35 cash per NUS Share, an important consideration is that the Scheme Consideration provides NUS Shareholders with liquidity and therefore the ability to monetize their investments.

The historical lack of liquidity in the trading of NUS Shares is an important consideration for NUS Shareholders. In the 6 months prior to the Scheme Announcement, the average daily turnover of NUS was \$12,000 per day.

The Scheme Consideration values NUS at approximately \$80 million for all of the NUS Shares. By comparison, over the 6-month period prior to the Scheme Announcement, NUS' total traded value was only approximately \$1.6 million, equivalent to less than 2% of NUS' implied value from the Scheme Consideration.

The 3 largest NUS Shareholders hold approximately 62% of the total number of issued NUS Shares. If one significant shareholder were to exit their NUS Shares, there would likely



be a material impact on NUS' Share price, which could significantly limit the ability for all NUS Shareholders to realise the value of their investment in NUS.

The liquidity provided by the Scheme Consideration is a significant consideration behind the NUS IBC's recommendation, particularly in volatile markets.

3.2.5. Certain major shareholders of NUS have confirmed to NUS their intention to vote in favour of the Scheme

Major shareholders of NUS (representing 39.07% of the total number of issued NUS Shares), including Lion Selection Group Ltd (21.77% of the total number of issued NUS Shares), Federation Mining Pty Ltd (12.34% of the total number of issued NUS Shares) and Cumulus Wealth (4.96% of the total number of issued NUS Shares), have confirmed to NUS their intention to vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of NUS Shareholders.⁴

3.2.6. The Scheme provides you with certainty of value and removes the risks and uncertainties of remaining a NUS Shareholder

The Scheme Consideration of \$0.35 cash per NUS Share provides a high degree of certainty of value and timing and removes a number of risks associated with NUS if the Scheme is not

implemented, including financing, capital raising, project development execution, and divergence with project and EPC partners.

When considering the merits of the proposed Scheme, the NUS IBC had particular regard for:

- NUS' increased near and long-term funding requirements;
- the challenges associated with an ASX junior mining company securing any such finance;
- the dilutive impact to NUS Shareholders from any material capital raising; and
- the general risks involved with progressing a gold mine from feasibility through to development and production in a foreign jurisdiction such as Indonesia (which is compounded at this time due to the COVID-19 pandemic).

Prior to announcement of the Scheme Implementation Deed on 28 June 2021, NUS had a market capitalisation of approximately \$70 million and unrestricted cash on hand totalling approximately US\$8 million. The cash position is subject to NUS' near and short term funding requirements set out below.

If the Scheme is not implemented, NUS will be required to fund its share of the key costs relating to the Project set out below. This would require NUS to raise equity funding both in the near term and in the longer term.

4. Each of Lion Selection, Federation Mining Pty Ltd and Cumulus Wealth have provided their consent for this statement to appear in this Scheme Booklet. Refer to Section 10.2 for further information regarding consents and disclosures.

KEY CONSIDERATIONS RELEVANT TO YOUR VOTE

Near Term:

- Deferred payments owing by NUS' 75%-held subsidiary Masmino to Petrosea for FEED work totalling up to US\$15 million. As security, Petrosea holds a share pledge over NUS' effective shareholding in Masmino, which is equivalent to 20% of Masmino's issued shares (see NUS' ASX announcements dated 24 March 2020 and 30 March 2020 for details);
- Pre-final investment decision costs for Masmino, including land compensation, early works, on-going Masmino running costs and other financing, advisory and legal costs, totalling more than US\$35 million;
- Payments amounting up to US\$2.5 million by NUS under the Net Smelter Royalty Agreement executed between NUS, Masmino and Vista Gold Corporation (**Vista**) to cancel the royalties on the net smelter returns from the Project otherwise payable to Vista; and
- NUS' corporate costs associated with progressing the Project to production.

Longer Term:

- Increased capital expenditure, of approximately US\$233 million, as outlined in NUS' DFS Update released on the ASX on 13 July 2021. Whilst this figure includes some of the above Near Term funding requirements, such as land compensation, longer term capital expenditure will be more than US\$210 million; and
- Financing provisions, including working capital, interest during construction, finance fees and minimum liquidity and debt service reserve account requirements.

Further, as described in Section 7.12, the Bidder is providing interim funding to Masmino in relation to the Project, which will no longer be available if the Scheme does not proceed.

Whilst a portion of the development capital expenditure may be potentially funded with debt finance, a significant part of the above costs will need to be financed from equity capital raisings, potentially at a significant discount to NUS' share price ranging between \$0.277 to \$0.305 prior to the Scheme Announcement. The NUS IBC notes the challenges and uncertainty facing ASX listed junior mining companies attempting to raise multiples of their market capitalisation for what markets perceive to be a high-risk operation such as a gold project in Indonesia. There can be no

guarantee that NUS will be able to obtain future debt or equity financing to sustain its operations.

Should NUS not be able to raise the funds required to meet certain near term funding obligations such as its share of Masmino's deferred payment obligations under the FEED Contract entered into between Masmino and Petrosea (which is secured by a share pledge in favour of Petrosea (see Section 7.4.3)), NUS is at risk of having its interest in the Project diluted and could potentially lose control of the Project. Whilst it may be possible for NUS to raise the required funds, the dilutive impact on a dollars per share basis for NUS Shareholders would be significant and was a key consideration of the NUS IBC when considering the merits of the Scheme.

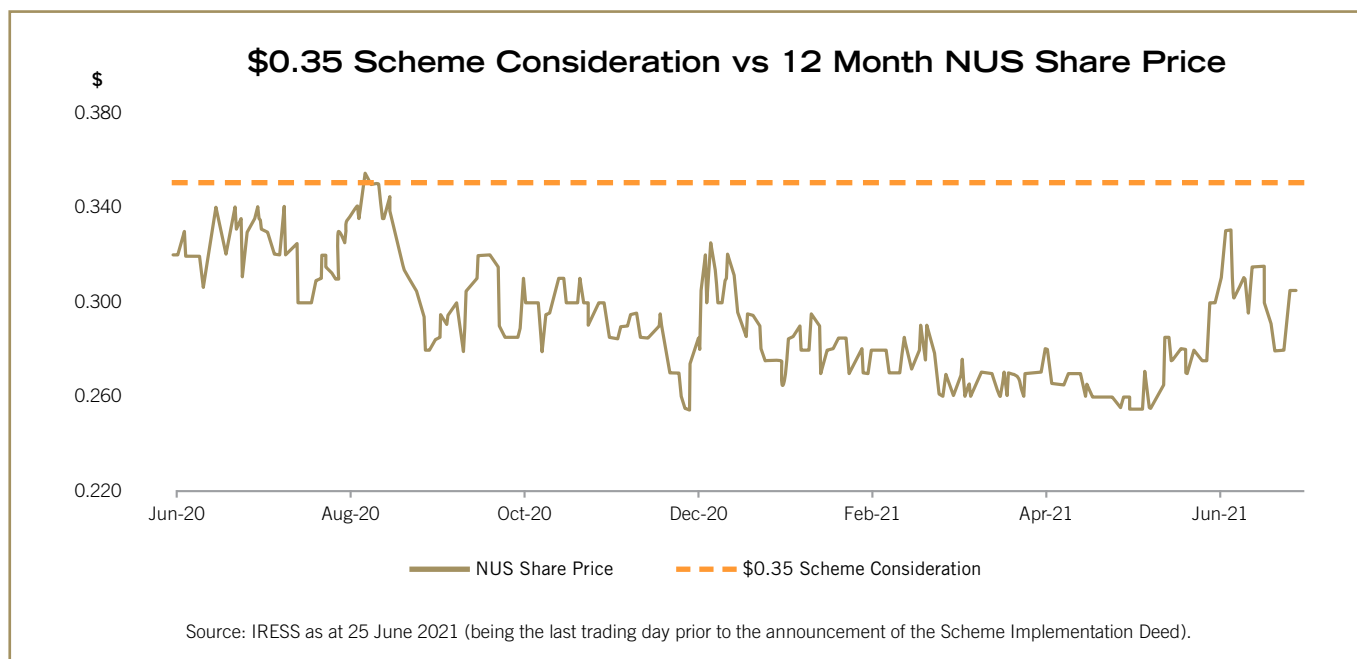
A risk consequence of equity finance considerations is the balance of NUS equity level dilution versus control at either NUS level or Project ownership level. This has an interplay on the extent of control and influence held by the NUS Board in Project level decisions.

Further, the COVID-19 pandemic represents an ongoing risk. It has presented, and continues to present, very significant management and Project level risks with respect to management and Project deliverables including timelines, cost, and communication.

Other additional risks are the potential divergence of strategy and interests between NUS and the Bidder and the Bidder's subsidiary, Petrosea as to the development, contracting and financing of the Project. For further information regarding the risks associated with NUS, refer to Section 7.13.

In consideration of the challenges outlined above, and particularly the funding challenges and resultant dilution, the certainty of the all cash Scheme Consideration provides NUS Shareholders with certainty of value and the opportunity to realise their investment for cash, avoiding the significant risks associated with exposure to gold price, developing a gold mine in Indonesia, successfully constructing and commissioning a new processing facility, keeping within budget and achieving forecast mining rates, grades and plant commissioning. The Scheme provides NUS Shareholders with an opportunity to substantially mitigate these risks.

For further details of the risks relating to remaining a NUS Shareholder, see Section 7.13.



3.2.7. NUS' share price may fall in the near-term if the Scheme is not implemented and in the absence of a Superior Proposal

The Scheme Consideration of \$0.35 per NUS Share payable in cash is significant relative to the trading range of NUS Shares over the 12 months prior to the Scheme Announcement, as depicted in the chart above.

The NUS IBC notes that whilst NUS experienced some price appreciation in the month leading up to the Scheme Announcement, the NUS share price has been in gradual decline since mid 2020 towards approximately \$0.25. Since the Scheme Announcement, there has been significant volatility in the price of listed gold companies. As such, it is difficult to predict how NUS Shares will trade in this volatile environment in the absence of the Scheme.

On the last trading day prior to the Scheme Announcement (25 June 2021), NUS' share price was \$0.305. Since then and as a result of the potential \$0.35 Scheme Consideration in cash, it has increased by 11.5% to \$0.34 per NUS Share on 19 August 2021 (being the last practicable trading day prior to the date of this Scheme Booklet).

The NUS IBC is unable to predict the price at which NUS Shares will trade in the future but if the Scheme is not approved and no Superior Proposal emerges, the NUS share price is likely to fall to trading prices below those observed prior to the Scheme Announcement.

Furthermore, given NUS' potential funding obligations to Masmindoo for the FEED Contract work incurred to date (up to US\$15 million on a 100% basis) and the corporate costs/working

capital required between now and first production of the Project, it is likely that NUS will need to raise significant capital immediately if the Scheme is not implemented, which could place further downward pressure on NUS share prices.

3.2.8. No Superior Proposal has emerged since the announcement of the Scheme

Since the Scheme Announcement on 28 June 2021 and up to the date of this Scheme Booklet, no Superior Proposal has emerged, and the NUS IBC is not aware of any Superior Proposal that is likely to emerge.

The Bidder and its controlled entities currently hold 27.8% of issued NUS Shares. Therefore, any alternate bidder who requires 100% of the Company would require the Bidder to sell such 27.8% shareholding or vote in favour of the alternative bid for it to be successful, which may be unlikely. Such matter, in addition to the Bidder's existing 25% stake in Masmindoo and the contractual arrangements between the Bidder, Petrosea and Masmindoo in relation to the Project (see Sections 7.2 and 7.4.2), makes the emergence of a Superior Proposal unlikely.

3.2.9. The Scheme is subject to limited Conditions

The Scheme is not subject to any financing condition or further due diligence by the Bidder.

The Scheme is subject to limited customary Conditions consistent with other schemes of arrangement, including NUS Shareholder approval, Court approval, there being no Material Adverse Change or Prescribed Occurrence, and the Independent Expert continuing to conclude that the Scheme is in the best interests of NUS Shareholders.

KEY CONSIDERATIONS RELEVANT TO YOUR VOTE

3.2.10. No brokerage will be payable by you for the transfer of your NUS Shares under the Scheme

You will not incur any brokerage on the transfer of your NUS Shares to the Bidder Nominee under the Scheme. It is possible that brokerage may be incurred if you transfer your NUS Shares other than under the Scheme.

3.3. Potential reasons to vote against the Scheme Resolution

3.3.1. You may disagree with the NUS IBC's unanimous recommendation and the conclusion in the Independent Expert's Report, and believe that the Scheme is not in your best interests

Despite the unanimous recommendation of the NUS IBC and the conclusion of the Independent Expert that the Scheme is fair and reasonable and in the best interests of NUS Shareholders in the absence of a Superior Proposal, you may believe that the Scheme is not in the best interests of NUS Shareholders or not in your best interests.

3.3.2. You will no longer be able to directly participate in the future financial performance and possible growth of NUS' business

If the Scheme is implemented, you will receive \$0.35 in cash for each NUS Share that you hold on the Record Date. If you cease to be a NUS Shareholder you will lose the ability to directly participate in any possible upside that may result from maintaining your investment in NUS.

This means that you will not retain any exposure to NUS' assets, participate in the future financial performance and potential growth of NUS and will not retain exposure to the value that may be created by NUS for NUS Shareholders in the future. However, this should be weighed against the potential dilution to NUS Shareholders that would occur from future capital raisings associated with this growth, as well as having exposure to the execution risk associated with progressing the Project, including funding and development of the Project.

3.3.3. You may find it difficult to identify or invest in an alternative business with similar characteristics to NUS

You may prefer to keep your NUS Shares to maintain your investment in a public company with the specific characteristics of NUS in terms of industry, gold exposure, development stage, size, capital structure and potential dividend stream.

Implementation of the Scheme may result in disadvantages to those who wish to maintain their current investment profile. NUS Shareholders who wish to maintain their investment profile may find it difficult to identify an investment with a similar profile to that of NUS and they may incur transaction costs in undertaking any new investment.

In addition, despite the risk factors relevant to NUS' future operations as a standalone entity (including those noted in Section 7.13), the recommendations of the NUS IBC and the Independent Expert, you may consider that NUS may be able to generate greater returns for its assets as a stand-alone entity, or by exploring alternative corporate transactions in the future.

3.3.4. You may consider that there is the potential for a Superior Proposal to emerge in the foreseeable future

You may believe that there is potential for a Superior Proposal to be made in the foreseeable future. This may include a takeover offer or alternative transaction proposal which would deliver a total consideration to NUS Shareholders in excess of the Scheme Consideration.

However, as at the date of this Scheme Booklet, no Superior Proposal has emerged, and the NUS IBC is not aware of any Superior Proposal that is likely to emerge (see Section 3.2.8 above).

3.3.5. The tax implications of the Scheme may not be suitable to your financial circumstances or position

The tax consequences of the Scheme will depend on your personal situation. You may consider that the tax consequences of transferring your NUS Shares to the Bidder Nominee under the Scheme are not attractive to you. The tax treatment as between NUS Shareholders may vary depending on the nature and characteristics of each NUS

KEY CONSIDERATIONS RELEVANT TO YOUR VOTE

Shareholder and their specific circumstances. NUS Shareholders should read the general outline of the tax implications of the Scheme is set out in Section 9 of this Scheme Booklet. However, as such outline is expressed in general terms only, NUS Shareholders should seek professional taxation advice regarding the taxation consequences of the Scheme applicable to their own circumstances.

3.4. Additional considerations relating to the Scheme

You should also take into account the following additional considerations in deciding how to vote on the Scheme Resolution.

3.4.1. The Scheme may be implemented even if you vote against the Scheme Resolution or do not vote at all

You should be aware that if you do not vote, or if you vote against the Scheme Resolution, the Scheme may still be implemented if it is approved by the Requisite Majority of NUS Shareholders and by the Court, and if the Conditions are satisfied or waived (as applicable). If this occurs, your NUS Shares will be transferred to the Bidder Nominee and you will receive the Scheme Consideration even though you voted against, or did not vote on, the Scheme Resolution.

3.4.2. Conditions of the Scheme

The Scheme is subject to the satisfaction (or waiver) of the Conditions which are summarised below and set out in the Scheme Implementation Deed (which is Appendix C to this Scheme Booklet). If the Conditions are not satisfied or waived (as applicable) by the End Date (being 31 December 2021 or such later date as the Bidder and NUS agree in writing), the Scheme will not proceed, and NUS Shareholders will not receive the Scheme Consideration.

As at the date of this Scheme Booklet, the outstanding Conditions which must be satisfied or waived (as applicable) before the Scheme can become Effective are summarised as follows:

- (a) The Independent Expert concludes in the Independent Expert's Report that the Scheme is in the best interests of NUS Shareholders (and does not change or publicly withdraw that conclusion prior to 8:00am on the Second Court Date).

- (b) The Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act.
- (c) NUS Shareholders approve the Scheme at the Scheme Meeting by the Requisite Majority under section 411(4)(a) of the Corporations Act.
- (d) No restraining order, injunction or other order (made by a court of competent jurisdiction or Government Agency in Australia) that would prevent the Scheme from becoming Effective or being implemented is in effect as at 8:00am on the Second Court Date.
- (e) No Prescribed Occurrence occurs before 8:00am on the Second Court Date.
- (f) No Material Adverse Change occurs, is announced or becomes known to the Bidder before 8:00am on the Second Court Date.

The Conditions in paragraphs (a), (b), (c) and (d) above cannot be waived.

As at the date of this Scheme Booklet, the Directors on the NUS IBC are not aware of any reason why the Conditions should not be satisfied.

3.4.3. Exclusivity

The Scheme Implementation Deed includes certain exclusivity arrangements that NUS has agreed to with the Bidder which are customary in schemes of arrangement. These are summarised below.

- (a) **'No-shop' obligation:** NUS must not solicit, initiate or invite discussions about, or which may reasonably be expected to lead to, an expression of interest, offer or proposal from any person in relation to an actual, proposed or potential Competing Proposal;
- (b) **'No-talk' obligation:** NUS must not participate in or continue any discussions or negotiations in relation to, or which may reasonably be expected to lead to, an actual, proposed or potential Competing Proposal; and
- (c) **'No-due diligence' obligation:** NUS must not make available non-public information regarding NUS Group (including due diligence information) to any person other than the Bidder or person nominated by the Bidder in relation to a Competing Proposal.

KEY CONSIDERATIONS RELEVANT TO YOUR VOTE

The 'no-talk' and 'no due diligence' obligations do not apply to a bona-fide Competing Proposal that the NUS IBC determines after consulting with its financial and legal advisers is, or could reasonably be expected to become, a Superior Proposal, where failing to respond to the Competing Proposal may constitute a breach of the NUS IBC's fiduciary or statutory duties.

In addition, NUS is required to notify the Bidder of any written Competing Proposals that NUS receives and also provide the Bidder with a matching right if a Superior Proposal is received by NUS. As at the date of this Scheme Booklet, no such Competing Proposal has been received.

3.4.4. Termination rights

The Scheme Implementation Deed may be terminated, before 8:00am on the Second Court Date, in certain circumstances. These are summarised below.

- **By the Bidder:** if any NUS IBC member publicly withdraws or changes his recommendation that NUS Shareholders vote in favour of the Scheme Resolution or voting intention, or publicly recommends or endorses a Competing Proposal.
- **By NUS:** if any NUS IBC member withdraws or changes his recommendation in circumstances where NUS receives a Superior Proposal and NUS has complied with the exclusivity arrangements that are summarised in Section 3.4.3, or the Independent Expert concludes that the Scheme is not or is no longer in the best interests of NUS Shareholders.
- **By NUS or the Bidder:** if the other party materially breaches the Scheme Implementation Deed and the breach is not remedied within 10 Business Days of written notice being provided by the terminating party to the breaching party, or a Condition has not been satisfied or waived (as applicable) and NUS and the Bidder are unable to agree on a course of action within 5 Business Days or by the End Date.

If the Scheme Implementation Deed is terminated, the Scheme will not proceed.

3.4.5. Break Fee (payable by NUS)

NUS must pay the Break Fee to the Bidder in certain circumstances. These are summarised below.

- **Recommendation of NUS IBC:** before the Second Court Date, a Director on the NUS IBC fails to, publicly changes or withdraws his recommendation that NUS Shareholders vote in favour of the Scheme Resolution or publicly recommends a Competing Proposal (except where the Independent Expert concludes that the Scheme is not or is no longer in the best interests of NUS Shareholders or there is any matter giving NUS the right to terminate the Scheme Implementation Deed).
- **Prescribed Occurrence:** a Prescribed Occurrence occurs (due to a matter, event or circumstance within the control of NUS) and is not waived and the Scheme does not complete.
- **Material breach by NUS:** the Bidder terminates the Scheme Implementation Deed due to a material breach of the Scheme Implementation Deed by NUS and such breach is not remedied within 10 Business Days.
- **Third Party acquisition:** a Competing Proposal is publicly announced by a Third Party before the Second Court Date and the Third Party making the Competing Proposal acquires all or a majority of NUS Shares or Control of NUS within 12 months from the announcement.

The Break Fee is the Bidder's sole and exclusive remedy against NUS for breach of the Scheme Implementation Deed.

3.4.6. Reverse Break Fee (payable by the Bidder)

The Bidder must pay the Reverse Break Fee to NUS if NUS terminates the Scheme Implementation Deed because of a material breach of the Scheme Implementation Deed by the Bidder, where NUS has given written notice to the Bidder setting out the relevant circumstances and stating an intention to terminate, and such breach has not been remedied to the reasonable satisfaction of NUS within 10 Business Days.

The Reverse Break Fee will be NUS' sole and exclusive remedy against the Bidder for breach of the Scheme Implementation Deed, except where the Scheme becomes Effective and the Bidder does not pay the Aggregate Scheme Consideration.

4

FREQUENTLY ASKED QUESTIONS

Question	Answer
Background information	
Why have I received this Scheme Booklet?	This Scheme Booklet has been sent to you because you are a NUS Shareholder and you are being asked to vote on the Scheme Resolution. This Scheme Booklet is intended to help you to consider and decide on how to vote on the Scheme Resolution at the Scheme Meeting. If you have sold all of your NUS Shares, please disregard this Scheme Booklet.
What is the proposed transaction?	The proposed transaction is a proposal from the Bidder to acquire all the NUS Shares not already held by it by way of a company scheme of arrangement (Scheme).
What needs to occur in order for the Scheme to go ahead?	In order for the Scheme to go ahead, the Requisite Majority of NUS Shareholders (being a majority in number (i.e. 50%) of the NUS Shareholders that vote on the Scheme Resolution in person (online or by proxy), and that represent at least 75% of the total votes cast) need to vote in favour of the Scheme Resolution at the Scheme Meeting and the Court needs to approve the Scheme at the Second Court Hearing.
Do the Directors on the NUS IBC recommend the Scheme?	<p>The NUS IBC unanimously recommends that NUS Shareholders vote in favour of the Scheme Resolution subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of the NUS Shareholders, and in the absence of a Superior Proposal. The reasons for this recommendation, and other matters that you may wish to take into consideration, are set out in the 'Reasons to vote in favour of the Scheme Resolution' in Section 3.2 of this Scheme Booklet.</p> <p>The NUS IBC recommends that, before voting on the Scheme Resolution, all NUS Shareholders:</p> <ul style="list-style-type: none"> • carefully read the contents of this Scheme Booklet (including the Independent Expert's report); • obtain advice from appropriate legal, financial and tax professionals with regards to how the Scheme might impact them; and • consider their own preferences, personal and financial circumstances.
What are the intentions of the Directors?	Each Director intends to vote all the NUS Shares in which he has a Relevant Interest in favour of the Scheme Resolution subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of NUS Shareholders and in the absence of a Superior Proposal as this will increase the likelihood of the Scheme going ahead. Details of each NUS Director's holding of NUS Shares is set out in Section 7.15.
What are the reasons to vote in favour of the Scheme Resolution?	The reasons to vote in favour of the Scheme Resolution are set out in the 'Reasons to vote in favour of the Scheme Resolution' Section on page 11 of this Scheme Booklet.
What is the conclusion of the Independent Expert?	The Independent Expert has concluded that the Scheme is fair and reasonable. Accordingly, the Scheme is in the best interests of NUS Shareholders in the absence of a Superior Proposal.
What if the Independent Expert changes its opinion?	If the Independent Expert changes its opinion, this will be announced to ASX and the NUS IBC will carefully consider the Independent Expert's revised opinion and advise you of its recommendation. If the Independent Expert concludes that the Scheme is not in the best interests of NUS Shareholders, the NUS IBC may withdraw or change its recommendation and may terminate the Scheme Implementation Deed without paying the Break Fee of \$800,000 to the Bidder.
What are the prospects of receiving a Superior Proposal?	Since the initial announcement of the Scheme on 28 June 2021 and up to the date of this Scheme Booklet, no Superior Proposal has emerged, and the NUS IBC is not aware of any Superior Proposal that is likely to emerge.

FREQUENTLY ASKED QUESTIONS

Question	Answer
Scheme consideration	
What is the Scheme Consideration to each NUS Shareholder?	<p>The Scheme Consideration is the amount that Scheme Shareholders will receive if the Scheme is implemented. The amount of Scheme Consideration that each Scheme Shareholder will receive will be \$0.35 cash per NUS Share held at the Record Date.</p> <p>As noted in Section 3.4.2 of this Scheme Booklet, eligible NUS Shareholders will not receive the Scheme Consideration if the Scheme does not go ahead.</p>
What is the premium of the Scheme Consideration to NUS' Share price?	<p>The Scheme Consideration of \$0.35 cash per NUS Share represents:</p> <ul style="list-style-type: none"> • 14.8% to the close of trading of NUS Shares on Friday, 25 June 2021 of \$0.305 per NUS Share (being the last trading day prior to the Scheme Announcement); • 18.7% to the VWAP of NUS Shares in the 5 NUS trading days before Monday, 28 June 2021, being the date of the Scheme Announcement; • 21.0% to the VWAP of NUS Shares in the 30 NUS trading days before Monday, 28 June 2021; and • 26.2% to the VWAP of NUS Shares in the 90 NUS trading days before Monday, 28 June 2021.
Who is entitled to participate in the Scheme?	<p>If the Scheme is implemented, persons who hold NUS Shares on the Record Date (other than the Bidder and the Bidder Nominee) will participate in the Scheme and those persons will receive the Scheme Consideration in respect of each NUS Share that they hold on the Record Date.</p>
If I am entitled to participate in the Scheme, when will I receive the Scheme Consideration?	<p>If the Scheme becomes Effective, NUS Shareholders on the Share Register on the Record Date will be paid the Scheme Consideration on the Implementation Date.</p>
What are the tax implications of the Scheme?	<p>The tax implications of the Scheme will depend on each NUS Shareholder's personal circumstances.</p> <p>General information about the potential Australian tax consequences of the Scheme is set out in Section 9 of this Scheme Booklet. However, as that information is general in nature and as each NUS Shareholders' circumstances will vary, each NUS Shareholder should obtain professional tax advice on the Australian tax implications and, if applicable, the foreign tax implications of participating in the Scheme that are relevant to their particular circumstances.</p>
Will brokerage be payable if the Scheme is implemented?	<p>Brokerage will not be payable if the Scheme goes ahead, and NUS Shares are acquired by the Bidder Nominee.</p>
Can I sell my NUS Shares now?	<p>You can sell your NUS Shares on-market at any time before the close of trading on ASX on the Effective Date. However, if you do so you will receive the prevailing on-market price set at the time of sale which may not be the same price as the Scheme Consideration. NUS intends to apply to ASX for NUS Shares to be suspended from official quotation on ASX from close of trading on the Effective Date. Accordingly, you will not be able to sell your NUS Shares on-market after that time.</p>

FREQUENTLY ASKED QUESTIONS

Question	Answer
Scheme meeting and voting considerations	
When and where will the Scheme Meeting be held?	<p>Location: via Lumi at https://web.lumiagm.com/328764135 Date: 22 September 2021 Time: 12:00pm (AEST)</p> <p>NUS Shareholders, authorised proxies, attorneys and corporate representatives will be able to participate in the Scheme Meeting via Lumi at https://web.lumiagm.com/328764135. The online platform enables participants to watch the Scheme Meeting, ask questions, and cast an online vote in real time. It is recommended that you login to the online platform at least 15 minutes prior to the scheduled start time for the Scheme Meeting. Please monitor NUS' website and ASX announcements where updates will be provided if it becomes necessary or appropriate to make alternative arrangements for the holding or conduct of the Scheme Meeting.</p> <p>Please see the Notice of Scheme Meeting set out at Appendix A to this Scheme Booklet and the Scheme Meeting Online Guide (which has been released to the ASX and is available at https://nusantararesources.com) for further details relating to the conduct of the Scheme Meeting.</p>
What is the purpose of the Scheme Meeting?	To provide NUS Shareholders an opportunity to consider the Scheme and an opportunity to vote on the Scheme Resolution in respect of the Scheme.
What are NUS Shareholders being asked to vote on at the Scheme Meeting?	At the Scheme Meeting, NUS Shareholders will be asked to vote on the Scheme Resolution, which is as follows to approve the transfer of the NUS Shares to the Bidder Nominee.
Am I entitled to vote at the Scheme Meeting?	If you are registered as a NUS Shareholder on the Share Register at 7:00pm (AEST) on 20 September 2021 which is two days before the Scheme Meeting, you will be entitled to vote at the Scheme Meeting.
Can I still vote if I can't attend the Scheme Meeting in person?	If you are unable to attend the Scheme Meeting in person (by attending the Scheme Meeting online and voting via the online platform), you can still vote on the Scheme Resolution by appointing a proxy, attorney or corporate representative (if applicable) to attend and vote at the Scheme Meeting on your behalf. See Section 5 of this Scheme Booklet for further details.
What choices do I have as a NUS Shareholder?	<p>As a NUS Shareholder, you have the following choices in relation to the Scheme:</p> <ul style="list-style-type: none"> • vote in favour of the Scheme Resolution at the Scheme Meeting; • vote against the Scheme Resolution at the Scheme Meeting; • sell your NUS Shares on ASX; or • do nothing. <p>For more information on your choices as a NUS Shareholder, please see Section 6.4.</p>

FREQUENTLY ASKED QUESTIONS

Question	Answer
Scheme meeting and voting considerations	
<p>What is the 'requisite majority' threshold for the Scheme?</p>	<p>In order for the Scheme Resolution to be approved:</p> <ul style="list-style-type: none"> • A majority in number (i.e. more than 50%) of NUS Shareholders must be present and voting (whether in person, or by proxy, attorney or corporate representative) on the Scheme Resolution; and • At least 75% (in number) of the NUS Shareholders present and voting must in favour of the Scheme Resolution. <p>As at the date of this Scheme Booklet, the Bidder together with the Bidder Nominee hold 27.8% of issued NUS Shares. The Bidder and the Bidder Nominee are not able to vote those NUS Shares at the Scheme Meeting.</p>
<p>Is voting compulsory?</p>	<p>Voting is not compulsory. However, the Scheme will only be successful if approved by the Requisite Majority of NUS Shareholders, so voting is important and NUS Directors encourage you to vote.</p>
<p>What happens if I do not vote or I do not vote in favour of the Scheme Resolution?</p>	<p>You will be bound by the result of the voting whether or not you voted on the Scheme Resolution or whether or not you voted in favour of it.</p>
<p>When will I know the voting result? (i.e. when will I know whether the Scheme Resolution was passed at the Scheme Meeting?)</p>	<p>The result of the Scheme Meeting will be available shortly after the conclusion of the Scheme Meeting and will be announced to ASX once available. Announcements released on ASX are accessible online at www.asx.com.au.</p>

FREQUENTLY ASKED QUESTIONS

Question	Answer
Other steps after the Scheme Meeting	
What happens after the Scheme Meeting?	If the Scheme is approved by NUS Shareholders at the Scheme Meeting, Court approval of the Scheme will then need to be obtained. If the Scheme is not approved at the Scheme Meeting, they will not be implemented.
Are there any Conditions that must be satisfied or waived in order for the Scheme to be implemented?	Yes. The Conditions which remain outstanding as at the date of this Scheme Booklet are summarised in Section 3.4.2. As at the date of this Scheme Booklet, the Directors on the NUS IBC are not aware of any reason why those Conditions should not be satisfied.
What happens if these Conditions are not satisfied, or the Scheme Implementation Deed is terminated?	<p>If the Conditions are not satisfied or waived (as applicable) or the Scheme Implementation Deed is terminated, then the Scheme will not be implemented and, as set out in Section 7.11.1:</p> <ul style="list-style-type: none"> (a) you will retain your NUS Shares and they will not be acquired by the Bidder Nominee; (b) you will not receive the Scheme Consideration; (c) NUS will continue to operate as a standalone entity listed on ASX; and (d) if no Superior Proposal is received by the NUS Board, then the NUS Share price may fall. <p>The risks associated with NUS if the Scheme is not implemented are summarised in Section 7.13.</p>
What happens if the Scheme is implemented?	<p>If the Scheme becomes Effective and you remain a NUS Shareholder as at the Record Date, all of your NUS Shares will be transferred to the Bidder Nominee under the Scheme.</p> <p>If the Scheme becomes Effective, on the Implementation Date, NUS Shareholders will be paid the Scheme Consideration of \$0.35 per NUS Share.</p> <p>NUS will pay the Scheme Consideration either to your nominated bank account (if you have provided the Registry with your bank account details for distribution payments by NUS) or by sending a cheque for the Scheme Consideration that you are entitled to receive to your address shown in the Share Register as at the Record Date.</p> <p>If you wish to notify the Registry of your nominated bank account, you can update your account online at www.computershare.com.au/easyupdate/nus or you can contact the Registry on 1300 850 505 (within Australia) or +61 8 9415 4000 (outside Australia) Monday to Friday (excluding public holidays) between 8:30am and 5:00pm (AEST) before the Record Date.</p>
Can the Scheme be terminated?	The Scheme Implementation Deed may be terminated in certain circumstances, details of which are summarised in Section 3.4.4. If the Scheme Implementation Deed is terminated, the Scheme will not be implemented.

FREQUENTLY ASKED QUESTIONS

Question	Answer
Key parties involved in the Scheme	
Who are the Bidder and the Bidder Nominee?	<p>The Bidder, PT Indika Energy Tbk, is one of Indonesia's leading integrated and diversified energy companies with a range of businesses spanning from energy resources, energy services, infrastructure and diversified portfolios. The Bidder was established in 2000 and listed in the Indonesian Stock Exchange (IDX) in 2008, with ticker code of INDY.</p> <p>The Bidder Nominee, PT Indika Mineral Investindo, is a wholly-owned subsidiary of the Bidder which was established in 2018 as an investment company and holds the Bidder's NUS Shares.</p> <p>Please refer to Section 8 for further information in relation to the Bidder and the Bidder Nominee.</p>
Does the Bidder hold any NUS Shares?	<p>Yes. As at the date of this Scheme Booklet, the Bidder together with the Bidder Nominee hold 27.8% of issued NUS Shares. These NUS Shares will not be acquired by the Bidder or Bidder Nominee under the Scheme, and the Bidder and the Bidder Nominee are not able to vote these NUS Shares at the Scheme Meeting.</p>
What are the Bidder's intentions if the Scheme is implemented?	<p>If the Scheme is implemented, the Bidder's current intention is to continue the current strategic direction of NUS, including funding and developing the Project into production.</p>
How is the Bidder funding the Scheme Consideration?	<p>The maximum amount of cash payable by the Bidder in connection with the Scheme is approximately A\$58.8 million. The necessary funds will be sourced from the Bidder's current cash reserves. For more information about the Bidder's funding arrangements, please refer to Section 8.5.</p>
Other	
What can I do if I oppose the Scheme?	<p>If you, as a NUS Shareholder, are opposed to the Scheme, you have the option to:</p> <ul style="list-style-type: none"> • call the NUS Shareholder Information Line on 1300 148 439 (within Australia) or +61 3 9415 4314 (outside Australia) Monday to Friday (excluding public holidays) between 8:30am and 5:00pm (AEST) and obtain further information; • attend the Scheme Meeting either in person or by proxy (or by corporate representative, if applicable) and vote against the Scheme Resolution; and / or • if NUS Shareholders pass the Scheme Resolution at the Scheme Meeting, you may wish to appear and be heard at the Second Court Hearing to oppose the approval of the Scheme at that hearing (please see the 'Important notices' Section of this Scheme Booklet for further details under the heading 'Notice of Second Court Hearing' on page 3 of this Scheme Booklet).
Where can I obtain further information?	<p>If you have any questions about the Scheme or you would like additional copies of this Scheme Booklet, please contact the NUS Shareholder Information Line on 1300 148 439 (within Australia) or +61 3 9415 4314 (outside Australia) Monday to Friday (excluding public holidays) between 8:30am and 5:00pm (AEST).</p> <p>For information about your individual financial or tax circumstances please consult your financial, legal, tax or other professional adviser.</p>

5.1. Who is entitled to vote at the Scheme Meeting?

If you are registered on the Share Register as a NUS Shareholder at 7:00pm (AEST) on 20 September 2021, then you will be entitled to attend and vote at the Scheme Meeting. Voting is not compulsory.

5.2. Joint holders

In the case of NUS Shares held by joint holders, only one of the joint holders is entitled to vote. If more than one NUS Shareholder votes in respect of jointly held NUS Shares, only the vote of the NUS Shareholder whose name appears first in the Share Register will be counted.

5.3. Your vote is important

In order for the Scheme to be implemented, the Scheme Resolution must be approved by NUS Shareholders by the Requisite Majority at the Scheme Meeting. For this reason, the NUS IBC unanimously recommends that you vote in favour of the Scheme Resolution subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of NUS Shareholders and in the absence of a Superior Proposal.

If you are unable to attend the Scheme Meeting, the NUS Directors urge you to complete and return, in the enclosed reply-paid envelope, the personalised proxy form that accompanies this Scheme Booklet or lodge your proxy form online at www.investorvote.com.au in accordance with the instructions given there.

5.4. Location and details of Scheme Meeting

The Scheme Meeting will be held as a virtual meeting. The details of the Scheme Meeting are as follows:

Location: via Lumi at
<https://web.lumiagm.com/328764135>
Date: 22 September 2021
Time: 12:00pm (AEST)

Please see the Notice of Scheme Meeting set out in Appendix A to this Scheme Booklet for further details relating to the conduct of the Scheme Meeting.

5.5. Notice of Scheme Meeting

The Notice of Scheme Meeting is set out at Appendix A to this Scheme Booklet.

5.6. Voting in person, by attorney or corporate representative

If you wish to vote in person, you must attend the virtual Scheme Meeting and vote via Lumi at <https://web.lumiagm.com/328764135> and submit your vote during the meeting. If you attend the Scheme Meeting via Lumi, you will also be able to ask questions during the meeting.

If you cannot attend the Scheme Meeting, you may vote by proxy (see Section 5.7).

You may appoint an attorney to attend and vote at the Scheme Meeting on your behalf. Powers of attorney must be received by the Registry by no later than 7:00pm (AEST) on 20 September 2021. A body corporate that is a NUS Shareholder may appoint an individual to act as its corporate representative. The appointment must be in accordance with section 250D of the Corporations Act.

Please see the Notice of Scheme Meeting set out at Appendix A to this Scheme Booklet for further details relating to the conduct of the Scheme Meeting.

HOW TO VOTE

5.7. Voting by proxy

If you wish to appoint a proxy to attend and vote at the Scheme Meeting on your behalf, please complete and sign the personalised proxy form accompanying this Scheme Booklet in accordance with the instructions set out on the proxy form or lodge your proxy form online at www.investorvote.com.au in accordance with the instructions given there. You may complete the proxy form in favour of the Chairman of the Scheme Meeting or appoint up to two proxies to attend and vote on your behalf at the Scheme Meeting.

TO BE VALID, PROXY FORMS FOR THE SCHEME MEETING MUST BE RECEIVED BY THE REGISTRY BY NO LATER THAN 7:00PM (AEST) ON 20 SEPTEMBER 2021.

Proxy forms, duly completed in accordance with the instructions set out on the proxy form, may be returned to the Registry in one of the following ways:

- online at www.investorvote.com.au (to use the online voting facility, NUS Shareholders will need their Shareholder reference number (SRN) or holder identification number (HIN) and control number as shown on the front of the proxy form);
- by post in the reply-paid envelope provided to:
Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia; or
- by fax to the Registry on 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia).

6.1. Background

On 28 June 2021, NUS announced that it had signed the Scheme Implementation Deed with the Bidder. Pursuant to the Scheme Implementation Deed, the Bidder Nominee will acquire all NUS Shares on issue by way of the Scheme.

If the Scheme is approved by NUS Shareholders at the Scheme Meeting and by the Court, and if all other necessary approvals and Conditions for the Scheme are satisfied or waived (as applicable), NUS will become a wholly-owned subsidiary of the Bidder and will be delisted from ASX.

If the Scheme is not approved, the Scheme will not be implemented, and NUS will continue as a stand-alone entity listed on ASX. NUS Shareholders should review Section 7.13 in relation to the risks associated with NUS if the Scheme is not implemented.

6.2. What is the Scheme?

A scheme of arrangement is a statutory procedure that is commonly used to enable one entity to acquire another entity. The Scheme is a scheme of arrangement between NUS and the Scheme Shareholders under which the Bidder Nominee would acquire all of the NUS Shares in exchange for the Scheme Consideration.

The Scheme must be approved by the Requisite Majority of NUS Shareholders, being a majority in number of NUS Shareholders that vote on the Scheme Resolution (in person or by proxy) and that represent at least 75% of the total votes cast on the Scheme Resolution. The Scheme must also be approved by the Court at the Second Court Hearing.

The Scheme will become binding on NUS and NUS Shareholders only if the Conditions to the Scheme, set out in Section 3.4.2, are satisfied or waived (as applicable).

6.3. NUS IBC's unanimous recommendation

6.3.1. NUS IBC recommendation

The NUS IBC (comprising all NUS Directors other than Richard Ness and Kamen Palatov) has been established to consider the Scheme. For the reasons detailed in Section 6.3.2 below, Richard Ness and Kamen Palatov do not make a recommendation in relation to the Scheme.

The Directors on the NUS IBC have considered the advantages and disadvantages of the Scheme, and unanimously recommend that NUS Shareholders vote in favour of the Scheme Resolution, subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of NUS Shareholders, and in the absence of a Superior Proposal.

The Directors on the NUS IBC may withdraw or change their recommendation in circumstances where NUS receives a Superior Proposal and NUS has complied with the exclusivity arrangements that are summarised in Section 3.4.3, or in circumstances where the Independent Expert no longer concludes that the Scheme is in the best interests of NUS Shareholders.

In making this recommendation, the NUS IBC has considered the advantages and disadvantages of the Scheme, including the information set out in:

- Section 3 (Key considerations relevant to your vote);
- Section 6.8 (If the Scheme does not become Effective);
- Section 7.11 (Risks associated with NUS if the Scheme is not implemented); and
- Appendix B (Independent Expert's Report).

In considering whether to vote in favour of the Scheme Resolution, the NUS IBC members encourage you to:

- carefully read this Scheme Booklet (including the Independent Expert's Report);
- consider the choices available to you as outlined in Section 6.3;
- have regard to your individual risk profile, portfolio strategy, tax position and financial circumstances; and
- obtain financial advice from your broker or financial adviser on the Scheme and obtain tax advice on the implications of the Scheme becoming Effective.

The interests of each NUS IBC member are disclosed in Sections 7.15 and 7.16.

OVERVIEW OF THE SCHEME

6.3.2. No recommendation from Richard Ness and Kamen Palatov

The following NUS Directors, Richard Ness and Kamen Palatov, do not make a recommendation in relation to the Scheme due to their association with the Bidder. Richard Ness is the Vice President Commissioner of the Bidder, President Commissioner of Petrosea, and holds shares in the Bidder. Kamen Palatov is a Director of the Bidder and a Commissioner of Petrosea, which is a subsidiary of the Bidder.

Accordingly, having regard to their association with the Bidder and the potential for conflict, each of Richard Ness and Kamen Palatov do not consider it appropriate to make a voting recommendation in relation to the Scheme.

6.4. Your choices as a NUS Shareholder

As a NUS Shareholder, you have the following four options in relation to your NUS Shares:

6.4.1. Vote in favour of the Scheme Resolution at the Scheme Meeting

The NUS IBC unanimously recommends that, subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Shareholders, and in the absence of a Superior Proposal, you vote in favour of the Scheme Resolution. The reasons for the NUS IBC's unanimous recommendation are set out in the 'Reasons to vote in favour of the Scheme Resolution' Section on page 11.

Also, the Independent Expert has concluded that the Scheme is in the best interests of NUS Shareholders in the absence of a Superior Proposal.

6.4.2. Vote against the Scheme Resolution at the Scheme Meeting

If, despite the NUS IBC's unanimous recommendation and the conclusion of the Independent Expert, you do not support the Scheme, you may vote against the Scheme Resolution.

However, if the Scheme Resolution is approved by the Requisite Majority at the Scheme Meeting and the Scheme is implemented, your NUS Shares will be transferred to the Bidder Nominee and you will receive the Scheme Consideration for each NUS Share that you hold on the Record Date, whether or not you voted in favour of the Scheme Resolution.

6.4.3. Sell your NUS Shares on ASX

You can sell your NUS Shares on ASX at any time before the cessation of trading of NUS Shares on ASX. If you sell your NUS Shares on ASX, you may incur brokerage or other costs. If the Scheme becomes Effective, trading in NUS Shares on ASX is expected to cease at the close of trading on ASX on the day on which the Scheme becomes Effective.

6.4.4. Do nothing

If, despite the NUS IBC's unanimous recommendation and the conclusion of the Independent Expert, you decide to do nothing, you should note that if all of the Conditions to the Scheme are satisfied or waived (as applicable), including receipt of the approval of the Requisite Majority, the Scheme will bind all NUS Shareholders, including those who voted against the Scheme Resolution or those who do not vote at all.

Your vote is important. If the Scheme Resolution is not approved by the Requisite Majority of NUS Shareholders, you will not be entitled to receive any of the Scheme Consideration.

6.5. If the Scheme becomes Effective

If the Scheme becomes Effective and you remain a NUS Shareholder as at the Record Date, each of your NUS Shares will be acquired by the Bidder Nominee on the Implementation Date, even if you do not vote on the Scheme Resolution or if you vote against the Scheme Resolution at the Scheme Meeting.

6.6. Scheme Consideration

If the Scheme becomes Effective, Scheme Shareholders will receive the Scheme Consideration of \$0.35 in cash per NUS Share under the Scheme.

6.6.1. Funding of Scheme Consideration

A summary of how the Bidder intends to fund the Aggregate Scheme Consideration is set out in Section 8.5.

6.6.2. Eligibility to receive the Scheme Consideration

It is important to note that you will only receive the Scheme Consideration if you are a Scheme Shareholder. You will be a Scheme Shareholder if you hold NUS Shares at the Record Date (which is 7:00pm (AEST) on the third Business Day after the Effective Date, or such other time and date as the Bidder and NUS agree in writing).

OVERVIEW OF THE SCHEME

6.6.3. Mechanisms for payment of Scheme Consideration

NUS will on the Implementation Date pay the Scheme Consideration by either:

- (a) making a payment to your nominated bank account detailed in the Share Register as at the Record Date; or
- (b) sending a cheque for the Scheme Consideration that you are entitled to receive under the Scheme to your address shown in the Share Register as at the Record Date.

The Scheme Consideration will be paid by NUS in the same way that you have elected to receive distributions from NUS.

If you wish to notify the Registry of your nominated bank account, you can update your account online at www.computershare.com.au/easyupdate/nus or you can contact the Registry on 1800 850 505 (within Australia) or +61 8 9415 4000 (outside Australia) Monday to Friday (excluding public holidays) between 8:30am and 5:00pm (AEST) before the Record Date.

If a Scheme Shareholder has not nominated a bank account and their whereabouts are unknown as at the Record Date, the Scheme Consideration will be paid into a separate bank account and held by NUS until claimed or applied under laws dealing with unclaimed money. If you wish to confirm your current address details with the Registry, you may do so using the contact details above.

6.7. Key steps in the Scheme

6.7.1. Preliminary steps

NUS and the Bidder entered into the Scheme Implementation Deed on 27 June 2021, under which NUS agreed to, amongst other things, propose the Scheme. The Bidder has exercised its right under the Scheme Implementation Deed to nominate a wholly-owned subsidiary to pay the Scheme Consideration and acquire the NUS Shares under the Scheme, and following its nomination, the Bidder Nominee has executed a deed poll of accession dated 2 August 2021 acceding to the terms of the Scheme Implementation Deed.

The Bidder and the Bidder Nominee have executed the Deed Poll, under which the Bidder

and/or the Bidder Nominee agree to, subject to the Scheme becoming Effective, provide the Scheme Consideration to which each Scheme Shareholder is entitled under the terms of the Scheme.

A copy of the proposed Scheme is set out in Appendix D to this Scheme Booklet. A copy of the Deed Poll is set out in Appendix E to this Scheme Booklet.

6.7.2. Scheme Meeting

In accordance with an order of the Court made on 20 August 2021 following the First Court Hearing, a virtual meeting of NUS Shareholders will be held at 12:00pm (AEST) on 22 September 2021 via Lumi at <https://web.lumiagm.com/328764135> for the purposes of approving the Scheme Resolution. NUS Shareholders, authorised proxies, attorneys and corporate representatives will be able to watch, ask questions and vote through this online platform.

The Notice of Scheme Meeting, which sets out the Scheme Resolution, is provided in Appendix A to this Scheme Booklet.

Each NUS Shareholder who is registered on the Share Register at 7:00pm (AEST) on 20 September 2021 is entitled to attend and vote at the Scheme Meeting. Instructions on how to attend and vote at the Scheme Meeting in person (by attending the Scheme Meeting online and voting via the online platform), or to appoint a proxy to attend and vote on your behalf, are set out in Section 5 of this Scheme Booklet.

6.7.3. Scheme Resolution at the Scheme Meeting

At the Scheme Meeting, the Scheme Resolution will be considered and voted upon by eligible NUS Shareholders.

6.7.4. Scheme Resolution approval requirements

At the Scheme Meeting, the Scheme Resolution must be approved by the Requisite Majority, being:

- a majority in number (i.e. at least 50%) of NUS Shareholders being present and voting (whether in person, or by proxy, attorney or corporate representative) on the Scheme Resolution; and
- at least 75% of the total number of votes cast on the Scheme Resolution.

OVERVIEW OF THE SCHEME

6.7.5. Second Court Hearing

After the Scheme Meeting, NUS will apply to the Court for orders approving the Scheme, if:

- (a) the Scheme Resolution is approved by the Requisite Majority of NUS Shareholders; and
- (b) all Conditions (other than the Condition relating to Court approval) have been or can be satisfied or waived (as applicable).

The Second Court Hearing is expected to take place at 2:30pm (AWST) on 24 September 2021. Any NUS Shareholder has a right to appear at the Second Court Hearing.

6.7.6. Effective Date

If, at the Second Court Hearing, the Court makes an order approving the Scheme under section 411(4)(b) of the Corporations Act, NUS will lodge with ASIC an office copy of the Court orders approving the Scheme under section 411(10) of the Corporations Act. It is anticipated that the Court orders will be lodged with ASIC the day of the Second Court Hearing. Once such Court orders are lodged with ASIC, the Scheme will become 'Effective'. This means that the Scheme will be binding on NUS and each NUS Shareholder. The Bidder and the Bidder Nominee will be bound to pay the Aggregate Scheme Consideration in accordance with the Deed Poll.

On the Effective Date, NUS will notify ASX that the Scheme has become Effective. NUS will then lodge with ASX a copy of the Court orders approving the Scheme. Trading in NUS Shares on ASX will be suspended from close of trading on the Effective Date. The Effective Date is expected to be 24 September 2021.

Once the Scheme becomes Effective:

- (a) the Bidder and the Bidder Nominee will be bound to pay the Aggregate Scheme Consideration on the Implementation Date;
- (b) each Scheme Shareholder, without the need for any further action, irrevocably appoints NUS as its attorney and agent for the purposes of enforcing the Deed Poll against the Bidder and the Bidder Nominee (see Section 6.7.11 for more information); and

- (c) subject to payment of the Aggregate Scheme Consideration by the Bidder and/or the Bidder Nominee as referred to in Section 6.7.11 below, NUS will become bound to take the steps required for the Bidder Nominee to become the holder of all NUS Shares.

6.7.7. Record Date

Those NUS Shareholders on the Share Register on the Record Date, being 7:00pm (AEST) on 29 September 2021 (the third Business Day after the Effective Date), will be entitled to receive the Scheme Consideration in respect of the NUS Shares that they hold on that date. Further information on the payment of the Scheme Consideration is provided in Section 6.7.11 below.

6.7.8. Dealings in NUS Shares on, or prior to, the Record Date

To determine who is a Scheme Shareholder (i.e. a NUS Shareholder on the Record Date), dealings in NUS Shares will only be recognised if:

- (a) in the case of dealings of the type to be effected by CHESS, the transferee is registered in the Share Register as a holder of the relevant NUS Shares at or before the Record Date; and
- (b) in all other cases, registrable transfer or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received at or before the Record Date at the place where the Share Register is kept (in which case, NUS must register such transfers or transmission applications at or before the Record Date).

For the purposes of determining entitlements under the Scheme, NUS will not accept for registration or recognise any transfer or transmission applications regarding NUS Shares that are not in a registrable form or are received after the Record Date.

OVERVIEW OF THE SCHEME

6.7.9. Dealings in NUS Shares after the Record Date

For the purposes of determining entitlements to Scheme Consideration, NUS will maintain the Share Register in accordance with the terms of the Scheme until:

- (a) the Scheme Consideration has been paid to Scheme Shareholders; and
- (b) the name and address of the Bidder Nominee has been entered in the Share Register as the holder of all the NUS Shares.

The Share Register in this form will solely determine entitlements to the Scheme Consideration. After the Record Date:

- (a) all statements of holding for Scheme Shares will cease to have any effect as documents relating to title in respect of such NUS Shares; and
- (b) each entry in the Share Register will cease to have effect, other than as evidence of entitlement to the Scheme Consideration in respect of the Scheme Shares relating to that entry.

6.7.10. Implementation Date

If the Scheme become Effective, Scheme Shareholders will receive their Scheme Consideration on the Implementation Date (currently anticipated to be 6 October 2021). Immediately after the Scheme Consideration is paid to Scheme Shareholders, all NUS Shares will be transferred to the Bidder Nominee.

6.7.11. Deed Poll

The Bidder and the Bidder Nominee have executed the Deed Poll, pursuant to which the Bidder and the Bidder Nominee have undertaken to provide the Scheme Consideration to each Scheme Shareholder under the Scheme, subject to the Scheme becoming Effective.

Under the Scheme, each Scheme Shareholder irrevocably appoints NUS and each of its Directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purposes of:

- enforcing the Deed Poll against the Bidder and the Bidder Nominee; and
- executing any document or doing any other act necessary, desirable or expedient to give full effect to the Scheme and the transactions contemplated by it.

This includes executing a proper instrument of transfer in respect of a Scheme Shareholder's Scheme Shares.

Payment of Aggregate Scheme Consideration

The following steps will occur in relation to the payment of the Aggregate Scheme Consideration by the Bidder:

- (a) **The Bidder and/or the Bidder Nominee deposits the Aggregate Scheme Consideration:**
before 12 noon on the date that is one Business Day before the Implementation Date, the Bidder and/or the Bidder Nominee is required to pay or procure the payment of the Aggregate Scheme Consideration, in cleared funds, into a trust account operated by NUS for the benefit of the Scheme Shareholders; and
- (b) **NUS pays Scheme Shareholders and transfers of all NUS Shares to the Bidder Nominee:**
subject to payment of the Aggregate Scheme Consideration by the Bidder and/or the Bidder Nominee as referred to in paragraph (a) above, on the Implementation Date:
 - (i) NUS will pay (or procure the payment) to each Scheme Shareholder the proportion of the Aggregate Scheme Consideration attributable to that Scheme Shareholder based on the number of Scheme Shares held by that Scheme Shareholder as at the Record Date;
 - (ii) NUS will transfer all NUS Shares to the Bidder Nominee; and
 - (iii) NUS will then enter the name of the Bidder Nominee in the Share Register in respect of all NUS Shares.

A copy of the Deed Poll is set out in Appendix E to this Scheme Booklet.

OVERVIEW OF THE SCHEME

6.8. If the Scheme does not become Effective

If the Scheme does not become Effective, either NUS or the Bidder is able to terminate the Scheme Implementation Deed. If the Scheme Implementation Deed is terminated, the Scheme will not be implemented.

6.9. Warranties by NUS Shareholders

Under the Scheme, each Scheme Shareholder is taken to have warranted to the Bidder and the Bidder Nominee, and appointed and authorised NUS as its attorney and agent to warrant to the Bidder and the Bidder Nominee, that:

- (a) all their Scheme Shares (including any rights and entitlements attaching to their Scheme Shares) which are transferred under the Scheme will, at the time of transfer to the Bidder Nominee, be fully paid and free from all:
 - (i) mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise; and
 - (ii) restrictions on transfer of any kind;
- (b) they have full power and capacity to transfer their Scheme Shares to the Bidder Nominee together with any rights attaching to those Scheme Shares; and
- (c) as at the Record Date, they have no existing right to be issued any other Scheme Shares or any other form of NUS shares (including NUS Shares).

6.10. Delisting of NUS

If the Scheme becomes Effective, on or after the Implementation Date, NUS will apply for termination of the official quotation of NUS Shares on ASX and for NUS to be removed from the official list of ASX.

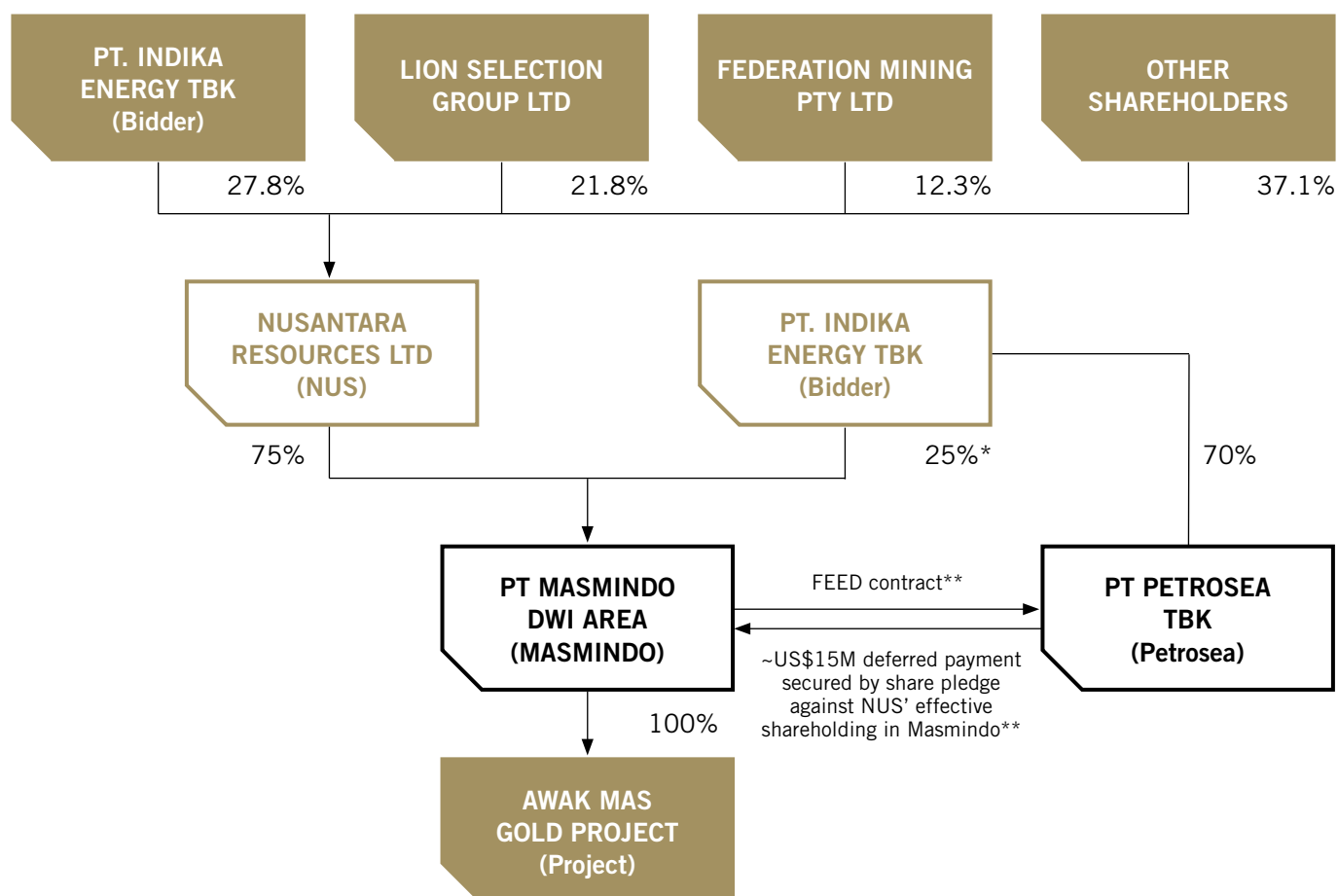
INFORMATION ABOUT NUSANTARA RESOURCES LIMITED

7.1. Overview of NUS

Nusantara Resources Limited (**NUS**) is an Australian listed gold exploration and development company owning, through its subsidiary PT Masmino DWI Area (**Masmino**), a 75% interest in the Awak Mas gold project (**Project**) located in the South Sulawesi Province of Indonesia. The Bidder, who is NUS' strategic partner and major shareholder (owning 27.8% of issued NUS Shares), holds the remaining 25% in Masmino, and may elect to increase its stake in Masmino to 40% by investing a further US\$25 million subject to various conditions.

The Project has a 1.45M ounce Ore Reserve, 2.29M ounce Mineral Resource (JORC compliant, refer to Section 7.5 below) and NUS has recently completed an updated Definitive Feasibility Study (**DFS Update**) on the Project announced on 13 July 2021.⁵ The DFS Update incorporates some of the indicative Front End Engineering and Design Services (**FEED**) engineering design detail received to date from its FEED contracting partner PT Petrosea Tbk (**Petrosea**) (which is a 70%-owned subsidiary of the Bidder), along with cost estimates provided by independent consultants. The DFS Update included higher upfront capital expenditure than set out in NUS' previous announcement on 29 June 2020.⁶ For further information on the Project, refer to Section 7.4 below.

7.2. NUS Corporate Structure



Notes:

- * The Bidder may elect to increase its stake in Masmino from 25% to 40% by investing a further US\$25 million subject to various conditions.⁷
- ** Refer to Sections 7.4.2 and 7.4.3 for details on the FEED contract and deferred payment, share pledge and rights to negotiate EPC contract.

5. See ASX Announcement '2021 DFS Update – Awak Mas Gold Project', 13 July 2021, <https://www2.asx.com.au/markets/company/nus>.

6. See ASX Announcement 'Awak Mas NPV Increases by 240% to USD517M', 29 June 2020, <https://www2.asx.com.au/markets/company/nus>.

7. See ASX Announcement 'Notice of Meeting / Proxy Form', 30 March 2020, <https://www2.asx.com.au/markets/company/nus>.



7.3. History of NUS

7.3.1. Background

NUS was incorporated in May 2011. In December 2013, NUS (then fully owned by One Asia Resources Limited), acquired 100% of the Project from Vista Gold Inc. This transaction included granting Vista Gold Inc with a net smelter royalty of 2.0% on the first 1,250,000 ounces of gold produced from the Project and 2.5% on the next 1,250,000 ounces of gold produced.

NUS was listed on the ASX in August 2017.

In 2019, NUS secured an option to buy back this royalty in two stages over a designated time period. On 30 July 2020, NUS announced in its Quarterly Activities Report that it had bought back 50% of this royalty for US\$2.4 million. On 30 April 2021, NUS announced in its Quarterly Activities Report that it had agreed terms with Vista Gold Inc for an extension of up to 9-months, to buy back the remaining 50% of the royalty. Under the terms of the extension, NUS has until 31 January 2022 to elect to buy back the remaining 50% for US\$2.5 million.

7.3.2. NUS' Strategic Partnership with the Bidder

In December 2018, the Bidder made its first corporate level investment in NUS with NUS issuing the Bidder NUS Shares representing 19.9% of the issued shares in NUS in exchange for A\$7 million. For further detail refer to ASX announcement 'Awak Mas Development Boosted By Indonesian Strategic Partner' dated 12 December 2018.

As part of the investment, the Bidder and NUS entered into agreements which focussed on exploring avenues for completing the development of the Project and made provision for the Bidder to acquire an interest in the entity directly holding the Project.

In February 2020, NUS announced it had entered into an agreement with the Bidder, where the Bidder could invest for up to a 40% in Masmindoo (the company holding the Project) for up to US\$40 million, to be carried out in two stages. Under the first stage, the Bidder could acquire 25% of the interest in Masmindoo for US\$15 million and under the second stage, acquire a further 15% interest in Masmindoo for US\$25 million (see NUS' Notice of Meeting dated 30 March 2020). The Bidder has completed its first stage investment and holds a 25% interest in Masmindoo. The Bidder also has an interest in 27.8% of the NUS Shares (see Notice of Change in Interest of Substantial Holder dated 3 December 2020). For further information on NUS' strategic partnership with the Bidder and Project ownership, refer to Section 7.4.2 below.

In March 2020, NUS announced that the strategic relationship between NUS and the Bidder would expand, with Masmindoo appointing Petrosea (a 70% owned subsidiary of the Bidder) to perform FEED services on the Project and also agreeing to exclusively negotiate any future EPC contract with Petrosea. Preliminary FEED estimates have been delivered by Petrosea and additional work is currently underway to complete the FEED by 31 October 2021. Refer to Section 7.4.3 for more details on the FEED.

7.4. NUS operations

7.4.1. Location

The Project is located in the Luwu Regency of South Sulawesi Province, Indonesia and is held under a 7th Generation Contract of Work (**CoW**). The CoW covers an area of 14,390 hectares and allows for a construction period of three years and an operating period of 30 years. The Project is located 67km from the coastal port city of Palopo and approximately 400km from Makassar, the capital of Sulawesi.

Under the CoW, Masmindo has sole rights to explore and exploit any mineral deposits within the Project area until 2050. After this period, the operations under the CoW may be extended in the form of a special mining business license (*Izin Usaha Pertambangan Khusus* or IUPK) in accordance with prevailing laws and regulations, which currently allows for an extension of 10 years and a further possible extension of 10 years. In the 10th year after commercial production, Masmindo is required to divest at least 51% of its shares to Indonesian participants at fair market value according to international practice.

7.4.2. Project Ownership

As outlined in Section 7.3.2, the Bidder has the ability to acquire up to a 40% interest in Masmindo over two stages.

As stated in Section 7.3.2, in February 2020, NUS announced it had entered into an agreement with the Bidder, where the Bidder could invest up to 40% in Masmindo (the company owning the Project) for US\$40 million in two stages. The completion of the first stage of the Bidder's investment for US\$15 million was announced on 17 September 2020.⁸

The second stage of the Bidder's investment (where the Bidder may elect to invest an additional 15% in Masmindo for US\$25 million) is conditional on certain events, including:

- Masmindo making a decision to mine in relation to the Project;
- the receipt by Masmindo of all relevant corporate approvals relating to the entry into an EPC contract for the Project;
- Masmindo entering into gold hedging arrangements; and
- the acquisition of land rights as may be required for the Project.

8. See ASX Announcement, 'Project Financing Advances and Indika Welcomed', 17 September 2020, <https://www2.asx.com.au/markets/company/nus>.



For the full conditions relating to both stages of the Bidder's equity investment into Masmindo, refer to NUS' ASX announcements dated 9 December 2019, 26 February 2020 and 30 March 2020.

7.4.3. FEED Progress Update

The Bidder's first stage investment in Masmindo was conditional on certain events, which included Masmindo and Petrosea entering into the FEED Contract for Petrosea's provision of FEED services for the Project. In March 2020, Masmindo entered into the FEED Contract with Petrosea, which included deferred payment terms for up to US\$15 million. The deferred payments are secured by a share pledge in favour of Petrosea over NUS' shareholding in Masmindo (equivalent to 20% of Masmindo's issued shares). The share pledge can be enforced upon an event of default, which include where Masmindo fails to pay any amount payable under the FEED Contract, becomes insolvent, or where the FEED contract is terminated due to Masmindo breaching its terms. For full details of the terms of the contract refer to NUS' ASX announcement 'USD 11.45M Engineering Contract Awarded' dated 23 March 2020.

Preliminary Project cost estimates and implementation schedules were received from Petrosea in March 2021 (subject to Masmindo consideration and acceptance, as noted in the March Quarterly Activities Report). Masmindo subsequently engaged independent engineers to prepare independent cost and schedule estimates for the key work areas of FEED. PT SMEC Denka Indonesia (**SMEC**) was appointed to provide an independent capital cost estimate and implementation schedule for the proposed EPC works, and PT Mining One Indonesia (**Mining One**) was engaged to prepare an independent estimate for the mining services tender. Mining One estimates were found to benchmark closely (within 5%) with capital and operating estimates earlier provided by Australian Mining Consultants Pty Ltd (**AMC**) in the DFS Addendum announced by NUS on 29 June 2020 (see Section 7.4.4 below).

Masmindo compiled the DFS Update, released to the ASX on 13 July 2021, using selected

information from Petrosea, SMEC and AMC. The DFS Update incorporates Masmindo management's current FEED estimates, the Ore Reserves and the outcomes of financial modelling. Refer to Section 7.4.4 below for information on the DFS Update.

In connection with the entry into the Scheme Implementation Deed, Masmindo, the Bidder and Petrosea have entered into an Umbrella Services Agreement setting out an agreed scope of services by Petrosea to ensure the continued progression of the Project. Masmindo and Petrosea have also amended the FEED Contract to extend the time for Petrosea to conduct additional work to complete the FEED and exclusively negotiate EPC arrangements with Petrosea. These dates are an extension of that which was contemplated in the original project equity agreements and FEED Contract.

7.4.4. Definitive Feasibility Study

NUS completed an original DFS on the Project on 4 October 2018, supporting an initial 11-year operation producing approximately 100,000 ounces of gold per year (**Original DFS**).

On 29 June 2020, NUS announced an addendum to the Original DFS (**DFS Addendum**), which captured updated Ore Reserves and Mineral Resources, mining and cost profiles, metallurgical recoveries and other items. For details refer to NUS' announcement 'Awak Mas NPV Increases by 240% to USD517M' dated 29 June 2020 on ASX.

As outlined in Section 7.4.3 above, on 13 July 2021 NUS announced the 2021 DFS Update (**DFS Update**) incorporating Masmindo management's current FEED estimates, the Ore Reserves and the outcomes of financial modelling. Full details of the DFS Update can be found in NUS' ASX announcement '2021 DFS Update – Awak Mas Gold Project' dated 13 July 2021.

The following table compares some of the key metrics of the DFS Update against the previous June 2020 DFS Addendum and the Original DFS. Using the same discount rate, gold price and FX assumptions, the DFS Update generates a lower NPV and IRR compared to the 2020 DFS Addendum, due to increased capital expenditure.

7.4.4. Definitive Feasibility Study (continued)

Description	2018 DFS	2020 DFS Addendum	2021 DFS Update
Initial Mine Life	11 years	16 years	16 years
Annual Plant Throughput	2.5Mtpa	2.5Mtpa	2.5Mtpa
Grade LOM (g/t Au)	1.34g/t	1.32g/t	1.35g/t
Awak Mas Gold Recovery	90.9% (overall)	93.2%	93.2%
Salu Bulu Gold Recovery	90.9% (overall)	94.8%	94.8%
Gold produced LOM	1,066 koz	1,529 koz	1,463 koz ⁹
Gold Price Assumption US\$/oz	US\$1,250/oz	US\$1,700/oz	US\$1,700/oz
Upfront Capital ¹⁰ (including pre-production mining, excluding pre-construction costs)	US\$162M	US\$172M	US\$233M
Net Present Value (NPV) _{5% real ungeared} (pre-tax)	US\$210M	US\$654M	US\$491M
Net Present Value (NPV) _{5% real ungeared} (post tax)	US\$152M	US\$517M	US\$383M
Internal Rate of Return (IRR) (before tax)	24%	52%	28%
IRR (post tax)	20%	45%	25%
Payback (post tax)	48 months	21 months	36 Months
NPV (post tax) / Capital Cost	1.0	3.3	1.6
C1 cash cost (US\$/oz)	US\$643/oz	US\$734/oz	US\$744/oz
All-in Sustaining Cost (US\$/oz)	US\$758/oz	US\$875/oz	US\$926/oz
Government Royalty	3.75%	Current scaled rates	Current scaled rates

DFS Update – Project NPV sensitivity versus gold price and discount rate, US\$ post-tax:

		Gold Price (USD/oz)		
		1,400	1,700	2,000
nt	5.0%	180	383	590
	7.5%	115	281	451
	10.0%	66	204	345

9. The production targets referred to in the announcement were based on 8.6% Proven and 82.6% Probable Reserves and 8.8% Inferred Mineral Resources. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production targets themselves will be realised.

10. The capital cost estimates do not include near term pre-construction Masmindo costs, nor do they include Masmindo financing provisions (items such as working capital, interest during construction, finance fees, minimum liquidity and debt service reserve account), which will likely need to be equity funded prior to any potential debt financing being available for drawdown. The pre-construction costs include a number of significant items including the repayment of the Petrosea Deferral (up to US\$15 million), and on-going Masmindo costs (which could be material).

7.5. Ore Reserves and Mineral Resources

The information in this Section 7.5 relating to Ore Reserves is extracted from NUS' ASX announcement 'Maiden Proved Ore Reserve for Awak Mas Project' dated 7 July 2021.

The information in this section relating to Mineral Resources is extracted from NUS' ASX announcement 'Awak Mas Project Mineral Resource Update' dated 5 July 2021. These Mineral Resource and Ore Reserve statements and their accompanying explanatory notes are available online at www.asx.com.au and <https://nusantararesources.investorportal.com.au/share-price-and-announcements/>.

7.5.1. NUS Ore Reserve Estimate

	Classification	Tonnes (Mt)	Gold Grade (g/t)	Contained Gold (Moz)
Awak Mas (Main)	Proved	2.5	1.38	0.11
	Probable	28.5	1.33	1.22
	Sub-total	31.0	1.33	1.33
Salu Bulo	Proved	0.6	1.92	0.04
	Probable	1.4	1.93	0.09
	Sub-total	2.0	1.93	0.13
Total	Proved	3.1	1.48	0.15
	Probable	29.9	1.36	1.31
	Total	33.0	1.37	1.45

(a) All Mineral Resources and Ore Reserves are completed in accordance with the 2012 JORC.

(b) The Ore Reserve is reported at a cut-off grade of 0.5g/t Au and US\$1,400 per ounce gold price.

All figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding.

7.5.2. NUS Mineral Resource Estimate

	Classification	Tonnes (Mt)	Gold Grade (g/t)	Contained Gold (Moz)
Awak Mas	Measured	2.2	1.58	0.11
	Indicated	36.5	1.41	1.66
	Inferred	5.9	1.10	0.21
	Sub-Total	44.6	1.38	1.97
Salu Bulo	Measured	0.6	2.31	0.05
	Indicated	1.6	2.14	0.11
	Inferred	0.8	1.26	0.03
	Sub-Total	3.0	1.95	0.19
Tarra	Measured	-	-	-
	Indicated	-	-	-
	Inferred	3.0	1.29	0.13
	Sub-Total	3.0	1.29	0.13
Total	Measured	2.9	1.74	0.16
	Indicated	38.1	1.44	1.77
	Inferred	9.7	1.17	0.36
	TOTAL	50.6	1.41	2.29

(a) Mineral Resource Estimate is reported inside US\$1,600/oz Pit Shell at 0.5g/t Cut-off.

(b) Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.

(c) All tonnage, grade and ounces have been rounded and minor discrepancies in additive totals may occur.

(d) Cut-off grades were determined using a base gold price of US\$1450/oz (Awak Mas) and US\$1400 (Salu Bulo), metallurgical recoveries supported by test work and based on all material being processed via a Whole of Ore CIL flowsheet.

7.6. NUS Board and senior management

7.6.1. NUS Board

As at the date of this Scheme Booklet, the NUS Board comprises:

Name	Position
Greg Foulis	Non-Executive Chairman
Neil Whitaker	Managing Director
Rob Hogarth	Non-Executive Director
Robin Widdup	Non-Executive Director
Richard Ness	Non-Executive Director
Kamen Palatov	Non-Executive Director
Craig Smyth	Alternate Director for Robin Widdup

Claire Newstead-Sinclair holds the position of Company Secretary.

As noted in Section 6.3.2, the following Directors, Richard Ness and Kamen Palatov, do not make a recommendation in relation to the Scheme.

7.6.2. Senior management

As at the date of this Scheme Booklet, the senior management team of NUS comprises:

Name	Position
Neil Whitaker	Managing Director
Matthew Doube	Chief Financial Officer
Claire Newstead-Sinclair	Company Secretary

NUS Options on issue

Classification	Total number on issue	Expiry Date
Unlisted NUS Employee Options exercisable at 35 cents each	500,000	11/07/2022
Unlisted NUS Employee Options exercisable at 35 cents each	566,610	26/08/2022
Unlisted NUS Employee Options exercisable at 42 cents each	1,133,390	26/08/2022
NUS Performance Rights	2,400,000	31/12/2023
Unlisted NUS IND-PS Options exercisable at 61 cents each	10,000,000	01/12/2022
Unlisted NUS IND-PS Options exercisable at 45 cents each	3,000,000	01/07/2022
Unlisted NUS IND-PS Options exercisable at 45 cents each	7,000,000	01/07/2024

7.7. NUS' capital structure

7.7.1. NUS Shares on issue

As at 19 August 2021 (being the last practicable trading day prior to despatch of this Scheme Booklet), NUS had 229,273,007 NUS Shares on issue.

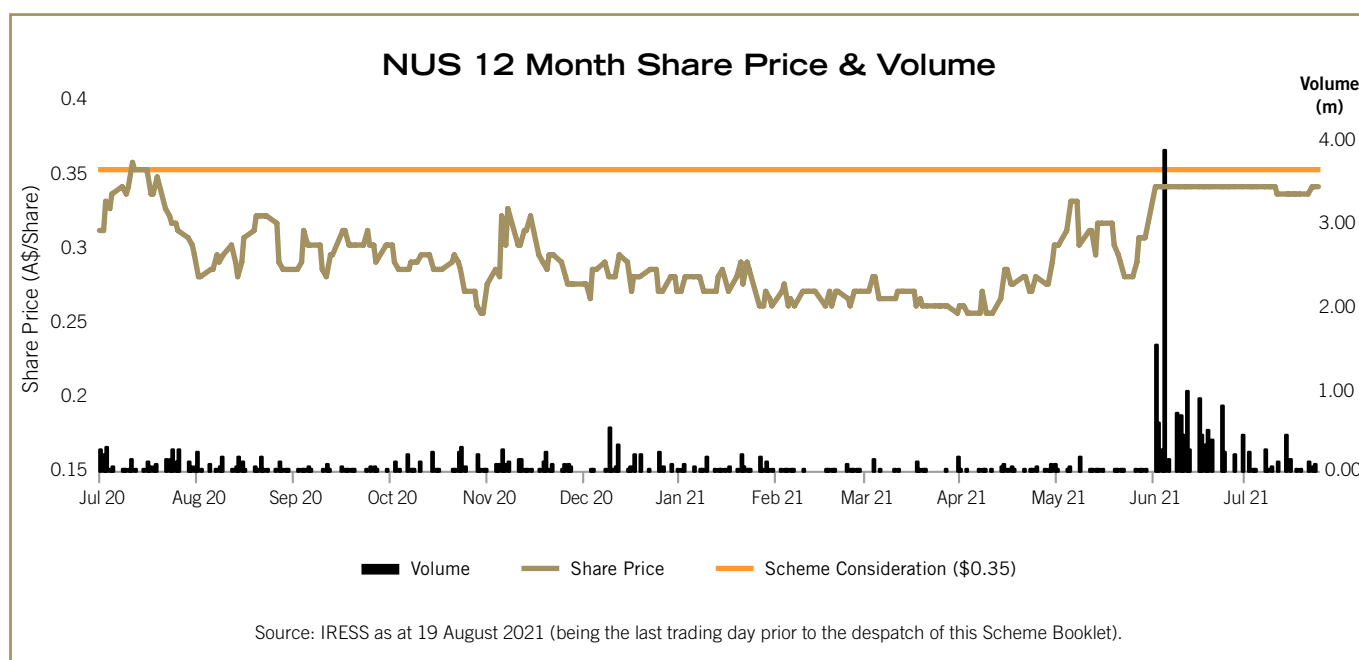
7.7.2. NUS Options

As at 19 August 2021 (being the last practicable trading day prior to despatch of this Scheme Booklet), the outstanding NUS Options on issue are as set out below.

Under the terms of the outstanding 2,200,000 NUS Employee Options, the holders of the NUS Employee Options may exercise such options prior to the earlier of (i) the expiry date of the options and (ii) the later of 60 days after receiving written notice from NUS of the Scheme and the date the Scheme becomes unconditional (**Employee Option Exercise Period**). As at 19 August 2021 (being the last practicable trading day prior to despatch of this Scheme Booklet), the relevant optionholders have confirmed to NUS that they will not be exercising these NUS Employee Options, and the NUS Employee Options will lapse on the expiry of the Employee Option Exercise Period.

Under the terms of the 2,400,000 NUS Performance Rights, the NUS Performance Rights will vest automatically following the issue of this Scheme Booklet.

The 20,000,000 unlisted NUS IND-PS Options are held by the Bidder and Petrosea. NUS understands that Bidder and Petrosea do not intend to exercise such NUS IND-PS Options prior to the Scheme becoming effective and will continue holding these NUS IND-PS Options up to the implementation of the Scheme.



7.8. Historical price of NUS Shares

The closing price of NUS Shares on ASX on 25 June 2021 (the last trading day prior to the announcement of the Scheme Implementation Deed on 28 June 2021) was \$0.305. The closing price for NUS Shares on the ASX on 19 August 2021 (being the last practicable trading day prior to despatch of this Scheme Booklet) was \$0.34.

The chart above shows the price performance and volume traded of NUS Shares over the last 12 months up until the last practicable trading day prior to despatch of this Scheme Booklet.

The current price of NUS Shares on ASX can be obtained from the ASX website (www.asx.com.au) or <https://nusantararesources.investorportal.com.au/share-price-and-announcements>.

7.9. NUS' substantial Shareholders

Based on publicly available information, as at 19 August 2021 (being the last practicable trading day prior to despatch of this Scheme Booklet), NUS had received notifications from the following substantial NUS Shareholders in accordance with section 671B of the Corporations Act:

At 25 June 2021, being the last trading day prior to the Scheme Announcement on 28 June 2021:

- the last recorded traded price of NUS Shares was A\$0.305;
- the 5-day VWAP of NUS Shares was A\$0.295;
- the 10-day VWAP of NUS Shares was A\$0.297;
- the 20-day VWAP of NUS Shares was A\$0.297;
- the 30-day VWAP of NUS Shares was A\$0.289;
- the 90-day VWAP of NUS Shares was A\$0.277;
- the 180-day VWAP of NUS Shares was A\$0.289;
- the highest recorded traded price of NUS Shares in the previous 12 months was A\$0.355 on 6 August 2020; and
- the lowest recorded traded price of NUS Shares in the previous 12 months was A\$0.255 on 3 May 2021.

NUS substantial Shareholders

Name	Number of NUS Shares	% of Total Issued NUS Shares
PT Indika Energy Tbk	63,631,900	27.75
Lion Selection Group Pty Ltd	49,904,775	21.77
Federation Mining Pty Ltd	28,288,639	12.34

7.10. Financial information

This Section 7.10 contains audited financial information relating to the NUS Group for FY19 and FY20, as well as NUS Group results for the half year ended 30 June 2021. In this Section 7.10, all references to dollar amounts are in US dollars unless specified otherwise.

The financial information in this Section 7.10 is a summary only and has been prepared and extracted for the purposes of this Scheme Booklet only.

Further detail about NUS Group's financial performance can be found in the financial statements for FY19, FY20 and half-year ended 30 June 2021. Copies of NUS Group's financial reports for FY19, FY20 and the half-year ended 30 June 2021 can be obtained, free of charge, from ASX's website (www.asx.com.au), NUS' website (<https://nusantararesources.com>) or by calling the NUS Shareholder Information Line on 1300 148 439 (within Australia) or +61 3 9415 4314 (outside Australia) any time between 8:30am and 5:00pm (AEST) on Monday to Friday (excluding public holidays).

7.10.1. Basis of preparation

The historical financial information of the NUS Group presented in this Scheme Booklet is in an abbreviated form and does not contain all the disclosures, presentations, statements or comparatives that are usually provided in an annual report prepared in accordance with the Corporations Act. NUS considers that, for the purposes of this Scheme Booklet, the historical financial information presented is more meaningful to NUS Shareholders. The historical financial information of the NUS Group has been prepared in accordance with the recognition and measurement principles contained in the Australian Accounting Standards. The historical financial information in this Scheme Booklet is presented on a standalone basis and accordingly does not reflect any impact of the Scheme.

INFORMATION ABOUT NUSANTARA RESOURCES LIMITED

7.10.2. Consolidated Statement of Profit or Loss

The following table presents the historical consolidated statement of profit or loss and other comprehensive income of the NUS Group for FY19, FY20 and for the half year ended 30 June 2021.

Consolidated Statement of Comprehensive Income for the half year ended June 2021

	1HFY21 USD	FY2020 USD	FY19 USD
Income			
Interest Income	38,252	244,281	45,413
Currency gain	(26,010)	767,003	-
Other income	-	69,854	-
Expenses			
Employee and Directors benefits expense	(852,909)	(1,594,673)	(1,087,976)
Share based remuneration	(84,131)	(132,157)	(169,515)
Professional fees and consultants	(1,443,271)	(1,380,799)	(587,271)
Depreciation and amortisation	(76,082)	(120,411)	(119,817)
Other expenses	(390,570)	(730,472)	(479,655)
Loss before income tax	(2,834,721)	(2,877,374)	(2,398,821)
Income tax expense	-	-	-
Loss for the year	(2,834,721)	(2,877,374)	(2,398,821)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation differences	(399,769)	1,482,006	(110,556)
Total Comprehensive Loss for the year	(3,234,490)	(1,395,368)	(2,509,377)
Loss for the year is attributable to:			
Non-controlling interest	(363,415)	(139,268)	-
Owners of parent	(2,471,306)	(2,738,106)	-
	(2,834,721)	(2,877,374)	-
Loss per share			
From continuing operations:			
Basic loss per share (cents)	(1.24)	(1.4)	(1.4)
Diluted loss per share (cents)	(1.24)	(1.4)	(1.4)

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7.10.3. Consolidated Statement of Financial Position

The following table presents the historical consolidated statement of financial position of the NUS Group as at FY19, FY20 and the half year ending 30 June 2021.

Consolidated Statement of Financial Position as at 30 June 2021

	1HFY21 USD	FY2020 USD	FY19 USD
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7,817,765	16,503,255	6,557,031
Other receivables	277,040	164,500	391,005
TOTAL CURRENT ASSETS	8,094,805	16,667,754	6,948,036
NON-CURRENT ASSETS			
Property, plant and equipment	732,673	527,579	80,506
Exploration, evaluation and development expenditure	68,017,766	60,521,507	36,986,515
Other assets	62,332	80,828	61,484
Right-of-use assets	-	-	40,864
Other receivables	1,338,253	1,338,253	-
TOTAL NON-CURRENT ASSETS	70,151,023	62,468,167	37,169,369
TOTAL ASSETS	78,245,828	79,135,921	44,117,405
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	1,322,147	1,095,047	570,139
Provisions	22,322	21,674	37,266
Lease liabilities	-	-	42,065
Deferred contractor payments	13,680,374	11,647,855	-
TOTAL CURRENT LIABILITIES	15,024,843	12,764,576	649,470
TOTAL LIABILITIES	15,024,843	12,764,576	649,470
NET ASSETS	63,220,985	66,371,345	43,467,935
EQUITY			
Issued capital	56,526,741	56,526,741	47,360,131
Reserves	11,502,944	11,818,584	5,255,416
Accumulated losses	(14,357,023)	(11,885,717)	-9,147,612
	53,672,664	56,459,608	43,467,935
Non-controlling interest	9,548,321	9,911,737	-
TOTAL EQUITY	63,220,985	66,371,345	43,467,935

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7.10.4. Consolidated Statement of Cash Flows

The following table presents the historical consolidated statement of cash flows of the NUS Group for FY20 and FY19, as well as results for the half year ended 30 June 2021.

Consolidated Statement of Cash Flows for the half year ended 30 June 2021

	1HFY21 USD	FY2020 USD	FY19 USD
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest income	38,252	244,281	45,413
Payments to suppliers and employees	(2,285,264)	(3,765,271)	(2,179,841)
Proceeds from government grants	-	68,764	-
Net cash used in operating activities	(2,247,012)	(3,452,226)	(2,134,428)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment and intangible assets	(262,678)	(585,737)	(130,140)
Payments for exploration, evaluation and development expenditure	(5,750,020)	(11,487,663)	(4,636,709)
Net cash used in investing activities	(6,012,698)	(12,703,400)	(4,766,849)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	-	9,212,979	7,462,323
Payment for share issue expenses	-	(46,369)	(257,776)
Proceeds from investment by non-controlling interest	-	15,000,010	-
Net cash provided by financing activities	-	24,166,620	7,204,547
Net increase/(decrease) in cash held	(8,259,710)	8,640,994	303,270
Effect of exchange rates	(425,780)	1,305,231	(110,556)
Cash and cash equivalents at beginning of the year	16,503,255	6,557,031	6,364,317
Cash and cash equivalents at end of the year	7,817,765	16,503,255	6,557,031

7.11. NUS Directors' intentions

The Corporations Regulations require a statement by the NUS Directors of their intentions regarding NUS' business. If the Scheme Consideration is paid to Scheme Shareholders, NUS will procure that any NUS Director nominated by the Bidder to resign from the NUS Board will resign and the Bidder will have 100% ownership and control of NUS. The current intentions of the Bidder with respect to these matters are set out in Section 8.6.

If the Scheme is not implemented, the NUS Directors intend to continue to operate NUS in the ordinary course of business and for NUS to remain listed on ASX.

7.11.1. What if the Scheme is not implemented?

If the Scheme is not implemented, there will be no immediate change to the ownership of NUS and it will continue to operate on a stand-alone basis. As such, NUS will remain listed on ASX and you will retain your NUS Shares. While it is not possible to predict the future performance of NUS, in deciding whether or not to vote in favour of the Scheme Resolution you should have regard to the prospects of NUS on a stand-alone basis (that is, if the Scheme is not implemented).

Some possible implications of the Scheme not being implemented are:

- (a) NUS Shareholders will retain their NUS Shares and they will not be acquired by the Bidder;
- (b) NUS Shareholders will not receive the Scheme Consideration;
- (c) NUS will, in the absence of another proposal, continue to operate as a stand-alone company listed on ASX and, as such, NUS Shareholders will be exposed to the risks relating to NUS' business (refer to Section 7.13 for a summary of those risks); and
- (d) if no Superior Proposal is received by the NUS Board, then the NUS Share price may fall; and
- (e) NUS will likely require multiple substantial equity capital raisings at prices likely to be materially lower than the Scheme Consideration.

NUS estimates that, if the Scheme is not implemented, NUS will be required to pay one-off Transaction Costs of approximately \$1.3 million

(excluding GST and disbursements and any Break Fee that may be payable to the Bidder). This includes the following amounts:

- (a) fees and expenses paid or payable (excluding GST) to NUS' professional advisers (including its financial, legal, accounting and tax advisers) of approximately \$0.9 million;
- (b) fees paid or payable to the Independent Expert of \$0.2 million; and
- (c) Registry costs, fees and expenses associated with the Court proceedings, costs relating to design, printing and dispatch of this Scheme Booklet, expenses associated with convening and holding the Scheme Meeting, fees related to proxy solicitation services, and other general and administrative expenses in connection with the Scheme, of approximately \$0.2 million in aggregate.

The payment of these Transaction Costs would affect the cash balance of NUS.

7.11.2. Strategy and intentions for NUS if the Scheme is not implemented

If the Scheme is not implemented, NUS will continue to operate as a listed company carrying on the business of gold exploration and development in Indonesia under the leadership of the current senior management.

The NUS Directors and executive management would continue to assess corporate, asset and financial options available to NUS to meet any Break Fee, one-off Transaction Costs and its share of Project funding liabilities, maintain management of Masmino, fund NUS and its share of Masmino through to a Decision to Mine and fund construction of the Project. As outlined in Sections 3.2.6 and 7.13.2, the near term and longer-term financing requirements relative to NUS' market capitalisation are significant and will likely require multiple substantial equity capital raisings at prices likely to be materially lower than the Scheme Consideration.

Specifically, as outlined in Section 3.2.6, NUS Shareholders should recognise that NUS' principal asset, the Project, has significant ongoing capital requirements. NUS must continue to raise significant capital to fund its share of Masmino's funding requirements or face the choice of asset level dilution or outright sale of its interest in the Project.

7.12. No material changes in NUS' financial position since 30 June 2021

To the knowledge of the NUS Directors, other than changes from the ordinary course of business, changes disclosed in this Scheme Booklet, or otherwise as disclosed by NUS to ASX, the financial position of NUS has not changed materially since 30 June 2021, being the balance date of the half-year financial results and accounts lodged with ASX.

Petrosea Umbrella Services Agreement and Interim Funding Arrangements:

As noted in the Scheme Announcement, under the terms of the Scheme Implementation Deed, NUS and the Bidder agreed on the Agreed Budget, which sets out a budget relating for the expenditure and work program for Masmino and NUS for the period from the date of the Scheme Implementation Deed to 30 September 2021. If Masmino requires funding beyond the Agreed Budget period, the Bidder has agreed to fund, by way of a convertible loan to Masmino, any additional expenditure for Masmino agreed by NUS and the Bidder under agreed funding arrangement terms.

As contemplated under the Scheme Implementation Deed, Masmino, the Bidder and Petrosea have entered into an Umbrella Services Agreement setting out an agreed scope of services to be provided by Petrosea to Masmino to ensure the continued progression of the Project pending the implementation of the Scheme. Petrosea will provide these services on a deferred payment basis up to of US\$4 million, with Masmino's repayment guaranteed by the Bidder. If the Scheme is terminated or does not complete by 31 October 2021, the Bidder may seek reimbursement from Masmino pursuant to the terms of its funding arrangements with Masmino detailed below.

Under the terms of the funding arrangements agreed between the Bidder and Masmino, the loan from the Bidder is repayable if the Scheme Implementation Deed is terminated in certain events including if any NUS IBC member withdraws or changes his recommendation or voting intention, and if the loan is not repaid by Masmino, the Bidder may convert the loan owing to the Bidder into Masmino shares.

7.13. Risks associated with NUS if the Scheme is not implemented

The NUS Board considers that it is appropriate for NUS Shareholders, in considering the Scheme, to be aware there are a number of risks which could materially and adversely affect the future operating and financial performance, and value, of NUS.

Section 7.13.1 outlines some general investment risks relating to an investment in NUS and Section 7.13.2 outlines some specific risks relating to an investment in NUS. If the Scheme is implemented, you will cease to be a NUS Shareholder and will also no longer be exposed to the risks set out below. If the Scheme is not implemented, you will continue to hold your NUS Shares and continue to be exposed to risks associated with that investment and the risks set out below.

You should carefully consider the risks discussed in this Section 7.13, as well as the other information contained in this Scheme Booklet, before voting on the Scheme Resolution. Sections 7.13.1 and 7.13.2 are general in nature only and do not take into account your individual objectives, financial situation, tax position or particular needs.

7.13.1. General risks associated with your investment in NUS

The market price of NUS Shares may be influenced by a number of general factors, including:

Economic conditions

Economic conditions, both domestic and global, may affect the performance of NUS. Factors such as fluctuations in currencies, commodity prices, inflation, interest rates, supply and demand and industrial disruption may have an impact on operating costs and share market prices. NUS' future possible revenues and NUS Share price can be affected by these factors, all of which are beyond the control of NUS or its Directors.

Market conditions

Share market conditions may affect the value of NUS Shares regardless of NUS' operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors and geographies;
- the demand for, and supply of, capital; and
- civil unrest, terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration/development stocks in particular. Neither NUS nor its Directors warrant the future performance of NUS or any return on an investment in NUS.

Coronavirus (COVID-19)

The outbreak of COVID-19 is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of NUS remains unknown. NUS' share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19, particularly in Indonesia. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact NUS' operations and are likely to be beyond the control of NUS. The NUS Directors are monitoring the situation closely and have considered the impact of COVID-19 on NUS' business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain.

7.13.2. Specific risks associated with your investment in NUS

Corporate costs and Project funding

Development of the Project will require significant capital contributions from NUS.

NUS and the Bidder have agreed on the Agreed Budget for Masmino's expenditure and work program up to 30 September 2021, and the Bidder has agreed to fund any agreed additional expenditure for the Project by way of a convertible loan to Masmino pending the implementation of the Scheme. The Bidder has also agreed to guarantee Masmino's repayment for Petrosea's services (of up to US\$4 million) under the Umbrella Services Agreement, and may seek reimbursement from Masmino (see Section 7.12). If the Scheme is terminated, NUS will need to seek sources of capital to fund Masmino's repayment obligations to the Bidder, or the Bidder may convert the amounts owing into equity in Masmino resulting in a dilution of NUS' interest in Masmino and the Project. Further, NUS will need to explore other sources of capital to fund any Break Fee, one-off Transaction Costs and its share of the ongoing development of the Project if the Scheme does not proceed.

The availability and terms of financing for development stage mining assets is uncertain and dependent on a number of factors including feasibility studies, use of funds, Project economics, a decision to mine, stock market and industry conditions, country risk perceptions, Project contracting strategy and the price of relevant commodities and exchange rates.

There can be no assurance that financing will be available or that any indications of interest, or indicative proposals previously received will be able to be progressed, or that, if available, the terms of such financing will be favourable to NUS. If NUS obtains debt financing, it will be exposed to the risk of leverage and its activities could become subject to restrictive loan covenants and undertakings. If NUS obtains equity financing, existing NUS Shareholders may suffer dilution.

Alignment of NUS' and the Bidder's interests

The future value of NUS could be impacted by the potential divergence of strategy and interests between NUS and the Bidder and the Bidder's subsidiary, Petrosea, as to the development, contracting and financing of the Project.

In connection with the entry into the Scheme Implementation Deed, Masmino, the Bidder and Petrosea have entered into an Umbrella Services Agreement setting out an agreed scope of services

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by Petrosea to ensure the continued progression of the Project. Separately, along with the Scheme Implementation Deed and the Umbrella Services Agreement, Masmindo and Petrosea have also executed an amendment to the FEED Contract to extend the time period for Petrosea to conduct additional work to complete the FEED and the exclusivity period for Masmindo to negotiate with Petrosea on EPC arrangements.

Project development risk

The future value of NUS is materially dependent on the success or otherwise of the activities directed towards the development of the Project. It is common for new mining operations to experience a range of problems during development, construction and mine start-up, which delay the commencement of mineral production. Risks include uncertainties associated with projected continuity of ore deposits, fluctuations in grades and values of the product being mined, and a range of potential unforeseen operational and technical problems. Development may also be adversely affected or hampered by a variety of non-technical issues such as limitations on activities due to land access, seasonal changes, industrial disputes, land claims, heritage and environmental legislation, mining legislation and many other factors beyond the control of NUS Group. Accordingly, there is no guarantee the Project will progress to profitable mining operations.

Mineral Resource and Ore Reserve estimates

The information on the Project's Mineral Resources and Ore Reserves contained in this Scheme Booklet are estimates only and no assurance can be given that any particular level of recovery of gold or other minerals will in fact be realised or that an identified mineral deposit will ever qualify as a commercially mineable (or viable) ore body which can be economically exploited. Mineral Resources and Ore Reserves estimates are expressions of judgement based on knowledge, experience and industry practice, and may ultimately prove to be inaccurate and require adjustment. Mineral Resources which are not Ore Reserves may not have demonstrated economic viability. Such estimates, including those contained in this Scheme Booklet, are prepared in accordance with JORC and are expressions of judgement based on knowledge, experience and industry practice, and may require revision based on actual production experience. This could in turn affect Masmindo's mining plans and ultimately NUS' financial performance and value. Estimates that are valid when made may change significantly when new information becomes available.

Particularly, estimates of recoverable quantities of Proven and Probable Reserves include assumptions regarding commodity prices, exchange rates, discount

rates, production and transportation costs for future cash flows. Estimates also require interpretation of complex and difficult geological and geophysical models in order to make an assessment of the size, shape, depth and quality of reserves and their anticipated recoveries. The economic, geological and technical factors used to estimate reserves may change from period to period.

Further, gold price fluctuations, as well as increased production costs or reduced throughput and/or recovery rates, may render resources containing relatively lower grades uneconomic and may materially affect resource estimations.

Mining operating and development risks

Masmindo's ability to achieve production, development, operating cost and capital expenditure estimates on a timely basis cannot be assured. The business of gold mining involves many risks and may be impacted by factors including ore tonnes, plant commissioning and ramp-up, yield, input prices (some of which are unpredictable and outside the control of Masmindo), overall availability of free cash to fund continuing development activities, labour force disruptions, cost overruns, changes in the regulatory environment and other unforeseen contingencies. Other risks also exist such as environmental hazards (including discharge of pollutants or hazardous chemicals), industrial accidents and occupational and health hazards. Such occurrences could result in damage to, or destruction of, production facilities, personal injury or death, environmental damage, delays in mining, increased production costs and other monetary losses and possible legal liability to the owner or operator of the mine.

In addition, Masmindo's (and consequently NUS') profitability could be adversely affected if for any reason its production and processing of gold or mine development is unexpectedly interrupted or slowed. Examples of events which could have such an impact include unscheduled plant shutdowns or other processing problems, mechanical failures, the unavailability of materials and equipment, pit slope failures, unusual or unexpected rock formations, poor or unexpected geological or metallurgical conditions, failure of mine communication systems, poor water condition, interruptions to gas and electricity supplies, human error and adverse weather conditions.

Mining risk in foreign jurisdictions

Masmindo's exploration and development activities are conducted in Indonesia and as such its operations are subject to regulation by central government and local government bodies in relation to mining operations, environment, community relations and manpower.

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The Project is exposed to various levels of political, economic and other risks and uncertainties which are not uncommon in developing countries.

The exploration and development activities may be affected to varying degrees by political instability and changes in legislation and regulations relating to foreign investment and the mining industry. Changes, if any, in mining or investment policies or shifts in political attitude in Indonesia may adversely affect NUS' activities or profitability. Possible sovereign risks associated with operating in Indonesia, which may affect Masmino's mineral exploration and development activities to varying degrees, include without limitation:

- government regulations with respect to, but not limited to, restrictions on production, price or controls, royalty arrangements, exchange or export controls, currency remittance, income or other taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, illegitimate land claims, water use and mine safety; and
- lack of certainty with respect to foreign legal systems, which may not be immune to the influence of political pressure, corruption or other factors inconsistent with the rule of law.

Failure to comply with unexpected changes in laws, regulations and permitting requirements may result in enforcement actions against Masmino or NUS, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, remedial actions, or in civil or criminal fines or penalties being imposed. Any amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on NUS, and the market price of the NUS Shares, and cause increases in capital expenditures or production costs or delays in development of the Project. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the Project and the NUS Group's business and financial condition.

Commodity price volatility

The main source of revenue for the NUS Group after production will be through the sale of gold from the Project. Accordingly, the financial performance of NUS will be exposed to fluctuations in the price of gold and other commodities. Changes in the market price of gold, which in the past have fluctuated widely, will affect the profitability of the Project and NUS' financial condition.

Commodity prices are affected by numerous factors beyond the control of the parties including the level of production costs, global and regional demand and supply, and macroeconomic factors such as expectations regarding inflation and interest rates, exchange rates, demand for jewellery and industrial products containing gold, gold production levels, inventories, cost of substitutes, changes in global or regional investment or consumption patterns, and sales by central banks, other holders and speculators, and global and regional political and economic factors. The parties cannot provide any assurance as to the prices that may be achieved for gold and/or other commodities.

Any future production from the Project will be dependent upon commodity prices being adequate to make these properties economic. Future serious price declines in the market value of gold and/or other commodities could cause the development of, and any commercial production from, a project to be rendered uneconomic. This would materially and adversely affect production, profitability and NUS' financial position. A decline in the market prices of gold and/or other commodities may also require the NUS to write down its Ore Reserve and Mineral Resource estimates which would have a material and adverse effect on its earnings and profitability. Should any significant write-down in Ore Reserve and Mineral Resource estimates be required, material write-down of the NUS Group's investment in the Project and increased amortisation may also be required.

Local social issues

The availability of skilled labour in the local community is limited and a certain amount of non-local labour will likely be required. These issues are exacerbated at this time with the COVID-19 pandemic further restricting the availability of skilled local and foreign labour. Any influx of non-local labour has potential to impact and disrupt Project construction and operations and put a strain on Masmino's social licence to operate. Any perception of unfair recruitment practices for local labour along with inter-community conflict between local groups has the potential to disrupt the Project.

Land acquisition

Land acquisition has the potential to impact both the Project development schedule along with the budget. Final compensation amounts have not yet been agreed with the local land and crop holders and negotiations have been ongoing. Masmino has engaged third parties to complete the assessment of the land compensation process and cost, but no assurances can be given on the outcome of the land acquisition and compensation process at this stage.

Environmental risks

The operations and activities of the NUS Group are subject to Indonesian environmental laws and regulations. As with most exploration projects and mining operations, the NUS Group's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. Such impact can give rise to substantial costs for environmental rehabilitation, damage, control and losses. Further, there are environmental rehabilitation conditions attaching to the CoW held by Masmino, and failure to meet such conditions could lead to forfeiture of the CoW.

Contractual risks

The development of the Project will rely significantly on strategic relationships with other entities and on a good relationship with regulatory and government authorities and other interest holders. Masmino will also rely on third parties to provide essential contracting services for the Project. There can be no assurance that existing relationships will continue to be maintained or that new ones will be successfully formed, and NUS could be adversely affected by changes to such relationships or difficulties in forming new ones.

Masmino and Petrosea entered into the FEED Contract for Petrosea's provision of FEED services for the Project, and Masmino's payment obligations are secured by a pledge over NUS' shareholding in Masmino (see Section 7.4.3). If the parties default in the performance of their obligations under the FEED Contract, the FEED Contract may be put into dispute and it may be necessary for Masmino to approach the courts to seek a legal remedy. Legal action can be costly and time consuming and there can be no guarantee that a legal remedy will ultimately be granted on appropriate terms.

Litigation risks

Masmino is exposed to possible litigation risks including contractual disputes and employee claims. Further, the NUS Group may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven may impact adversely on NUS' operations, financial performance and financial position.

Reliance on key personnel

The responsibility of overseeing the day-to-day operations and the strategic management of Masmino and NUS depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on Masmino or NUS if one or more of these employees cease their employment.

Competition risk

The industry in which NUS is involved is subject to domestic and global competition. Although NUS will undertake all reasonable due diligence in its business decisions and operations, NUS will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of NUS' business.

Dividends

Any future determination as to the payment of dividends by NUS will be at the discretion of the Directors and will depend on the financial condition of NUS, future capital requirements and general business and other factors considered relevant by the Directors. However, given the funding needs of NUS at this time, it is unlikely that any dividend will be paid for some time. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by NUS.

7.13.3. Unknown risks

Additional risks and uncertainties not currently known to NUS may also have a material adverse effect on NUS' financial and operational performance. The information set out in this Section 7.13 does not purport to be, nor should it be construed as representing, an exhaustive list of all the risks affecting NUS, its business or an investment in NUS Shares.

7.14. Publicly available information on NUS

As an ASX listed company and a 'disclosing entity' under the Corporations Act, NUS is subject to regular reporting and disclosure obligations. Among other things, these obligations require NUS to announce price sensitive information to ASX as soon as NUS becomes aware of the information, subject to some exceptions.

Pursuant to the Corporations Act, NUS is required to prepare and lodge with ASIC and ASX both annual and half-year financial statements accompanied by a statement and report from the NUS Directors and an audit or review report respectively.

Copies of the documents filed with ASX may be obtained from ASX's website (www.asx.com.au) and NUS' website (<https://nusantararesources.com>). Copies of the documents lodged with ASIC in relation to NUS may be obtained from, or inspected at, an ASIC office.

7.15. Interests of NUS Directors in NUS

NUS Director	Position	Relevant Interest in NUS Shares	NUS Options and other benefits arising in connection with the Scheme
Greg Foulis	Non-Executive Chairman	477,390 NUS Shares	500,000 NUS Employee Options
Neil Whitaker	Managing Director	137,561 NUS Shares	1,700,000 NUS Employee Options
Rob Hogarth	Non-Executive Director	None	None
Robin Widdup	Non-Executive Director	2,034,111 NUS Shares*	None
Richard Ness	Non-Executive Director	None	None
Kamen Palatov	Non-Executive Director	450,000 NUS Shares	None
Craig Smyth	Alternate Director for Robin Widdup	913,725 NUS Shares*	None

Note:

* Includes 150,000 NUS Shares held by Lion Manager Pty Ltd in which each of Robin Widdup and Craig Smyth have a Relevant Interest.

No NUS Director acquired or disposed of a Relevant Interest in any NUS Shares in the four-month period ending on the last practicable trading day prior to the date of this Scheme Booklet.

In the absence of a Superior Proposal, each NUS Director intends to vote, or cause to be voted, all NUS Shares in which they have a Relevant Interest in favour of the Scheme Resolution.

No NUS Director has any other interest, whether as a director, member or creditor of NUS or otherwise, which is material to the Scheme, other than in their capacity as a holder of NUS Shares or NUS Options.

In addition, Adrian Rollke and Boyke Abidin, senior management and directors of Masmindo, who in aggregate hold 1,174,687 NUS Shares representing 0.5% of the total number of issued NUS Shares, have advised NUS that they intend to vote or cause to be voted their NUS Shares in favour of the Scheme Resolution, in the absence of a Superior Proposal.

7.16. Interests of NUS Directors in the Bidder

Richard Ness holds the position of Vice President Commissioner of the Bidder and President Commissioner of Petrosea. Mr Ness holds 810,000 shares in the Bidder.

Kamen Palatov is a Director of the Bidder and holds the position of Commissioner of Petrosea. Mr Palatov does not hold any shares in the Bidder.

7.17. Benefits and agreements

No payment or other benefit is proposed to be made or given to a director, secretary or executive officer of NUS or any member of the NUS Group as compensation for loss of, or as consideration for or in connection with their retirement from, office in NUS or any member of NUS Group as a result of the Scheme. Other than any payments or benefits disclosed in the table in Section 7.15, Section 7.16 or this Section 7.17, no payment or other benefit is proposed to be made or given to a director, secretary or executive officer of NUS or any member of the NUS Group as a result of the Scheme.



8.1. Introduction

The information contained in this Section 8 of this Scheme Booklet has been prepared by the Bidder. The information concerning the Bidder, the Bidder Nominee and its group companies and the intentions, views and opinions contained in this Section 8 are the responsibility of the Bidder.

NUS and its Directors, employees, officers and advisers do not assume any responsibility for the accuracy or completeness of this information.

8.2. Overview of the Bidder

8.2.1. Overview of the Bidder and the Bidder Nominee

PT Indika Energy Tbk., the Bidder, is one of Indonesia's leading integrated and diversified companies with a range of businesses spanning energy resources, energy services and infrastructure. With the Bidder's portfolio of businesses, the Bidder is able to provide complementary products and services to domestic and international customers, positioning the Bidder to capture growth opportunities across the Indonesian economy. The Bidder has developed operational activities in various areas in Indonesia.

The Bidder was established in 2000, and was listed on the Indonesian Stock Exchange (IDX) (ticker code of INDY) in 2008.

Further information on the Bidder can be obtained from the Bidder's website <https://www.indikaenergy.co.id/>.

The Bidder Nominee, PT Indika Mineral Investindo, is a wholly-owned subsidiary of the Bidder which was established in 2018 as an investment company and holds the Bidder's NUS Shares.

8.2.2. Business operations

The Bidder's four main business pillars are as follows:

(a) Energy Resources

The Bidder capitalises on Indonesia's abundant natural resources through leveraging opportunities inherent in the energy demand expansion for both the country and global developments. The Bidder does this through consistent strategic utilisation of

their existing mining assets to optimise production and operational efficiencies at the coal mines being exploited by PT Kideco Jaya Agung and PT Multi Tambangjaya Utama. The Bidder also has a coal trading arm which conducts 3rd party coal trading business.

(b) Energy Services

The Bidder's energy services pillar encompasses (i) engineering, procurement and construction (EPC), operation and maintenance (O&M) and related services for the Indonesian oil and gas sector, which the Bidder provides through PT Tripatra Engineers & Constructors and PT Tripatra Engineering and (ii) contract mining services and complementary E&C services for the Indonesian mining sector, which the Bidder provides through Petrosea.

(c) Energy Infrastructure

The Bidder's energy infrastructure pillar strives to span the Indonesian energy sector spectrum effectively and efficiently with logistics services across the river and sea through PT Mitrahafera Segara Sejati Tbk. as an integrated one-stop coal transportation and logistics provider, as well as by electricity generation through their part ownership in the coal-fired power plant, PT Cirebon Electric Power. The Bidder has a wide range of energy industry infrastructure and facilities, including roads, ports, fuel storage, barges and transshipment facilities to transport the raw materials to both domestic and international power producers and other end users.

(d) Diversified Portfolios

Since 2018, the Bidder has diversified beyond its core sectors of mining and energy, as they pursue a sustainable vision of growth based on decarbonisation. The Bidder's new investments include gold mine, digital technology, and nature-based solution such as renewable energy including solar power, electric vehicle, and forestry products for biomass — all in line with the Indonesian Government's 'Industry 4.0' roadmap and the Bidder's own commitment to sustainable and responsible investing. Going forward, the Bidder will continue its diversification efforts into new fields.

8.3. The Bidder's board of directors

The Bidder's board of directors as at the date of this Scheme Booklet is comprised of the following members:

Board member	
M. Arsjad Rasjid P.M. President Director	M. Arsjad Rasjid P.M. was appointed as President Director of the Bidder in April 2016, and reappointed on 25 April 2019. He previously served as President Director from February 2007 to May 2014 and Vice President Director from May 2014 to April 2016. He has been the Chairman of Indonesian Chamber of Commerce and Industry (KADIN) since 2021. He studied at the University of Southern California in Computer Engineering in 1990 and earned his Bachelor of Science in Business Administration in 1993 from Pepperdine University, California, United States.
Azis Armand Vice-President Director	Azis Armand was appointed as Vice President Director and Group chief executive officer of the Bidder in April 2020. He joined the Bidder as Director in 2007. He previously served as Director (May 2013–April 2020, February 2007–March 2008) and as Independent Director (March 2008–May 2013) of the Bidder. Azis Armand has more than 20 years of extensive experience in Corporate Finance and Investment. He was previously employed as a Rating Manager at PT Pemeringkatan Efek Indonesia (1995–1997) and Associate at JP Morgan Chase (1997–2004). He earned a degree in Economics from the Faculty of Economics at the University of Indonesia in 1991 and a Master degree in Urban Planning from the University of Illinois in Urbana-Champaign, United States in 1995.
Retina Rosabai Director	Retina Rosabai was appointed as Director and Group Chief Financial Officer of the Bidder in April 2020. She joined the Bidder in 2008 as Vice President of Corporate Finance and Investor Relations. She obtained a Bachelor of Science in Business Administration – Accounting from Duquesne University, Pittsburgh, Pennsylvania, USA in 1990. In 2019, she completed the Advanced Management Program at INSEAD Europe Campus, France.
Purbaja Pantja Director	Purbaja Pantja was appointed as Director and Group Chief Investment Officer of the Bidder in April 2020. He joined the Bidder in November 2017 as Deputy Director – Chief Investment Officer. Purbaja Pantja has experience in the banking industry, with previous roles including Head of Investment Banking, Indonesia at NM Rothschild & Sons Singapore (2003–2007), Head of Global Banking Indonesia at Deutsche Bank Singapore (2008–2010) and Head of Strategic Coverage Indonesia at Standard Chartered Bank Singapore (2010–2013). He also served as President Director of PT Alam Sutera Realty Tbk. and Senior Director at Capital Group Private Markets prior to his role with the Bidder. Purbaja Pantja earned his BSc (cum laude) in Statistics & Economics (double majors) from the University of California, Davis (California, United States) in 1991 and MBA in Finance from Carnegie Mellon University, Pittsburgh (Pennsylvania, United States) in 1993.
Kamen Kamenov Palatov Director	Kamen Kamenov Palatov was appointed as Director and Group Chief Portfolio Officer of the Bidder in April 2020. He joined the Bidder in 2011 as Vice President. Previously, he worked at McKinsey & Co. in 2006-2010, Bear Stearns in 2005 and The Northern Trust Company in 1998-2004. He studied at Franklin and Marshall College, Pennsylvania, United States and earned an MBA double degree from the HEC School of Management, Paris / The Chinese University of Hong Kong.

8.4. Rationale for the Bidder's proposed acquisition of NUS

The Scheme represents an integral part of the Bidder's strategy to develop the Project, and more broadly to diversify its operations, which consist primarily of providing energy resources, services and infrastructure.

The Bidder and the Bidder Nominee currently hold 27.8% of issued NUS Shares. The Bidder and NUS are joint venture partners in the Project through their 25% and 75% respective interests in NUS' subsidiary, Masmino. The Project is at a key inflection point and the Scheme removes a variety of risks associated with progressing the Project from feasibility to production. The acquisition of NUS will allow the Bidder to gain control of the operations of the Project and fund the potentially higher than expected capital costs of the Project, as well as meeting the funding obligations for FEED work incurred to date, the remaining acquisition costs for the royalty arrangements with Vista Gold Inc. and the corporate costs/working capital required between now and first production. The acquisition will also help NUS deal with continued COVID-19 disruptions and the challenges junior ASX mining companies face when trying to finance projects in foreign jurisdictions.

Further, the Scheme will also allow NUS Shareholders to maximise the value of their holdings and realise their investment at a premium to the current market value of their NUS Shares.

8.5. Funding arrangements for the Scheme Consideration

8.5.1. Scheme consideration

Once the Scheme becomes Effective, the Bidder and/or the Bidder Nominee will pay the Aggregate Scheme Consideration which is equal to A\$58,814,387. The Aggregate Scheme Consideration will be paid wholly in cash.

8.5.2. Funding source

The necessary funds to pay the Aggregate Scheme Consideration and related transaction costs will be sourced from the Bidder's current cash reserves. As of 30 June 2021, the Bidder held US\$614,535,060 in cash or cash equivalents.

The Bidder is not aware of any security interests, rights of set off or other arrangements that might materially affect the Bidder's ability to

pay the Scheme Consideration and related transaction costs.

On the basis of arrangements described in this Section 8.5, the Bidder is of the opinion that it has a reasonable basis for forming the view, and it holds the view, that it will have sufficient funds available to fund the payment of the Scheme Consideration and related transaction costs.

8.6. The Bidder's intentions if the Scheme is implemented

Set out below are the Bidder's present intentions if the Scheme is implemented.

These statements of intention are based on information concerning NUS, its business and the general business environment that are known to the Bidder as at the date of this Scheme Booklet.

The Bidder does not currently have full knowledge of all material information, facts and circumstances that are necessary to assess the operational, commercial, tax and financial implications of its current intentions. Decisions regarding these matters will only be made by the Bidder in light of all material information and circumstances at the relevant time. Accordingly, the statements set out in this Section 8.6 are statements of current intention only, which may change as new information becomes available to the Bidder or as circumstances change.

8.6.1. NUS Board

If the Scheme is implemented, the Bidder intends to reconstitute the NUS Board and the boards of NUS' subsidiaries. The final composition of the NUS Board and the boards of NUS' subsidiaries after implementation of the Scheme has not been determined as at the date of this Scheme Booklet. Final decisions on the composition of the NUS Board and the boards of NUS' subsidiaries after implementation of the Scheme will be made in light of the circumstances at the relevant time.

8.6.2. NUS' operations

If the Scheme is implemented, the Bidder intends to conduct a review of the operations, assets and employees of NUS. Subject to the findings of the post-acquisition review, the Bidder's current intention is to continue the current strategic direction of NUS, including funding and developing the Project into production on the current development and production timeline as previously disclosed by NUS.

8.6.3. Management team

If the Scheme is implemented, the Bidder intends to conduct a review of the management team of NUS. Subject to the findings of the post-acquisition review, the Bidder does not have any current intention to make any major change to the management team of NUS.

8.6.4. Employees and business locations

If the Scheme is implemented, the Bidder intends to conduct a review of the employees and business locations of NUS and consider the extent to which head office functions of NUS duplicate functions performed by the Bidder's office in Indonesia. Final decisions about any major changes will only be made after that review and in light of material information and circumstances at the relevant time. Subject to the findings of the post-acquisition review referred to above, the Bidder expects certain roles may become redundant, and notes that it is likely that some functions of NUS' head office may no longer be necessary if NUS is removed from the ASX following the implementation of the Scheme.

8.6.5. Delisting

If the Scheme is implemented, the Bidder has agreed with NUS that NUS will request ASX to remove NUS from the official list of ASX.

8.7. The Bidder's interests in NUS

8.7.1. Interest in NUS Shares and NUS Options

As at the date of this Scheme Booklet:

- (a) the Bidder together with the Bidder Nominee hold 27.8% of issued NUS Shares;
- (b) the Bidder holds 10,000,000 unlisted NUS IND-PS Options granted on 2 September 2020, exercisable at 61 cents each, expiring 1 December 2022;
- (c) the Bidder's subsidiary Petrosea holds 3,000,000 unlisted NUS IND-PS Options granted on 2 September 2020, exercisable at 45 cents each, expiring 1 July 2022; and
- (d) the Bidder's subsidiary Petrosea holds 7,000,000 unlisted NUS IND-PS Options granted on 2 September 2020, exercisable at 45 cents each, expiring 1 July 2024.

Each of the NUS IND-PS Options listed above will be treated in the manner set out in Section 7.7.2 of the Scheme Booklet.

8.7.2. Dealing in NUS Shares in previous four months

Apart from the Bidder's offer to acquire all NUS Shares under the Scheme, none of the Bidder or any of its Associates has provided or agreed to provide consideration for any NUS Shares under any other transaction during the period of four months before the date of this Scheme Booklet.

8.7.3. Benefits to holders of NUS Shares

During the four months before the date of this Scheme Booklet, none of the Bidder or any of its Associates has given or offered to give or agreed to give a benefit to another person where the benefit was likely to induce the other person or an Associate to:

- vote in favour of the Resolution; or
- dispose of NUS Shares,

where the benefit was not offered to all NUS Shareholders.

8.7.4. Benefits to NUS officers

None of the Bidder or any of its Associates will be making any payment or giving any benefit to any current officers of NUS as compensation or consideration for, or otherwise in connection with, their resignation from their respective offices if the Scheme is implemented.

8.8. The Bidder's substantial shareholders

Based on publicly available information, as at 30 June 2021, the substantial shareholders in the Bidder were as follows:

Name	Percentage of total Bidder shares
PT Indika Inti Investindo	37.79
PT Teladan Resources	30.65
Public	31.56

8.9. Other material information

Except as set out in this Section 8, so far as the directors of the Bidder are aware, there is no other information regarding the Bidder, or its intentions regarding NUS, that is material to the making of a decision by a NUS Shareholder on whether or not to vote in favour of the Resolution, being information that is within the knowledge of any director of the Bidder as at the date of this Scheme Booklet, which has not been previously disclosed to NUS Shareholders.

9.1. Introduction

This Section 9 is a general outline of the key Australian tax consequences for certain NUS Shareholders that may arise as a result of the disposal of their NUS Shares under the Scheme (assuming the Scheme becomes Effective). The tax consequences for each NUS Shareholder will vary depending on their specific profile, characteristics and circumstances. Accordingly, NUS Shareholders should obtain professional tax advice having regard to their own particular circumstances.

This outline is relevant to NUS Shareholders who are individuals, companies (other than life insurance companies), trusts and complying superannuation entities that hold their NUS Shares on capital account for Australian tax purposes. This outline does not apply to all NUS Shareholders such as NUS Shareholders:

- who are subject to the taxation of financial arrangements rules in Division 230 of the ITAA 1997 in relation to gains and losses on their NUS Shares;
- who are subject to special tax rules applicable to certain classes of entities such as tax exempt organisations, insurance companies, or superannuation funds with accounts in a tax-free pension phase;
- who hold their NUS Shares on revenue account or as trading stock;
- are temporary residents of Australia for Australian tax purposes;
- who acquired their NUS Shares, or any rights in relation to the NUS Shares, pursuant to an employee share or option plan;
- who are under a legal disability;
- who obtained roll-over relief in connection with the acquisition of their NUS Shares;
- who are taken to have acquired their NUS Shares before 20 September 1985; or
- who are non-residents who currently hold, or have at any time held, NUS Shares through a permanent establishment in Australia, who are temporary residents of Australia or who have changed residence while holding NUS Shares.

This outline is based on Australian tax laws and administrative practices of the ATO as at that date of this Scheme Booklet (to the extent that those practices are publicly known). However, it is general in nature and is not intended to be a complete description of all tax implications that might apply to the particular circumstances of a NUS Shareholder.

This outline does not:

- consider or anticipate changes in the law, unless otherwise stated, whether by way of judicial decision or legislative action;
- take into account the tax laws of any other jurisdiction; or
- constitute tax advice and should not be relied upon as such.

9.2. Disposal of NUS Shares

9.2.1. Residents of Australia

CGT event

Under the Scheme, NUS Shareholders will transfer their NUS Shares to the Bidder Nominee. This will result in a change in ownership in the NUS Shares, which will trigger CGT event A1 for Australian tax purposes.

The CGT event will happen on the date on which the transfer of NUS Shares occurs, which will be on the Implementation Date.

Calculation of capital gain or loss

A capital gain should arise to a NUS Shareholder where the capital proceeds from the disposal of their NUS Shares is greater than the cost base of their NUS Shares.

Conversely, a capital loss should arise to a NUS Shareholder where the capital proceeds from the disposal of their NUS Shares is less than the reduced cost base of their NUS Shares.

Capital proceeds

The capital proceeds received by NUS Shareholders for the disposal of their NUS Shares to the Bidder Nominee under the Scheme should be the Scheme Consideration of \$0.35 per share.

Cost base and reduced cost base

The cost base of a NUS Shareholder's NUS Shares will generally include the amount of money paid, or the value of any property given, in respect of the acquisition of the shares plus certain non-deductible incidental costs (such as brokerage fees) relating to the acquisition, holding and disposal of the NUS Shares.

The reduced cost base of the NUS Shares would usually be determined in a similar, but not identical, manner.

Capital losses

A capital loss from the disposal of NUS Shares may be used to offset a capital gain made in the same income year or may be carried forward to offset capital gains made in future income years, subject to the satisfaction of certain loss recoupment tests. Capital losses cannot reduce or offset other income or non-capital gains.

TAX IMPLICATIONS FOR NUS SHAREHOLDERS

CGT discount

If a NUS Shareholder is a resident of Australia for Australian income tax purposes and is an individual, complying superannuation entity or trust and acquired their NUS Shares at least 12 months before the Implementation Date (disregarding the date of acquisition and the date of disposal), the amount of any capital gain from the disposal of their NUS Shares may be reduced (after being reduced by any current year capital losses and prior year capital losses) by the relevant CGT discount percentage. The CGT discount percentage for individuals and trustees is 50% and the CGT discount percentage for complying superannuation entities is 33 $\frac{1}{3}$ %.

For trustees, the availability of the CGT discount to beneficiaries of the trusts will depend on the tax profile of the beneficiaries.

The CGT discount is not available to NUS Shareholders that are companies.

Any resulting net capital gain (that is, the amount remaining after application of any available capital losses, available CGT discount and/or concessions) should be included in a NUS Shareholder's assessable income and subject to Australian income tax at the applicable marginal tax rate.

9.2.2. Non-residents of Australia

CGT consequences of the Scheme

Generally, a NUS Shareholder that is a non-resident at the Implementation Date and who has not held their NUS Shares at any time in carrying on business through a permanent establishment in Australia should only be subject to any CGT consequences if the shares are 'indirect Australian real property interests'.

A NUS Shareholder's NUS Shares may be treated as indirect Australian real property interests if both of the following requirements are satisfied:

- the NUS Shareholder and its 'associates' hold a combined interest of at least 10% in NUS either at the time the NUS Shares are disposed of (or are taken to have been disposed of) or for at least 12 months during the 24 months before the NUS Shares were disposed of (for CGT purposes); and
- at the time the NUS Shares are disposed of, more than 50% of the value of NUS's assets is attributable to direct or indirect interests in 'taxable Australian real property', being Australian real property (including leases of Australian land) or Australian mining, quarrying or prospecting rights over minerals, petroleum or quarrying materials situated in Australia.

The NUS Directors are of the view that, as at the date of this Scheme Booklet, less than 50% of the market value of NUS's assets is attributable to direct or indirect interests in taxable Australian real property. The NUS Directors expect that this will remain the position as at the Implementation Date such that non-resident NUS Shareholders should not be subject to CGT. On this basis, non-resident shareholders who do not hold their NUS Shares in carrying on a business through a permanent establishment in Australia should not be subject to CGT as a result of the Scheme.

The CGT discount is not available to non-residents.

Non-resident capital gains withholding

Broadly, where a non-resident disposes of an asset that is an indirect Australian real property interest (discussed above), the purchaser may be required to withhold an amount equal to 12.5% of the first element of the cost base of the asset to the purchaser (which would usually equal the total consideration paid to acquire the asset).

The NUS Directors are of the view that, as at the date of this Scheme Booklet, less than 50% of the market value of NUS' assets is attributable to direct or indirect interests in taxable Australian real property and, therefore, the NUS Shares are not indirect Australian real property interests. The NUS Directors expect that this will remain the position as at the Implementation Date. If that does remain the position as at the Implementation Date, no amounts will be required to be withheld by the Bidder Nominee from the Scheme Consideration.

Non-resident NUS Shareholders should obtain their own independent tax advice regarding the tax implications of the Scheme in Australia and in their country of residence.

9.3. GST

NUS Shareholders should not be liable to GST in respect of a disposal of their NUS Shares under the Scheme.

NUS Shareholders may be charged GST on costs (such as adviser fees relating to their participation in the Scheme) that relate to the Scheme. NUS Shareholders may be entitled to input tax credits or reduced input tax credits for such costs but should seek independent advice in relation to their own specific circumstances.

This Section 10 sets out the statutory information required under section 412(1) of the Corporations Act and Part 3 of Schedule 8 of the Corporations Regulations, but only to the extent that this information is not otherwise disclosed in other sections of this Scheme Booklet. This Section 10 also includes additional information that the NUS IBC considers may be material to a decision on how to vote on the Scheme Resolution, but only to the extent that such information is not otherwise disclosed in other sections of this Scheme Booklet.

An electronic version of this Scheme Booklet, including the Independent Expert's Report and the Scheme Implementation Deed, are available online at NUS' website (<https://nusantararesources.com/>).

10.1. ASIC relief

Regulation 5.1.01 of the Corporations Regulations requires that, unless ASIC allows otherwise, this Scheme Booklet must contain all matters set out in Part 3 of Schedule 8 of the Corporations Regulations. As some of these requirements are not applicable or appropriate in respect of the Scheme, ASIC has allowed the following variations in this Scheme Booklet.

Clause 8302(h) of Part 3 of Schedule 8 of the Corporations Regulations requires this Scheme Booklet to set out whether, within the knowledge of the NUS Directors, the financial position of NUS has materially changed since the date of the last balance sheet laid before NUS in general meeting (being its financial statements for the financial year ended 31 December 2021) or sent to NUS Shareholders in accordance with section 314 or 317 of the Corporations Act, and, if so, full particulars of any change.

ASIC has granted NUS relief from this requirement so that this Scheme Booklet only needs to set out whether, within the knowledge of the NUS Directors, the financial position of NUS has materially changed since 30 June 2021 (being the balance date of the half-year financial results and accounts lodged with ASX) and the date of this Scheme Booklet, on the basis that:

- (a) NUS has complied with Division 2 of Part 2M.3 of the Act in respect of the half-year ended 30 June 2021;
- (b) NUS discloses all material changes in its financial position occurring after the half-year ended 30 June 2021, and prior to the date of this Scheme Booklet, in this Scheme Booklet;
- (c) NUS discloses in announcements to the market operated by ASX any material changes to its financial position that occur after the date of lodgement of this Scheme Booklet for registration with ASIC but prior to the Scheme being approved by the Court;
- (d) this Scheme Booklet states that NUS will give a copy of the financial reports for the financial year ended 31 December 2020 and half-year ended 30 June 2021 to anyone, free of charge, who requests a copy before the Scheme is approved by the Court; and
- (e) the explanatory statement sent to NUS Shareholders is substantially in the form given to ASIC on 3 August 2021 as amended on 13 August 2021, with the finalised version provided to ASIC on 17 August 2021.

10.2. Consents and disclosures

- (a) The following parties have given, and have not withdrawn before the date of this Scheme Booklet, their consent to be named in this Scheme Booklet in the form and context in which they are named:
 - (i) Taylor Collison, as financial adviser to NUS;
 - (ii) Computershare Investor Services Pty Limited, as the manager of the Share Register; and
 - (iii) Gilbert + Tobin, as legal adviser to NUS in relation to the Scheme.
- (b) The Independent Expert has given and has not withdrawn its consent to be named in this Scheme Booklet and to the inclusion of the Independent Expert's Report in Appendix B to this Scheme Booklet and to the references to the Independent Expert's Report in this Scheme Booklet being made in the form and context in which each such reference is included.
- (c) Valuation and Resource Management Pty Ltd (**VRM**) as technical expert for the purposes of the Independent Expert's Report has given and not withdrawn its consent to be named in this Scheme Booklet and to the inclusion of the Independent Technical Assessment & Valuation Report in Appendix G to the Independent Expert's Report, and to the references to the Independent Technical Assessment & Valuation Report in this Scheme Booklet being made in the form and context in which each such reference is included.
- (d) Each of the Bidder and the Bidder Nominee has given and has not withdrawn its consent to be named in this Scheme Booklet and in relation to the inclusion of the Bidder Information in this Scheme Booklet in the form and context in which that information is included.
- (e) The following major shareholders of NUS have given, and have not withdrawn before the date of this Scheme Booklet, their consent to be named in this Scheme Booklet in the form and context in which they are named:

ADDITIONAL INFORMATION

- (i) Lion Selection Group Ltd (21.77%);
- (ii) Federation Mining Pty Ltd (12.34%); and
- (iii) Cumulus Wealth (4.96%),

and in addition, Adrian Rollke and Boyke Abidin, senior management and directors of Masmindo, who have given voting intention statements have also consented to be named in the Scheme Booklet in form and context in which they are named.

Each person named in this Section 10.2:

- (i) has not authorised or caused the issue of this Scheme Booklet;
- (ii) does not make, or purport to make, any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based, other than as specified in this Section 10.2; and
- (iii) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Scheme Booklet, other than a reference to its name and the statement (if any) included in this Scheme Booklet with the consent of that party as specified in this Section 10.2.

10.3. Statements in respect of the Project

The information in this Scheme Booklet that relates to Ore Reserves and Mineral Resources in respect of the Project has been extracted from Nusantara's ASX announcement dated 5 July 2021 titled 'Awak Mas Project Mineral Resource Update', Nusantara's ASX release dated 7 July 2021 titled 'Maiden Proved Ore Reserve for Awak Mas Gold Project' and Nusantara's ASX announcement dated 13 July 2021 titled '2021 DFS Update – Awak Mas Gold Project' (collectively, the **Announcements**).

Copies of the Announcements are available at <https://nusantararesources.investorportal.com.au/> or www.asx.com.au. NUS confirms that it is not aware of any new information or data that materially affects the Announcements and that in the case of the estimates of the Ore Reserves and Mineral Resources in the Announcements, all material assumptions and technical parameters underpinning the estimates in the most recent Announcement continue to apply and have not materially changed. Nusantara confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the Announcements.

10.4. No unacceptable circumstances

The NUS Directors believe that the Scheme does not involve any circumstances in relation to the affairs of NUS

that could reasonably be characterised as constituting 'unacceptable circumstances' for the purposes of section 657A of the Corporations Act.

10.5. Other information material to the making of a decision in relation to the Scheme

10.5.1. Continuous disclosure

NUS is subject to regular reporting and disclosure obligations under the Corporations Act and ASX Listing Rules. NUS has an obligation (subject to limited exceptions) to notify ASX immediately upon becoming aware of any information which a reasonable person would expect to have a material effect on the price or value of NUS Shares.

Copies of documents filed with ASX may be obtained from ASX's website (www.asx.com.au) or NUS' website (<https://nusantararesources.investorportal.com.au/share-price-and-announcements/>).

In addition, NUS is also required to lodge various documents with ASIC. Copies of documents lodged with ASIC in relation to NUS may be obtained from, or inspected at, an ASIC office.

10.5.2. Other material information

Other than as contained or referred to in this Scheme Booklet, including the Independent Expert's Report and the information that is contained in the Appendices to this Scheme Booklet, so far as the NUS Directors are aware, there is no information material to the making of a decision by NUS Shareholders in relation to the Scheme, being information that is within the knowledge of any NUS Director or director of the NUS Group, as at the date of this Scheme Booklet, which has not been previously disclosed to NUS Shareholders.

10.5.3. Fees and expenses

If the Scheme is implemented, NUS expects to pay (in aggregate) approximately \$2.3 million (excluding GST and disbursements) in Transaction Costs. This includes advisory fees for NUS' financial, legal, accounting and tax advisers, the Independent Expert's fees, general administrative fees, Scheme Booklet design, printing and distribution costs, expenses associated with convening and holding the Scheme Meeting, and Registry and other expenses.

In aggregate, if the Scheme is not implemented, NUS expects to pay approximately \$1.3 million (excluding GST and disbursements) in Transaction Costs, excluding any Break Fee that may be payable to the Bidder.

Term	Definition
AEST	Australian Eastern Standard Time.
Aggregate Scheme Consideration	the Scheme Consideration multiplied by the total number of Scheme Shares.
Agreed Budget	the budgets agreed between NUS and the Bidder relating to the expenditure and work program for Masmino and NUS.
ASIC	the Australian Securities and Investments Commission.
Associate	the meaning given in section 12 of the Corporations Act.
ASX	ASX Limited (ABN 98 008 624 691) or, where the context requires, the financial market operated by it.
ASX Listing Rules	the official listing rules of ASX.
ATO	the Australian Taxation Office.
AWST	Australian Western Standard Time.
Bidder, IND or Indika	PT Indika Energy Tbk.
Bidder Information	(a) the information contained in Section 8; (b) the answers to the questions 'Who are the Bidder and the Bidder Nominee?', 'Does the Bidder hold any NUS Shares?', 'What are the Bidder's intentions if the Scheme is implemented?' and 'How is the Bidder funding the Scheme Consideration?' in Section 4; and (c) the information contained in the Section titled 'Forward-looking statements – Bidder Information' on page 4 of this Scheme Booklet.
Bidder Nominee	PT Indika Mineral Investindo.
Bidder Warranties	representations and warranties of the Bidder set out in Schedule 3 of the Scheme Implementation Deed.
Break Fee	\$800,000.
Business Day	has the meaning given in the ASX Listing Rules.
CGT	capital gains tax.
Competing Proposal	any proposal, offer, agreement, arrangement or transaction which is sufficiently detailed and credible to warrant consideration as such by NUS and which, if entered into or completed, would result in a Third Party (either alone or together with one or more Associates) directly or indirectly: (a) acquiring a Relevant Interest in any NUS Shares, as a result which the Third Party, together with any Associates, would have a Relevant Interest in more than 20% or more of all NUS Shares in aggregate; (b) acquiring or having a right to acquire, or obtaining an economic interest in, all or a material part of the assets, business or undertakings of the NUS Group; or (c) acquiring Control of, or merging with, NUS or Masmino, whether by takeover bid, scheme of arrangement or shareholder approved acquisition.
Condition	each condition set out in clause 3.1 of the Scheme Implementation Deed.
Control	given in section 50AA of the Corporations Act.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).

GLOSSARY

Term	Definition
Corporations Regulations	the <i>Corporations Regulations 2001</i> (Cth).
Court	the Supreme Court of Western Australia or such other court of competent jurisdiction under the Corporations Act.
CoW	the Contract of Work dated 19 February 1998 as amended (as may be amended) between the Government of the Republic of Indonesia and Masmindo.
Deed Poll	the deed poll entered into by the Bidder and the Bidder Nominee as set out in Appendix E to this Scheme Booklet.
DFS	Definitive Feasibility Study.
DFS Addendum	the addendum to the Original DFS conducted by NUS in June 2020.
DFS Update	the updated DFS conducted by NUS in July 2021.
Effective	the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme.
Effective Date	the date on which the Scheme becomes Effective.
End Date	31 December 2021 or such later date as the Bidder and NUS agree in writing.
EPC	Engineering, procurement and construction contract.
Exclusivity Period	the period from 27 June 2021 being the date of the Scheme Implementation Deed until the earlier of: <ul style="list-style-type: none"> (a) the termination of the Scheme Implementation Deed in accordance with clause 11 of the Scheme Implementation Deed; (b) the Implementation Date; and (c) the End Date.
FEED	Front End Engineering and Design Services.
FEED Contract	the front end engineering and design services contract dated 23 March 2020 entered into between Petrosea and Masmindo as may be varied or supplemented.
First Court Date	the first day on which an application made to the Court for orders under section 411(1) of the Corporations Act directing NUS to convene the Scheme Meeting is heard (or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard), with such hearing being the First Court Hearing .
Government Agency	any foreign or Australian government or governmental, semi-governmental, administrative, fiscal, monetary, statutory or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any state, or any other federal, state, provincial, local or other government, whether foreign or Australian. It also includes any self-regulatory organisation established under statute, the listing rules of any recognised stock or securities exchange or otherwise discharging substantially public or regulatory functions (including ASX, ASIC and the Takeovers Panel).
GST	Goods and services tax, or a similar value added tax, levied or imposed in Australia under the GST Law.
GST Law	has the meaning given to it in the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth).
FY	Financial year ending 31 December.

GLOSSARY

Term	Definition
Implementation Date	the fifth Business Day after the Record Date or such other day as the Bidder and NUS agree in writing.
Independent Expert	Grant Thornton Corporate Finance Pty Ltd (ABN 59 003 265 987).
Independent Expert's Report	the report prepared and issued by the Independent Expert in connection with the Scheme in the form of Appendix B to this Scheme Booklet.
IRR	Internal rate of return.
ITAA 1936	<i>Income Tax Assessment Act 1936</i> (Cth).
ITAA 1997	<i>Income Tax Assessment Act 1997</i> (Cth).
JORC	the Australasian Code for Reporting of Exploration Results.
Masmindo	PT Masmindo DWI Area, a company incorporated in Indonesia and having its registered office at Gedung Graha Mitra LT. 10JI. Gatot Subroto Kav. 21, Karet Semanggi Set Abud, Jakarta Selatan DK Jakarta 12930, Indonesia.
Material Adverse Change	has the meaning given in Schedule 1 of the Scheme Implementation Deed.
Mineral Reserves	has the meaning given to that term in the JORC.
Mineral Resources	has the meaning given to that term in the JORC.
Notice of Scheme Meeting	the notice of meeting in respect of the Scheme as set out in Appendix A to this Scheme Booklet.
NPV	Net present value.
NUS	Nusantara Resources Limited (ACN 150 791 290).
NUS Board	the board of directors of NUS.
NUS Director or Director	a director of NUS.
NUS Employee Options	the options exercisable into NUS Shares issued pursuant to NUS' Employee Share and Option Plan Rules 2017.
NUS Group	collectively, NUS and its Related Bodies Corporate.
NUS IBC or NUS Independent Board Committee	the committee of NUS Directors established to consider the Scheme, comprising all NUS Directors who are not conflicted to consider the Scheme, being Greg Foulis, Rob Hogarth, Robin Widdup and Neil Whitaker.
NUS IND-PS Options	the 20,000,000 unlisted options exercisable into NUS Shares issued by NUS to the Bidder or Petrosea as described in Section 8.7.1.
NUS Information	all information in this Scheme Booklet other than the Bidder Information and the Independent Expert's Report.
NUS Options	the NUS Employee Options, NUS Performance Rights and the NUS IND-PS Options.
NUS Performance Rights	the performance rights exercisable into NUS Shares issued pursuant to NUS' Incentive Option and Performance Rights Scheme 2020.

GLOSSARY

Term	Definition
NUS Share	a fully paid ordinary share in the capital of NUS.
NUS Shareholder	a person who is registered in the Share Register as a holder of NUS Share(s).
NUS Warranties	the representations and warranties of NUS set out in Schedule 2 of the Scheme Implementation Deed.
Ore Reserves	has the meaning given to that term in the JORC.
Original DFS	the original DFS on the Project completed by NUS in October 2018.
Petrosea	PT Petrosea Tbk, a company incorporated in Indonesia and having its registered office at Indy Bintaro Office Park, Building B, Jl. Boulevard Bintaro Jaya Blok B7/A6, Sektor VII, CBD Bintaro Jaya, South Tangerang 15424, Indonesia.
Prescribed Occurrence	the occurrence of any of the matters set out in Schedule 4 of the Scheme Implementation Deed.
Project	the design, construction, development, ownership, financing, operation and maintenance of the Awak Mas gold project located in the South Sulawesi Province, Indonesia.
Registry	Computershare Investor Services Pty Limited (ABN 48 078 279 277).
Record Date	7:00pm on the third Business Day after the Effective Date of the Scheme, or such other time as the Bidder and NUS agree in writing.
Related Body Corporate	has the meaning given in section 50 of the Corporations Act.
Relevant Interest	has the meaning given in sections 608 and 609 of the Corporations Act.
Requisite Majority	(a) a majority in number (i.e. more than 50%) of NUS Shareholders present and voting at the Scheme Meeting (whether in person, by proxy, by attorney or by a corporate representative); and (b) at least 75% of the total number of votes cast on the Scheme Resolution.
Reverse Break Fee	\$800,000.
Scheme	the scheme of arrangement under Part 5.1 of the Corporations Act between NUS and the Scheme Shareholders, in the form of Appendix D to this Scheme Booklet or such other form as agreed in writing between the Bidder and NUS.
Scheme Announcement	the announcement by NUS on ASX on 28 June 2021 on the Scheme.
Scheme Booklet	this explanatory statement in respect of the Scheme and prepared by NUS in accordance with section 412 of the Corporations Act.
Scheme Consideration	in respect of each Scheme Share, \$0.35 cash.
Scheme Implementation Deed	the scheme implementation deed entered into by NUS and the Bidder on 27 June 2021 as set out in Appendix C to this Scheme Booklet.
Scheme Meeting	the meeting of NUS Shareholders ordered by the Court to be convened under subsection 411(1) of the Corporations Act to consider and vote on the Scheme and includes any adjournment or postponement of that meeting.
Scheme Meeting Online Guide	the guide to the online Lumi platform which has been released to the ASX and is also available at https://nusantararesources.com .

GLOSSARY

Term	Definition
Scheme Resolution	the resolution set out in the Notice of Scheme Meeting in Appendix A to this Scheme Booklet to agree to the terms of the Scheme.
Scheme Share	a NUS Share held by a Scheme Shareholder as at the Record Date.
Scheme Shareholder	a NUS Shareholder as at the Record Date (other than the Bidder or the Bidder Nominee).
Second Court Date	the first day on which an application made to the Court for orders under section 411(4)(b) of the Corporations Act approving the Scheme is heard (or if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard), with such hearing being the Second Court Hearing .
Share Register	the register of NUS Shareholders maintained in accordance with the Corporations Act.
Superior Proposal	<p>a bona fide Competing Proposal which the NUS Board, acting in good faith and after taking advice from its legal and financial advisers, determines:</p> <ul style="list-style-type: none"> (a) is reasonably capable of being completed in accordance with its terms taking into account all aspects of the Competing Proposal, including its conditions, the identity, reputation and financial condition of the person making such proposal, and legal, regulatory and financial matters; (b) is, in the NUS Directors' reasonable opinion having regard to any external financial advice, of a higher financial value to NUS Shareholders and would, if it is completed, result in a transaction that is favourable to NUS Shareholders than the Scheme if completed substantially in accordance with its terms; and (c) is necessary for the NUS Board to pursue, accept or recommend because failing to do so would be reasonably likely to constitute a breach of the NUS Board's fiduciary or statutory obligations, <p>in each case taking into account all aspects of the Competing Proposal, including:</p> <ul style="list-style-type: none"> (d) the financial value and form of the consideration payable to NUS Shareholders under the Competing Proposal and the Tax consequences related to payment of that consideration (as compared to the consideration available under the Scheme and the Tax consequences related to payment of that consideration); (e) the terms and conditions of the Competing Proposal, the likelihood of those conditions being satisfied and the level of certainty in respect of the funding required for the Competing Proposal (as compared to the nature and status of outstanding Conditions and whether those Conditions are likely to be satisfied or waived, and the level of certainty in respect of the funding required for the Scheme); (f) the level of certainty and the likely timing required to implement or complete the Competing Proposal (as compared to the Scheme); and (g) any other matters relevant to the Competing Proposal being contemplated.
Takeovers Panel	the Takeovers Panel constituted under the <i>Australian Securities and Investments Commission Act 2001</i> (Cth).
Third Party	a person other than NUS, the Bidder and their respective Associates.
Transaction Costs	costs and expenses incurred by NUS in connection with the Scheme, being fees payable to external advisers of NUS, the Independent Expert and costs such as share registry, printing, postage and meeting costs involved in implementing the Scheme (but excluding costs relating to a directors' and officers' run-off insurance policy as contemplated by clause 5.8 of the Scheme Implementation Deed and excluding certain payments to employees and officers of NUS such as those referred to in Section 7.17).
USD or US\$	United States dollars.
VWAP	Volume weighted average price.

APPENDIX A – NOTICE OF SCHEME MEETING

Nusantara Resources Limited Scheme Meeting

Nusantara Resources Limited (ACN 150 791 290) (**NUS**)

Notice is hereby given that, by an order of the Supreme Court of Western Australia (Court) made on 20 August 2021 pursuant to section 411(1) of the *Corporations Act 2001 (Cth)* (**Corporations Act**), a meeting of the holders of fully paid ordinary shares in NUS will be held at 12:00pm (AEST) on 22 September 2021 online at <https://web.lumiagm.com/328764135> (**Scheme Meeting**).

Business of the meeting

The purpose of the meeting is to consider and, if thought fit, agree to a scheme of arrangement proposed to be entered into between NUS and the holders of fully paid ordinary shares in NUS (with or without alterations or conditions as approved by the Court).

A copy of the Scheme and a copy of the explanatory statement required by section 412 of the Corporations Act in relation to the Scheme are contained in the Scheme Booklet, of which this notice forms part.

In the interests of the health and safety of shareholders, employees and other stakeholders in the context of the coronavirus (COVID-19) pandemic, and taking into account restrictions on physical gathering, the NUS Scheme Meeting will be held virtually. NUS Shareholders, authorised proxies, attorneys and corporate representatives may attend and participate in the NUS Scheme Meeting online at <https://web.lumiagm.com/328764135>. NUS Shareholders, authorised proxies, attorneys and corporate representatives who participate in the NUS Scheme Meeting via the online platform will be able to watch, ask questions and vote online in real time.

Further details on how to participate in the NUS Scheme Meeting via the online platform are set out in the explanatory notes that accompany form part of this Notice of NUS Scheme Meeting and in the Scheme Meeting Online Guide.

Resolution

To consider and, if thought fit, pass the following resolution (the **Scheme Resolution**):

“That, pursuant to and in accordance with section 411 of the Corporations Act 2001 (Cth), the scheme of arrangement proposed to be entered into between Nusantara Resources Limited and the holders of its fully paid ordinary shares, as contained and more particularly described in the Scheme Booklet, of which the notice convening this meeting forms part, is approved (with or without alterations or conditions as approved by the Court).”

Chairman

The Court has directed that Greg Foulis is to act as chairman of the meeting (and that, if Greg Foulis is unable or unwilling to attend, Rob Hogarth is to act as chairman of the Scheme Meeting) and has directed the chairman to report the result of the resolution to the Court.

By Order of the Court and the NUS Board



Greg Foulis
Nusantara Resources Limited
23 August 2021

APPENDIX A – NOTICE OF SCHEME MEETING

EXPLANATORY NOTES

This Notice of Scheme Meeting should be read in conjunction with the Scheme Booklet of which the notice forms part.

Unless the context requires otherwise, terms used in the notice has the meanings given in Section 11 of the Scheme Booklet.

Requisite Majority

In accordance with section 411(4)(a)(ii) of the Corporations Act, the Scheme Resolution must be approved by:

- a majority in number (i.e. more than 50%) of NUS Shareholders present and voting (whether in person, by proxy, by attorney or, in the case of corporate NUS Shareholders, by a corporate representative) at the Scheme Meeting; and
- at least 75% of the total number of votes cast on the Scheme Resolution.

Online Platform

NUS Shareholders, authorised proxies, attorneys and corporate representatives can attend and participate in the Scheme Meeting via the online Lumi platform at <https://web.lumiagm.com/328764135>.

The online platform may be accessed via a computer or mobile or tablet device with internet access. The Scheme Meeting Online Guide (which has been released to the ASX and is available at <https://nusantararesources.com>) provides details on how to log in and navigate the Lumi platform. The online platform will allow NUS Shareholders, authorised proxies, attorneys and corporate representatives to watch the Scheme Meeting, ask questions and cast an online vote in real time.

It is recommended that NUS Shareholders, authorised proxies, attorneys and corporate representatives login to the online platform at least 15 minutes prior to the scheduled start time for the Scheme Meeting.

Please monitor NUS' website and ASX announcements where updates will be provided if it becomes necessary or appropriate to make alternative arrangements for the holding or conduct of the Scheme Meeting.

Entitlement to vote

The Court has ordered that, for the purposes of the Scheme Meeting, the time for determining eligibility to vote at the Scheme Meeting is 7:00pm (AEST) on 20 September 2021. Only those NUS Shareholders entered on the Share Register at that time will be entitled to attend and vote at the Scheme Meeting.

How to vote

If you are eligible to vote at the Scheme Meeting, you may:

- (a) vote in person at the Scheme Meeting by attending the Scheme Meeting online and voting via the online platform at <https://web.lumiagm.com/328764135>;
- (b) appoint one or two proxies to attend and vote at the Scheme Meeting on your behalf;
- (c) appoint an attorney to attend and vote at the Scheme Meeting on your behalf; or
- (d) if you are a body corporate, appoint a corporate representative to attend and vote at the Scheme Meeting on your behalf.

If you hold NUS Shares jointly with one or more other persons, only one of you may vote. If more than one NUS Shareholder votes in respect of jointly held NUS Shares, only the vote of the NUS Shareholder whose name appears first in the Share Register will be counted.

Voting will be conducted by poll.

Voting in person

To vote in person, you must attend the Scheme Meeting virtually via the online platform at <https://web.lumiagm.com/328764135> on the date and time set out in the Notice of NUS Scheme Meeting.

Online voting will be open between the start of the Scheme Meeting and the closing of voting as announced by the Chairman during the Scheme Meeting.

Voting by proxy

You may appoint one or two proxies to attend and vote at the Scheme Meeting on your behalf.

The proxy form is enclosed with the Scheme Booklet. A proxy does not need to hold NUS Shares. If you do not instruct your proxy how to vote, your proxy may vote as he or she sees fit at the Scheme Meeting.

If you appoint two proxies, each proxy may be appointed to represent a specified number or proportion of your votes. If no such number or proportion is specified, each proxy may exercise half your votes. Please refer to the enclosed proxy form for instructions on completion and lodgement.

APPENDIX A – NOTICE OF SCHEME MEETING

Proxy forms must be received by the Registry by no later than 7:00pm (AEST) on 20 September 2021. If the Scheme Meeting is adjourned, proxy forms must be received by the Registry at least 48 hours before the resumption of the Scheme Meeting in relation to the resumed part of the Scheme Meeting.

You must deliver the signed and completed proxy form in one of the following ways:

- online at www.investorvote.com.au;
- by post in the reply-paid envelope provided to:
Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia; or
- by fax to the Registry on 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia).

If a proxy form is completed under power of attorney or other authority, the original or a certified copy of the power of attorney or other authority must accompany the completed proxy form unless the power of attorney or other authority has previously been given to the Registry.

If you return your proxy form:

- without identifying a proxy on it, you will be taken to have appointed the chairman of the Scheme Meeting as your proxy to vote on your behalf; or
- with a proxy identified on it but your proxy does not attend the Scheme Meeting, the chairman of the Scheme Meeting will act in place of your nominated proxy and vote in accordance with any directions on your proxy form.

The chairman of the Scheme Meeting intends to vote all valid undirected proxies which appoint (or are taken to appoint) the chairman in favour of the Scheme Resolution.

The appointment of a proxy does not preclude you from attending the Scheme Meeting in person, revoking the proxy and voting at the meeting.

Voting by power of attorney

You may appoint an attorney to attend and vote at the Scheme Meeting on your behalf.

The power of attorney appointing your attorney to attend and vote at the Scheme Meeting must be duly executed by you and specify your name, the company (i.e. Nusantara Resources Limited), and the attorney, and also specify the meeting(s) at which the appointment may be used.

Powers of attorney must be received by the Registry by no later than 7:00pm (AEST) on 20 September 2021 (or if the Scheme Meeting is adjourned, at least 48 hours before the resumption of the Scheme Meeting in relation to the resumed part of the Scheme Meeting) in any of the ways specified for proxy forms except that the power of attorney or a certified copy of the power of attorney cannot be lodged online or by mobile device.

The appointment of an attorney does not preclude you from attending the Scheme Meeting in person and voting at the meeting.

Voting by corporate representative (in the case of a body corporate)

If you are a body corporate, you may appoint an individual to act as your body corporate representative. The appointment must be in accordance with section 250D of the Corporations Act. A corporate representative appointment form is available from www.investorcentre.com/au under 'Printable Forms' or may be obtained from the Share Registry by calling 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) between 8:30am to 5:00pm (AEST) Monday to Friday (excluding public holidays). The certificate of appointment may set out restrictions on the corporate representative's powers.

The certificate of appointment must be received by the Registry before the Scheme Meeting (or if the Scheme Meeting is adjourned, before the resumption of the Scheme Meeting in relation to the resumed part of the Scheme Meeting) in any of the ways specified for proxy forms except that the certificate of appointment of corporate representative cannot be lodged online or by mobile device.

If an appointment form is completed by an individual or corporation under power of attorney or other authority, the power of attorney or other authority, or a certified copy of the power of attorney or other authority, must accompany the completed appointment form unless the power of attorney or other authority has previously been noted by the Registry.

A validly appointed corporate representative wishing to attend and vote at the Scheme Meeting via the online platform will require the appointing NUS Shareholder's name, postcode and SRN/HIN of the holding to access the online platform.

APPENDIX A – NOTICE OF SCHEME MEETING

Court approval

If the Scheme Resolution is approved at the Scheme Meeting by the Requisite Majority and the other Conditions are satisfied or waived in accordance with the Scheme Implementation Deed, NUS intends to apply to the Court on 23 September 2021 for approval of the Scheme.

Questions

NUS Shareholders, authorised proxies, attorneys and corporate representatives will have a reasonable opportunity to ask questions during the Scheme Meeting via the online platform.

You may submit questions to be addressed at the Scheme Meeting up to a week prior to the Scheme Meeting by sending them to cnewstead@leydinfreyer.com.au.

The chairman of the Scheme Meeting will endeavour to address as many of the more frequently raised relevant questions as possible during the course of the Scheme Meeting. However, there may not be sufficient time available during the Scheme Meeting to address all of the questions raised. Please note that individual responses will not be sent to NUS Shareholders.

Technical difficulties

Technical difficulties may arise during the course of the Scheme Meeting. The chairman has discretion as to whether and how the Scheme Meeting should proceed in the event that a technical difficulty arises. In exercising this discretion, the chairman will have regard to the number of NUS Shareholders impacted and the extent to which participation in the business of the meeting is affected. In these circumstances, where the chairman considers it appropriate, the chairman may continue to hold the Scheme Meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions.

For this reason, NUS Shareholders are encouraged to lodge a proxy form by no later than 7:00pm (AEST) on 20 September 2021, even if they plan to attend the Scheme Meeting.

APPENDIX B – INDEPENDENT EXPERT’S REPORT



Nusantara Resources Limited

Independent Expert’s Report and Financial Services Guide

17 August 2021

Independent Directors
Nusantara Resources Limited
Level 5, 100 Albert Road,
South Melbourne, VIC 3205

17 August 2021

Grant Thornton Corporate Finance Pty Ltd
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Introduction

Nusantara Resources Limited (“Nusantara”, or “the Company” or “NUS”) engages in the exploration, evaluation and development of gold resources. Its flagship asset is the Awak Mas Gold Project¹ (“Awak Mas” or “the Project”) which is located in South Sulawesi, Indonesia. Nusantara currently owns a 75% interest in the Project. On 13 July 2021, the Company released an updated definitive feasibility study (“DFS Update”) which included a resource base of 50.6 Mt² at an average grade of 1.41 g/t³ and contained gold of 2.29 Moz⁴. NUS is listed on the Australian Securities Exchange (“ASX”) with a market capitalisation of circa A\$79.1 million⁵ as at 28 July 2021.

PT Indika Energy Tbk (“Indika” or the “Bidder”) is a diversified energy company listed on the Indonesia Stock Exchange with a market capitalisation of c. US\$634.8⁶ million as at 28 July 2021. It currently owns c. 27.8% of NUS ordinary shares (“NUS Shares”). Nusantara (75% economic interest) and Indika⁷ (25% economic interest) are joint venture partners in Pt Masmindo DWI Area (“Masmindo”) which owns the Project. Indika can increase its interest in Masmindo from 25% to 40% by investing a further US\$25 million subject to certain conditions (unless waived) until 31 December 2021 (“Stage 2 Equity Investment”).

On 28 June 2021, NUS announced that it had entered into a Scheme Implementation Deed (“SID”) with Indika pursuant to which the Bidder Nominee will acquire all NUS Shares that it does not already own by way of a scheme of arrangement (“Scheme”) for a cash consideration of A\$0.35 per share (“Scheme Consideration”).

The Scheme is subject to the conditions precedent set out in Section 1 of this Independent Expert’s Report (“IER”) including approvals by NUS shareholders (“NUS Shareholders”) and the Supreme Court of Western Australia.

The SID contains customary exclusivity provisions including no shop and no talk restrictions and a matching counterproposal right for Indika in the event the Directors receive a superior proposal. The SID also details circumstances under which both NUS and Indika may be required to pay a break fee of A\$0.8 million if the Scheme does not proceed.

¹ The Awak Mas Gold Project includes the deposits of Awak Mas, Sallu Bulu and Tarra. Refer to the Scheme Booklet for details.

² Million tonnes

³ Grams per tonne

⁴ Million troy ounces

⁵ Calculated as closing price A\$0.34 multiplied by the total number of shares outstanding of 229.3 million

⁶ Based on a A\$:US\$ exchange rate of 0.7518 and an US\$:IDR exchange rate of 14,500.

⁷ We note that Indika holds its shares in both Nusantara Masmindo through its wholly owned subsidiary, PT Indika Mineral Investindo. Additionally, Indika has nominated this subsidiary (“Bidder Nominee”) to be the investment vehicle by which the transaction will complete.

Subject to no superior proposal emerging and an independent expert concluding and continuing to conclude that the Scheme is in the best interests of NUS Shareholders, the Independent Board Committee (“IBC”)⁸ of NUS unanimously recommend that NUS Shareholders vote in favour of the Scheme and subject to the same qualifications, the IBC intend to vote, or procure the voting of, all NUS Shares held or controlled by them in favour of the Scheme.

Major shareholders of NUS representing c. 39.07% of the issued capital have confirmed their intention to vote in favour of the Scheme subject to no superior proposal emerging and an independent expert concluding and continuing to conclude that the Scheme is in the best interests of NUS Shareholders.

Purpose of the report

The IBC have requested that Grant Thornton Corporate Finance prepare an IER stating whether the Scheme is in the best interest of NUS Shareholders for the purposes of Section 411 of the Corporations Act. When preparing this IER, Grant Thornton Corporate Finance had regard to the Australian Securities Investment Commission’s (“ASIC”) Regulatory Guide 111 *Contents of expert reports* (“RG 111”) and Regulatory Guide 112 *Independence of experts* (“RG 112”). The IER also includes other information and disclosures as required by ASIC.

For the purpose of this report, an independent technical specialist, Valuation & Resource Management (“VRM”) was engaged to assist Grant Thornton Corporate Finance in the valuation assessment of the Project and other exploration assets. VRM’s conclusions are included in the independent technical report (“VRM Report”) which is included as Appendix G to this report.

Summary of opinion

Grant Thornton Corporate Finance has concluded that the Scheme is FAIR AND REASONABLE and hence in the BEST INTERESTS of NUS Shareholders.

In forming our opinion, Grant Thornton Corporate Finance has considered whether the Scheme is fair and reasonable to NUS Shareholders and, as part of that consideration, had regard to other quantitative and qualitative considerations.

Fairness Assessment

Grant Thornton Corporate Finance has compared the fair market value of NUS Shares on a control basis with the Scheme Consideration. The following table summarises our fairness assessment.

Fairness assessment	Section Reference	Low	High
A\$ per NUS Share			
Fair market value of NUS Shares	Section 6	0.28	0.35
Scheme Consideration		0.35	0.35
Premium/(discount)		0.07	0.00
FAIRNESS ASSESSMENT		FAIR	

Source: GTCF analysis

Note 1: Numbers rounded to two decimal places.

⁸ Comprising all the Directors other than Indika nominees (“Independent Directors”).
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The Scheme Consideration is right at the high-end of the assessed valuation range of NUS Shares on a control basis. Accordingly, we conclude that the Scheme is **FAIR** to NUS Shareholders.

NUS Shareholders should be aware that our assessment of the value per NUS Share should not be considered to reflect the price at which NUS Shares may trade if the Scheme is not implemented. The price at which NUS Shares will ultimately trade depends on a range of factors, including the liquidity of NUS Shares, movements in the gold price, macro-economic conditions, interest rates and the progress made by NUS in advancing the Project.

We have assessed the fair market value of NUS Shares on a control basis by adopting the DCF Method⁹ and we have cross-checked it based on the trading price and the Resource Multiples¹⁰ which are briefly discussed in the sections below.

DCF Method

Our valuation assessment is based on the internal management forecast (“Internal Model” or “Financial Model”) which presents the operational plan for the Project over the 16 years life of mine (“LOM”) based on the mine schedule in the DFS Update and reviewed by an independent mine consultant. The cash flow included in the Internal Model are US\$, real, ungeared, post-tax cash flows. We have built a valuation model projecting the post-tax real free cash flows of the Company (“GT Model”) based on the Internal Model. VRM has reviewed the Internal Model and their input/changes have been included in the GT Model. We have discounted the cash flows in the GT Model using a US\$, real, post-tax WACC.

A summary of the key assumption underlying the GT Model is set out below.

- **Gold Price** – In selecting the forecast gold prices, we had regard to broker forecasts as part of consensus estimates¹¹, the historical real gold price and other qualitative factors such as gold’s status as a safe investment, current market volatility due to COVID-19 and expectations in relation to interest rates. The following is the gold price assumptions included in the GT Model.

Gold Price assumption	2023	2024	2025	Long Term	
				Low	High
US\$/oz., Real					
Gold Price	1,577	1,527	1,419	1,500	1,550

Source: Consensus Economics, GTCF analysis, S&P Global, FRED.

Our assumption on the long term real gold price is more weighted towards historical average real gold price over the last five, ten and fifteen years which provides, in our opinion, a better representation of the through the cycle price and higher than consensus forecast of US\$1,400/oz. The current gold price is US\$1,800/oz. which significantly in excess of the long term real consensus gold price and there is significant optionality value in Project¹² and Management has a degree of flexibility to maximise gold production in conjunction with higher gold prices which would be neglected if we were to adopt the long term real gold price of US\$1,400/oz.

⁹ Discounted cash flow method

¹⁰ The R&R Multiples include EV/Resources (comprising Measured, Indicated and Inferred), EV/M+I (comprising Measured and Indicated) and EV/Reserves.

¹¹ July 2021 Energy & Metals Consensus Forecasts.

¹² Being the difference between the spot gold price and future gold price based on the historical volatility of this commodity.

- *Production profile* – The production profile is based on the Financial Model after incorporating recommendations made by VRM in relation to additional ore dilution which reduces the total gold production from 1,463 koz¹³ to 1,393 koz over the LOM.
- *Operating expenses* – No changes were advised by VRM to the operating costs which include mining and processing costs, site administration, transport, royalties payable to the government. Separately, we have also considered the net present value of Nusantara corporate costs.
- *Capital expenditure* – The capital expenditure is based on the Financial Model after incorporating recommendations made by VRM which has advised to increase the undiscounted construction capital expenditure costs from c. US\$216 million to c. US\$233 million (excluding certain owner's costs such as land compensation). Separately, we have also considered the capital expenditure and operating costs required to be incurred from the valuation date up to final investment decision date ("FID").
- *Exploration Potential* – VRM have separately assessed the value of the mineral Resources outside the life of mine and the exploration properties (collectively, "Exploration Potential") between US\$7.0 million and US\$11.2 million on a 100% basis.
- *Indika's interest* – We have assumed that Indika will contribute US\$25 million to Masmino to increase its interest from 25% to 40%.
- *Funding* – The Company is required to finance Pre-FID capital expenditure of c. US\$33 million¹⁴ in the short term if the Scheme is not completed and construction capital expenditure of at least US\$130 million¹⁵. The magnitude of this combined funding is significantly higher than NUS' market capitalisation and is likely to result in significant dilution. In our valuation assessment, we have run a number of alternative funding scenarios and using an iterative process we have adjusted the discount rate to reflect the outcome of those scenarios. This resulted in the adoption of a specific risk premium between 1.5% and 2% in our discount rate to reflect the risk attached to the unfunded nature of the Project.
- *Discount rate* – We have adopted a real post tax discount rate based on the WACC between 8.5% and 10.0%.
- *Exchange Rate* – We have undertaken our valuation assessment based on the US\$ denominated cash flows and then we have converted our valuation assessment in A\$ based on an exchange rate of 0.7518 which is based on the spot rate as at 30 June 2021 published by the RBA and broadly consistent with the average rate over the last month and with consensus estimate for the short term.

We have set out below a summary of the valuation assessment based on the DCF Method.

¹³ Thousand troy ounces

¹⁴ Calculated having regard to the Petrosea liability plus Masmino cost of other Pre-FID capital expenditure (assuming that Indika completes the Stage 2 Equity Investment before 31 December 2021).

¹⁵ Calculated as a Masmino cost of the total development capital expenditure (after taking into account VRM's recommendations) excluding ancillary expenses, transaction costs and other equity buffer that may be required by the financiers.

Valuation summary	Section Reference	Low	High
US\$000's (except where stated otherwise)			
Fair market value of Masmindo on a 100% basis	Section 6.1	45,257	61,724
Tranche 2 Payment from Indika		25,000	25,000
VRM assessed value of the Exploration Potential (100% basis)		7,080	11,170
Assessed value of Masmindo (100% basis) - Post Stage 2 Equity Investment		77,337	97,894
Nusantara's economic interest (Post Stage 2 Equity Investment)		60%	60%
Fair market value of Nusantara's interest in Awak Mas Gold Project (60%)	Section 6.1	46,402	58,736
NUS Non-operating assets and liabilities, NPV of Corporate costs, NUS Options	Note 2	(5,447)	(5,839)
Assessed Enterprise value of Nusantara Resources Limited		40,956	52,898
Add: Net Cash at Nusantara	Section 6.3	7,324	7,324
Equity Value (control basis) of Nusantara Resources Ltd		48,279	60,221
Number of outstanding shares ('000s)	Section 6.6	231,673	231,673
Value per NUS Share on a control, fully diluted basis (US\$/NUS Share)		0.21	0.26
Spot exchange rate	Note 1	0.7518	0.7518
Grant Thornton assessed value per NUS Share (A\$/NUS Share)		0.28	0.35

Source: GTCF analysis

Note 1: The exchange rate represents the spot rate as at 30 June 2021 obtained from the RBA website.

Note 2: This includes the other non-operating assets and liabilities, the Vista Royalty Payment, the NPV of Nusantara corporate costs and the value of the outstanding NUS options on issue.

We have set out below a sensitivity analysis of the value of the NUS in conjunction with different gold prices.

Gold Price (long-term)						
US\$/oz., Real	1,400	1,450	1,500	1,550	1,600	1,650
Gold Price	0.16	0.21	0.28	0.35	0.40	0.45

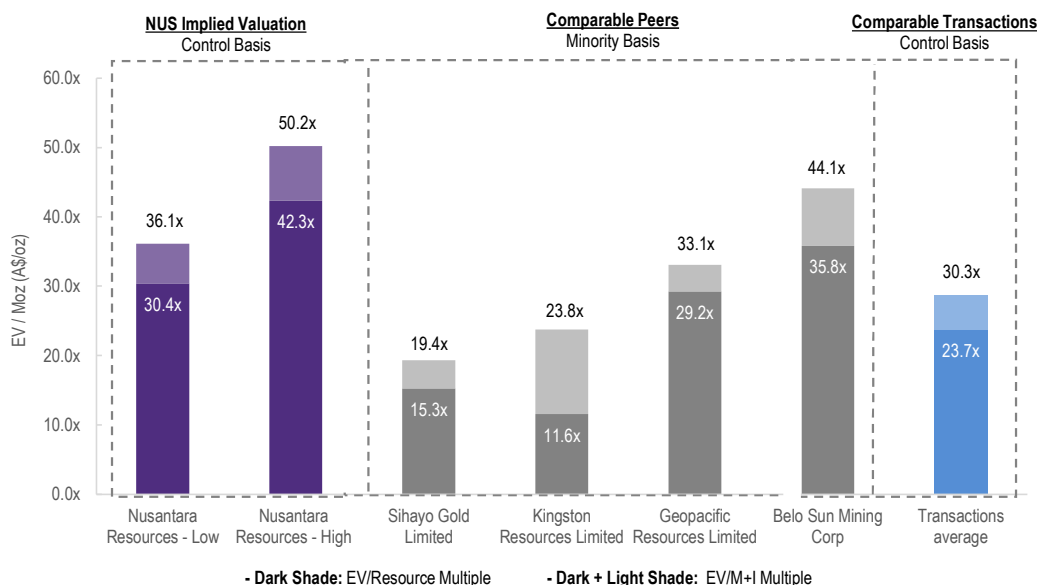
Source: GTCF Calculations

Whilst we believe that the assumptions adopted in our opinion are reasonable, however, depending upon the views taken by individual shareholders, in particular in relation to the long term real gold price, it is possible that individual shareholders could reach a different conclusion on the appropriate range of values for NUS Shares or the relevant advantages and disadvantages of the Scheme.

Resource Multiple Method

In our cross-check, we have assessed the Resource Multiple implied in our valuation assessment based on the DCF for 100% of the Project at Masmindo level rather than Nusantara. In our analysis, we have mainly relied on listed peers Sihayo Gold Limited, Geopacific Resources Limited, Kingston Resources Limited and Belo Sun Mining Corporation as their flagship assets are all in the pre-production stage and operate in jurisdictions that can be considered comparable to Indonesia. We have also included in the graph below the average Resource Multiple across all the tier 1 comparable transactions which reflects the average Resource Multiples paid for transactions at project level that occurred between February 2018 and November 2020 when the gold price was different from the current level and accordingly they should be considered with caution. We have set out below our analysis:

EV/Resource Multiple Comparison based on total Resources



Source: GTCF Calculations, NUS Financial information, VRM Reports

Note 1: Except for Nusantara Resources, all the multiples presented above are on a minority basis and hence do not include a premium for control.

Note 2: The transaction multiples have not been adjusted for the increase in the gold price between the date of transaction and the date of this IER.

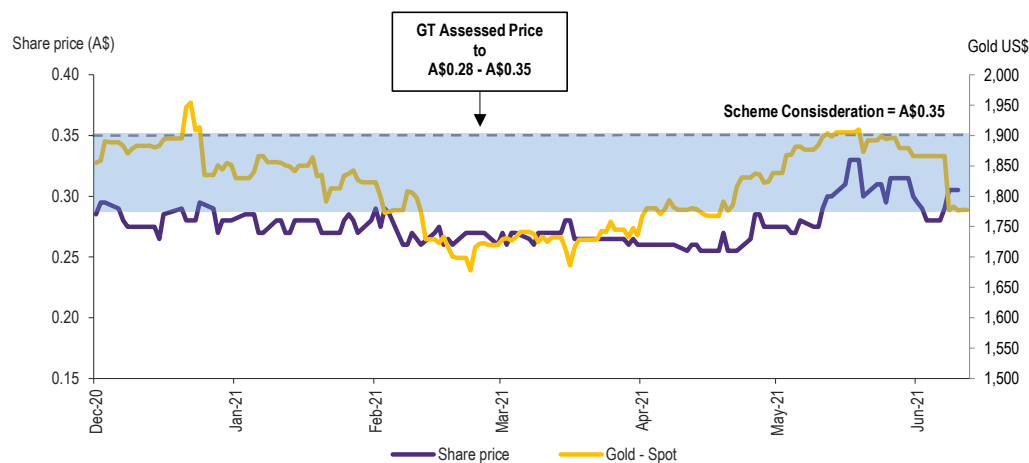
We are of the opinion that the analysis above supports the reasonableness of our valuation assessment based on the DCF due to the following:

- The multiples implied in our valuation assessment are materially higher than Kingston and Sihayo based on the relative strength of the Project's operating metrics such as total grade produced, the post-tax NPV of the project, stages of development and grade.
- Despite being in a more advanced operational and funding position than that of Nusantara, Geopacific is currently trading at a EV/Resources multiple at the low-end of the range implied in our DCF, however Geopacific's EV/Resources multiple increases to within that of the GT implied range once a premium for control is taken into account.
- The NUS Resource Multiples are substantially in line with the comparable transactions once the differences in the gold prices are taken into consideration.

Quoted Security Price Method

As part of our cross check, we have also analysed the trading price of the Company before the announcement of the Scheme as set out in the graph below which are tracked against the gold price. However, we note that the analysis should be taken with caution given the limited liquidity in the trading prices as discussed in section 7.2.1.

Share price performance of Nusantara compared with the gold price



Source: GTCF analysis, S&P Global

We note that the trading prices before the announcement of the Scheme on a minority basis were at the low-end of our assessed values based on the DCF on a control premium. We are of the opinion that this is not unreasonable due to the following:

- We note that in May of 2021 Nusantara's share price rose materially from c. A\$0.27 to a high of A\$0.33. We are of the opinion that the share price increased due to a short lived increase in the gold price during the same period, peaking at c. US\$1,910, a c. 8.1% increase from the start of May.
- On 13 July 2021, post the announcement of the Scheme, Nusantara released to the market their DFS Update for the Project with numerous adjustments to previously disclosed figures. Most notably, the post-tax NPV of the project reduced from US\$517 million to US\$383 million, the IRR from 45% to 25% and the payback period increased from 21 months to 36 months. This was mainly due to an increase in the upfront capital expenditure from US\$172 million to US\$216 million¹⁶ and an increase in the All-In Sustaining Cost ("AISC") from US\$875 per oz. to US\$926 per oz. We note that if not for the Indika takeover proposal, it is likely that the release of the DFS Update would have caused the trading price to reduce below the pre-bid price, all things being equal.
- As part of a detailed due diligence process, it is reasonable to assume that Indika (and a pool of potential purchasers), using their own technical advisors, may have determined that the capital costs of the project would increase on a similar basis as finally determined in the DFS Update, and that this would be reflected in their bid price.
- The liquidity in the trading prices of NUS is limited with a low free float at c. 25%¹⁷ and only c. 8% of the total shares on issue or c. 30% of the free float shares were traded in the period between July 2020 and May 2021. In addition, the buy and sell spread % has consistently ranged between 2% and 8% over the analysed period. The illiquidity of the shares may affect the ability of the trading prices to represent fair market value in particular over the short period of time. We also note that NUS' illiquidity

¹⁶ As set out in the Scheme Booklet (excluding certain owner's costs such as land compensation)

¹⁷ This comprises of the total shares outstanding 231,673,010 less the shares held by corporations both public and private (c. 113,277,578 share), individuals / insiders (c. 11,702,437) and VC/PE Firms (c. 49,904,217).

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and small market capitalisation relative to the capital required for the Project would result in a significant dilutive effect on the share price should equity need to be raised.

Accordingly, we are of the opinion that the low premium for control reflected in our DCF assessment compared with the trading prices of the Company before the announcement of the Scheme reflect specific circumstance of the Company, and as such, is a comparison which is not necessarily on a like for like basis.

Reasonableness Assessment

Under RG 111, the Scheme is reasonable if it is fair. Notwithstanding the above, we have summarised below advantages, disadvantages and other factors in relation to the Scheme.

Advantages

Premium for control

A premium for control is applicable when the acquisition of control of a company or business would give rise to benefits such as the ability to realise synergies, access resources, access tax benefits and control of the board of Directors of the Company. The Scheme Consideration of A\$0.35 per NUS Share represents a premium of:

- 14.8% to closing share price immediately before announcement of the Scheme of A\$0.305 per NUS Share.
- 18.7% to the 1-week VWAP¹⁸ before the announcement of the Scheme.
- 21.0% to the 1-month VWAP before the announcement of the Scheme.
- 26.2% to the 3-month VWAP before the announcement of the Scheme.

Whilst the premium for control is at the low-end of the premium for control typically applied in successful takeovers in Australia, if not for the Indika takeover proposal, it is likely that the release of the DFS Update would have caused Nusantara's share price to reduce below the pre-bid price, all things being equal.

In the absence of the Scheme, there is no certainty that the trading prices will exceed the Scheme Consideration in the short term without a material change to the Project.

Effective interest of Indika and capital raising dilution

At the date of this Report, Indika holds a c. 27.8% interest in the Company and a 25% interest in Masmino which can be increased to 40% by investing an additional US\$25 million until 31 December 2021 (subject to the waving of certain conditions).

In addition, in March 2020 the Company announced that the front end engineering design contract ("FEED Contract") of up to US\$15 million had been awarded to PT Petrosea Tbk ("Petrosea") which is listed on the Indonesia Stock Exchange and it is a subsidiary¹⁹ of Indika. The payments under the FEED Contract are

¹⁸ Volume Weighted Average Price.

¹⁹ Indika owns a 70% interest in the Petrosea.

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deferred (“FEED Deferred Payment”) but they become immediately payable on 31 October 2021 (subject to agreed deliverables) if the Scheme is not implemented. The FEED Deferred Payment is secured against up to 20% of Nusantara’s interests in the ordinary shares of Masmindo (“Share Pledge”).

Further, as part of the SID, NUS and Indika agreed on a budget relating to the expenditure and work program up to 30 September 2021 (“Agreed Budget”) and as part of the Agreed Budget, Petrosea has entered into an Umbrella Agreement with Masmindo which will cover the agreed scope of work. Petrosea will provide these services on a deferred payment basis up to US\$4 million with the repayment guaranteed by Indika. If the Scheme is terminated or does not complete by 31 October 2021, Indika may on payment to Petrosea seek reimbursement from Masmindo²⁰. If Masmindo requires funding in excess of the Agreed Budget (“Additional Amount”), Indika has agreed to fund by way of convertible loan which in case the Scheme is not completed may increase Indika’s shareholding in Masmindo.

If the Scheme is not implemented, NUS will be required to undertake a large capital raising between US\$40 million and US\$50 million or between A\$53.2 million and A\$66.5 million²¹ in the short to medium-term to fund the following pre-FID expenses:

- Up to US\$15 million FEED Deferred Payment by 31 October 2021 to be paid by Masmindo plus any additional amount under the Agreed Budget in addition to the US\$4 million under the Umbrella Services Agreement (Masmindo cost).
- Up to US\$2.5 million to be paid to Vista Gold Corporation Inc. to cancel the remaining 50% of the net smelter royalty²² (Nusantara cost).
- Up to US\$37 million²³ of Pre-FID capital expenditure to be incurred by Masmindo (Masmindo cost).
- Corporate costs for the next 12 to 18 months of US\$2.8 million²⁴ to be incurred by NUS (Nusantara Cost).

Whilst some of this capital expenditure will be funded by Indika’s equity injection of US\$25 million, the market capitalisation of the Company before the announcement of the Scheme was A\$69.9 million²⁵ and such a large raising to be undertaken in a short period of time is likely to be particularly dilutive for the Shareholders compared with receiving the Scheme Consideration. In order to obtain certainty in relation to the capital raising, NUS is likely to be required to offer a large discount to the trading price before the announcement of the Scheme. The Company may even attempt to seek Indika to potentially underwrite the rights issue which may further increase, potentially above 50%, Indika’s shareholding in the Company.

If the Scheme is not implemented and the Company is not able to raise the required capital to repay the FEED Deferred Payment at short notice, Petrosea may obtain a 20% interest in Masmindo via the Share Pledge. As a result, Indika and its subsidiary Petrosea would collectively have a direct interest in Masmindo of 60% (assuming Indika increases its stake in Masmindo to 40%). Under these circumstances, the trading

²⁰ The amount owed to Petrosea under the Agreed Budget does not form part of the FEED Deferred Payment and accordingly it is not secured against the Share Pledge.

²¹ Based on the exchange rate of 0.7518 adopted for the purpose of our valuation assessment.

²² This was granted at the time of the acquisition of the Project but in 2019, NUS secured an option to buy back this royalty against a payment of US\$4.9 million. 50% of the royalty was bought back in April 2020 with the remaining balance of US\$2.5 million due before 31 January 2022.

²³ Based on information included in the Scheme Booklet

²⁴ Calculated as the Company’s FY21 Budgeted corporate costs (excluding one-off transaction costs) for a period of 1.5 years (18 months). These have been converted from A\$ to US\$ using an exchange rate of 0.7518.

²⁵ As at 25 June 2021.

price of the Company is expected to reduce materially from the level before the announcement of the Scheme.

Further, the Company will also be required to raise capital for the development capital expenditure of c. US\$216 million²⁶ (as set out in the DFS Update excluding certain owner's costs such as land compensation) over the next 12 to 24 months which will have a dilutive impact on the assessed value of NUS Shares. However, this reduction in value may be offset by an increase in the share price as the Project nears FID.

Limited takeover contestability

Whilst the premium for control is at the low-end of the premium for control typically applied in successful takeovers in Australia, we note that the takeover contestability of the Company is limited by virtue of the current shareholding of Indika in NUS of 27.8% and in the Project of 25% which can increase to 40% until 31 December 2021 if Indika agrees to invest a further US\$25 million. Further, Petrosea, a subsidiary of Indika, has the Share Pledge for a further 20% of the Project.

Under the CoW²⁷, there is a requirement for 51% of the shares in Masmindo to be divested to Indonesian participants by the 10th anniversary of commercial production. The current agreement with Indika goes towards fulfilling this requirement.

Under the above circumstances, it is unlikely that any party, other than Indika, would be interested in acquiring a controlling interest in the Company which limits the takeover contestability and accordingly the premium for control receivable by NUS Shareholders.

Certainty of the cash consideration

The Scheme represents an opportunity for NUS Shareholders to receive certain and immediate value for their investment in NUS Shares free of any realisation costs and at a premium to the trading price before the announcement of the Scheme.

NUS Shareholders will no longer be exposed to the ongoing risks associated with the Project. In addition, we note the following operational risks and challenges with the Project which may affect future performance and profitability:

- *Operational and development risks* – The underlying value of NUS Shares is expected to materially change as the Project moves through its development cycle. Whilst the range of values attributed to NUS Shares in our fairness assessment are considered reasonable at the date of this report, the fair value of the Company may increase significantly, or conversely decline materially in value, depending on the completion of the pre-FID capex, construction of the Project in line with the DFS Update and the performance of the Project once it is operational.
- *Financing risk* – As discussed above, given the size of the financing required to develop the Project compared with the market capitalisation of NUS, completion of project financing presents a number of

²⁶ As set out in the Scheme Booklet.

²⁷ The Project is held under a 7th generation contract of work ("CoW") signed with the Indonesian Government in 1998 and amended in 2018. The CoW covers an area of 14,390 hectares and it is held by Masmindo which has the sole right to explore and exploit mineral deposits within this area until 2050

risks and challenges for NUS which may adversely affect the valuation of NUS Shares in the absence of the Scheme.

- *Withholding tax obligations* – Once the Project is operational and if it performs in line with the DFS Update, it will generate significant cash flows. If the Company decides to repatriate the cash as dividends to distribute to Shareholders, it may face the payment of withholding tax up to 15%. This potential tax obligations have not been taken into account in our valuation assessment of the Project.
- *Jurisdiction risk* – The Project is located in Indonesia which as a developing country has less established and less predictable fiscal, monetary and regulatory policies. Possible sovereign risks associated with operating in Indonesia include changes to the terms of the mining legislation, changes in foreign ownership restrictions, failure to obtain or renew operating permits and expropriation by government and other bodies, among others. Mining regulations in Indonesia are designed to align with the Indonesian Constitution and safeguard the principle that mineral deposits are developed for the benefits of Indonesia. The financing agreement in place between Indika and NUS goes a long way towards fulfilling this requirement and it is a critical step in ensuring that 51% of the shares in Masmindo are offered to an Indonesian company or agency by the 10th anniversary of commercial production. Notwithstanding this, significant risks remain in operating in Indonesia for foreign investors. We note that in 2019, Indonesia was ranked 73rd among 190 economies in the ease of doing business according to the latest World Bank annual ratings. Whilst the ranking has remained substantially unchanged in the last couple of years, it has deteriorated materially since 2008. Historically, there have also been a number of ASX listed companies with assets in Indonesia or similar high risk jurisdictions which have been adversely affected by the jurisdiction risks like Kingsgate Consolidated Limited (“Kingsgate”) and Intrepid Mines Limited (“Intrepid”). In case of Kingsgate, its Chatree mine in Thailand had been compulsorily seized by the Thailand Government whereas in case of Intrepid, its Tujuh Bukit copper-gold mine was seized by its Indonesian local partner.
- *COVID-19* – Indonesia recently reported more than 45,000 new coronavirus daily cases for the first time, surpassing recent daily infections in India, becoming Asia's new virus hotspot. The highly transmissible Delta variant is now spreading from the islands of Java and Bali and there are expectations that the outbreak will continue to increase as social restrictions appear inadequate and more than 27% of tests have come back positive²⁸ giving Indonesia one of the highest test positivity rates in the world. The government is struggling to acquire enough vaccines to reach its target of inoculating more than 181 million of its 270 million people by March 2022. So far, only 15.6 million people have been fully vaccinated. This may cause delays in completing the pre-FID activities and commencement of the construction phase.
- *Volatility in financial markets and economies* – Volatility in the global economy is expected to continue due to the varied pace of vaccination globally, the reopening of the economies and the outbreak of more contagious strains of the virus continue to weigh on investors' views going forward. Whilst global financial markets have performed strongly, volatility continues to remain high. Gold has historically been treated as a safe haven asset for investment purposes and has historically performed well in period of high volatility, however global uncertainties and volatility are not positive for the development of the Project.
- *Indika investment* – Based on Indika's desire to diversify into the gold sector, as evidenced by their bid for NUS, we expect that they would likely exercise their Stage 2 investment regardless of conditions precedent. If this were not to occur, in the absence of this additional investment, it is likely that the

²⁸ Johns Hopkins University.
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Project could be stalled until such time that the Company manages to raise significant additional funding for progressing the Project and Indika may seek to renegotiate the terms of the funding at detriment of NUS Shareholders.

No brokerage costs

NUS Shareholders will be able to realise their investment in NUS without incurring any brokerage or stamp duty costs.

Disadvantages

Shareholders will not be able to participate in the future potential upside of NUS

If the Scheme is implemented, NUS Shareholders will forgo the opportunity to participate in the future upside of the Company and any uplift in current market conditions. The Project has significant potential upside due to the following characteristics:

- Long LOM of 16 years on the current Reserves with metallurgy not expected to be complex.
- AISC and upfront capital expenditures are not expected to be high relative to similar projects at US\$926/oz. and US\$216 million²⁹ as per the DFS Update (excluding certain owner's costs such as land compensation), respectively.
- The CoW covers an area of 14,390 hectares in a highly prospective region with multiple gold mineralisation and deposits and limited historic exploration. Whilst some value to this exploration potential has been attributed in our valuation assessment, it is difficult to estimate with a degree of accuracy in the absence of significant additional exploration.
- If FID is achieved and the capital raising to fund the construction successfully completed, the uncertainty on the Project will materially reduce and, all other things being equal, the valuation assessment may increase materially. If the Scheme is implemented, NUS Shareholders will forgo the opportunity to participate in this potential upside.

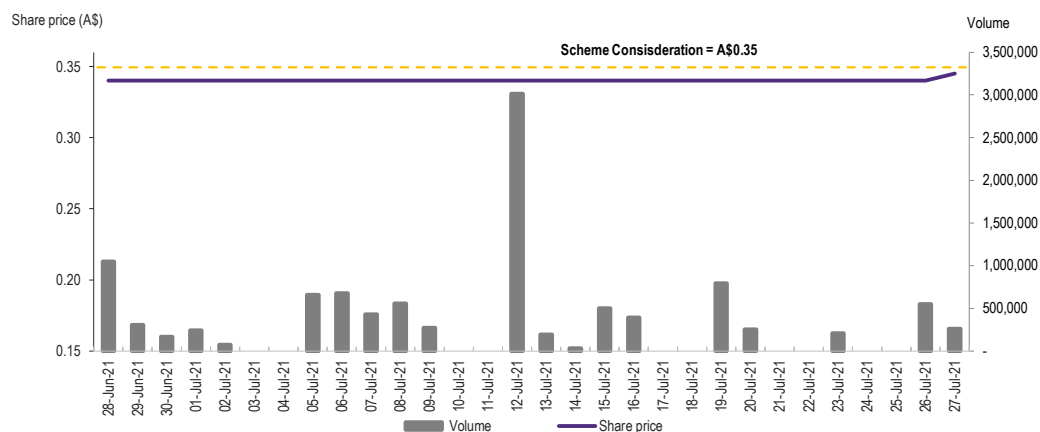
Other factors

Share price after the announcement

As set out below, following the announcement of the Scheme, the share price of NUS has traded substantially in line with or slightly below the Scheme Consideration which seems to indicate good support from investors, a perceived low risk of the Scheme not being implemented and limited expectations for a superior proposal.

²⁹ As set out in the Scheme Booklet.
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Trading price after the announcement date



Sources: S&P Global, GTCF analysis.

Gold price volatility

The assessed fair market value of NUS Shares is particularly sensitive to movements in the gold price. Precious metals markets have exhibited a significant degree of volatility in recent times and there is a wide range of views from market analysts as to future gold prices. Grant Thornton Corporate Finance's forecast gold price assumptions have been determined after consideration of the consensus forecasts, the spot price and the historical average prices. However, a wide range of assumptions could credibly be adopted, which could impact assessed fair values either positively or negatively. Depending upon the views taken by individual shareholders in relation to these assumptions, it is possible that individual shareholders could reach a different conclusion on the appropriate range of values for the Project and hence NUS as a whole. We note that the selected long term real gold price of between US\$1,500 and US\$1,550 is materially lower than the spot gold price of c. US\$1,800/oz³⁰. Should the gold price in the future remain in line with the current spot price, the value of the Project and NUS will increase materially. Refer to the sensitivity in section 6 for details.

Prospects of a superior offer

Whilst NUS has agreed not to solicit any competing proposals or, subject to a fiduciary exception, to participate in discussions or negotiations in relation to any competing proposals, in our opinion it is unlikely that a superior proposal will emerge given the current shareholding of Indika in NUS and in the Project (which can be increased to 40% until 31 December 2021). Nonetheless, if a superior proposal were to emerge, before NUS Shareholders cast their vote on the Scheme, the Scheme meeting may be adjourned or NUS Shareholders may vote against it.

We note that in the event that a competing superior proposal is announced and completed or the Directors withdraw their recommendation of the Scheme, NUS will pay Indika a reimbursement fee of A\$0.8 million subject to certain exceptions. The reimbursement fee may also become payable under other circumstances as set out in the Scheme Booklet.

³⁰ This is the spot gold price as at 29 July 2021 as reported by S&P Global #5897805v1

Share price in the absence of the Scheme

In the absence of the Scheme or an alternative transaction, all other things being equal, it is likely that NUS Shares will trade at a price below the Scheme Consideration, while there is a substantial funding overhang.

Implications if the Scheme is not implemented

If the Scheme is not implemented, it would be the current Directors' intention to continue operating NUS as a stand-alone entity in line with its stated strategy and objectives. However, the Company will be required to undertake an accelerated capital raising to fulfil its obligations in relation to the FEED Deferred Payment and to continue the development of the Project in a timely manner.

Tax implications

Implementation of the Scheme may crystallise a capital gains tax liability for NUS Shareholders, however the taxation consequences for NUS Shareholders will vary according to their individual circumstances and will be impacted by various factors. NUS Shareholders should read the overview of tax implications of the Scheme set out in Section 8 of the Scheme Booklet and also seek independent financial and tax advice.

Conclusion on the reasonableness

Based on the qualitative factors identified above, it is our opinion that the Scheme is **REASONABLE**.

Overall conclusion

After considering the abovementioned quantitative and qualitative factors, Grant Thornton Corporate Finance has concluded that the Scheme is **FAIR AND REASONABLE AND HENCE IN THE BEST INTERESTS** of Nusantara Shareholders in the absence of a superior alternative proposal emerging.

Other matters

Grant Thornton Corporate Finance has prepared a Financial Services Guide in accordance with the Corporations Act. The Financial Services Guide is set out in the following section.

In preparing this report we have considered the interests of Nusantara Shareholders as a whole. Accordingly, this report only contains general financial advice and does not consider the personal objectives, financial situations or requirements of individual shareholders.

Yours faithfully
GRANT THORNTON CORPORATE FINANCE PTY LTD



ANDREA DE CIAN
Director



JANNAYA JAMES
Authorised Representative

Financial Services Guide

1 Grant Thornton Corporate Finance Pty Ltd

Grant Thornton Corporate Finance carries on a business, and has a registered office, at Level 17, 383 Kent Street, Sydney NSW 2000. Grant Thornton Corporate Finance holds Australian Financial Services Licence No 247140 authorising it to provide financial product advice in relation to securities and superannuation funds to wholesale and retail clients.

Nusantara appointed Grant Thornton Corporate Finance Pty Ltd to provide general financial product advice in the form of an independent expert's report in relation to the Scheme.

2 Financial Services Guide

This Financial Services Guide ("FSG") has been prepared in accordance with the Corporations Act, 2001 and provides important information to help retail clients make a decision as to their use of general financial product advice in a report, the services we offer, information about us, our dispute resolution process and how we are remunerated.

3 General financial product advice

In our report we provide general financial product advice. The advice in a report does not take into account your personal objectives, financial situation or needs.

Grant Thornton Corporate Finance does not accept instructions from retail clients. Grant Thornton Corporate Finance provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. Grant Thornton Corporate Finance does not provide any personal retail financial product advice directly to retail investors nor does it provide market-related advice directly to retail investors.

4 Remuneration

When providing the Report, Grant Thornton Corporate Finance's client is the Company. Grant Thornton Corporate Finance receives its remuneration from the Company. In respect of the Report, Grant Thornton Corporate Finance will receive from Nusantara a fixed fee of A\$110,000 (plus GST) which is based on commercial rates, plus reimbursement of out-of-pocket expenses for the preparation of the report. Our directors and employees providing financial services receive an annual salary, a performance bonus or profit share depending on their level of seniority.

Except for the fees referred to above, no related body corporate of Grant Thornton Corporate Finance, or any of the directors or employees of Grant Thornton Corporate Finance or any of those related bodies or any associate receives any other remuneration or other benefit attributable to the preparation of and provision of this report.

5 Independence

Grant Thornton Corporate Finance is required to be independent of Nusantara in order to provide this report. The guidelines for independence in the preparation of independent expert's reports are set out in RG 112 *Independence of expert* issued by ASIC. The following information in relation to the independence of Grant Thornton Corporate Finance is stated below.

"Grant Thornton Corporate Finance and its related entities do not have at the date of this report, and have not had within the previous two years, any shareholding in or other relationship with Nusantara (and associated entities) that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation the Scheme.

Grant Thornton Corporate Finance has no involvement with, or interest in the outcome of the Scheme, other than the preparation of this report.

Grant Thornton Corporate Finance will receive a fee based on commercial rates for the preparation of this report. This fee is not contingent on the outcome of the transaction. Grant Thornton Corporate Finance's out of pocket expenses in relation to the preparation of the report will be reimbursed. Grant Thornton Corporate Finance will receive no other benefit for the preparation of this report.

Grant Thornton Corporate Finance considers itself to be independent in terms of RG 112 "Independence of expert" issued by the ASIC."

6 Complaints process

Grant Thornton Corporate Finance has an internal complaint handling mechanism and is a member of the Australian Financial Compliance Authority (membership no. 11800). All complaints must be in writing and addressed to the Chief Executive Officer at Grant Thornton Corporate Finance. We will endeavour to resolve all complaints within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Australian Financial Compliance Authority who can be contacted at:

Australian Financial Compliance Authority
GPO Box 3
Melbourne, VIC 3001
Telephone: 1800 931 678

Grant Thornton Corporate Finance is only responsible for this report and FSG. Complaints or questions about the General Meeting should not be directed to Grant Thornton Corporate Finance. Grant Thornton Corporate Finance will not respond in any way that might involve any provision of financial product advice to any retail investor.

7 Compensation arrangements

Grant Thornton Corporate Finance has professional indemnity insurance cover under its professional indemnity insurance policy. This policy meets the compensation arrangement requirements of section 912B of the Corporations Act, 2001.

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1 Outline of the Proposed Transaction

1.1 Other key terms of the Proposed Transaction

We have set out below some of the key terms of the SID:

- *Conditions precedent* – The SID includes the following conditions precedent:
 - Approval of the Scheme by NUS Shareholders (Scheme Meeting and General Meeting) and by the Court in accordance with Section 411(4) (b) of the Corporations Act.
 - The Independent Expert issues a report which concludes that the Scheme is in the best interests of NUS Shareholders before the date on which the Scheme Booklet is lodged with ASIC and the Independent Expert does not withdraw or change that conclusion before the Second Court Date³¹.
 - No NUS prescribed occurrences and no material adverse changes and other conditions precedent typical for a transaction of this type.
- *NUS Performance Rights* - The Company has 2,400,000 performance share rights (“Performance Rights”) whose vesting will be accelerated. Accordingly, these will be converted into NUS Shares and will receive the Scheme Consideration.
- *NUS Options* – NUS has the following options on issue:
 - 2,200,000 NUS employee options. These holders of these options may exercise at any time prior to the earliest of (i) the expiry date of the options, or (ii) any day within 60 days after receiving written notice from NUS of the Scheme and the date the Scheme becomes unconditional
 - 20,000,000 unlisted options. These have been issued to Indika and Petrosea who both will continue to hold them up to the implementation of the Scheme.
- *Interim Funding* – As part of the SID, NUS and Indika have agreed on a budget relating to the expenditure and work program up to 30 September 2021 to continue the advancement of the Project. If Masmino requires funding beyond the Agreed Budget period, the Bidder has agreed to fund Masmino by way of a convertible loan to provide its share of the Additional Funding.
- *Voting intention statement* – Lion Selection Group Limited, Cumulus Wealth and Federation Mining Pty Ltd which have a 21.77%, 4.96% and 12.34% stake respectively in Nusantara, have signed a voting intention statement signalling their plan to vote in favour of the Scheme. We note that these voting intention statements are predicated on the absence of a superior proposal and are subject to an IER concluding and continuing to conclude that the Scheme is in the best interests of NUS Shareholders.
- *Break Fee* – A reimbursement fee of A\$0.8 million may become payable by NUS to Indika if during the exclusivity period the Scheme does not proceed due to:

³¹ As defined in the SID.

- A competing proposal is announced by a third party and within twelve months from its announcement any third party acquires a relevant interest in more than 50% of NUS.
- Any of the NUS Directors fails to make, withdraws, adversely revises or qualifies their voting intention and recommendation to vote in favour of the Scheme, except in limited circumstances set out in the SID.
- A prescribed occurrence occurs (due to a matter, event or circumstance within the control of NUS) which is not waived.
- Indika terminates the SID due to a material breach by NUS of the terms of the SID.

Others – The SID contains customary exclusivity provisions including no shop and no talk restrictions, due diligence investigation, information exclusivity and a matching counterproposal right for Indika in the event that the Directors receive a superior proposal.

2 Purpose and scope of the report

2.1 Purpose

Section 411 of the Corporations Act

Section 411 of the Corporations Act 2001 regulates scheme of arrangements between companies and their members. Part 3 of Schedule 8 of the Corporations Regulations 2001 prescribes information to be sent to shareholders and creditors in relation to members' and creditors' scheme of arrangement pursuant to Section 411 of the Corporations Act.

Part 3 of Schedule 8 (s640) of the Corporations Regulations requires an independent expert's report in relation to a scheme to be prepared when a party to that scheme has a shareholding greater than 30% in the company subject to the scheme, or where any of its directors are also directors of the company subject to the scheme. In those circumstances, the independent expert's report must state whether a scheme is in the best interests of shareholders and state reasons for that opinion. Even where there is no requirement for an independent expert's report, documentation for a scheme of arrangement typically includes an independent expert's report.

While there is no legal requirement for an independent expert's report to be prepared in respect of the Scheme, the Independent Directors of NUS have requested Grant Thornton Corporate Finance to prepare an independent expert's report to express an opinion as to whether the Scheme is in the best interests of NUS Shareholders.

2.2 Basis of assessment

In determining whether the Scheme is in the best interests of the Company's members, Grant Thornton Corporate Finance has had regard to relevant Regulatory Guides issued by the ASIC, including RG 111, Regulatory Guide 60 Scheme of arrangement ("RG60") and RG 112. The IER will also include other information and disclosures as required by ASIC. We note that neither the Corporations Act nor the Corporations Regulations define the term "in the best interests of members".

RG 111 establishes certain guidelines in respect of independent expert's reports prepared for the purposes of the Corporations Act. RG111 is framed largely in relation to reports prepared pursuant to Section 640 of the Corporations Act and comments on the meaning of "fair and reasonable" in the context of a takeover offer. RG111 requires an independent expert report prepared for a change of control transaction implemented by way of scheme of arrangement to undertake an analysis substantially the same as for a takeover bid. However, the opinion of the expert should be whether or not the proposed scheme is "in the best interests of the members of the company". If an expert were to conclude that a proposal was "fair and reasonable" if it was in the form of a takeover bid, it will also conclude that the proposed scheme is "in the best interests of the members of the company".

Pursuant to RG111, an offer is "fair" if the value of the offer price or consideration is equal to or greater than the value of the securities that are subject of the offer. A comparison must be made assuming 100% ownership of the target company.

RG111 considers an offer to be "reasonable" if it is fair. An offer may also be reasonable if, despite not being "fair" but after considering other significant factors, shareholders should accept the offer in the absence of any higher bid before the close of the offer.

In our opinion, the most appropriate way to evaluate the fairness of the Scheme is to compare the fair market value of Nusantara on a control basis with the Scheme Consideration.

In considering whether the Scheme is in the best interests of Nusantara shareholders, we have considered a number of factors, including:

- Whether the Scheme is fair.
- The implications to Nusantara Shareholders if the Scheme is not implemented.
- Other likely advantages and disadvantages associated with the Scheme.
- Other costs and risks associated with Scheme that could potentially affect Nusantara shareholders.

2.3 Independence

Prior to accepting this engagement, Grant Thornton Corporate Finance (a 100% subsidiary of Grant Thornton Australia Limited) considered its independence with respect to the Scheme with reference to RG 112 issued by ASIC.

Grant Thornton Corporate Finance has no involvement with, or interest in, the outcome of the approval of the Proposed Transaction other than that of an independent expert. Grant Thornton Corporate Finance is entitled to receive a fee based on commercial rates and including reimbursement of out-of-pocket expenses for the preparation of this report.

Except for these fees, Grant Thornton Corporate Finance will not be entitled to any other pecuniary or other benefit, whether direct or indirect, in connection with the issuing of this report. The payment of this fee is in no way contingent upon the success implementation of the Scheme.

In our opinion, Grant Thornton Corporate Finance is independent of Nusantara and its Directors and all other relevant parties of the Scheme.

Compliance with APES 225 Valuation Services

This report has been prepared in accordance with the requirements of the professional standard APES 225 Valuation Services ("APES 225") as issued by the Accounting Professional & Ethical Standards Board. In accordance with the requirements of APES 225, we advise that this assignment is a Valuation Engagement as defined by that standard as follows:

"An Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Member is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Member at that time."

3 Industry overview

NUS is solely engaged in the exploration and development of the Awak Mas gold project in Indonesia. Accordingly, we have provided a brief overview of the gold mining industry in general and of mining in Indonesia below.

3.1 Overview of the Global Gold Market

Gold is a precious metal used primarily in the fabrication of jewellery, electronics and other industrial applications as well as an investment asset for store of value and hedging. Gold is actively traded on international commodity markets and experiences daily price fluctuations as determined by global demand and supply factors. As the global economy continues to recover from COVID-19, interest rates are expected to remain low provided inflation and wage growth do not increase significantly over the short-term. Given the negative correlation between interest rates and gold prices, gold's price is expected to remain relatively robust over the short term.

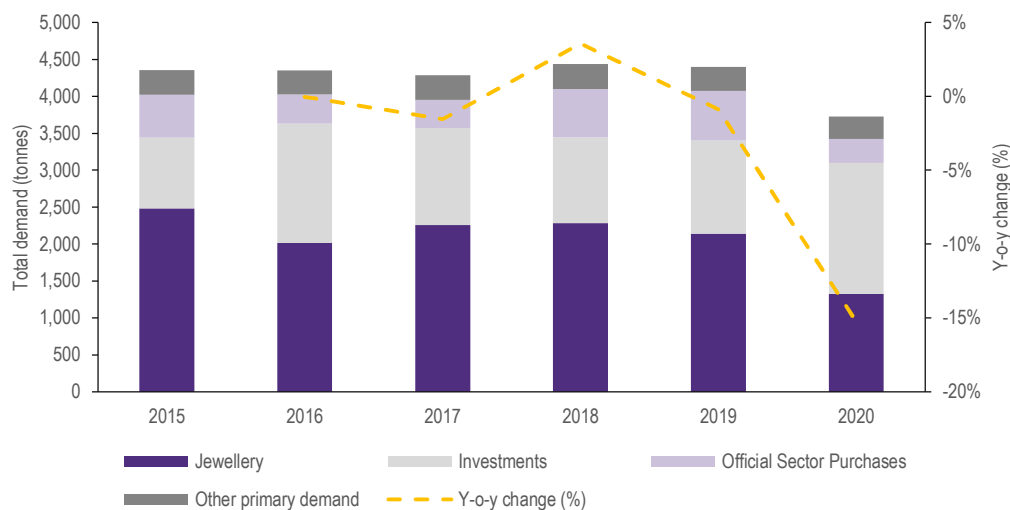
The key drivers affecting gold exploration and production include:

- *Gold prices* – The price of gold peaked at US\$2,058/oz. in August 2020, triggering an expansion of existing mines as well as the development of new gold exploration projects. More recently however, gold price has significantly reduced from the high and it has remained volatile despite continuing to trade in excess of c. US\$1,700/oz. over the last 12 months.
- *Exchange rates* – Gold is usually traded in US dollars, therefore relative exchange rates are an important factor affecting the level of global gold trading and demand.
- *Political and regulatory factors* – Gold exploration activities are considered high risk undertakings as there is a considerable amount of risk and uncertainty surrounding the commercial viability of such projects. Tenements located in countries with well-defined regulatory processes and a stable political environment are more attractive to gold explorers and producers as they are less risky than unregulated and politically unstable countries.
- *Funding requirements* – Given the inherent riskiness of the gold mining industry, the availability and cost of capital to fund such projects can significantly impact the level of gold exploration and production activities being undertaken.
- *Mine/location specific factors* – Each mine/location is exposed to unique factors that affect the feasibility of continued exploration and production.

3.2 Demand

Demand for gold is mainly driven by gold jewellery, global investment trends and market/economic conditions. The graph below illustrates historic gold demand by category:

Historical global demand for gold



Note 1: Official Sector Purchases refers to gold demand from Central bank and other institutions; Note 2: Investments comprises demand for bar and coin, ETF and other similar products; Note 3: Other primary demand comprises demand from industrial equipment and others.
Source: World Gold Council Q2 2021 Publication

The demand for gold has historically been driven by the demand for fabrication of jewellery and industrial equipment (“Primary Demand”). However, recently Primary Demand as a proportion of total demand has declined significantly from approximately 46% in 2015 to 36% in 2020 due to increasing interest in gold as an investment asset.

The level of Primary Demand is highly seasonal as demand in India and China is strongly linked to traditional festivities. China and India were the largest consumers by volume, together accounting for approximately 58% of global demand for jewellery in 2019³². The contraction of the Primary Demand in 2020 due to the adverse consequences of COVID-19 on disposable income was the primary driver of the overall contraction in the demand side.

Investors generally consider gold as a relatively safe investment asset. This is primarily because the price of gold has historically been negatively correlated to movements in the general global economy and other main financial assets. As a result, gold is often used for hedging and as a store of wealth. In recent history, volatility caused by the GFC, and more recently COVID-19, have caused investors to sell off other riskier assets to purchase gold for its unique properties as an investment asset, with the price of gold peaking in August 2020.

Increasing interest in gold as an investment asset has also led to an increase in the variety of gold investment products, such as gold exchange traded funds, which are publicly listed investment funds that hold gold as their primary asset.

Investment demand for gold has recently also included the net purchase of gold by central banks and official sector institutions³³ (“Official Sector”). The central banks have been net purchasers of gold since 2016. In a number of developing countries experiencing rapid economic growth, the significant expansion of foreign exchange reserves has required central banks to increase gold holdings in order to hedge

³² We have not considered 2020 due to the impact of the COVID-19 pandemic on the global economy. However, we note that for Q1 2021, the demand for jewellery from India and China accounted for 62% of the global demand for jewellery during the said period.

³³ Official sector institutions include all departments and agencies of national governments such as exchange authorities and fiscal agents that undertake activities similar to those of treasury, central bank or stabilisation fund.

against adverse movements in foreign exchange reserve movements. Amongst the developed nations, the buying for gold was on account of the risks due to COVID-19.

3.3 Supply

The supply of gold is mainly sourced from mine production and the recycling of scrap gold. The graph below illustrates historical gold supply by category:

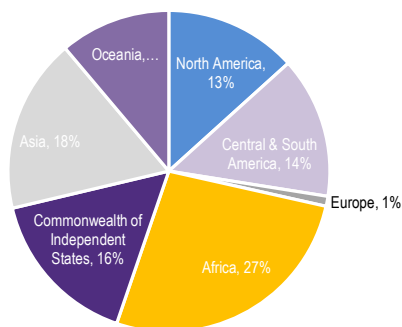
Historical gold supply



Note 1: Mine production is net of any hedging effect undertaken by the gold producer
Source: World Gold Council

Gold supply has remained substantially flat over the last 5 years and in 2020 has reduced back to approximately 2017 levels. The 2020 global gold production by region and the historical gold production for Indonesia is set out below:

2020 Global production by Region



Indonesia historical production



Source: World Gold Council

Note 1: Commonwealth of Independent States includes Russia, Uzbekistan, Kazakhstan, Kyrgyzstan; Note 2: Oceania includes Australia, Papua New Guinea and New Zealand.

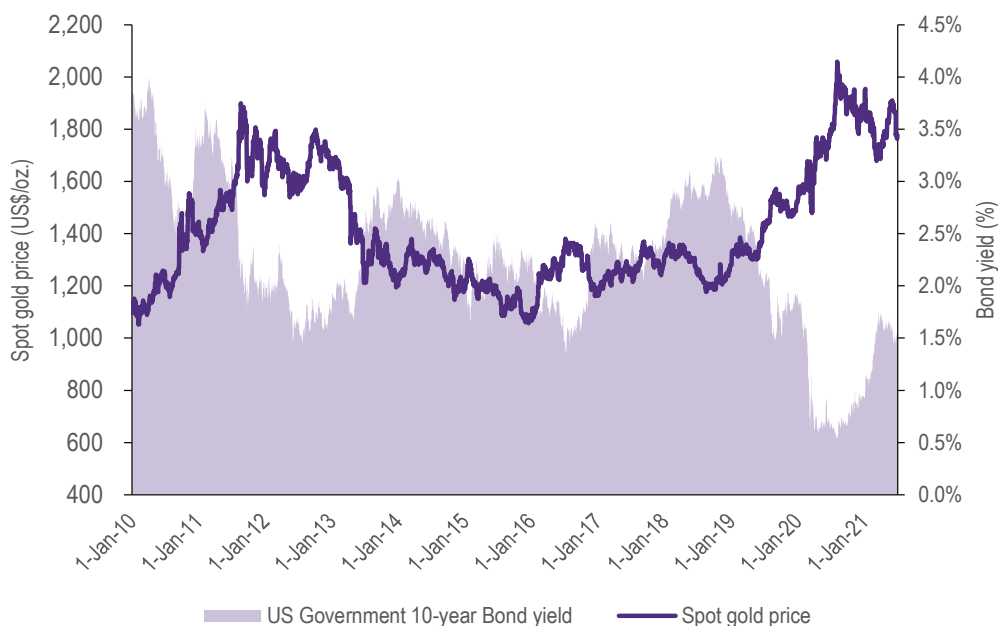
Indonesia has the 4th largest gold reserves and is the 11th largest producer of gold globally. The country has a vast history of mining including Freeport McMoRan's Grasberg mine, which is the largest gold mine in Indonesia.

During 2020, Indonesia recorded a 9.3% y-o-y increase driven by large changes in by-product output from large copper-gold mines. Grasberg mine in Indonesia reported an expected increase in underground mining rates as the mine continues its transition away from open-pit mining. This is expected to continue over the next few years contributed to an increased production in Indonesia.

3.4 Gold Price and outlook

Set out below is the daily historical price of gold (nominal) between January 2010 and July 2021 and the 10-year US Government Bond yield:

Historical Gold price & 10-year US Government Bond

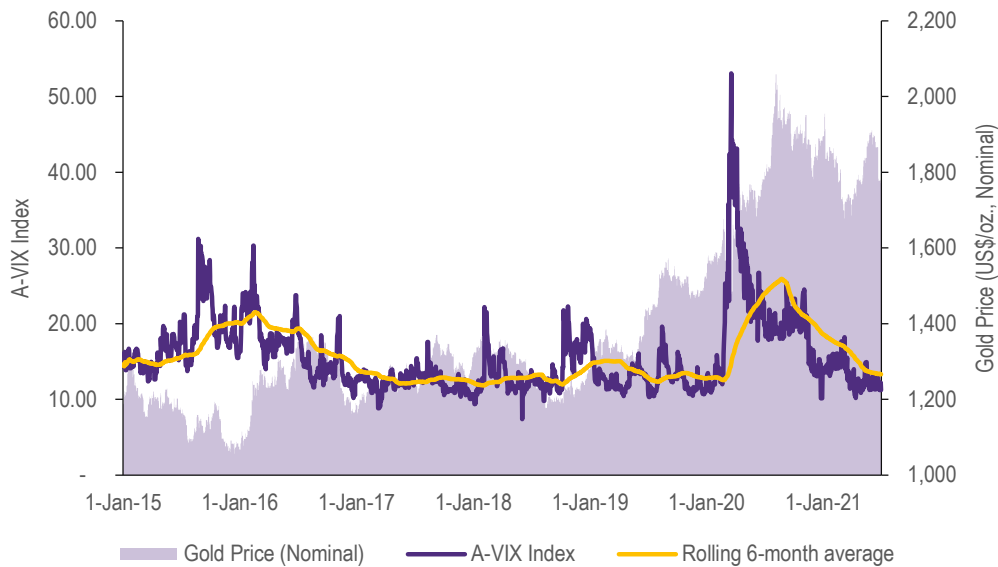


Source: S&P Capital IQ and GTCF calculations

Since the GFC, asset prices have been supported by an unprecedented levels of fiscal stimulus which has resulted in a steep decline in bond yields and returns required which as outlined in the graph above are inversely correlated with gold prices. The price of gold increased from an average nominal price of US\$1052/oz. in 2010 to a high of US\$2,058/oz. in August 2020 due to the uncertainty in the global economy from COVID-19. In the aftermath of the GFC, gold prices continued to remain high. In 2015, global commodity prices experienced significant decline as a result of slowdown in economic activity, which impacted gold prices. Since 2018, lower inflation in spite of unprecedented levels of stimulus continue to generate uncertainty in the global economy and this has supported a gold price range which has been relatively higher than historical levels. As at 1 July 2021, the spot price of gold was US\$1,777 per oz.

Along with a decline in the bond yields, overall market volatility has also been a key factor influencing gold prices. We have set out below the nominal gold price and the S&P / ASX 200 VIX Index (“A-VIX”)³⁴:

Historical gold price and A-VIX Index



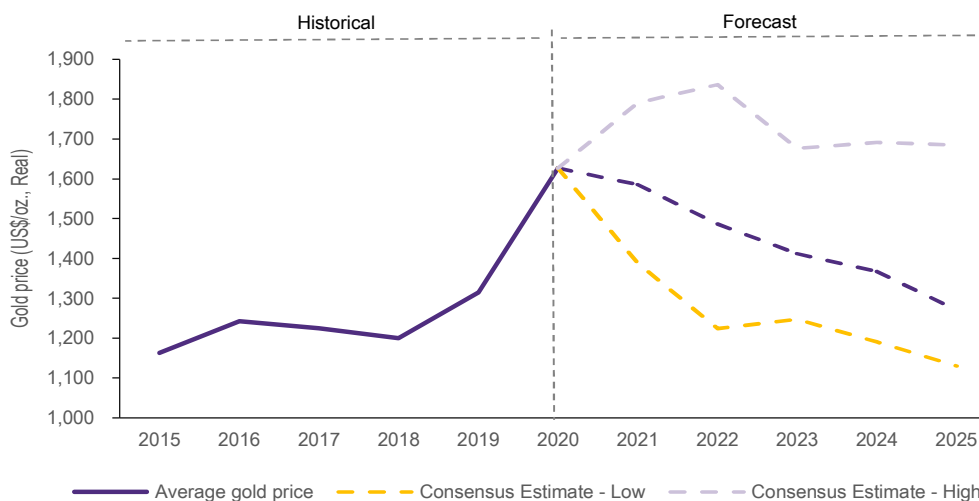
Source: S&P Global

As observed in the graph above, the gold price movements are broadly aligned with the movements in the A-VIX Index. The emergence of cryptocurrency and alternative asset classes are likely to challenge gold’s position as a safe haven asset class. However, cryptocurrency has also experienced significant volatility and continues to face regulatory challenges in various countries.

The following chart sets out a summary of broker forecasts for the price of gold (real):

³⁴ The S&P / ASX 200 VIX Index is a real-time volatility index that provides investors, financial media, research and economists an insight into investor sentiment and expected levels of market volatility.

Historical and forecast gold price (real)



Note: Gold price calculated/ estimated based on calendar year average
Source: Grant Thornton analysis, Consensus Broker estimates

The gold price is expected to decline in real terms on account of the current high prices of gold and the growing risk of inflation within the global economy.

Future long term growth in demand is expected to be driven by the Chinese market, primarily due to its increasing economic prosperity and high levels of savings. However, China is also the world's largest producer of gold. While currently China's gold mining industry consists of mostly small-scale unsophisticated producers that are unable to operate on a global platform, it is expected that in the medium to long term these producers will be able to acquire more sophisticated technology and mining techniques, and expand their supply across China and to global markets.

3.5 Mining in Indonesia

Indonesia is a country in Southeast Asia between the Indian and Pacific Ocean. It is the world's largest island country with an area of 0.7 million square miles. Indonesia is regarded as a major market within the global mining industry with significant production of coal, gold and other metals.

Indonesia has achieved a steady GDP growth over the past 10 years through a combination of rising incomes, growing middle class, controlled inflation, improved export activity and growth in expenditure on infrastructure projects.

In 2020, Indonesia was the world's 9th largest gold producer with a production of c. 100 tonnes. Minerals and related products are some of Indonesia's most important sources of foreign currency. Apart from the Grasberg operation in West Papua province, the country also has other large mining operations such as PT Amman Mineral Nusa Tenggara's Batu Hijau mine (copper-gold), PT Archi Indonesia's Toka Tinding (gold), PT Agincourt Resources Martable mine (gold) and PT Merdeka Copper Gold TBK's Bukit mine (copper-gold).

In June 2020, the Indonesian authorities issued Law No. 3, amending Law No. 4 of 2009 on Minerals and Coal Mining ("2020 Amendment"). The amendments were enacted with a view to reinvigorate the mining

sector and encourage investment in mining exploration. An extract of some of the amendments is set out below:

- Under the new laws, the Indonesian Central Government, through the Ministry of Energy and Mineral Resources (“MEMR”) now has exclusive authority to issue licenses to the mining sector. The centralised licensing process is expected to assist business by removing red tape.
- Under the new laws, subject to government review, existing contract of works (“CoW”) and other contracts have not been granted an extension may be converted into a specialised mining licence for an initial maximum term of 10 years, and may be extended again for a maximum of another 10-year term. For instance, under the CoW, Masmindo has sole rights to explore and exploit any mineral deposits within the Project area until 2050. After this period, the operations under the CoW may be extended in the form of a special mining business licence (Izin Usaha Pertambangan Khusus or IUPK) in accordance with prevailing laws and regulations, which currently allows for an extension of 10 years and a further possible extension of 10 year. In the 10th year of commercial production, Masmindo is required to offer at least 51% of its share capital to willing Indonesian participants at fair market value according to international practice.
- Mining licence holders are now permitted to assign their licenses to any party with the MEMR’s approval. This is expected to bring more flexibility for corporate re-structuring, the sale and transfer of mining business and operations and joint venture business opportunities.
- Under the new laws, foreign-invested mining companies holding licences are required to ensure a minimum of 51% local ownership, but the definitive timelines under the previous regulations have been removed.

4 Company overview

4.1 Introduction

Nusantara is a gold exploration and mining development company listed on the ASX that currently owns a 75% interest in the Awak Mas gold mine through its subsidiary Masmindo. Nusantara was incorporated in May 2011 through its acquisition of 100% of the Project from Vista Gold Inc. (“Vista Gold”). The deal consideration for the acquisition also included granting Vista Gold a net smelter royalty of 2.0% on the first 1,250,000 ounces of gold produced from the Project and 2.5% on the next 1,250,000 ounces of gold produced. In 2019, NUS secured an option to buy back this royalty against a payment of US\$4.9 million. 50% of the royalty was bought back in April 2020 for a consideration of US\$2.4 million, with the remaining balance of US\$2.5 million due on 31 January 2022. In order to raise some of the required funds to advance the development of the Project, NUS listed on the ASX in August 2017, raising c. A\$16.2 million at A\$0.42 per share.

The Company is focussed on developing the Awak Mas Gold Project located in the Luwu Regency of the South Sulawesi Province, Indonesia. The Project is held under a 7th generation CoW signed with the Indonesian Government in 1998, which was subsequently amended in 2018. The CoW covers an area of 14,390 hectares and it is held by Masmindo which has the sole right to explore and exploit mineral deposits within this area until 2050³⁵. In addition to Awak Mas, Nusantara also holds several near-mine prospects contained within the same CoW. The Project’s location in Indonesia is outlined in the map below:

Map of Indonesia with the Awak Mas site



Sources: Nusantara website

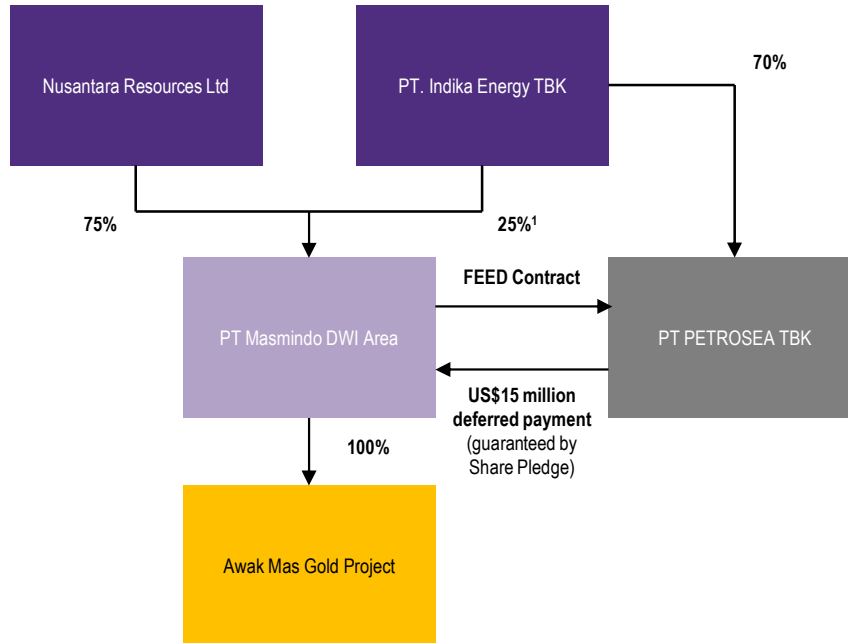
4.2 Ownership structure

As aforementioned, Indika is Nusantara’s joint venture partner in the Awak Mas mine via their 25% and 75% respective interest in Masmindo. Indika has the right but not the obligation to increase its stake to 40% which we discuss in further detail below. We also note that as at the date of this report Indika owns a

³⁵ At this point operations may be extended.

c. 27.8% interest in Nusantara and its subsidiary Petrosea (c. 70% owned by Indika) is the FEED contractor. We have set out below a corporate structure illustrating these relationships:

Overview of Nusantara's corporate structure



Sources: GTCF Analysis; Nusantara annual report

Note (1): Indika may elect to increase its stake in Masmino from 25% to 40% by investing a further US\$25 million subject to various conditions

In 2020 Indika invested US\$15 million for a 25% stake in Masmino with the ability to increase it to 40% by investing a further US\$25 million. The conditions, unless waived, must be met before 31 December 2021 and are as follows:

- Masmino making a decision to mine in relation to the Project; and,
- The receipt by Masmino of all relevant corporate approvals relating to the entry into an Engineering, Procurement and Construction (“EPC”) contract for the Project; and,
- Masmino entering or committing into gold hedging arrangements; and,
- The acquisition of land rights as required for the Project; and,
- NUS contributing a further US\$4 million toward Masmino for the acquisition of the remaining 50% of the Vista Gold Royalty amounting to US\$2.5 million, US\$1.5 million towards other Awak Mas costs and FID being achieved.

Based on Indika’s desire to diversify into the gold sector, as evidenced by their bid for NUS, we expect that they would likely exercise their Stage 2 investment regardless of conditions precedent. We note however that if this was not to occur, it’s likely that the terms of the Stage 2 Equity Investment may be renegotiated which would stall and further delay the Project.

4.3 Feed Contract

In March 2020, the Company announced that the FEED Contract of up to US\$15 million had been awarded by Masmindo to Petrosea, a company listed on the Indonesia Stock Exchange that is c. 70% owned by Indika. The activities under the FEED Contract, to be initially completed within 40 weeks of signing, are funded via the FEED Deferred Payment agreed with Petrosea that allowed the Company to undertake the FEED work without the requirement to raise additional funding. The FEED Deferred Payment bears an interest of 9% per annum and becomes payable at the earlier of various types of termination of the FEED Contract, third party project finance being obtained or 23 June 2021 (subject to completion of the FEED Contract). In conjunction with entering into the SID, this date was extended to 31 October 2021. As at 30 June 2021, the FEED Deferred Payment was US\$13.7 million on a 100% basis.

The FEED Deferred Payment is secured against up to 20% of the ordinary shares in Masmindo held by Nusantara's subsidiary in favour of Petrosea ("Share Pledge"), which can be called upon in an event of default, including a scenario where Masmindo fails to pay any amount payable under the FEED Contract by 31 October 2021.

NUS announced on 28 June 2021 that the FEED Contract preliminary deliverables and independent review of Awak Mas capital and mining costs estimates were completed. As part of this process, Masmindo engaged independent engineers to prepare independent cost and schedule estimates for the key work areas of FEED that form the basis of the DFS Update discussed below.

In connection with the entry into the SID, NUS and Indika have determined an Agreed Budget to continue the advancement of the project. We note that if Masmindo requires funding beyond the Agreed Budget period Indika has agreed to continue fund the Project by way of a convertible loan.

Furthermore, Masmindo, Indika and Petrosea have all entered into an Umbrella Services Agreement setting out, among other things, an agreed scope of services by Petrosea to ensure the continuance of the Project under the Agreed Budget pending implementation of the Scheme. Under this agreement, Petrosea will provide these services on a deferred payment basis of up to US\$4 million with the repayment guaranteed by Indika. Importantly however, if the scheme does not complete by 31 October 2021 Indika may, on payment to Petrosea, seek reimbursement from Masmindo.

4.4 Asset overview

The Project is located in the Luwu Regency of South Sulawesi Province in Indonesia and was discovered in 1991. Work at Awak Mas has been undertaken by several operators including New Hope Consolidated Industries, Placer Dome Inc., Vista Gold and more recently One Asia Resources Limited. The nearest major town is the city of Palopo, c. 67 km northeast of the Project. Access to the Project from Makassar, the capital of Sulawesi, is via a 370 km paved road and then a c. 45 km gravel road. A regional airport is located 2.5 hours' drive away.

The JORC Code Mineral Resources for the Project are summarised in the table below:

JORC Resources Overview	Resource Type	Tonnes (Mt)	Gold Grade (g/T)	Contained Gold (Moz)
Awak Mas	Measured	2.2	1.58	0.11
	Indicated	36.5	1.41	1.66
	Inferred	5.9	1.10	0.21
	Sub-total	44.6	1.38	1.97
Exploration site 1 - Salu Bulu	Measured	0.6	2.31	0.05
	Indicated	1.6	2.14	0.11
	Inferred	0.8	1.26	0.03
	Sub-total	3.0	1.95	0.19
Exploration site 2 - Tarra	Measured	-	-	-
	Indicated	-	-	-
	Inferred	3.0	1.29	0.13
	Sub-total	3.0	1.29	0.13
Total	Measured	2.9	1.74	0.16
	Indicated	38.1	1.44	1.77
	Inferred	9.7	1.17	0.36
	Sub-total	50.6	1.41	2.29

Sources: Awak Mas Project Mineral Resource Update

The Company has recently announced updated Ore Reserves estimates, including maiden proved Ore Reserves following completion of the closed spaced drilling program. This resulted in Ore Reserves of 33.0 Mt at 1.37 g/t grade as well as a total amount of 1.45 M/oz. of contained gold as outlined in the table below:

JORC Reserves Overview	Reserve Type	Tonnes (Mt)	Gold Grade (g/T)	Contained Gold (Moz)
Awak Mas	Proved	2.5	1.38	0.11
	Probable	28.5	1.33	1.22
	Sub-total	31.0	1.33	1.33
Exploration site 1 - Salu Bulu	Proved	0.6	1.92	0.04
	Probable	1.4	1.93	0.09
	Sub-total	2.0	1.93	0.13
Total	Proved	3.1	1.48	0.15
	Probable	29.9	1.36	1.31
	Sub-total	33.0	1.37	1.45

Sources: Awak Mas Project Mineral Resource Update

4.4.1 Project studies

In July 2021, after entering into the SID, the Company issued the DFS Update based on a higher level engineering confidence, the draft deliverables of the FEED, assessment of any independent on costs and updated Ore Reserves. The Project's initial life is estimated at 16 years producing c. 98,652 ounces per year. The construction period is expected to last 31 months and the initial capital costs are estimated to be c. US\$216 million³⁶, including but not limited to pre-production mining costs of c. US\$41 million and

³⁶ As set out in the Scheme Booklet. Note, this value of US\$216 million excludes certain owner's costs such as land compensation.

processing plant costs of c. US\$43.5 million. The Project's AISC is estimated at c. US\$926 per oz. We have set out in the table below a comparison between the DFS Update and the previous studies:

2021 DFS Key assumptions compared to prior DFS Addendum	2018 DFS	2020 DFS Addendum	2021 DFS Update
Initial Mine Life	11 years	16 years	16 years
Annual Plant Throughput	2.5 Mtpa	2.5 Mtpa	2.5 Mtpa
Grade LOM (G/t Au)	1.34 g/t	1.32 g/t	1.35 g/t
Awak Mas Gold Recovery Rate	90.9%	93.2%	93.2%
Salu Bulu Gold Recovery Rate	90.9%	94.8%	94.8%
Gold Produced LOM	1,066 koz	1,529 koz	1,463 koz
Gold Price Assumption (US\$/oz)	US\$1,250/oz	US\$1,700/oz	US\$1,700/oz
Upfront Capital ¹	US\$162 m	US\$172 m	US\$216 m
Payback (Post Tax)	48 Months	21 Months	36 Months
C1 Cash Costs (US\$/oz)	US\$643/oz	US\$734/oz	US\$744/oz
AISC (US\$/oz)	US\$758/oz	US\$875/oz	US\$926/oz
Government Royalty	3.75%	Current scaled rates	Current scaled rates

Sources: 2018 DFS Report, 2020 DFS Addendum and 2021 DFS Update

Note 1: Upfront capital includes pre-production mining costs but excludes pre-construction costs. The US\$233 million CAPEX in the DFS Update includes certain owner's costs such as land compensation.

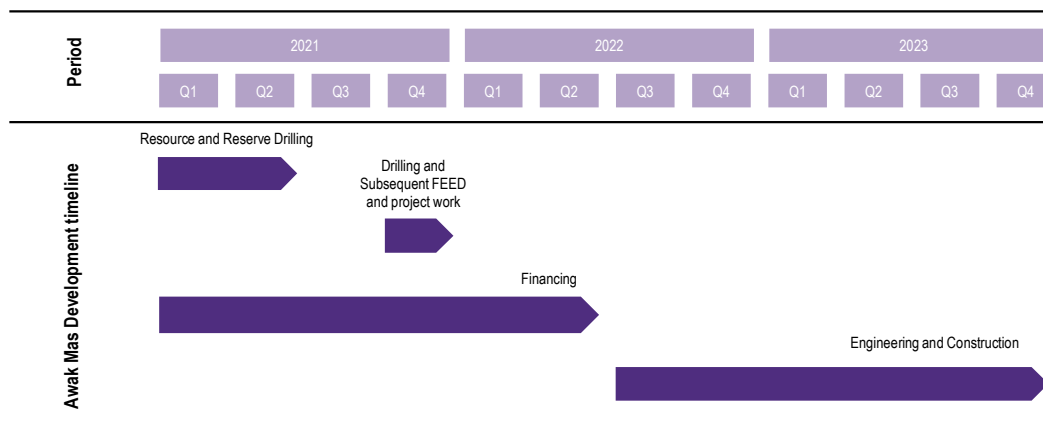
The production targets included above are based on c. 90% of the Reserves and c. 9% of the inferred Resources. In addition, the capital costs do not include near term pre-construction costs for and Nusantara, including corporate costs, which we have considered separately for the purpose of our valuation assessment. The processing plant will have a capacity of 2.5 metric tonnes per annum, average head grade of 1.35 g/t and average gold recovered over the LOM of 93.3%.

Masmindo is currently continuing negotiations with the relevant authorities regarding access roads as well as connection with the grid power whilst finalising land surveys for acquisition prior to project implementation. We note that Masmindo has commenced a formal engagement with the regional government and local community in regard to these specificities. All major permitting is in place, including environmental and licences for its operation and production. Permits required for specific construction activities such as the Tailings Storage Facility are in progress. All material site-based studies and data collection have been completed, with FEED activities now focussing on independent review and testing of the costs and schedule estimates³⁷.

Construction at the Project is anticipated to begin upon completion of the fundraising and decision to mine. The graph below provides an illustration of Management's intended project timeline plan:

³⁷ The Company engaged independent consultants SMEC and Mining One to undertake this review.

Overview of the Awak Mas production timeline



Sources: NUS announcements, GTCF calculations

4.4.2 Funding

The Company has been working on securing funding for the construction of the Project via a combination of senior and mezzanine debt and equity. The following costs and capital expenditure will be required to be funded:

- Up to US\$15.0 million³⁸ by 31 October 2021 for the FEED Deferred Payment. (Masmino cost);
- Pre-development expenditure of up to US\$37 million between 30 June 2021 and FID (Masmino cost) as well as construction capital expenditure of US\$216 million³⁹ excluding certain owner's costs such as land compensation (Masmino cost);
- Up to US\$2.5 million to be paid to Vista Gold Corporation Inc. to cancel the remaining 50% of the net smelter royalty⁴⁰ (Nusantara cost);
- Corporate cost at NUS estimated at US\$2.8 million⁴¹ up to FID. (Nusantara cost); and,

As at 30 June 2021, the Company has a cash balance of c. US\$7.8 million and Indika is likely to subscribe for the additional US\$25 million to increase its interest in Masmino to 40% after FID.

In respect of the debt funding, the Company has held discussions with the banks and other financial institutions. It is intended that the Company will avail between 50% and 60%⁴² of the total amount of the development capital expenditure in external funding. However, the lenders had multiple requirements around maintaining debt service reserve amounts, gold hedging requirements which would have resulted

³⁸ We have not included in the FEED Liability as that payment is guaranteed by Indika.

³⁹ As set out in the Scheme Booklet. Note, this value of US\$216 million is before including the VRM recommendations, after which the amount increases to c. US\$233 million.

⁴⁰ This was granted at the time of the acquisition of the Project but in 2019, NUS secured an option to buy back this royalty against a payment of US\$4.9 million. 50% of the royalty was bought back in April 2020 with the remaining balance of US\$2.5 million due before 31 January 2022.

⁴¹ Calculated as the total Nusantara corporate costs for FY21 (excluding one-off transaction costs) calculated pro-rata for a period of 18 months.

⁴² Calculated as proportion of the headline capital expenditure of US\$216 million (excluding certain owner's costs such as land compensation).

in an additional c. US\$50 million being required to be raised by way of equity. All else equal, this would be further dilutive to NUS Shareholders.

4.5 Financial performance

The consolidated statement of profit or loss for NUS for the periods ended 31 December 2019 (“CY19”), 31 December 2020 (“CY20”) and the half year ending 30 June 2021 (“H1FY21”) are set out in the table below:

Consolidated statements of financial performance	CY19	CY20	H1CY21
USD\$'000s	Audited	Audited	Audited
Interest income	45	244	38
Currency gain	-	767	-
Other income	-	70	-
Total income	45	1,081	38
Employee and directors benefit expense	(1,088)	(1,595)	(853)
Share based remunerations	(170)	(132)	(84)
Professional fees and consultants	(587)	(1,381)	(1,443)
Depreciation and amortisation	(120)	(120)	(76)
Other expenses	(480)	(730)	(417)
Total losses for the year	(2,399)	(2,877)	(2,835)
Foreign currency translation differences	(111)	1,482	(400)
Total comprehensive loss for the year	(2,509)	(1,395)	(3,234)

Sources: Nusantara annual reports

The Company does not generate any revenue from operating activities and the majority of the expenses are derived from Management and other staff costs as well as consultancy expenses in relation to the advancement of the Project.

4.6 Financial position

The consolidated statement of financial position of Nusantara as at 31 December 2019, 31 December 2020 and 30 June 2021 are summarised in the table below:

Consolidated statements of financial position	31-Dec-19	31-Dec-20	30-Jun-21
USD'000s	Audited	Audited	Audited
Current assets			
Cash	6,557	16,503	7,818
Trade and other receivables	391	165	277
Total current assets	6,948	16,668	8,095
Non-current assets			
Property, plant and equipment	81	528	733
Exploration and evaluation expenditure	36,987	60,522	68,018
Other assets	61	81	62
Right of use assets	41	-	-
Other receivables	-	1,338	1,338
Total non-current assets	37,169	62,468	70,151
Total Assets	44,117	79,136	78,246
Liabilities			
Trade and other payables	570	1,095	1,322
Deferred payment arrangement	37	11,648	13,680
Lease liabilities	42	-	-
Provisions	-	22	22
Total liabilities	649	12,765	15,025
Net Assets	43,468	66,371	63,221

Sources: Nusantara annual reports and management accounts

We note the following in relation to Nusantara's financial position:

- Cash at bank had reduced to US\$11.7 million as at 31 March 2021 and to US\$7.8 million as at 30 June 2021.
- In terms of current assets, trade and other receivables refers to three separate line items, these being prepayments, security deposits and other. Security deposits here refers to two separate amounts, the first of which being c. A\$30,000 set aside for a credit card facility and c. A\$18,006 set aside for the office lease. These both bear interest at 0.01% per annum. In terms of non-current assets, the other receivables amount of c. A\$1.3 million refers to a security deposit set aside for the reclamation bond that bears an interest at 0.658% per annum.
- Exploration assets increased by c. US\$23.5 million in CY20 as a result of the advancement of the FEED and exploration activities.
- Trade and other payables is derived through a combination of VAT payables, accrued expenses and other general trade payables.
- The FEED Deferred Payment increased from US\$11.6 million as at 31 December 2020 to US\$13.7 million as at 30 June 2021. We note that under the SID, the deadline for the payment of this liability has been deferred to 31 October 2021.

4.7 Cash flow statement

The table below illustrates the Company's audited consolidated statements of cash flows in CY19 and CY20:

Consolidated statement of cash flows USD'000s	CY19 Audited	CY20 Audited	H1CY21 Audited
Cash flows from operating activities			
Interest income	45	244	38
Payments to suppliers and employees	(2,180)	(3,765)	(2,285)
Proceeds from government grants	-	69	-
Net cash from operating activities	(2,134)	(3,452)	(2,247)
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets	(130)	(586)	(263)
Payments for exploration, evaluation and development expenditure	(4,637)	(11,488)	(5,750)
Net cash used in investing activities	(4,767)	(12,073)	(6,013)
Cash flows from financing activities			
Proceeds from the issue of shares	7,462	9,213	-
Payment for share issue expenses	(258)	(46)	-
Proceeds from investment by non-controlling interest	-	15,000	-
Net cash provided by financing activities	7,205	24,167	-
Net increase / (decrease) in cash held	303	8,641	(8,260)
Effect of exchange rates	(111)	1,306	(426)
Cash and cash equivalents at beginning of the year	6,364	6,557	16,504
Cash and cash equivalents at end of the year	6,557	16,504	7,818

Sources: Nusantara annual reports

During CY20, the Company completed the following fund raising activities:

- In May 2020, following shareholder's approval, Indika invested US\$15 million in Masmino to acquire a 25% interest.
- In December 2020, Indika exercised 16.7 million options at A\$0.35 which provided the Company with additional cash of A\$5.8 million. As a result Indika increased its shareholding in the Company to 27.8%.

4.8 Share capital structure

As at the date of this report, Nusantara's capital structure comprised of the following securities:

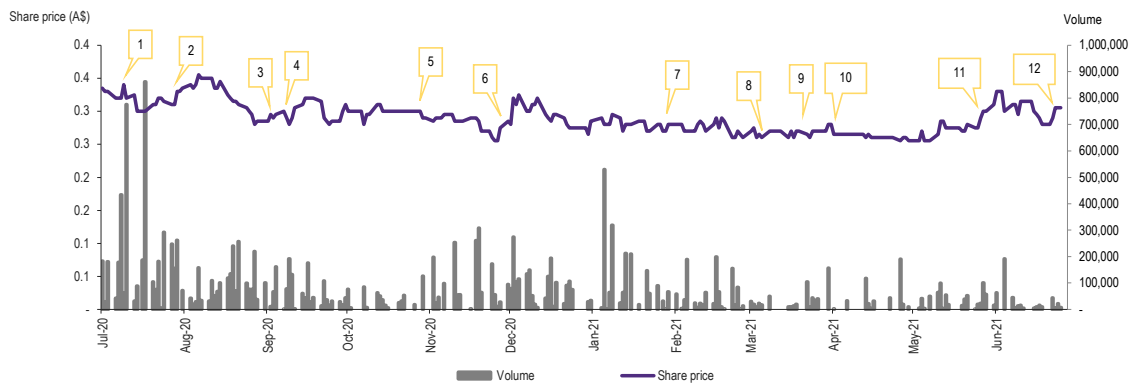
- 229,273,007 fully paid ordinary shares.
- 10 million unlisted options issued to Indika with an exercise price of A\$0.61 expiring on 1 December 2022 and 10 million unlisted options issued to Petrosea with an exercise price A\$0.45 expiring on 1 July 2022 (3 million) and on 1 July 2024 (7 million).
- Options issued to the employees with the following terms:

- 500,000 with an exercise price of A\$0.35 and expiring on 26 August 2022.
- 566,610 with an exercise price of A\$0.35 and expiring on 26 August 2022.
- 1,133,390 with an exercise price of A\$0.42 and expiring on 26 August 2022.
- 2,400,000 Performance Rights with various vesting conditions.

4.8.1 Share price movements

Our analysis of the daily movements in Nusantara's share price and volumes over the past 12 months is set out below:

Nusantara – Historical share trading price and volumes



Sources: S&P Global and GTCF Analysis

The following table illustrates the key events from July 2020 to June 2021, which may have impacted the share price and volume movements shown above.

Events	Date	Comment
1	Jul-20	NUS released their half yearly presentation surrounding the June 2020 Addendum to DFS that detailed the following information about the Awak Mas Project: <ul style="list-style-type: none"> - Increased NPV of 240% to US\$517 million; - IRR up by 120% to 45%; - Reduced payback period by 27 months; - Expansion optionality for the Awak Mas site; and, - Exploration opportunities in the region surrounding the Awak Mas site.
2	Jul-20	NUS released its June 2020 quarterly activities report that detailed the following information: <ul style="list-style-type: none"> - Mineral resource estimates increased by 18% to 2.35M ounces of gold; - Ore Reserves estimate increased by 34% to 1.53M ounces; - Average gold production in first 4 years increased by 20% to 127,700 oz./annum; and, - Awak Mas mine NPV increases by 240% to US\$517 million at a gold price of US\$1,700/oz.
3	Sep-20	NUS announced that it has issued the unlisted options to PT Indika Energy TBK and Petrosea with regard to their investment in the Awak Mas gold mine. The details of the unlisted options are as followed: <ul style="list-style-type: none"> - 10,000,000 exercisable at 61 cents per share, expiring 1 December 2022; - 3,000,000 exercisable at 45 cents per share, expiring 1 July 2022; and,

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Events	Date	Comment
		- 7,000,000 exercisable at 45 cents per share, expiring 1 July 2024.
4	Sep-20	NUS released its half-yearly accounts for the period ending 30 June 2020 detailing the following: <ul style="list-style-type: none"> - Losses for the period were reported as A\$921,992, down from the A\$883,865 reported in the previous half-year. - The company had advanced the Awak Mas mine project through a US\$11.5 million commitment to a Front End Engineering and Design ("FEED") contract with PT Petrosea Tbk, supported by a deferred payment of up to US\$15 million.
5	Oct-20	NUS released its September 2020 quarterly activities report that detailed the following information: <ul style="list-style-type: none"> - Cash of US\$16.3 million as at 30 September 2020; - Asia-based former investment banker, Matthew Doube, announced as CFO. - Stage 1 (of 2 stages) ITE report by SRK received; - Indika US\$15 million tranche 1 investment into Awak Mas completed; and, - Federation mining welcomed as a 13% shareholder through a share swap with Australian Super.
6	Dec-20	NUS announced to the market that Indika had exercised 16.7 million options at a share price of A\$0.35 per share, providing Nusantara with an additional A\$5.8 million in cash. As a result of this move, Indika became Nusantara's largest shareholder at 27.8%.
7	Jan-21	NUS released its December 2020 quarterly activities report that detailed the following information: <ul style="list-style-type: none"> - Cash of US\$16.5 million as at 31 December 2020; - Further information surrounding Indika's exercising of options; and, - Successful closed space drilling completed over the initial mining areas at the Salu Bulu satellite project.
8	Mar-21	NUS provided an update to the market detailing that successful drilling at all sites will lead to an Awak Mas resource update in 2QFY21. Included within this announcement was a 4% uplift for measured and indicated Resources for the Awak Mas Deposit and a high grade of 1.58 g/t gold measured Resources.
9	Apr-21	NUS released Annual Report for the year ending 31 December 2020. The annual report provided further information on key achievements throughout the year and as discussed in the quarterly activities report.
10	Apr-21	NUS released its March 2021 quarterly activities report that detailed the following information: <ul style="list-style-type: none"> - A preliminary FEED update in regards to cost estimates and implementation schedules; - Reinforcement of the success of the close space drilling conducted earlier in the year; and, - Mineral Resource Estimate ("MRE") Update and Maiden Measured Resources;
11	May-21	NUS held its annual general meeting ("AGM") and detailed the following information: <ul style="list-style-type: none"> - Provided a general update on the Project; - Displayed Nusantara's underperformance relative to its comparable peers. - Provided guidance as to the company's future milestones and achievements, focussed specifically on the FEED contract in the near future.
12	Jun-21	NUS announced to the market that it had entered into a Scheme Implementation Deed ("SID") with Indika to acquire all outstanding shares at A\$0.35 per share.

Source: ASX announcements; GTCF research

The monthly share price performance of Nusantara since January 2020 and the weekly share price performance of Nusantara over the last 16 weeks are summarised below.

Nusantara Resources Limited	Share Price			Average weekly volume 000'
	High \$	Low \$	Close \$	
Month ended				
May 2020	0.345	0.215	0.320	484
Jun 2020	0.380	0.300	0.340	882
Jul 2020	0.355	0.275	0.335	966
Aug 2020	0.360	0.275	0.285	493
Sep 2020	0.330	0.280	0.310	292
Oct 2020	0.310	0.280	0.290	136
Nov 2020	0.310	0.250	0.285	411
Dec 2020	0.330	0.265	0.285	382
Jan 2021	0.310	0.260	0.280	462
Feb 2021	0.295	0.260	0.260	248
Mar 2021	0.280	0.260	0.280	128
Apr 2021	0.270	0.255	0.255	108
May 2021	0.310	0.255	0.310	157
Week ended				
12 Mar 2021	0.270	0.270	0.270	50
19 Mar 2021	0.270	0.260	0.270	53
26 Mar 2021	0.270	0.260	0.270	229
2 Apr 2021	0.280	0.265	0.265	159
9 Apr 2021	0.265	0.265	0.265	33
16 Apr 2021	0.270	0.260	0.260	174
23 Apr 2021	0.270	0.260	0.260	44
30 Apr 2021	0.270	0.255	0.255	219
7 May 2021	0.270	0.255	0.255	99
14 May 2021	0.285	0.260	0.275	239
21 May 2021	0.280	0.270	0.280	105
28 May 2021	0.300	0.275	0.300	200
4 Jun 2021	0.330	0.280	0.300	269
11 Jun 2021	0.315	0.290	0.315	83
18 Jun 2021	0.300	0.280	0.280	40
25 Jun 2021	0.305	0.285	0.305	76

Source: GTCF analysis, S&P Global

4.8.2 Top shareholders

We have set out below the top 3 shareholders of Nusantara as at the date of this report:

NUS Substantial Shareholders	No. of Shares	Ownership %
Pt. Indika Energy Tbk	63,631,900	27.8%
Lion Selection Pty Ltd	49,904,775	21.5%
Federation Mining Pty Ltd	28,288,639	12.2%
Total - Top 3 Shareholders	141,825,314	61.6%
Other shareholders	89,847,693	38.4%
Total - All Shareholders	231,673,007	100.0%

Source: S&P Global

5 Valuation methodologies

5.1 Introduction

As discussed in Section 2, our fairness assessment involves comparing the Scheme Consideration with the fair market value of NUS Shares on a control basis.

Grant Thornton Corporate Finance has assessed the value of Nusantara using the concept of fair market value. Fair market value is commonly defined as:

“the price that would be negotiated in an open and unrestricted market between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller acting at arm’s length.”

Fair market value excludes any special value. Special value is the value that may accrue to a particular purchaser. In a competitive bidding situation, potential purchasers may be prepared to pay part, or all, of the special value that they expect to realise from the acquisition to the seller.

5.2 Valuation methodologies

RG 111 outlines the appropriate methodologies that a valuer should generally consider when valuing assets or securities for the purposes of, amongst other things, share buy-backs, selective capital reductions, scheme of arrangements, takeovers and prospectuses. These include:

- Discounted cash flow and the estimated realisable value of any surplus assets (“DCF Method”).
- Application of earnings multiples to the estimated future maintainable earnings or cash flows of the entity, added to the estimated realisable value of any surplus assets (“FME Method”).
- Amount available for distribution to security holders in an orderly realisation of assets (“NAV Method”).
- Quoted price for listed securities, when there is a liquid and active market (“Quoted Security Price Method”).
- Any recent genuine offers received by the target for any business units or assets as a basis for valuation of those business units or assets.

Further details on these methodologies are set out in Appendix A to this report. Each of these methodologies is appropriate in certain circumstances.

RG 111 does not prescribe any above methodologies as the method(s) that an expert should use in preparing their report. The decision as to which methodology to use lies with the expert based on the expert’s skill and judgement and after considering the unique circumstances of the entity or asset being valued. In general, an expert would have regard to valuation theory, the accepted and most common market practice in valuing the entity or asset in question and the availability of relevant information.

5.3 Selected valuation methods

5.3.1 Primary approach

Grant Thornton Corporate Finance has selected the market value of net assets as the primary method to assess NUS's equity value in relation to the Scheme. The market value of net assets is based on the sum of parts of NUS's development and exploration assets, and other assets and liabilities as set out in NUS's unaudited balance sheet as at 30 June 2021.

The market value of NUS's key asset being the Awak Mas gold project was assessed using the DCF valuation method, given that:

- Management of NUS has prepared long-term cash flow forecasts in relation to these assets based on the current level of Reserves and Resources.
- Grant Thornton Corporate Finance has engaged VRM to independently review the technical assumptions in relation to the long term forecast.
- The DCF method is the most appropriate approach in valuing assets with a finite life such as mineral assets due to the depletion of Reserves over time.
- The DCF method is the most appropriate approach in reflecting the significant level of capital and time required for the development of mineral assets.
- The DCF method is one of the most commonly used methodologies for the valuation of mineral assets.

For the purpose of this report, Grant Thornton Corporate Finance has engaged VRM to prepare a valuation of the exploration, development and mining assets of NUS which was completed in accordance with the VALMIN Code⁴³. A copy of VRM's report is included as Appendix G of this report.

5.3.2 Valuation cross-check

Prior to reaching our valuation conclusions, we have considered the reasonableness of our valuation of NUS Shares having regard to the market approach based on multiple of mineral Resources and quoted security price method.

⁴³ The VALMIN Code is binding on members of the Australasian Institute of Mining and Metallurgy when preparing public independent expert reports required by the Corporations Act concerning mineral and petroleum assets and securities. The purpose of the VALMIN Code is to provide a set of fundamental principles and supporting recommendations regarding good professional practice to assist those involved in the preparation of independent expert reports that are public and required for the assessment and/or valuation of mineral and petroleum assets and securities so that the resulting reports will be reliable, thorough, understandable and include all the material information required by investors and their advisers when making investment decisions.

6 Valuation assessment of Nusantara

As discussed in section 5, Grant Thornton Corporate Finance has adopted the market value of the net assets methodology to assess the equity value of Nusantara.

Set out below is a summary of our valuation assessment of NUS on a control and fully diluted basis:

Valuation summary US\$000's (except where stated otherwise)	Section Reference	Low	High
Fair market value of Masmino on a 100% basis	Note 1, Section 6.1	45,257	61,724
Tranche 2 Payment from Indika		25,000	25,000
Assessed value of Masmino (100% basis) - Post Stage 2 Equity Investment		70,257	86,724
Nusantara's economic interest (Post Stage 2 Equity Investment)		60%	60%
Fair market value of Nusantara's interest in Awak Mas Gold Project (60%)	Section 6.1	42,154	52,034
Assessed value of the Exploration potential (60% basis) based on ITAR		4,248	6,702
Add: NUS Non-operating assets and liabilities	Section 6.3	(541)	(541)
Less: Vista royalty payment	Section 6.4	(2,500)	(2,500)
Less: Present value of corporate costs of Nusantara (100% basis)	Section 6.5	(1,594)	(1,767)
Less: NUS value of options on issue	Section 6.6	(811)	(1,030)
Assessed Enterprise value of Nusantara Resources Limited		40,956	52,898
Add: Net Cash at Nusantara	Section 6.3	7,324	7,324
Equity Value (control basis) before withholding tax obligations		48,279	60,221
Number of outstanding shares ('000s)	Section 6.6	231,673	231,673
Value per share (control basis) before dilution		0.21	0.26
Spot exchange rate	Note 2	0.7518	0.7518
Grant Thornton assessed value per NUS Share (A\$/NUS Share)		0.28	0.35

Source: GTCF Calculations, VRM Report, NUS Financial Statements

Note 1: Inclusive of the other assets and liabilities of Masmino as at 30 June 2021 not captured within the Financial Model.

Note 2: To convert the US\$ to A\$, we have adopted the exchange rate as at 30 June 2021 from the RBA website.

Fair market value of Awak Mas Gold Project

6.1.1 Introduction

Management have provided the Financial Model in relation to the Awak Mas Gold Project that is based on the recent DFS update announced to the market on 13 July 2021. The Financial Model assumes an operational plan of 16 years and is derived from a mine schedule completed by an independent mine consultant. We note that the Financial Model also does not take into account any potential extension of the life of mine based on current and future exploration.

Grant Thornton Corporate Finance has assessed the net present value of the Awak Mas Gold Project based on ungeared, real and post-Indonesian tax cash flows.

6.1.2 Operating assumptions

Based on VRM's review, certain changes were made to the operating assumptions in the Financial Model which are briefly summarised below. Refer to VRM's report in Appendix G for complete details of the recommended changes to the operating assumptions.

Summary of VRM changes	Units	Original Model	VRM Recommendations
Gold Grade (LOM)	g/t	1.35	1.28
Total Gold sales	koz.	1,463	1,393
Capital expenditure (excluding Pre-FID capital expenditure)	US\$ millions	216	233

Source: Technical Specialist Report, GTCF analysis

g/t = grams per tonne; koz. = Thousand troy ounces

Note: The capital expenditure excludes certain owner's costs such as land compensation.

After making the above changes, the key operating assumptions underpinning the forecast cash flows relating to the Awak Mas Gold Project are set out below:

Summary of operating assumptions	Units	GT Model
Life of mine (LOM)	Years	16
Production commencement	Months	24
Annual Plant Throughput	Mtpa	2.50
Gold Grade (LOM)	g/t	1.28
Gold Recovery	%	93.2%
Total Gold sales	koz.	1,393
Net direct cash cost (C1)	US\$/oz.	744
All-in-sustaining cost (AISC)	US\$/oz.	926
Capital expenditure (excluding Pre-FID capital expenditure)	US\$ millions	233

Source: Technical Specialist Report, GTCF analysis

g/t = grams per tonne; Mtpa = Million tonnes per annum; koz. = Thousand troy ounces

Production profile

The following graph sets out the gold production profile as per the Financial Model after allowing for changes made by VRM:

Gold production profile



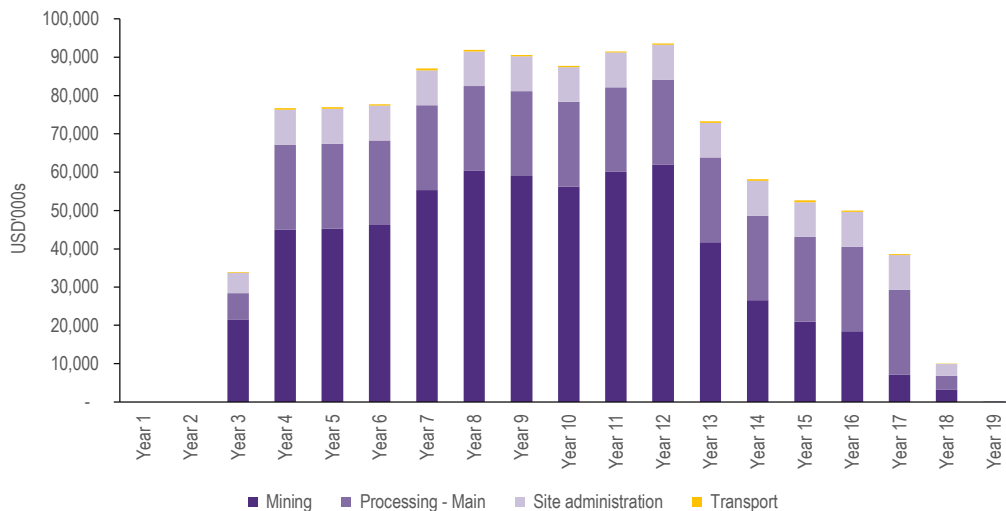
Source: Financial Model

VRM have reviewed the time for construction and production and have not recommended any changes to the timeline. Production is therefore expected to commence in year 3. Any delays between the date of the report and up to FID may result in a delay to the start of the Project by up to 12 months due to the wet season during which development work cannot be undertaken. As part of our sensitivities, we have considered a delay of 12 months and 24 months in the commencement of the Project. Further, VRM have recommended that an ore dilution of c. 4.77% should be applied to the production profile as the current recovery rate of 93.2% is based on a selective mining unit and the ore dilution will take into account the variable recovery rates throughout the life of the Project. As a result of this change, the gold grade reduces from 1.35 g/t to 1.28 g/t.

Operating costs

The following graph sets out the operating costs as per the Financial Model:

Operating costs



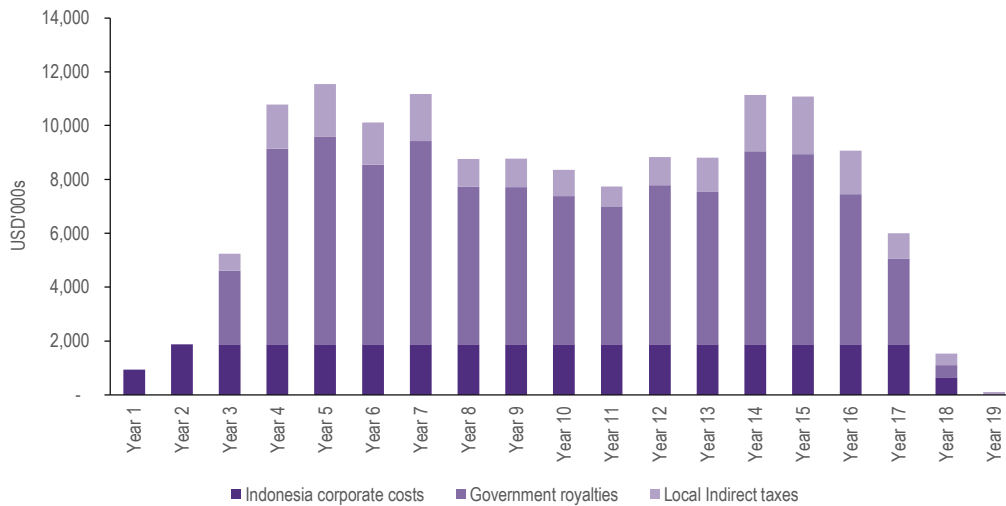
Source: Financial Model

The operating cost estimates are based on equipment, personnel and consumable consumption rates developed from the DFS Update, FEED and post-FEED review. The unit rates and consumable costs underlying these assumptions are based on a combination of market bid pricing and database estimates. VRM have therefore only recommended running a sensitivity by increasing the operating costs by 10%.

Other operating costs

The following graph sets out the other operating costs as per the Financial Model:

Other operating costs



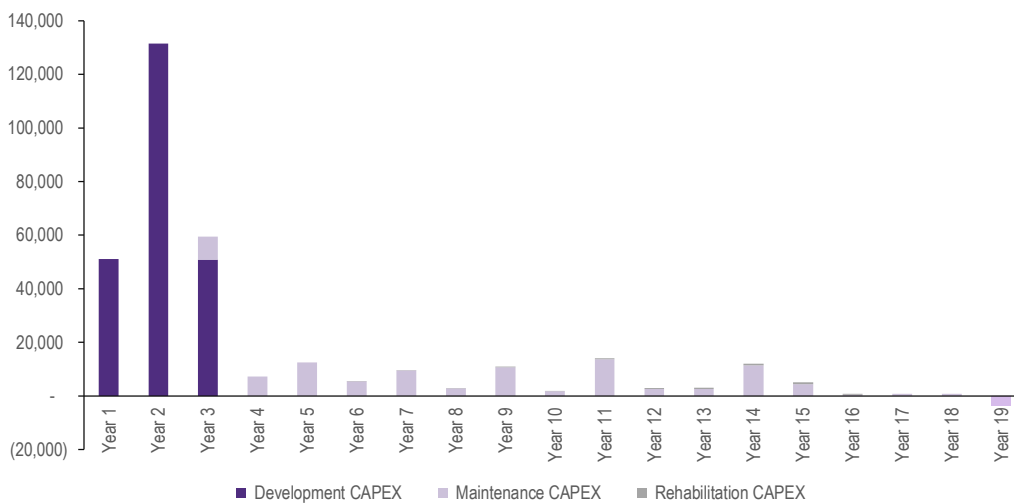
Source: Financial Model

The above costs comprise of corporate costs at the Project level, royalties payable to the Indonesian government when production commences and other indirect taxes including but not limited to regional water, land and building tax. We note that the above costs do not include NUS corporate costs as these have been separately considered and discussed later in this section.

Capital expenditure

The following graph sets out the capital expenditure as per the Financial Model:

Capital expenditure



Source: Financial Model

The undiscounted development capital expenditure is c. US\$216 million (excluding certain owner's costs such as land compensation), expected to be incurred between 2021 and 2023. These estimates include a level of contingency wherein the probability of cost of overruns is 50%. In order to provide a higher level of confidence in the cost estimates, VRM have recommended adopting an additional contingency of 8.5% or c. US\$16.5 million. As a result, the capital expenditure increases from US\$216 million to c. US\$233 million. The Financial Model also includes rehabilitation capital expenditure of c. US\$4 million. We have assumed that Indika will complete the Stage 2 Equity Investment and the related cash coming into Masmindo will be utilised to finance a component of Pre-FID capital expenditure.

Tax rate

The income tax rate for foreign companies without branches or private entities incorporated in Indonesia is 20% and is consistent with the corporate tax rate of PT Masmindo. Whilst there are tax losses in Masmindo, the present rules around the carrying forward of tax losses are such that any value attributable to these tax losses is likely to be limited. We have therefore not considered these tax losses in our valuation assessment. We have not considered the withholding tax given a pool of potential purchasers is likely to adopt tax-efficient structures to make available the funds to its investors.

Working capital

Movements in working capital have been included in the Financial Model to account for the timing difference between cash collection and accrual of incomes and expenses.

6.1.3 Economic assumptions

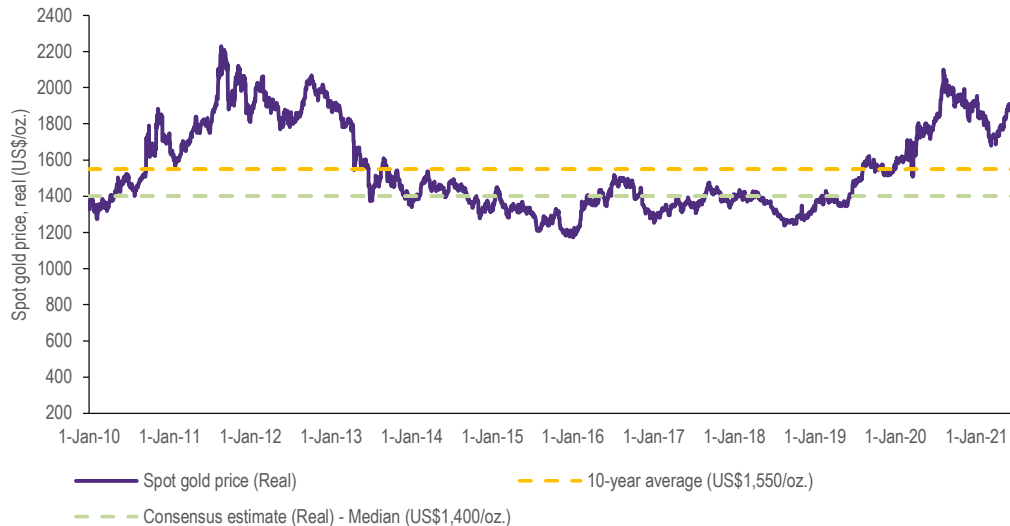
Gold Prices

In our assessment of the forecast gold price, we have considered the following:

- Broker forecasts released by Consensus Economics dated 21 June 2021 and 19 July 2021 which have an average and median long term real gold price of US\$1,402/oz. and US\$1,400/oz. respectively.
- Historical real spot price.
- Other publicly available information.
- Qualitative considerations such as the current COVID-19 outbreaks, vaccination rates globally, correlation between volatility and gold price and other publicly available information.

The graph below summarises the historical real gold price from 1 January 2010 to 1 January 2021 and the 10-year average and the long term real consensus price forecast as at July 2021.

Gold Price (Real), 10-year average gold price (Real)



Source: S&P Global, FRED, GTCF Calculations

The gold price has been relatively high due to the economic uncertainty caused by COVID-19 and market volatility and low interest rate environment. Given the current outbreak of the delta variant and the COVID new waves in South-East Asia (including Indonesia), volatility in the global equities market is likely to remain high and interest rate to stay low in the near future, supporting expectations of a strong gold price in the short term.

Furthermore, we note the following observations that positively influence the value of gold projects:

- Similar to other precious metals, gold has metal price optionality wherein it is possible that actual gold prices realised in the future may exceed the long-term static prices assumed in the DCF analysis. The gold optionality is considered in the pricing of assets by a pool of potential purchasers but it is somehow challenging to take into account in underlying valuation assessments adopting long term real consensus price forecast.
- Management's ability to slow or accelerate mining operations in line with gold price movements.
- The inherent limitations of metal discovery, the prescriptive guidelines around reserve and resource estimates and the potential to mine for longer periods or at higher volumes.
- The potential re-rating in the value of the Project as it nears production, financing is completed and other key milestones are achieved. These changes are not appropriately captured in a single, static discount rate as adopted in the DCF valuation of the Project.

Having considered the above, we have selected a long term real gold price between US\$1,500/oz. to US\$1,550/oz. which is in line with the average real gold price over the last 10 years and in our opinion representative of a through the cycle price. The selected gold price is outlined in the table below.

Gold Price assumption				Long Term	
	2023	2024	2025	Low	High
US\$/oz., Real					
Gold Price	1,577	1,527	1,419	1,500	1,550

Source: Consensus Economics Forecast, GTCF analysis

Economic interest in Masmindo

As discussed in the Executive Summary, we have assumed that Indika will increase its interest in Masmindo to 40% by contributing an additional US\$25 million (included in our valuation assessment of Masmindo). Accordingly, we have assumed that NUS has a 60% interest in Masmindo.

Discount rate

The cash flow assumptions associated with the Awak Mas Gold Project have been prepared in US\$ on a real, ungeared and post-tax basis. Accordingly, Grant Thornton Corporate Finance has applied a US\$ denominated, real, post-tax weighted average cost of capital ("WACC") in the range of 8.5% - 10% for the Awak Mas Gold Project based on the following assumptions:

- **Risk-free rate:** We had regard to the 10-year average of the US 10-year Treasury bond yield and have adopted a risk-free rate of 2.75%.
- **Market risk premium:** Based on our total market return assumption of 8.5% to 9.0% and our adopted risk-free rate of 2.75%, we have adopted a market risk premium assumption of 6.0%.
- **Beta:** We had regard to the betas of exploration companies such as Nusantara and adopted a beta of 1.0 to 1.2.
- **Specific risk premium:** Given the lack of funding available to the Project, we have adopted a specific risk premium between 1.5% and 2.0%. To assess the specific risk premium, we have considered a number of potential capital raising scenarios to fund the Pre-FID capital expenditure, the LOM capital expenditure and capital raising costs. Specifically, we have considered the potential dilution that the Shareholders may suffer from alternative funding structure such as a rights issues (the most dilutive), selling a share in the Project at our valuation assessment (least dilutive) or other middle-ground alternatives.
- **Country risk premium:** We have adopted a country risk premium of 1.84% which is the country risk premium factor for Indonesia as published by Aswath Damodaran.
- **Tax rate:** We have adopted a tax rate of 20% which is consistent with the Indonesian corporate tax rate. We have not considered the withholding tax given a pool of potential purchasers is likely to adopt tax-efficient structures to make available the funds to its investors.
- **Cost of debt:** We have adopted a cost of debt of c. 6.0% to 7.0% which implies a spread of 300 to 400 bps over our adopted risk-free rate of 2.75% which is consistent with the funding discussions held by the Company with potential financiers.
- **Gearing:** We have adopted a gearing assumption of 20% based on the likely level of gearing for a pre-construction project.

Based on the above, we have assessed a real, US\$, post-tax discount rate between 8.5% and 10%. We have adopted the mid-point of this range in our valuation assessment. For further details refer to Appendix B.

6.2 Fair value of Exploration Potential

A summary of VRM's valuation assessment of the mineral Resources outside the LOM and exploration potential is set out in the table below:

Valuation summary - Exploration Potential US\$000's (except where stated otherwise)	Section Reference	Low	High
Mineral Resources outside Financial Model	Appendix G	6,800	10,200
Exploration properties	Appendix G	280	970
VRM assessed value of the Exploration Potential (100% basis)		7,080	11,170
Nusantara's economic interest (post stage 2 equity investment)	Note 1	60.0%	60.0%
NUS's economic interest in the Exploration Potential		4,248	6,702

Source: VRM Report

Note 1: Numbers have been rounded to the nearest 000s

Grant Thornton Corporate Finance has engaged to VRM to assist in the valuation assessment of the fair market value of the Resources outside the LOM and exploration potential of the entire Awak Mas Gold Project (including the Salu Bulu and Tara deposit) (collectively, "Exploration Potential").

VRM has undertaken its valuation assessment of the mineral Resources outside the LOM having regard to the following methodologies:

- As a primary approach, VRM have adopted the market approach which involves comparing the transaction value of similar mineral properties transacted in the open market to value the Resources outside the LOM and the Kilburn method to value the future exploration potential.
- VRM have cross-checked their valuation using the Yardstick method.

Refer to Appendix G for the VRM Report.

6.3 Fair value of other assets and liabilities of Nusantara

We have also considered the other assets and liabilities of Nusantara not captured in the Financial Model, as shown below:

Other assets and liabilities - Nusantara standalone balance sheet	30-Jun-21
US\$000s	Mgmt
Non-Operating Assets	
Property, plant and equipment	5
Total Non-Operating Assets	5
Non-Operating Liabilities	
Trade and other payables	(524)
Provisions	(22)
Total Non-Operating Liabilities	(547)
Net Non-Operating Assets	(541)

Source: Nusantara half yearly management accounts

6.4 Vista Royalty payments

As part of acquiring the Project from Vista Gold Inc., NUS had granted Vista Gold Inc. a net smelter royalty of 2.0% on the first 1.25 Moz. of gold produced from the Project and 2.5% on the second 1.25 Moz. In 2019, NUS secured an option to buyback this royalty in two stages over a designated period of time. The US\$2.5 million payment relates to the buyback of the second and last tranche of the royalty and it is due no later than January 2022.

6.5 Nusantara Corporate costs

We note that Nusantara incurs corporate costs that have not been included in the Financial Model. These costs relate to head office costs including ongoing professional fees, corporate administration costs and other general overheads. We note that as the project advances it is likely that Nusantara's corporate costs will increase materially. Given we have undertaken a valuation of the Company on a 100% basis, we have allowed for annualised synergies of c. US\$1.6 million⁴⁴ that would be available to a pool of potential purchasers.

6.6 Number of shares outstanding

The total number of shares outstanding included in our valuation assessment are set out below.

Number of ordinary shares as at 30 June 2021	Section Reference	Number of shares
'000		
Ordinary shares outstanding		229,273
Performance Rights		2,400
Total number of ordinary outstanding shares		231,673

Source: NUS Scheme Booklet, Management Information

6.7 Sensitivity analysis

It should be noted that the share price of Nusantara would vary based on changes to certain key assumptions within the model. We have set out below the sensitivity analysis of the key variables.

⁴⁴ The value of the synergies is c. A\$2 million which have been converted into US\$ using an exchange rate of 0.7518.

Sensitivities		
A\$/NUS Share	Low	High
Base Case	0.28	0.35
Discount rate		
+0.5%	0.24	0.31
-0.5%	0.31	0.38
Gold Price		
+5%	0.40	0.48
-5%	0.14	0.22
US\$1,700/oz.	0.62	0.62
Operating expenses		
+10%	0.12	0.19
-10%	0.43	0.50
Ore Dilution		
0%	0.41	0.50
-10%	0.13	0.20
Project Delay		
12 months	0.25	0.31
24 months	0.22	0.28

Source: GTCF Calculations

We note that these sensitivities do not represent a range of potential equity values per Nusantara share, rather they intend to show to the NUS Shareholders the sensitivity of our valuation assessment to changes in certain variables.

7 Valuation cross-check

7.1 Valuation Cross Check – Resource Multiple method

As discussed in section 5, we have considered the reasonableness of our valuation comparing the resource multiple implied in our assessment of the enterprise value of NUS with the Resource Multiple observed for the listed comparable companies. Given the one-off cash inflow of US\$25 million is likely to reduce the value of Nusantara, we have undertaken the valuation assessment at the Masmino level.

The following table summarises the reserve and resource multiples implied in Grant Thornton’s valuation assessment:

Valuation cross-check US\$000's (except where stated otherwise)	Unit	Section Reference	Low	High
Fair market value of Masmino on a 100% basis		Section 6, Note 2	45,257	61,724
Fair market value of Exploration Potential on a 100% basis		Appendix G	7,080	11,170
Assessed Enterprise value of Masmino on a 100% basis	US\$000		52,337	72,894
Exchange rate	A\$:US\$	Note 1	0.7518	0.7518
Assessed Enterprise value of Masmino on a 100% basis	A\$000		69,616	96,959
Metrics: (At 100%)	000's oz.			
Reserves			1,450	1,450
Resources (Measured, Indicated & Inferred)			2,290	2,290
Resources (Measured, Indicated)			1,930	1,930
Multiples:	A\$/oz.			
EV/ Reserves			48.0x	66.9x
EV/ Resources			30.4x	42.3x
EV/ M+I			36.1x	50.2x

Source: GTCF Calculations, NUS Financial Information, VRM Report

Note 1: Based on a \$USD: \$AUD exchange rate of 0.7518:1.

Note 2: In calculating the Enterprise value of Masmino, we have excluded the cash on the balance sheet of Masmino

We have considered the reasonableness of our valuation assessment having regard to the resource and reserve multiples of other listed comparable companies and recent transactions. For the purpose of the valuation cross-check, we have considered the following multiples:

- Measured + indicated resource multiple (“EV/M+I”) - Based on only the measured and indicated Resources held by a company as defined by the Joint Ore Reserves Committee Code (“JORC Code”)⁴⁵, including those outside of the flagship asset.
- Total resource multiple (“EV/Resources”) – Based on the total JORC code measured, indicated and inferred mineral Resources held by a company. Also includes those assets outside the flagship asset.
- Reserve Multiple (“EV/Reserves”) – Based on the total JORC code proved and probable mineral Resources held by a company. Also includes those assets outside the flagship asset.

These are herein collectively referred to as “Resource Multiples”.

⁴⁵ The JORC code regulates the publication of mineral exploration reports related to mineral properties owned by, or explored by, companies which report their results on the ASX.

As part of our cross-check, we have considered a range of comparable companies and transactions, focussing primarily on assets in the pre-production stage that operate in jurisdictions that can be considered comparable to Indonesia. For completeness, we have also considered gold mining companies with producing assets, however, we have placed limited reliance on these.

In comparing the Resource Multiples of comparable companies and comparable transactions, we had regard to the size of the ore deposit, type of mine, life of mine, projected capital expenditure, time to production, extent of financing, AISC and cash costs (“C1 costs”).

7.1.1 Comparable companies Resource Multiples

The following table sets out the Resource Multiples for the comparable companies:

Trading resource multiples of listed companies				Attributable tonnage					EV Multiples (A\$/oz)			Operational KPIs (US\$)		
Company	EV (A\$m)	Location of flagship asset	Stage ³	M+I (Moz)	M+I+ (Moz)	R (Moz)	Resource	Reserve	M+I (EV/Moz)	M+I+ (EV/Moz)	R (EV/Moz)	Total CAPEX ⁴ (US\$m)	C1 Costs ⁵ (US\$/oz)	AISC Costs ⁶ (US\$/oz)
							grade g/t	grade g/t						
Tier 1 - Non Australian Pre-Production Stage Mines														
Sihayo Gold Limited	23	Indonesia	PP	1.19	1.51	0.84	2.00	2.04	19.4x	15.3x	27.4x	144	632	709
Geopacific Resources Limited	56	PNG	PP	1.70	1.92	1.04	1.04	1.12	33.1x	29.2x	54.1x	205	830	929
Kingslon Resources Limited	43	PNG	PP	1.80	3.70	1.35	0.78	0.87	23.8x	11.6x	31.7x	212	n/a	869
Belo Sun Mining Corp	219	Brazil	PP	4.96	6.11	3.80	9.40	9.80	44.1x	35.8x	57.5x	224	464	584
Average									30.1x	23.0x	42.7x	196	642	773
Median									28.4x	22.2x	42.9x	209	632	789
Tier 2 - Australian Pre-Production Stage Mines														
Red 5 Limited	367	Australia	PP	3.01	4.07	3.01	1.40	1.30	121.8x	90.1x	121.8x	205	951	1,061
Calidus Resources Limited	155	Australia	PP	1.10	1.65	0.54	1.21	1.20	141.2x	93.7x	285.8x	111	n/a	969
Average									131.5x	91.9x	203.8x	158	951	1,015
Median									131.5x	91.9x	203.8x	158	951	1,015
Tier 3 - Production Stage Mines														
Emerald Resources NL	449	Cambodia	P	1.01	1.14	0.91	2.00	1.98	445.9x	393.9x	495.5x	121	658	754
West African Resources Limited	1,123	Burkina Faso	P	2.37	5.17	1.50	2.00	2.30	473.9x	217.2x	748.7x	n/a	n/a	570
Capricorn Metals Ltd	625	Australia	P	1.72	2.14	1.20	0.80	0.90	362.9x	291.5x	520.3x	170	n/a	893
Average									427.6x	300.9x	588.2x	146	658	739
Median									445.9x	291.5x	520.3x	146	658	754
Total Average									185.1x	130.9x	260.3x	174	707	815
Total Median									121.8x	90.1x	121.8x	187	658	869

Source: NUS announcements, Capital IQ, company presentations and websites, other publicly available information.

Note 1: Based on the market capitalisations as at 13 July 2021.

Note 2: In converting the A\$ metrics to US\$, we have applied an exchange rate AUD: USD of 0.75:1.00 based on the spot price as at 13 July 2021.

Note 3: PP = Pre-Production, P = Production.

Note 4: Total CAPEX takes into account the amount of CAPEX required for pre-production, sustaining capital necessary and rehabilitation of the projects at the end of the LOM.

Note 5: C1 cash costs refers to cost for mining, processing and administration after accounting for movements in inventory.

Note 6: AISC = All in Sustaining Costs; these refer to all costs that pertain to the overall per ounce mining of the gold itself.

In relation to the above, we note the following:

- The Resource Multiples for the comparable companies, are calculated based on the trading price and do not include a premium for control.
- We have adjusted for the proportionate ownership interests of the respective companies in the flagship projects.

Given that the Project is a non-producing asset, we have only made reference to the EV/ Resource multiples. On an exception basis, we have also provided an assessment of the other multiples included in our valuation assessment.

We have set out below a brief overview of the Tier 1 companies:

- **Sihayo Gold Limited (“Sihayo”)** – Sihayo is an ASX listed mining company focused on the exploration and development of gold resources, with its flagship asset the Sihayo Gold project being located in North Sumatra, Indonesia. Given Sihayo and NUS’ flagship mines operate in the same jurisdiction, we consider them comparable. The following table compares the key operating aspects of the two flagship projects:

Comparison of Nusantara and Sihayo Gold's flagship assets	Units	NUS - Awak Mas	SIH - Sihayo
		KPIs	KPIs
Initial Mine Life	Years	16	8
Annual Plant Throughput	Mtpa	2.50	2.00
Grade LOM	G/t Au	1.35	2.04
Gold Recovery Rate	%	93.2%	71.0%
Forecast output p.a.	oz	96,579	79,188
Gold Produced LOM	koz	1,463	635
Net Present Value (Post Tax)	US\$ m	383	205
Total Pre-Production CAPEX	US\$ m	233	144

Source: Sihayo and NUS publicly available information Note: The capital expenditure for NUS excludes certain owner's costs such as land compensation.

As illustrated above, Nusantara’s project NPV of US\$383 million at a flat gold price of US\$1,700, relative to Sihayo’s project NPV of US\$205 million at a flat gold price of US\$1,700, shows the strength of the Awak Mas project. Additionally, given NUS’ larger size, larger life of mine and superior project metrics, we expect the EV/Resource multiples implied in our valuation assessment to be materially higher than Sihayo’s EV/Resource multiples of A\$15.3/oz.

- **Belo Sun Mining Corporation (“Belo Sun”)** – Belo Sun is a gold mining company listed on the Toronto Stock Exchange (“TSX”) that owns the Volta Grande Gold Project, the largest underdeveloped gold project in Brazil. Similar to the Project, the Volta Grande Gold Project is unfunded. Commercial gold production is forecast to begin in 1H2023, around the same time of Nusantara. However, Belo Sun’s has a lower AISC of US\$709/oz. relative to the Project’s US\$927/oz. and has a larger resource base.
- **Kingston Resources Limited (“Kingston”)** – Kingston is a gold developer, with its flagship asset being the Misima mine in Papua New Guinea and a secondary exploration project Livingstone located in Western Australia. Whilst Misima’s ore is similar in the size to the Project, the Resource Ore grade of 0.63 g/t⁴⁶ is lower than NUS’ resource grade of 1.41 g/t. Kingston has also only completed a pre-feasibility study and therefore its findings can be considered preliminary relative to NUS. We are of the opinion that it is reasonable for Kingston to trade at a significant discount relative to NUS.
- **Geopacific Resources Limited (“Geopacific”)** – Geopacific is a gold and copper development company listed on the ASX with a portfolio of assets in the Asia-Pacific region. The company’s flagship asset, Woodlark gold project, is situated in Papua New Guinea and is a gold mine with a high gold margin and considerable exploration upside. The company also has other exploration assets in Papua New Guinea and Cambodia. Although Geopacific has a lower grade ore and comparable AISC to NUS, unlike NUS, Geopacific’s project is fully funded through a US\$100 million debt facility and a c. A\$140 million capital raise completed in early 2021. In addition to the aforementioned, gold production is expected to commence in 1H2022. Despite being in a more advanced operational and funding

⁴⁶ Grams per tonne.

position than that of Nusantara, Geopacific is currently trading at a EV/Resources multiple at the low-end of the range implied in our DCF, however Geopacific's EV/Resources multiple increases to within that of the GT implied range once a premium for control is taken into account.

- **Red 5 Limited ('Red 5') and Calidus Resources Limited ("Calidus")** – These companies operate their flagship mines in mining-friendly jurisdictions. Further, the flagship assets for both companies are more advanced relative to NUS' and have obtained financing for their respective projects. We also note that Red 5 is a multi-asset company that has numerous projects operating in Western Australia as well as the Philippines. We also note that Red 5 has recently facilitated the sales of both its Siana Gold Project and Mapawa Gold Project in the Philippines under a combined agreement totalling c. US\$19 million. These divestments are a part of management's long term strategy to focus on its Western Australian gold projects, these being King of the Hills and Darlot gold mines respectively. Given these, we expect to trade at a higher multiple than NUS.

7.1.2 Resource Multiples of transactions

We have set out below the Resource and Reserve Multiples of our selected gold mine transactions for the period between 2018 to date. We have primarily considered those transactions of pre-production assets that exist in non-mature jurisdictions within Africa and the Asia Pacific region:

Resource multiples - Comparable transactions assessment						Million gold ounces			Txn Multiples (A\$/oz)		
Date	Target	Location of flagship asset	Stake (%)	Implied Value (A\$m)	Average Monthly Gold Price ² (US\$/oz)	M + I Resources (Moz)	M + I + I Resources (Moz)	Total Reserves (Moz)	M + I Resources (EV/Moz)	M + I + I Resources (EV/Moz)	Total Reserves (EV/Moz)
Tier 1 - Pre-Production mine sales											
Mar-20	New crest Mining - Gosowong project	Indonesia	75%	90	1,590	2.7	3.1	1.5	33.3x	28.9x	60.0x
Feb-19	New crest Mining - Seguela Project	Ivory Coast	100%	30	1,353	1.0	1.4	1.1	28.7x	21.2x	27.6x
Nov-18	Pani Gold Project - Merdeka	Indonesia	66%	39	1,230	1.3	1.6	1.5	29.5x	25.1x	25.9x
Feb-18	Pani Gold Project - Lion Selection Group	Indonesia	33%	15	1,332	0.7	0.8	0.8	23.1x	19.7x	20.3x
Average									28.7x	23.7x	33.4x
Median									29.1x	23.2x	26.7x

Source: Mergermarket, Capital IQ, company presentations and websites, other publicly available information.

Note (1): Transactions that were completed for less than a 100% stake in the business have had their resource and Reserves bases adjusted to reflect the bidding company's proportional ownership in the project.

Note (2): Average Monthly Gold Price is calculated on real historical gold prices.

As is the case with trading multiples, there can be significant differences between acquired companies, including the nature of the target, geographic location, characteristics of the Reserves and Resources and costs.

As set out in the table above, all the comparable transaction occurred in a very different gold price environment compared with the Scheme, so the level of comparability should be considered with caution. Nonetheless, the overall comparable transactions average Resource Multiple provides directional support for the Resource Multiples implied in our valuation assessment once the different gold prices are taken into account.

7.2 Valuation Cross Check - Quoted Security Pricing Method

In our assessment of the fair market value of Nusantara's shares, we have also had regard to the trading prices of the listed securities on the ASX in the period prior to 28 June 2021, when the Company announced to the market that it had entered into the SID.

The adopted value of Nusantara based on the trading price is an exercise of professional judgement that takes into consideration the depth of the market for the listed securities, volatility of the market price and whether or not the trading price are likely to represent the underlying value of Nusantara. The following sections detail the analysis undertaken in selecting the share price range.

7.2.1 Liquidity analysis

In accordance with the requirements of RG 111, we have analysed the liquidity of Nusantara shares before relying on them for the purpose of our valuation assessment. We have set out below the monthly trading volume of Nusantara shares over the past 12 months as a percentage of the total shares outstanding, as well as free float shares outstanding⁴⁷.

Month end	Volume traded ('000)	Monthly VWAP (\$)	Total value of shares traded (\$'000)	Volume traded as % of total shares	Cumulative Volume traded as % of total shares	Volume traded as % of free float shares	Cumulative Volume traded as % of free float shares
Jun 2020	3,880	0.3404	1,321	1.9%		7.6%	38.7%
Jul 2020	4,442	0.3123	1,387	2.2%	2.2%	8.7%	8.7%
Aug 2020	2,071	0.3196	662	1.0%	3.2%	4.1%	12.8%
Sep 2020	1,286	0.3013	388	0.6%	3.8%	2.4%	15.2%
Oct 2020	600	0.2971	178	0.3%	4.1%	1.1%	16.3%
Nov 2020	1,724	0.2831	488	0.8%	4.9%	3.2%	19.5%
Dec 2020	1,759	0.2973	523	0.8%	5.7%	3.0%	22.6%
Jan 2021	1,848	0.2857	528	0.8%	6.5%	3.2%	25.8%
Feb 2021	992	0.2747	272	0.4%	6.9%	1.7%	27.5%
Mar 2021	587	0.2711	159	0.3%	7.2%	1.0%	28.5%
Apr 2021	473	0.2621	124	0.2%	7.4%	0.8%	29.3%
May 2021	658	0.2776	183	0.3%	7.7%	1.1%	30.5%
Min				0.21%		0.82%	
Average				0.80%		3.17%	
Median				0.69%		2.73%	
Max				2.19%		8.71%	

Source: S&P Global, GTCF analysis

With regard to the above analysis, we note that:

- The level of free float of Nusantara is 25.17%⁴⁸. From July 2020 to May 2021, c. 30.5% of the free float shares were traded with an average monthly volume of 3.17% of the total free float shares. This indicates that Nusantara is relatively illiquid.
- In the absence of a takeover or other share offers, the trading price represents the value at which minority shareholders could realise their portfolio investment.
- Nusantara complies with the full disclosure regime required by the ASX. As a result, the market is fully informed about the performance of the Company. Nusantara provides updates to the market on a regular basis with information regarding its investment strategy and performance.

⁴⁷ Free float shares excludes those owned by Company employees, individual insiders, related parties and/or other strategic investors.

⁴⁸ This comprises of the total shares outstanding 231,673,010 less the shares held by corporations both public and private (c. 113,277,578 share), individuals / insiders (c. 11,702,437) and VC/PE Firms (c. 49,904,217).

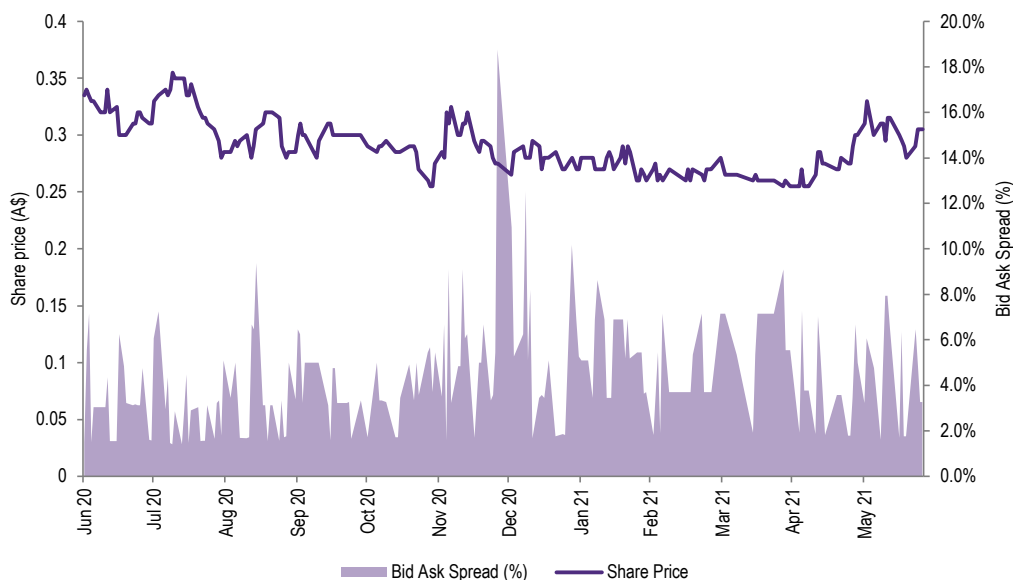
As set out below, the level of free float of Nusantara shares is considerably lower than that of its listed peers. Additionally, the average monthly volume traded as percentage of free float shares is also lower than the listed peers.

Liquidity analysis		Free float	Average volume traded as a % of total shares	Average volume traded as a % of free float shares	Cumulative volume traded as a % of total shares	Cumulative volume traded as a % of free float shares
Company	Country	(%)				
Nusantara Resources Limited	Australia	25.2%	0.8%	3.2%	7.7%	30.5%
Sihayo Gold Limited	Australia	54.8%	1.1%	2.0%	12.6%	23.0%
Geopacific Resources Limited	Australia	71.8%	3.4%	4.8%	35.7%	49.7%
Kingston Resources Limited	Australia	65.1%	5.5%	8.5%	55.7%	85.5%
Belo Sun Mining Corp	Canada	69.1%	1.4%	2.0%	13.7%	19.8%
Low		25.2%	0.8%	2.0%	7.7%	19.8%
Average		57.2%	2.4%	4.1%	25.1%	41.7%
Median		65.1%	1.4%	3.2%	13.7%	30.5%
High		71.8%	5.5%	8.5%	55.7%	85.5%

Sources: S&P Global, GTCF analysis

In addition to the above, where a company's shares are relatively illiquid and not heavily traded, the market typically observes a difference between the 'bid' and 'ask' price for the shares as there may be a difference in opinion between the buyer and seller on the value of the shares. As set out in the following graph, we note that the historical average bid-ask spread has been 3.3% over the last twelve months.

Nusantara Spread between Bid and Ask Price



Source: S&P Global, GTCF analysis

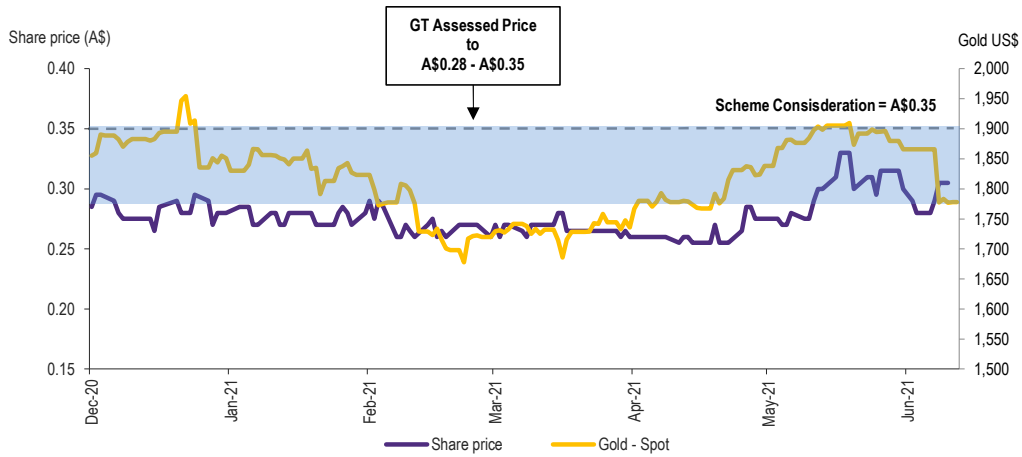
Based on the above, we are of the opinion that NUS Shares' liquidity is limited.

7.2.2 Conclusion on the selected valuation range

We have set out below a graph noting the trading price since 1 March 2021 and our assessed value range:

#5897805v160

Closing share price of Nusantara (YTD)



Source: S&P Global, GTCF analysis

We are of the opinion that the low premium for control reflected in our DCF assessment compared with the trading prices of the Company before the announcement of the Scheme reflect specific circumstance of the Company. As such, we are unable to compare these two on a like for like basis. Refer to the executive summary for detailed explanation.

8 Sources of information, disclaimer and consents

8.1 Sources of information

In preparing this report Grant Thornton Corporate Finance has used various sources of information, including:

- Annual reports/ consolidated accounts of Nusantara for FY19, FY20, and 1H21.
- Financial Model provided by NUS management.
- Supporting information for the DFS Update.
- Management accounts in FY19 to YTD FY21.
- Management presentations and CFO reports.
- Minutes of Board meetings.
- Access to other relevant documents in the Data Room.
- Transaction databases such as S&P Global Capital IQ and Mergermarket.
- IBISWorld.
- Other industry reports provided by the Company.
- Various broker reports for the Company and for the listed peers.
- Other publicly available information.

In preparing this report, Grant Thornton Corporate Finance has also held discussions with, and obtained information from, Management of Nusantara and its advisers.

8.2 Limitations and reliance on information

This report and opinion is based on economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.

Grant Thornton Corporate Finance has prepared this report on the basis of financial and other information provided by the Company, and publicly available information. Grant Thornton Corporate Finance has considered and relied upon this information. Grant Thornton Corporate Finance has no reason to believe that any information supplied was false or that any material information has been withheld. Grant Thornton Corporate Finance has evaluated the information provided by the Company through inquiry, analysis and review, and nothing has come to our attention to indicate the information provided was materially misstated or would not afford reasonable grounds upon which to base our report. Nothing in this report should be taken to imply that Grant Thornton Corporate Finance has audited any information supplied to us, or has in any way carried out an audit on the books of accounts or other records of the Company.

This Report has been prepared to assist the Directors of Nusantara in advising the Company's shareholders in relation to the Scheme. This Report should not be used for any other purpose. In particular, it is not intended that this Report should be used for any purpose other than as an expression of Grant Thornton Corporate Finance's opinion as to whether the Scheme is in the best interest of the Company's shareholders.

Nusantara has indemnified Grant Thornton Corporate Finance, its affiliated companies and their respective officers and employees, who may be involved in or in any way associated with the performance of services contemplated by our engagement letter, against any and all losses, claims, damages and liabilities arising out of or related to the performance of those services whether by reason of their negligence or otherwise, excepting gross negligence and wilful misconduct, and which arise from reliance on information provided by the Company, which the Company knew or should have known to be false and/or reliance on information, which was material information the Company had in its possession and which the Company knew or should have known to be material and which did not provide to Grant Thornton Corporate Finance. The Company will reimburse any indemnified party for all expenses (including without limitation, legal expenses) on a full indemnity basis as they are incurred.

8.3 Consents

Grant Thornton Corporate Finance consents to the issuing of this report in the form and context in which it is included in the Scheme Booklet to be sent to Nusantara shareholders. Neither the whole nor part of this report nor any reference thereto may be included in or with or attached to any other document, resolution, letter or statement without the prior written consent of Grant Thornton Corporate Finance as to the form and context in which it appears.

Appendix A – Valuation methodologies

Capitalisation of future maintainable earnings

The capitalisation of future maintainable earnings multiplied by appropriate earnings multiple is a suitable valuation method for businesses that are expected to trade profitably into the foreseeable future. Maintainable earnings are the assessed sustainable profits that can be derived by a company's business and excludes any abnormal or "one off" profits or losses. This approach involves a review of the multiples at which shares in listed companies in the same industry sector trade on the share market. These multiples give an indication of the price payable by portfolio investors for the acquisition of a parcel shareholding in the company.

Discounted future cash flows

An analysis of the net present value of forecast cash flows or DCF is a valuation technique based on the premise that the value of the business is the present value of its future cash flows. This technique is particularly suited to a business with a finite life. In applying this method, the expected level of future cash flows are discounted by an appropriate discount rate based on the weighted average cost of capital. The cost of equity capital, being a component of the WACC, is estimated using the Capital Asset Pricing Model. Predicting future cash flows is a complex exercise requiring assumptions as to the future direction of the company, growth rates, operating and capital expenditure and numerous other factors. An application of this method generally requires cash flow forecasts for a minimum of five years.

Orderly realisation of assets

The amount that would be distributed to shareholders on an orderly realisation of assets is based on the assumption that a company is liquidated with the funds realised from the sale of its assets, after payment of all liabilities, including realisation costs and taxation charges that arise, being distributed to shareholders.

Market value of quoted securities

Market value is the price per issued share as quoted on the ASX or other recognised securities exchange. The share market price would, prima facie, constitute the market value of the shares of a publicly traded company, although such market price usually reflects the price paid for a minority holding or small parcel of shares, and does not reflect the market value offering control to the acquirer.

Comparable market transactions

The comparable transactions method is the value of similar assets established through comparative transactions to which is added the realisable value of surplus assets. The comparable transactions method uses similar or comparative transactions to establish a value for the current transaction. Comparable transactions methodology involves applying multiples extracted from the market transaction price of similar assets to the equivalent assets and earnings of the company. The risk attached to this valuation methodology is that in many cases, the relevant transactions contain features that are unique to that transaction and it is often difficult to establish sufficient detail of all the material factors that contributed to the transaction price.

Appendix B – Discount rate

Introduction

The cash flow assumptions underlying the DCF approach are on a real, ungeared and post-tax basis. As the Project's cash flows are in \$US we have resultantly calculated a US discount rate. Accordingly, we have assessed a range of real post-tax discount rates for the purpose of calculating the net present value of the cash flows.

The discount rates were determined using the WACC formula. The WACC represents the average of the rates of return required by providers of debt and equity capital to compensate for the time value of money and the perceived risk or uncertainty of the cash flows, weighted in proportion to the market value of the debt and equity capital provided. However, we note that the selection of an appropriate discount rate is ultimately a matter of professional judgment.

Under a classical tax system, the nominal WACC is calculated as follows:

$$\text{WACC} = R_d \times \frac{D}{D+E} \times (1-t) + R_e \times \frac{E}{D+E}$$

Where:

- Re = the required rate of return on equity capital;
- E = the market value of equity capital;
- D = the market value of debt capital;
- Rd = the required rate of return on debt capital; and
- t = the statutory corporate tax rate.

Required rate of return on equity capital

We have used the CAPM, which is commonly used by practitioners, to calculate the required return on equity capital.

The CAPM assumes that an investor holds a large portfolio comprising risk-free and risky investments. The total risk of an investment comprises systematic risk and unsystematic risk. Systematic risk is the variability in an investment's expected return that relates to general movements in capital markets (such as the share market) while unsystematic risk is the variability that relates to matters that are unsystematic to the investment being valued.

The CAPM assumes that unsystematic risk can be avoided by holding investments as part of a large and well-diversified portfolio and that the investor will only require a rate of return sufficient to compensate for the additional, non-diversifiable systematic risk that the investment brings to the portfolio. Diversification cannot eliminate the systematic risk due to economy-wide factors that are assumed to affect all securities in a similar fashion.

Accordingly, whilst investors can eliminate unsystematic risk by diversifying their portfolio, they will seek to be compensated for the non-diversifiable systematic risk by way of a risk premium on the expected return. The extent of this compensation depends on the extent to which the company's returns are correlated with

the market as a whole. The greater the systematic risk faced by investors, the larger the required return on capital will be demanded by investors.

The systematic risk is measured by the investment's beta. The beta is a measure of the co-variance of the expected returns of the investment with the expected returns on a hypothetical portfolio comprising all investments in the market - it is a measure of the investment's relative risk.

A risk-free investment has a beta of zero and the market portfolio has a beta of one. The greater the systematic risk of an investment the higher the beta of the investment.

The CAPM assumes that the return required by an investor in respect of an investment will be a combination of the risk-free rate of return and a premium for systematic risk, which is measured by multiplying the beta of the investment by the return earned on the market portfolio in excess of the risk-free rate.

Under the CAPM, the required nominal rate of return on equity (R_e) is estimated as follows:

$$R_e = R_f + \beta_e (R_m - R_f)$$

Where:

- R_f = risk-free rate
- β_e = expected equity beta of the investment
- $(R_m - R_f)$ = market risk premium

Risk-free rate – 2.75%

In the absence of an official risk-free rate, the yield on the government bonds (in an appropriate jurisdiction) is commonly used as a proxy. Our adopted risk-free rate of 2.75% is based on the average bond yield over the last 20 years for United States 10-year government bonds.

In light of the escalating outbreak of the COVID-19 pandemic, the Fed, like other central banks around the world, continues to maintain its reduced target funds rate of 0%-0.25% to encourage lending to households and businesses in need.

While recent economic data has been better than initially expected, output in most countries remains well below pre-pandemic levels, and further virus outbreaks pose a risk to the outlook. Given the outlook for both employment and inflation, monetary and fiscal support is expected to be required over this period. Consequently, the Fed is not expected to increase the funds rate until actual inflation is in track to moderately exceed its target of 2.0%, which it doesn't expect to happen until 2023 at the earliest.

The following table sets out the average yield on 10-year United States Treasury Bond over the last 10 years:

United States Treasury Constant Maturity - 10 Year as at 1 July 2021		Range		Daily average Nominal
Previous 5 trading days	1.45%	-	1.54%	1.49%
Previous 10 trading days	1.45%	-	1.54%	1.49%
Previous 20 trading days	1.45%	-	1.57%	1.50%
Previous 30 trading days	1.45%	-	1.63%	1.53%
Previous 60 trading days	1.45%	-	1.69%	1.58%
Previous 1 year trading	0.52%	-	1.74%	1.11%
Previous 2 years trading	0.52%	-	2.13%	1.26%
Previous 3 years trading	0.52%	-	3.24%	1.75%
Previous 5 years trading	0.52%	-	3.24%	1.98%
Previous 10 years trading	0.52%	-	3.24%	2.08%
Previous 20 years trading	0.52%	-	5.26%	2.60%

Source: S&P Global and GTCF Calculations.

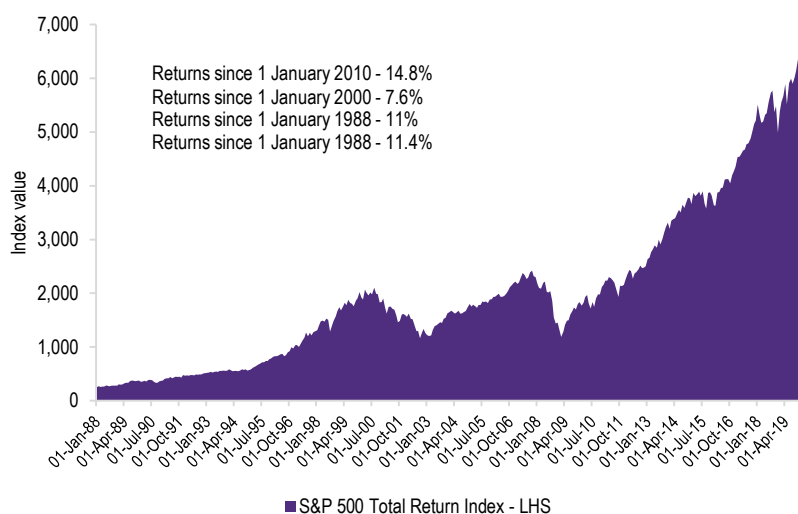
Given the volatility in the global financial markets, we have placed more emphasis on the average risk-free rate observed over a longer period of time. Accordingly, our adopted risk-free rate of 2.75% is based on the long-term yield on United States 10-year Treasury Bonds over longer periods.

Our risk-free rate assessment should be considered in conjunction with the total market return assumption set out below.

Market risk premium – 6.0%

We have assessed the total market return assumption to be between 8.75% and 9.0%. Given our risk-free rate assumption of 2.75%, we have adopted a market risk premium of 6.0%. In determining the total market return range, we have considered the compound annual growth rate (“CAGR”) in the S&P 500 over longer periods as set out in the graph below:

S&P 500 Total Return Index



Source: Publicly available information, GTCF analysis

The market risk premium represents the additional return an investor expects to receive to compensate for additional risk associated with investing in equities as opposed to assets on which a risk-free rate of return is earned. However, given the inherent high volatility of realised rates of return, especially for equities, the market risk premium can only be meaningfully estimated over long periods of time. In this regard, Grant Thornton studies of the historical risk premium over periods of 20 to 80 years suggest a risk premium between 5.5% and 6.0% for the United States markets.

For the purpose of the WACC assessment, Grant Thornton Corporate Finance has adopted a market risk premium of 6.0%.

Equity beta – 1.0 to 1.2

The beta measures the expected relative risk of the equity in a company. The choice of the beta requires judgement and necessarily involves subjective assessment as it is subject to measurement issues and a high degree of variation.

An equity beta includes the effect of gearing on equity returns and reflects the riskiness of returns to equity holders. However, an asset beta excludes the impact of gearing and reflects the riskiness of returns on the asset, rather than returns to equity holders. Asset betas can be compared across asset classes independent of the impact of the financial structure adopted by the owners of the business.

Equity betas are typically calculated from historical data. These are then used as a proxy for the future which assumes that the relative risk of the past will continue into the future. Therefore, there is no right equity beta and it is important not to simply apply historical equity betas when calculating the cost of equity. For the purpose of the report, we have had regard to the observed betas (equity betas) of listed companies operating in the gold mining and exploration in industry. The following tables illustrates our analysis on the betas of NUS as well as its listed peers, with the purple cells being our adopted betas:

Beta analysis - 2 years weekly betas (Including COVID-19)	Country of listing	Market cap A\$m	Equity Beta	R squared	Gearing Ratio	Ung geared Beta	Regeared Beta	Adopted Beta
Nusantara Resources Limited	Australia	78	0.23	0.01	(17.6%)	0.23	0.24	Nmf
Sihayo Gold Limited	Australia	41	0.82	0.02	(15.9%)	0.82	0.85	0.85
Geopacific Resources Limited	Australia	179	0.42	0.01	(29.4%)	0.42	0.44	Nmf
Emerald Resources NL	Australia	474	0.05	0.00	(7.8%)	0.05	0.06	Nmf
Kingslon Resources Limited	Australia	62	1.61	0.21	(21.2%)	1.61	1.67	1.67
Red 5 Limited	Australia	458	0.92	0.07	(19.0%)	0.92	0.96	0.96
Calidus Resources Limited	Australia	196	0.97	0.10	(13.3%)	0.97	1.01	1.01
Capricorn Metals Ltd	Australia	662	0.84	0.11	(5.0%)	0.84	0.88	0.88
Belo Sun Mining Corp	Canada	293	(0.01)	0.00	(9.7%)	(0.01)	(0.01)	Nmf
West African Resources Limited	Australia	901	0.76	0.08	21.6%	0.66	0.68	0.68
PT Merdeka Copper Gold Tbk	Indonesia	6,175	0.50	0.04	6.1%	0.48	0.50	0.50
Low			(0.01)	0.00	-29.4%	(0.01)	(0.01)	0.50
Median			0.76	0.04	-13.3%	0.66	0.68	0.88
Average			0.65	0.06	-10.1%	0.64	0.66	0.94
High			1.61	0.21	21.6%	1.61	1.67	1.67

Source: S&P Global and GTCF calculations

Note (1): Equity betas are calculated using data provided by S&P Global as at 1 July 2021.

Beta analysis - 5 years monthly betas (Including COVID-19)	Country of listing	Market cap A\$m	Equity Beta	R squared	Gearing Ratio	Ung geared Beta	Regeared Beta	Adopted Beta
Nusantara Resources Limited	Australia	78	0.08	0.00	(17.6%)	0.08	0.08	Nmf
Sihayo Gold Limited	Australia	41	2.71	0.10	(6.6%)	2.71	2.82	2.82
Geopacific Resources Limited	Australia	179	2.15	0.13	(18.2%)	2.15	2.24	2.24
Emerald Resources NL	Australia	474	1.84	0.22	(8.4%)	1.84	1.92	1.92
Kingston Resources Limited	Australia	62	1.79	0.09	(22.4%)	1.79	1.86	1.86
Red 5 Limited	Australia	458	0.79	0.02	(12.6%)	0.79	0.83	0.83
Calidus Resources Limited	Australia	196	0.85	0.06	(15.9%)	0.85	0.89	0.89
Capricorn Metals Ltd	Australia	662	0.61	0.02	(8.9%)	0.61	0.64	0.64
Belo Sun Mining Corp	Canada	293	0.59	0.01	(23.2%)	0.59	0.62	Nmf
West African Resources Limited	Australia	901	1.11	0.08	(0.7%)	1.11	1.15	1.15
PT Merdeka Copper Gold Tbk	Indonesia	6,175	0.33	0.01	16.0%	0.30	0.31	Nmf
Low			0.08	0.00	-23.2%	0.08	0.08	0.64
Median			0.85	0.06	-12.6%	0.85	0.89	1.51
Average			1.17	0.07	-10.8%	1.17	1.21	1.54
High			2.71	0.22	16.0%	2.71	2.82	2.82

Source: S&P Global and GTCF calculations

Note (1): Equity betas are calculated using data provided by S&P Global as at 1 July 2021.

We also note that we conducted analysis on the same time periods as above but excluding COVID-19 so to remove unwanted market noise attached to the pandemic. We note that the 5 year monthly betas (excluding COVID-19) are non-significant, however for the purpose of completeness we have included them below:

Beta analysis - 2 years weekly betas (Excluding COVID-19)	Country of listing	Market cap A\$m	Equity Beta	R squared	Gearing Ratio	Ung geared Beta	Regeared Beta	Adopted Beta
Nusantara Resources Limited	Australia	78	(0.82)	0.04	(23.4%)	(0.82)	(0.85)	-0.85
Sihayo Gold Limited	Australia	41	(0.27)	0.00	11.0%	(0.25)	(0.26)	Nmf
Geopacific Resources Limited	Australia	179	1.09	0.02	(26.0%)	1.09	1.13	1.13
Emerald Resources NL	Australia	474	0.03	0.00	(17.9%)	0.03	0.04	Nmf
Kingston Resources Limited	Australia	62	0.36	0.01	(13.7%)	0.36	0.38	Nmf
Red 5 Limited	Australia	458	(0.05)	0.00	5.8%	(0.05)	(0.05)	Nmf
Calidus Resources Limited	Australia	196	(0.12)	0.00	(12.8%)	(0.12)	(0.13)	Nmf
Capricorn Metals Ltd	Australia	662	0.42	0.01	(10.8%)	0.42	0.44	Nmf
Belo Sun Mining Corp	Canada	293	(0.40)	0.01	(17.5%)	(0.40)	(0.42)	Nmf
West African Resources Limited	Australia	901	0.08	0.00	6.0%	0.07	0.08	Nmf
PT Merdeka Copper Gold Tbk	Indonesia	6,175	(0.19)	0.01	19.3%	(0.17)	(0.18)	Nmf
Low			(0.82)	0.00	-26.0%	(0.82)	(0.85)	(0.85)
Median			(0.05)	0.01	-12.8%	(0.05)	(0.05)	0.14
Average			0.01	0.01	-7.3%	0.02	0.02	0.14
High			1.09	0.04	19.3%	1.09	1.13	1.13

Source: S&P Global and GTCF calculations

Note (1): Equity betas are calculated using data provided by S&P Global as at 1 January 2020 to exclude the impact of COVID-19.

Beta analysis - 5 years monthly betas (Excluding COVID-19)	Country of listing	Market cap A\$m	Equity Beta	R squared	Gearing Ratio	Ung geared Beta	Regeared Beta	Adopted Beta
Nusantara Resources Limited	Australia	78	(0.76)	0.04	(27.4%)	(0.76)	(0.80)	-0.80
Sihayo Gold Limited	Australia	41	(1.28)	0.02	7.4%	(1.22)	(1.27)	Nmf
Geopacific Resources Limited	Australia	179	1.24	0.04	(26.4%)	1.24	1.29	1.29
Emerald Resources NL	Australia	474	0.12	0.00	(22.4%)	0.12	0.12	Nmf
Kingston Resources Limited	Australia	62	2.36	0.06	(21.9%)	2.36	2.45	2.45
Red 5 Limited	Australia	458	(0.45)	0.01	(6.9%)	(0.45)	(0.47)	Nmf
Calidus Resources Limited	Australia	196	0.24	0.00	(11.6%)	0.24	0.25	Nmf
Capricorn Metals Ltd	Australia	662	1.22	0.02	(11.1%)	1.22	1.27	1.27
Belo Sun Mining Corp	Canada	293	(0.17)	0.00	(21.4%)	(0.17)	(0.18)	Nmf
West African Resources Limited	Australia	901	1.77	0.06	1.1%	1.75	1.83	1.83
PT Merdeka Copper Gold Tbk	Indonesia	6,175	(0.42)	0.02	14.6%	(0.37)	(0.39)	-0.39
Low			(1.28)	0.00	-27.4%	(1.22)	(1.27)	(0.80)
Median			0.12	0.02	-11.6%	0.12	0.12	1.28
Average			0.35	0.02	-11.5%	0.36	0.37	0.94
High			2.36	0.06	14.6%	2.36	2.45	2.45

Source: S&P Global and GTCF calculations

Note (1): Equity betas are calculated using data provided by S&P Global as at 1 January 2020 to exclude the impact of COVID-19.

It should be noted that the above betas are drawn from the actual and observed historical relationship between risk and returns. From these actual results, the expected relationship is estimated generally on the basis of extrapolating past results. Despite the arbitrary nature of the calculations it is important to assess their commercial reasonableness. That is to assess how closely the observed relationship is likely to deviate from the expected relationship.

Consequently, while measured equity betas of the listed comparable companies provide useful benchmarks against which the equity beta used in estimating the cost of equity for the predevelopment assets, the selection of an unsystematic equity beta requires a level of judgement.

The asset betas of the selected companies are calculated by adjusting the equity betas for the effect of gearing to obtain an estimate of the business risk of the comparable companies, a process commonly referred as de-gearing. We have then recalculated the equity beta based on an assumed 'optimal' capital structure deemed appropriate for the business (re-gearing). This is a subjective exercise, which carries a significant possibility of estimation error.

We used the following formula to undertake the de-gearing and re-gearing exercise:

$$\beta_e = \beta_a \left[1 + \frac{D}{E} \times (1 - t) \right]$$

Where:

- β_e = Equity beta
- β_a = Asset beta
- t = corporate tax rate

The betas are de-gearred using the average historical gearing levels of those respective companies over several years. For the purposes of our valuation, we have selected a beta range of between 1.0 and 1.2 to calculate the required rate of return on equity capital.

Specific risk premium – 1.5% to 2.0%

The specific risk premium represents the additional return an investor expects to receive to compensate for size and project related risk not reflected in the beta and the country specific risk premium of observed comparable companies. Refer to section 6 for further information.

We note that the selection of the specific risk premium involves a certain level of professional judgement and as a result, the total specific risk premium is not fully quantifiable with analytical data.

Country risk premium – 1.84%

We have adopted a country risk premium of 1.84% which is the country risk premium factor for Indonesia as published by Aswath Damodaran. Please refer to section 6 for further information.

Cost of debt – 6.0% - 7.0%

For the purpose of estimating the cost of debt applicable to Nusantara, Grant Thornton Corporate Finance has considered the following:

- The weighted average interest rate on credit outstanding for mining companies over the last one to five years as published by the Reserve Bank of Australia.
- The likely all-in finance cost payable by Masmindo based on preliminary term sheets made available to the Company.
- The historical and current cost of debt for Nusantara and the comparable companies.
- Expectations of the yield curve.

Based on the above, Grant Thornton Corporate Finance has adopted a cost of debt between 6.0% and 7.0% on a pre-tax basis which represents a spread of 300 bps to 400 bps to the risk-free rate.

Capital Structure

The appropriate level of gearing that is utilised in determining WACC for a particular company should be the “target” gearing ratio, rather than the actual level of gearing, which may fluctuate over the life of a company. The target or optimal gearing level can therefore be derived based on the trade-off theory which stipulates that the target level of gearing for a project is one at which the present value of the tax benefits from the deductibility of interest are offset by present value of costs of financial distress. In practice, the target level of gearing is evaluated based on the quality and variability of cash flows. These are determined by:

- The quality and life cycle of a company;
- The quality and variability of earnings and cash flows;
- Working capital;
- Level of capital expenditure; and,
- The risk profile of the assets.

For the purpose of the valuation, Grant Thornton Corporate Finance has adopted a capital structure based on 80% equity and 20% debt. In determining the appropriate capital structure, we have had regard to the current capital structure of Nusantara as well as its listed peers.

Tax rate – 20.0%

For the purpose of our valuation assessment we have assumed the Indonesian corporate tax rate of 20%.

Discount rate summary

WACC calculation	Country	Low	High
Cost of equity			
Risk free rate	US	2.75%	2.75%
Beta		1.00	1.20
Market risk premium	US	6.0%	6.0%
Specific risk premium		1.5%	2.0%
Country risk premium - Indonesia	Indonesia	1.8%	1.8%
Cost of equity		12.1%	13.8%
Cost of debt			
Cost of debt (pre tax)	US	6.0%	7.0%
Tax - Indonesia	Indonesia	20.0%	20.0%
Cost of debt (post tax)		4.8%	5.6%
Capital structure			
Proportion of debt		20%	20%
Proportion of equity		80%	80%
		100%	100%
WACC (post tax), Nominal		10.6%	12.2%
Inflation - US		2.0%	2.0%
WACC (post tax), Real		8.5%	10.0%
Mid-point			9.2%

Source: GTCF Analysis

Appendix C – Comparable companies descriptions

Company	Description
Nusantara Resources Limited	Nusantara Resources Limited engages in the exploration, evaluation, and development of gold Resources in Indonesia. It owns a 75% interest in the Awak Mas gold project located in South Sulawesi, Indonesia. The company was formerly known as Awak Mas Holdings Pty Ltd. and changed its name to Nusantara Resources Limited in February 2017. Nusantara Resources Limited is headquartered in West Perth, Australia.
Sihayo Gold Limited	Sihayo Gold Limited, a mineral exploration company, engages in the exploration and development of gold resources primarily in Indonesia. Its primary project is the Sihayo Pungkut Gold project located in Mandailing Natal, North Sumatra. The company was formerly known as Oropa Limited and changed its name to Sihayo Gold Limited in December 2009. Sihayo Gold Limited was incorporated in 1987 and is based in Brisbane, Australia.
Geopacific Resources Limited	Geopacific Resources Limited engages in the exploration and development of gold deposits in Papua New Guinea. It holds a 100% interest in the Woodlark gold project located in Papua New Guinea. The company was incorporated in 1986 and is headquartered in Claremont, Australia.
Kingston Resource Limited	Kingston Resources Limited engages in the exploration and evaluation of mineral properties in Papua New Guinea. The company's flagship project is the Misima gold project located in the Solomon Sea. It also holds interests in the Livingstone gold project located to the northwest of Meekatharra in Western Australia. The company was formerly known as NuWorld Solutions Limited and changed its name to Kingston Resources Limited in October 2012. Kingston Resources Limited was incorporated in 1985 and is based in North Sydney, Australia.
Belo Sun Mining Corporation	Belo Sun Mining Corp., through its subsidiaries, operates as a gold exploration and development company in Brazil. It holds a 100% interest in its flagship property, the Volta Grande Gold project consisting of four mining concession applications, 58 exploration permits, and 16 exploration permits extension submitted covering a total area of 172,631 hectares located in the northern region of Pará State, Brazil. The company was formerly known as Verena Minerals Corporation and changed its name to Belo Sun Mining Corp. in July 2010. Belo Sun Mining Corp. was founded in 1996 and is headquartered in Toronto, Canada.
Red 5 Limited	Red 5 Limited, together with its subsidiaries, engages in the exploration, production, and mining of gold deposits and mineral properties in Australia and the Philippines. The company holds interests in the King of the Hills Gold project located in the Eastern Goldfields of Western Australia; Darlot Gold mine situated in the north-east of Perth in Western Australia; and Siana Gold project located in the Island of Mindanao, the Philippines;. Red 5 Limited was incorporated in 1995 and is based in West Perth, Australia.
Calidus Resources Limited	Calidus Resources Limited engages in the exploration and exploitation of gold minerals in Australia. Its flagship property is the Warrawoona Gold project covering an area of approximately 780 square kilometres located in the East Pilbara district of the Pilbara Goldfield in Western Australia. The company was incorporated in 1986 and is based in West Perth, Australia.
Emerald Resources NL	Emerald Resources NL engages in the exploration and development of gold properties in Cambodia ,The company primarily explores for and develops Cambodian gold projects comprising a combination of 100% owned granted licenses, applications, and earn-in & joint venture agreements covering a combined area of 1,132 square kilometres. Its principal property is the Okvau Gold project covering 11.5 square kilometres located in the city of Phnom Penh, province of Monduliri. The company was formerly known as Emerald Oil & Gas NL and changed its name to Emerald Resources NL in December 2014. Emerald Resources NL was incorporated in 1969 and is headquartered in West Perth, Australia.
West African Resources Limited	West African Resources Limited engages in the acquisition, exploration, and development of mineral resource projects in West Africa. The company explores for gold and copper deposits. Its key asset is the 90% owned Sanbrado Gold Project located in Burkina Faso. The company was incorporated in 2006 and is based in Subiaco, Australia.
Capricorn Metals Ltd	Capricorn Metals Ltd engages in the mineral exploration and project evaluation business in Australia and Madagascar. It holds a 100% interest in the Karlawinda gold project located in the Pilbara region of Western Australia. The company was formerly known as Malagasy Minerals Limited and changed its name to Capricorn Metals Limited in February 2016. Capricorn Metals Limited was incorporated in 2006 and is based in West Perth, Australia.

Source: S&P Global

Appendix D – Comparable transaction targets descriptions

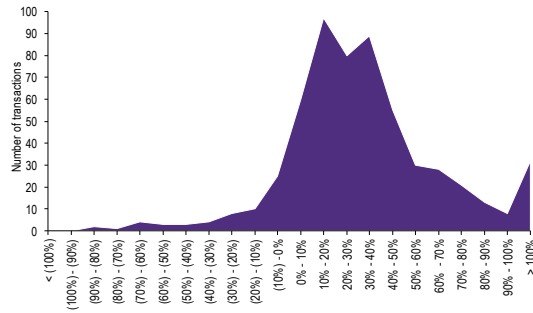
Target Company	Description
Morila limited	Morila Limited engages in exploration and mining of gold. The company was formerly known as Randgold Resources (Morila) Limited. Morila is based in Mali. Morila Limited is a joint venture of AngloGold Ashanti Ltd. and Barrick Gold Corporation. As of November 10, 2020, Morila Limited operates as a subsidiary of Firefinch Limited.
Newcrest Mining Limited	Newcrest Mining Limited, together with its subsidiaries, engages in the exploration, mine development, mine operation, and sale of gold and gold/copper concentrates. It is also involved in the exploration of silver deposits. The company primarily owns and operates mines and projects located in Cadia and Telfer, Australia; and Lihir, Papua New Guinea. It also holds 70% interest in the Red Chris mine project located in British Columbia, Canada. Newcrest Mining Limited was founded in 1966 and is headquartered in Melbourne, Australia.
PT Pani Bersama Jaya & Pani Gold IUP	PT Pani Bersama Jaya engages in gold exploration and development. The company is based in Indonesia. As of November 2, 2018, PT Pani Bersama Jaya operates as a subsidiary of PT Merdeka Copper Gold Tbk. The Pani IUP Project comprises gold mining property. The asset is located in Indonesia.
Endeavour Mining	Endeavour Mining Plc operates as a gold producer in West Africa. Its operating assets located in Senegal, Cote d'Ivoire, and Burkina Faso, as well as a portfolio of development projects and exploration assets in the Birimian Greenstone Belt across West Africa. Endeavour Mining Plc was incorporated in 2021 and is based in London, the United Kingdom.
Semafo Inc.	SEMAFO Inc., a mining company, engages in the exploration, development, and operation of gold properties in West Africa. The company operates the Mana Mine in Burkina Faso, which includes the Siou deposit. It also holds a 90% interest in the Boungou project. The company was formerly known as West Africa Mining Exploration Corporation Inc. and changed its name to SEMAFO Inc. in May 1997. SEMAFO Inc. was founded in 1994 and is headquartered in Saint-Laurent, Canada. As of July 1, 2020, SEMAFO Inc. operates as subsidiary of Endeavour Mining Corporation.
Leagold Mining Corporation	As of March 10, 2020, Leagold Mining Corporation was acquired by Equinox Gold Corp. Leagold Mining Corporation engages in the acquisition of gold mining properties and other development projects in Latin America. It holds interest in the Los Filos Mine located in Guerrero State, Mexico; and in the RDM, Fazenda, and Pilar mines in Brazil. The company was formerly known as HTI Ventures Corp. and changed its name to Leagold Mining Corporation in August 2016. Leagold Mining Corporation was incorporated in 1981 and is headquartered in Vancouver, Canada.
Toro Gold	Toro Gold Limited operates as a gold mining, exploration, and development company in West Africa. Its flagship asset is the Mako Gold Mine project located in Eastern Senegal. The company also holds an exploration portfolio covering approximately 2,800 square kilometers of Birimian terranes of Senegal, Cote d'Ivoire, and Guinea. Toro Gold Limited was founded in 2009 and is based in Saint Peter Port, Guernsey. Toro Gold Limited acquired by Resolute Mining Limited.
EMR Capital	EMR Capital Pty. Ltd. is a private equity firm specializing in investments in listed and unlisted resource companies with iron ore, coal, potash, coking coal, copper or gold projects and mining at various stages of development. The firm focuses on investments globally. EMR Capital Pty. Ltd. was founded in 2011 and is based in Melbourne, Australia with an additional offices in Hong Kong, Hong Kong and Camana Bay, Cayman Islands.

Source: S&P Global

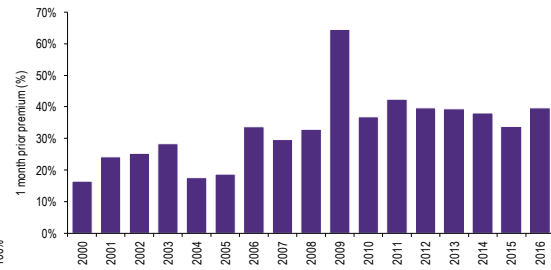
Appendix E – Control Premium study

Evidence from studies indicates that premium for control on successful takeovers has frequently been in the range of 20% to 40% in Australia, and that the premium vary significantly for each transaction.

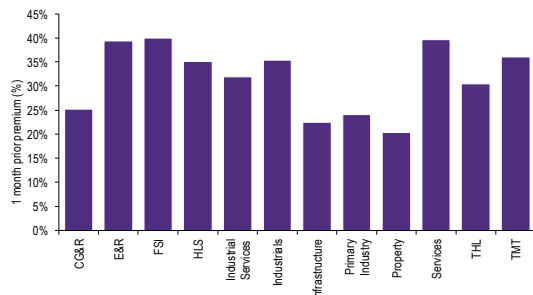
1 Month Prior Control Premium



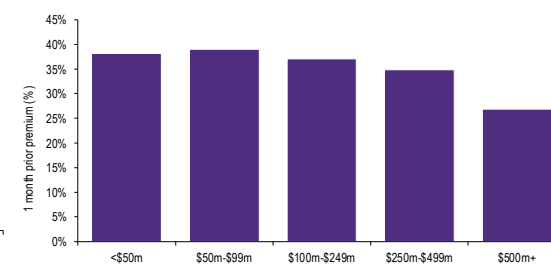
Control premium per completion date



Control premium per industry



Control premium and size



	Control premium
Average	34.33%
Median	29.34%

Source: GTCF Analysis

Appendix F – Glossary

\$ or A\$	Australian Dollar
1HFYxx	6-month financial period ended 30 June 20xx
AASB 117	Australian Accountings Standards Board 117 – Leases (“AASB117”), the precursor to AASB16.
AASB 16	Australian Accountings Standards Board 16 – Leases
ACCC	Australian Competition and Consumer Commission
AISC	All In Sustaining Costs
APES	Accounting Professional and Ethical Standards
APES225	Accounting Professional and Ethical Standard 225 "Valuation Services"
APRA	Australian Prudential and Regulatory Authority
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
ATO	Australian Tax Office
Awak Mas or The Project	Awak Mas Gold Project. Nusantara's flagship asset.
Belo Sun	Belo Sun Mining Corporation
Calidus	Calidus Resources Limited
CAGR	Compound annual growth rate
Corporations Act	Corporations Act 2001
COVID-19	Coronavirus pandemic
CoW	Contract of Work
DCF Method	Discounted Cash Flow Method
EBITDA	Earnings before interest, tax expenses, depreciation and amortisation
EV/M+I	Measured + Indicated Resource Multiple
EV/M+I+I or EV/Resources	Measured + Indicated + Inferred Resource Multiple. Also referred to as Total Resources Multiple
EV/Reserves	Total Reserves Multiple
FEED Contract	Front End Engineering Design Contract of up to US\$15 million.
FEED Deferred Payment	Payments under the FEED contract that are deferred.
FID	Final Investment Decision
Financial Model	The Financial Model provided by management of Nusantara
FIRB	Foreign Investment Review Board
FSG	Financial Service Guide
FYxx	12-month financial year ended 31 December 20xx
Geopacific	Geopacific Resources Limited
GT Model	Financial model prepared by GTCF, projecting the post-tax free cash flows of Nusantara Limited
GTCF, Grant Thornton, or Grant Thornton Corporate Finance	Grant Thornton Corporate Finance Pty Ltd (ACN 003 265 987)
IBC	Independent Board Committee
IER or Report	Independent Expert's Report
JORC Code	Refers to the JORC Code (2012 Edition), The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.
Kingston	Kingston Resources Limited
KPI	Key performance index
LOM	Life of Mine
LTM	Last twelve months
Masmindo	PT Masmindo DWI Area
NUS Shares	The issued shares of Nusantara Resources Limited

NUS, Nusantara, or The Company	Nusantara Resources Limited
Performance Rights	Nusantara has 2,400,000 outstanding performance rights
Petrosea	PT Petrosea TBK
Primary Demand	The demand for gold has been driven by demand for fabrication of jewellery and industrial equipment
Indika	PT Indika Energy TBK
Red 5	Red 5 Limited
Reserves	As defined under the JORC Code (2012 Edition): Ore Reserve is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified.
Resources	As defined under the JORC Code (2012 Edition): Mineral Resource is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction.
RG	Regulatory Guide
RG111	ASIC Regulatory Guide 111 "Contents of expert reports"
RG112	ASIC Regulatory Guide 112 "Independence of experts"
RG60	ASIC Regulatory Guide 60 "Scheme of arrangement"
R&R Multiples	Collectively referring to the three different assessed resource and Reserves multiples
Scheme	Scheme of Arrangement whereby Indika will acquire all shares of Nusantara
Scheme Booklet	The Scheme Booklet, including each attachment
Scheme Consideration	The consideration of A\$0.35 per NUS Share that Indika agrees to pay
Scheme Implementation Agreement or SID	Scheme Implementation Agreement entered into between Nusantara and Indika
Share Pledge	The FEED deferred payment is secured against up to 20% of Nusantara's interest in the ordinary shares of Masmindo
Sihayo	Sihayo Gold Limited
Stage 2 Equity Investment	The ability for Indika to increase its stake in Nusantara to 40% through an additional US\$25 million investment.
DFS Update	Updated Definitive Feasibility Study
VRM	VRM Valuation and Resource Management
VRM Report	Independent Technical Report
WACC	Weighted average cost of capital




Appendix G – VRM Technical Specialist Report

INDEPENDENT TECHNICAL ASSESSMENT & VALUATION REPORT

Presented To:
Nusantara Resources Limited



Date Issued:
17 August 2021

Document Reference	Nusantara GT Valuation August 2021 Rev1
Distribution	Grant Thornton Australia Ltd Nusantara Resources Ltd Valuation and Resource Management Pty Ltd
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Valuation Date	28 June 2021

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Executive Summary

Grant Thornton Australia Ltd (Grant Thornton) engaged Valuation and Resource Management Pty Ltd (VRM) to prepare an Independent Technical Assessment and Valuation report (ITAR or the Report) on the Mineral Assets of Nusantara Resources Limited (ASX: NUS) (Nusantara or the Company). Nusantara and its major shareholder PT Indika Energy TBK (Indika) (IDX: INDY) are joint venture partners in the Awak Mas gold project (Project) via their 75% and 25% respective interests in subsidiary PT Masmindo Dwi Area (Masmindo).

On 28 June 2021 (Valuation Date), Nusantara announced that it had entered a binding Scheme Implementation Deed (SID) with Indika for the acquisition by Indika of all of the issued share capital of Nusantara it does not already own by way of Scheme of Arrangement. Grant Thornton was commissioned by Nusantara to prepare an Independent Expert's Report (IER) for inclusion in a Scheme Booklet to assist the shareholders of Nusantara in relation to the proposed transaction.

This Report is a public document, in the format of an ITAR and is prepared in accordance with the guidelines of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets – The VALMIN Code (2015 edition) (VALMIN). VRM understands that Grant Thornton will include the Report within its IER relating to the proposed transaction.

This Report is a technical review and valuation opinion of the mineral assets of Nusantara, being the Awak Mas gold project including surrounding exploration ground (Project) in South Sulawesi, Indonesia. Grant Thornton has indicated that it will conduct a valuation of the Project based on the discounted cash flow (DCF) model relating to the Life of Mine (LOM) plans for the Project. VRM has assisted Grant Thornton by reviewing and commenting on the reasonableness of technical inputs associated with the DCF.

Applying the principles of the VALMIN Code VRM has provided a valuation opinion on the Mineral Resources outside the LOM plans and the surrounding exploration potential within the Project. This opinion has been undertaken using comparable transactions, and a yardstick valuation for remnant Mineral Resources along with a Geoscientific or Kilburn Valuation and an area-based yardstick valuation method for the exploration potential.

Importantly, as neither the principal author nor VRM hold an Australian Financial Services Licence, this valuation is not a valuation of Nusantara but rather an asset valuation of the Awak Mas Project. This valuation is current as of 28 June 2021. VRM provided a redacted draft report to Nusantara via Grant Thornton on 21 July 2021 to allow checking for factual accuracy.

As commodity prices, exchange rates and cost inputs fluctuate this valuation is subject to change over time. The valuation derived by VRM is based on information provided by Nusantara along with publicly available data including ASX releases and published technical information. VRM has made reasonable endeavours to confirm the accuracy, validity and completeness of the technical data which forms the basis of this Report.

The opinions and statements in this Report are given in good faith and under the belief that they are accurate and not false nor misleading.

The default currency is Australian dollars (unless otherwise stated). As with all technical valuations the valuation included in this Report is the likely value of the mineral projects and not an absolute value. A range of likely values for the various mineral assets is provided with that range indicating the accuracy of the valuation.

Awak Mas Gold Project

Nusantara currently owns 75% interest in the Awak Mas Project located 45 kilometres by road from the Belopa, the capital of Luwu Regency in South Sulawesi Province. The Project is held under a Contract of Work (CoW) covering an area of 14,390 hectares confirming Masmindo as the legal owner of the CoW with sole rights to explore.

VRM has estimated the value of the project on a 100% and a current equity ownership basis considering the technical information supporting its gold prospectivity. As at the valuation date there were declared Ore Reserve and Mineral Resource from 2020 and early 2021 prepared applying the guidelines of the Australasian Code for Reporting of Exploration Targets, Mineral Resources and Ore Reserves - The JORC Code 2012 Edition (JORC) at the Project. These were used to support technical studies into the economic viability of the Project. At the Valuation Date the previously reported Mineral Resources and Ore Reserves were both being updated, and these were subsequently released to the ASX on 5 and 7 July 2021, respectively. The valuation remains current as at 28 June 2021 but considers the updated Ore Reserves and Mineral Resources.

The valuation has been prepared as a sum of the parts with the value attributed to the declared Ore Reserves within the LOM plans (within the accompanying Grant Thornton IER), Mineral Resources outside the LOM plans and the surrounding exploration potential. The Mineral Resources were valued using a comparable transaction method as the primary valuation technique. Secondary valuations were determined based on the yardstick approach. For the exploration potential on the surrounding tenements a geoscientific / Kilburn method and an area-based yardstick approach have been used.

This Report documents the technical aspects of the Project along with explaining valuations for the properties applying the principles and guidelines of the VALMIN and JORC Codes.

Conclusions

The Awak Mas Project hosts a significant gold deposit. There has been substantial previous exploration, but no previous mining. The project is considered a pre-development to development stage project with a feasibility study completed in 2018 and amended / updated in 2020. The project has significant Ore Reserves and Mineral Resources as well as targets for ongoing exploration in the surrounding CoW area.

The review found that the gold deposits making up Awak Mas were generally characterised by well-defined zones of consistent mineralisation, the Mineral Resource estimates are all current, considered valid and are suitable for use in the estimation of Ore Reserves and in mine planning. The Ore Reserves are well supported by extensive studies over numerous years. The Ore Reserve estimates are all reasonable, current and form the basis of an updated feasibility study which provides, depending on the gold price, a viable and economic gold project. Two minor technical aspects have been identified by VRM and are recommended to be adjusted in the financial model.

Considering both the remnant Mineral Resources currently defined and the exploration potential in VRM's opinion, the mineral assets of Nusantara, being 75% of the Awak Mas Project a market value of between \$5.3 million and \$8.4 million with a preferred value of \$6.9 million on an attributable equity basis.

1. Introduction

Valuation and Resource Management Pty Ltd (VRM), was engaged by Grant Thornton Australia Ltd (Grant Thornton) to undertake an Independent Technical Assessment and Valuation Report (Report or ITAR) on Awak Mas Gold Project including the surrounding exploration ground (Project) for Nusantara Resources Limited (ASX: NUS) (Nusantara or the Company). This is in relation to the proposed transaction between Nusantara and its major shareholder PT Indika Energy TBK (Indika) (IDX: INDY) that form the joint venture partners in the Project via their 75% and 25% respective interests in subsidiary PT Masmindo Dwi Area (Masmindo). Masmindo is the legal owner of the Awak Mas Contract of Work (CoW) covering an area of 14,390 hectares with sole rights to explore.

On 28 June 2021 (Valuation Date), Nusantara announced that it had entered a binding Scheme Implementation Deed (SID) with Indika for the acquisition by Indika of all the issued share capital of Nusantara it does not already own by way of Scheme of Arrangement. Grant Thornton was commissioned by Nusantara to prepare an Independent Expert's Report (IER) for inclusion in a Scheme Booklet to assist the shareholders of Nusantara in relation to the proposed transaction.

VRM understands that this ITAR will be included in the IER being prepared by Grant Thornton. Grant Thornton will refer to, and rely on, the VRM report and mineral asset valuation which will be attached to its IER to inform the Nusantara shareholders as to the fairness and reasonableness of the proposed transaction.

Paul Dunbar and Deborah Lord of VRM were contacted to undertake a valuation of the mineral assets of Nusantara located in Sulawesi, Indonesia. Grant Thornton engaged VRM for the purposes of the ITAR and all correspondence was directed through Grant Thornton.

VRM has assisted Grant Thornton by reviewing the technical inputs into the financial model that considers the current Ore Reserves within the Life of Mine (LOM) plans. In addition, VRM has provided an opinion on the estimated value of the current Mineral Resources outside the LOM plans and the surrounding exploration potential. The Mineral Resources were valued using a comparable transaction method as the primary valuation technique. Secondary valuations were determined based on the yardstick approach. For the exploration potential on the surrounding tenements a geoscientific / Kilburn method has been used as the primary valuation method. An area-based yardstick valuation has been used as a secondary valuation for the exploration potential away from the Mineral Resource areas.

The technical information supporting the prospectivity of the CoW and the valuation of the Project elements is on a 100% interest basis to determine a market value of the Project with this subsequently reduced in line with the beneficial interest in each of the projects as at 28 June 2021. The final valuation is provided on an attributable equity basis at the Valuation Date being Nusantara's 75% interest in the Project.

1.1. Compliance with the JORC and VALMIN Codes and ASIC Regulatory Guides

The ITAR is prepared applying the guidelines and principles of the 2015 VALMIN Code and the 2012 JORC Code. Both industry codes are mandatory for all members of the Australasian Institute of Mining and Metallurgy (AusIMM) and the Australian Institute of Geoscientists (AIG). These codes are also requirements under Australian Securities and Investments Commission (ASIC) rules and guidelines and the listing rules of the Australian Securities Exchange (ASX).

This ITAR is a Public Report as described in the VALMIN Code (Clause 5) and the JORC Code (Clause 9). It is based on, and fairly reflects, the information and supporting documentation provided by Nusantara and associated Competent Persons as referenced in this ITAR and additional publicly available information.

1.2. Scope of Work

VRM's primary obligation in preparing mineral asset reports is to independently describe mineral projects applying the guidelines of the JORC and VALMIN Codes. These require that the Report contains all the relevant information at the date of disclosure, which investors and their professional advisors would reasonably require in making a reasoned and balanced judgement regarding the project.

VRM has compiled the valuation based upon the principle of reviewing and interrogating both the documentation of Nusantara and where relevant previous exploration within the areas. This Report is a summary of the work conducted, completed and reported to 28 June 2021 based on information supplied to VRM by Nusantara and other information sourced from the public domain to the extent required by the VALMIN and JORC Codes. Subsequent Ore Reserve and Mineral Resource announcements were also considered and factored into the valuation.

VRM provided a draft report to Grant Thornton and a redacted version to Nusantara via Grant Thornton on 21 July 2021 to allow checking for factual accuracy.

VRM understands that the objective of this study is to provide:

- Summaries of the regional and local geology, the security of the tenure, a summary of the recent and previous exploration,
- Review of the mineral assets to determine the most appropriate valuation techniques for the assets based on the development stages of the projects and amount of available information.
- Provide an independent valuation on the mineral assets of Nusantara as at 28 June 2021.

VRM understands that its reviews and valuations will be relied upon and appended to an IER prepared by Grant Thornton for inclusion in a Scheme Booklet, to assist Nusantara shareholders in their decision regarding the proposed transaction. As such, it is understood that VRM's review and valuation will be a public document.

1.3. Statement of Independence

VRM was engaged to undertake an ITAR. This work was conducted applying the principles of the JORC and VALMIN Codes, which in turn reference ASIC Regulatory guide 111 Content of expert reports (RG111) and ASIC Regulatory guide 112 Independence of experts (RG112).

Ms Deborah Lord and Mr Paul Dunbar of VRM have not had any association with Nusantara, their individual employees, or any interest in the securities of Nusantara which could be regarded as affecting their ability to give an independent, objective, and unbiased opinion. Neither VRM, Ms Lord nor Mr Dunbar hold an Australian Financial Services Licence (AFSL) and the valuation contained within this Report is limited to a valuation of the mineral assets being reviewed. VRM will be paid a fee for this work based on standard commercial rates for professional services. The fee is not contingent on the results of this review and is \$48,000 (excluding GST).

1.4. Competent Persons Declaration and Qualifications

This Report was prepared by Mr Paul Dunbar as the primary author with peer review by Ms Deborah Lord and contributions by Associates to VRM as noted below.

The Report and information that relates geology, exploration and the mineral asset valuation is based on information compiled by Mr Paul Dunbar, BSc (Hons), MSc (Minex), a Competent Person who is a Member of the AusIMM and the AIG. Paul is a Director of VRM and has sufficient experience, which is relevant to the style of mineralisation, geology, and type of deposit under consideration and to the activity being undertaken to qualify as a competent person under the JORC Code and a Specialist under the VALMIN Code. He consents to the inclusion in the report of the matters based on information in the form and context in which it appears.

The Report and information that relates peer review of the Report and of the mineral asset valuation is based on information compiled by Ms Deborah Lord, BSc (Hons), a Competent Person who is Chair of the VALMIN Committee, a Fellow of the AusIMM and a Member of the AIG. Deborah is a Director of VRM and has sufficient experience, which is relevant to the style of mineralisation, geology, and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person under the JORC Code and a Specialist under the VALMIN Code. She consents to the inclusion in the report of the matters based on information in the form and context in which it appears.

Between 28 June 2021 and the date of this Report, unless otherwise noted, nothing has come to the attention of VRM unless otherwise noted in the Report that would cause any material change to the conclusions.

1.5. Reliance on Experts

The current Awak Mas Mineral Resource and Ore Reserve estimates were reported on 5 July 2021 and 7 July 2021, respectively. Nusantara also announced a Definitive Feasibility Study (DFS) update on 13 July 2021. VRM has relied on the technical information contained in the ASX releases and other ASX releases by

Nusantara, JV partners and previous owners of the Project. VRM has therefore placed reliance on the Competent Persons who accepted responsibility and signed off on the Exploration Results, Mineral Resource and Ore Reserve estimates as reported by Nusantara and detailed further in the body of this Report.

VRM has also placed reliance on its team of Specialists who were engaged by VRM to assist in specific elements of the ITAR as summarised below (Table 1).

Table 1 - Reliance on specialists

Specialist	Company	Responsibility
Kate Bassano	Associate to VRM	Documentation of geology, previous exploration, comparable transaction research
Danny Kentwell	SRK Consulting (Australasia) Pty Ltd	Review of Mineral Resource estimates
Peter Fairfield	Miner Insight Pty Ltd	Review of Ore Reserve estimates and Modifying Factors

Paul Dunbar, the primary author of this Report is not qualified to provide extensive commentary on the legal aspects of the mineral property or the compliance with the legislative environment and permitting in Indonesia. In relation to the tenement standing, VRM has relied on the documentation of the Competent Person for Mineral Resources and Ore Reserves along with the associated JORC Table 1 documentation. As required by the VALMIN Code the status of the tenements is detailed within this Report.

1.6. Sources of Information

All information and conclusions within this report are based on information made available to VRM to assist with this report by Nusantara and other relevant publicly available data to 28 June 2021. Reference has been made to other sources of information, published and unpublished, including government reports and reports prepared by previous interested parties and Joint Venturers to the areas, where it has been considered necessary. The authors of these reports have not consented to the use of their statements in this report. These statements are issued in accordance with ASIC Regulatory Guide 55 and ASIC Corporations (Consents to Statements) Instrument 2016/72.

VRM has, as far as possible and making all reasonable enquiries, attempted to confirm the authenticity and completeness of the technical data used in the preparation of this Report and to ensure that it had access to all relevant technical information. VRM has relied on the information contained within the reports, articles and databases provided by Nusantara as detailed in the reference list.

A draft of this Report was provided to Nusantara, via Grant Thornton to identify and address any factual errors or omissions prior to finalisation of the Report. The valuation sections of the Report were not provided to the Company until the technical aspects were validated and the Report was declared final.

1.7. Site Visit

VRM was not able to undertake a site visit as a part of this Report. Travel restrictions imposed by the COVID-19 pandemic limits international travel as at June-July 2021.

VRM has reviewed reports and information obtained by independent consultants including the Mineral Resource and Ore Reserve Competent Persons who have visited site as well as other consultants independent of the Company. VRM is confident that while it is considered preferable to undertake a site visit, a site visit would not modify the opinion of the Project due to the current information that has been made available to VRM.

2. Mineral Asset

The mineral asset included in this valuation is the Awak Mas Project located in the Luwu Regency of South Sulawesi Province, Indonesia (Figure 1).



Figure 1 – Location of the Nusantara Awak Mas Project in Indonesia

2.1. Tenure

The Project is held under a seventh generation Contract of Work (CoW) initially signed with the Government of Indonesia in 1998. The CoW encompasses 14,390 hectares and is held by Masmindo as noted above.

As reported on Nusantara’s website, the CoW was adjusted to reflect the 2009 Mining Law of the country and amended in 2018 reaffirming Masmindo’s sole rights to explore for and exploit any mineral deposits within the CoW area until 2050, with options for two ten-year extensions.

Nusantara became owners of the Project from One Asia Resources through an ASX Initial Public Offering in 2017. Within the associated Prospectus document, CSA Global (2017) documented the extent of the CoW based on the Independent Solicitor’s Report dated 30 May 2017. The extract of the plan showing this outline is provided in are shown in Figure 2.

VRM has not independently confirmed the status of the CoW.

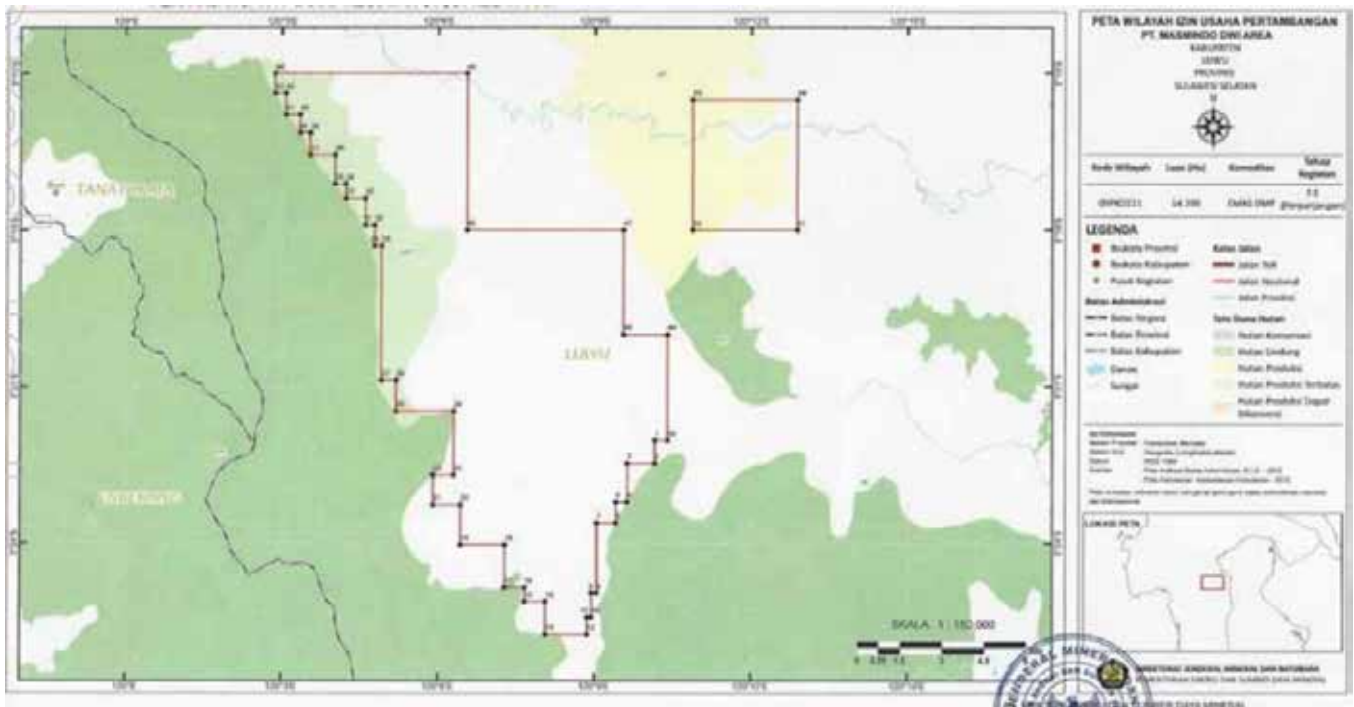


Figure 2 – Location of the Awak Mas Project Contract of Work (CoW) area in South Sulawesi (Source: CSA Global, 2017)

2.2. Accessibility

The Awak Mas Gold Project is located on the island of Sulawesi within the Luwu District, Indonesia. The project area is situated in the southwestern part of Sulawesi, on the western side of the north end of the Gulf of Bone. The project is centred at 120°5'E and 3°20'S (WGS84), approximately 67 km southwest of the town, Palopo.

The CoW area has high topographic relief with sheer razorback ridges and common steep slopes. The Awak Mas deposit surface ranges in elevation from approximately 800 m to 1,450 m above sea level. More rugged parts of the project area are covered by rainforest. Partial logging, clearing and subsequent regrowth is present. Coffee and clove farming also occurs throughout the CoW.

The Awak Mas CoW is situated approximately 200 km south of the equator. The climate is maritime monsoonal, with the rainy season occurring during hot summers. Wet season rainfall is ~3,200 mm with temperature averages ranging from 18°C to 27°C during this time. Winter (July-September) is the dry season, with generally milder temperatures.

The project area is accessed via 370 km sealed public road from the provincial capital of Ujung Pandang to Belopa. Access from Belopa to the CoW is along ~45 km of gravel roads, which are considered poor quality (CSA, 2017).

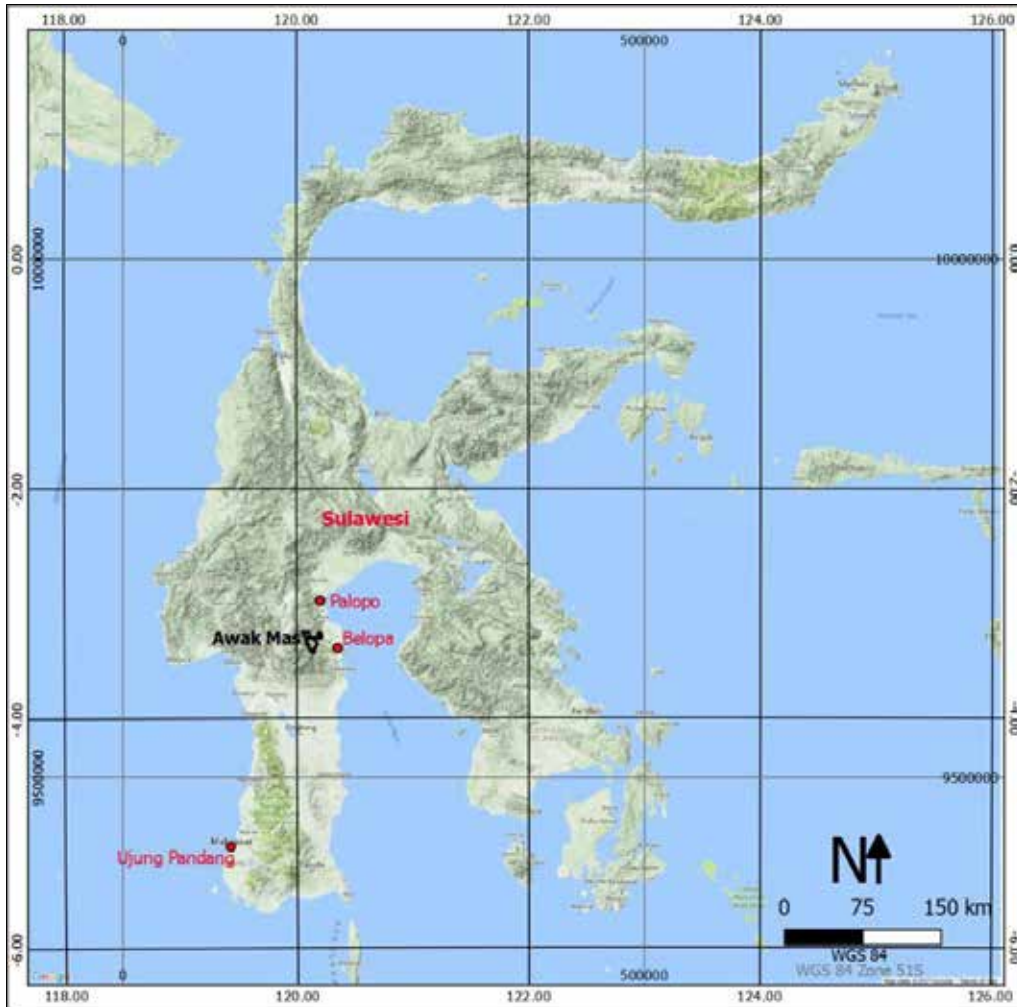


Figure 3 - Awak Mas Gold Project location in Sulawesi, Indonesia (source: CSA, 2017).

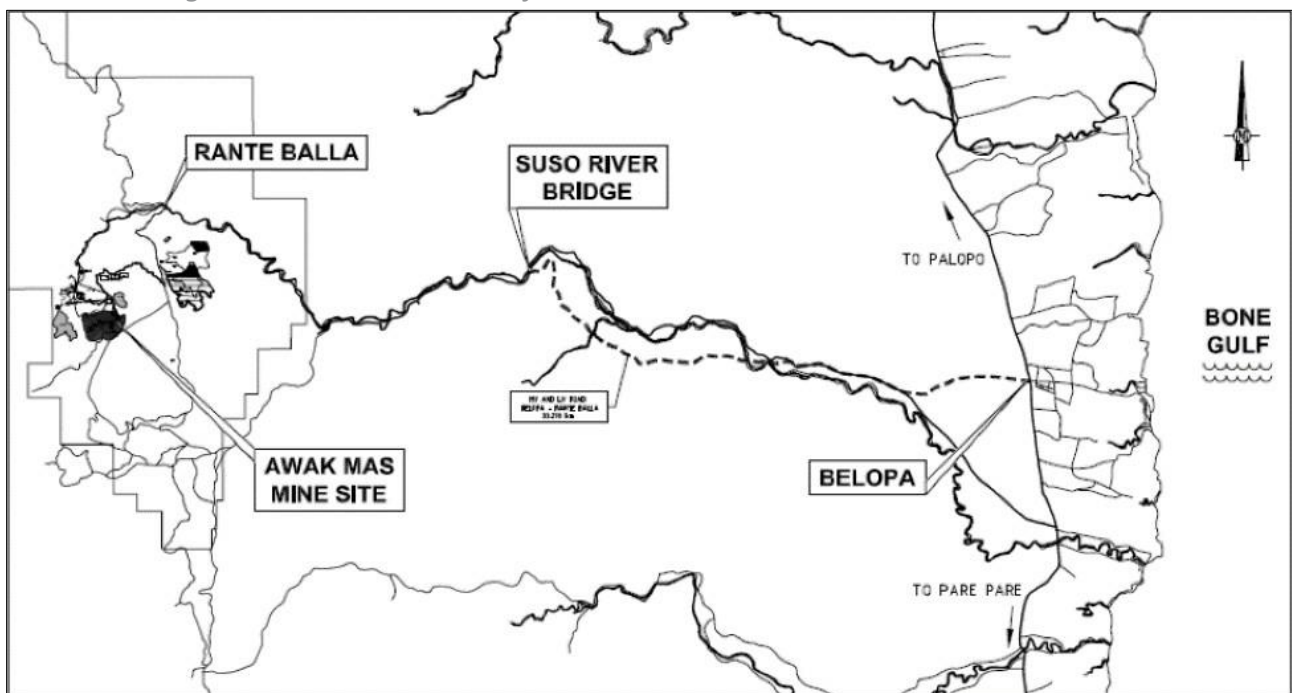


Figure 4 - Access route to Awak Mas Gold Project from Belopa (source: CSA, 2017).

3. Awak Mas Project

3.1. Regional Geological Setting

Sulawesi, which hosts the Awak Mas Project, is situated at the junction of the Pacific, Eurasian, and Australian Plates. The region comprises amalgamated continental blocks and island arc crust that records a Cretaceous to recent history of continent-continent collision, ophiolite subduction, arc volcanism, strike-slip faulting, and significant crustal extension (White et al., 2017).

The Project is situated in the West Sulawesi Arc, which incorporates the western and sections of the northern land mass of Sulawesi. Late Cretaceous metamorphic rocks (Figure 5), including schists, slates, and shales, are interpreted as the oldest rocks in the area (White *et al.*, 2017). These rocks are named the Latimojong Metamorphic Complex, which also includes tectonically interposed meta-igneous rocks such as amphibolite, meta-gabbro and meta-granitoids. The metamorphic complex is unconformably overlain by the Latimojong Formation (White et al., 2017), consisting of phyllites, slates, basic to intermediate volcanics, limestone and schist representing a platform and/or fore-arc trough flysch sequence (Figure 6).

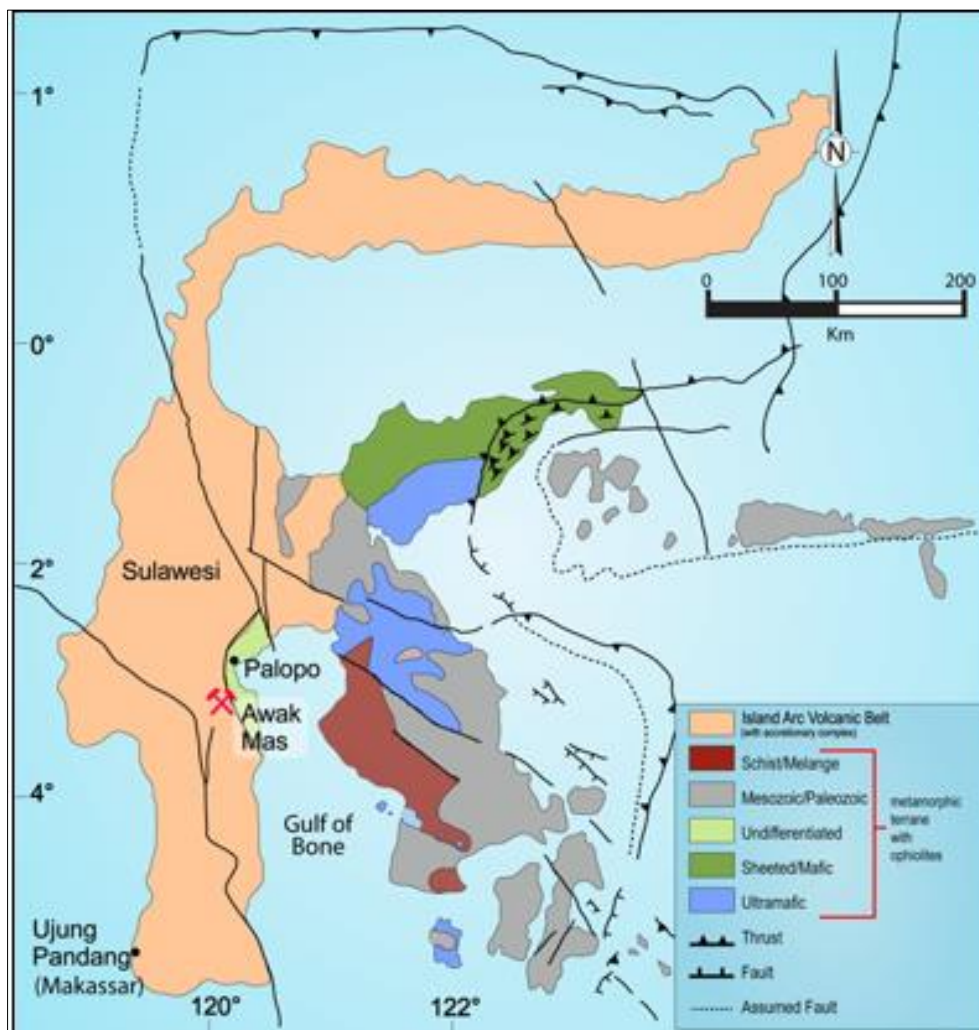


Figure 5-Regional Tectonic Setting of Awak Mas (source: Cube, 2021)

A tectonically overthrust or obducted group of mafic to intermediate composition igneous rocks lies to the east of the Latimojong Metamorphic Complex. This suite of rocks, located between Awak Mas and Bone Bay, is named the Lamasi Complex. The Complex includes serpentinite, layered gabbro, microdiorite, pillow lava, tuffs, basaltic sheeted dykes and volcanic breccias. The presence of these lithologies indicates that this Complex is an ophiolite sequence that has been thrust over the Latimojong Metamorphic Complex (White *et al.*, 2017).

A thick sequence of sedimentary and volcanic rocks unconformably overlies the Lamasi Complex. These include the Eocene to Miocene aged Toraja Group and Makale Formation (White *et al.*, 2017). Oligocene to Pliocene intrusives and volcanic rocks are present in the region. These include the Enrekang Volcanics, the Palopo Granite and the Kambuno Granite (White *et al.*, 2017).

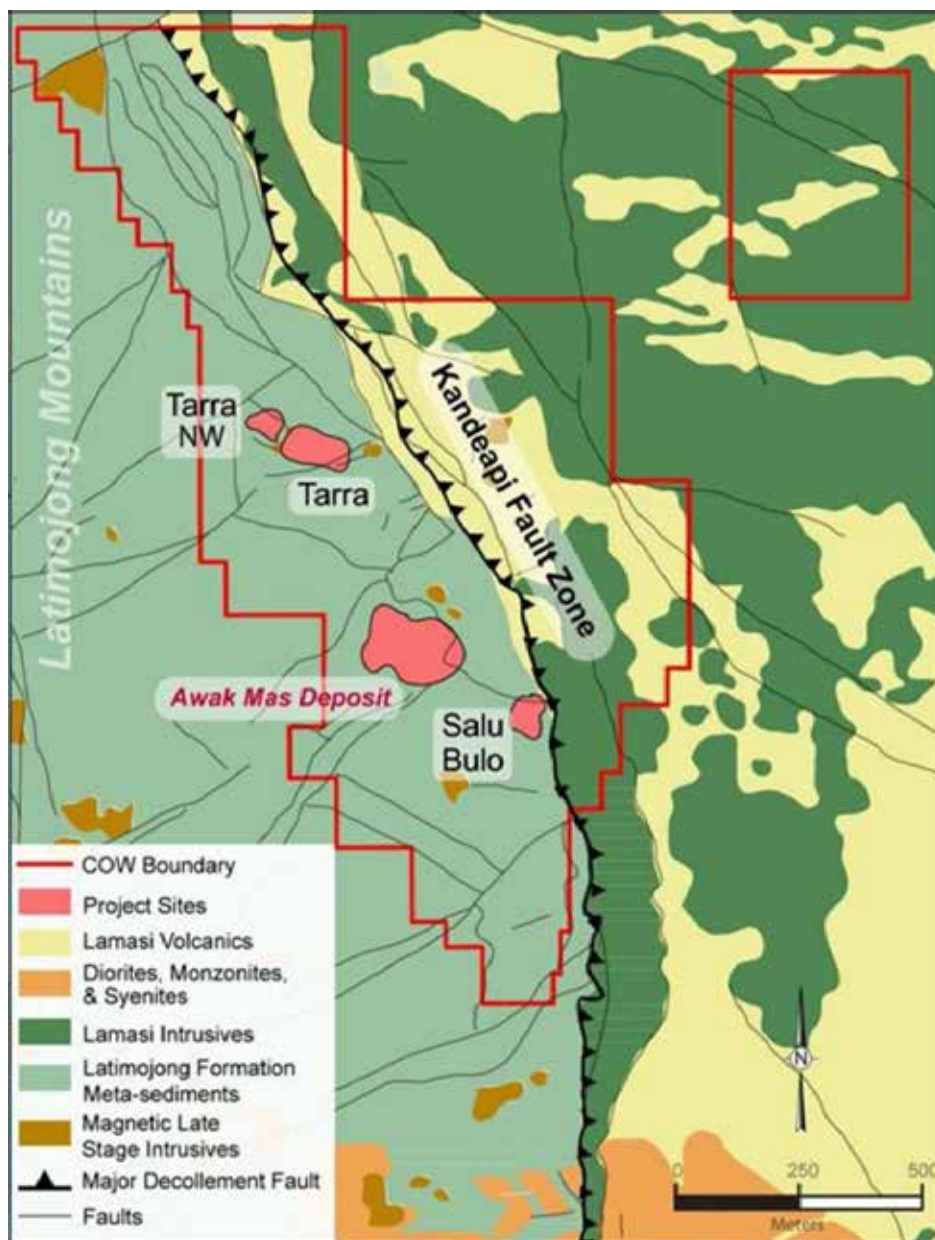


Figure 6- Regional Geological Setting and CoW

3.2. Local Geology

Detailed mapping and geological assessment at the Awak Mas CoW were completed by Archibald *et al.* (1996). The project area's stratigraphy was divided into five units, namely a Cover Sequence, Basement Sequence, Top Decollement Sequence, Eastern Mafic Sequence and Western Grit Sequence.

The Cover Sequence is equivalent to the Latimojong Metamorphic Complex (CSA, 2017) as described above. Most of the rocks within the Awak Mas CoW are mapped as Cover Sequence by Archibald *et al.* (1996). These units comprise meta-sedimentary rocks including sandstones, siltstones, mudstones and rare grits and conglomerates. Archibald *et al.* (1996) divided this sequence into three subunits: Dark Mudstones, Green and Purple Mudstones and Lithic Sandstones.

The Basement sequence described by Archibald *et al.* (1996) is equivalent to the Latimojong Metamorphic Complex (CSA, 2017). Units of this sequence dominate the central and southern parts of the Awak Mas Project area. They are interpreted as an ~250m thick allochthonous sheet of diorites and poly-deformed schists that were tectonically emplaced within the Cover Sequence. Dominant lithologies include gneisses and schists.

Mineralisation at Awak Mas and Salu Bulu is hosted within meta-sedimentary rocks of the Cover Sequence and the Basement Sequence diorites and biotite-dominant schists (to a lesser degree). The sequences are separated by an unconformable and sheared thrust contact.

The Top Decollement Sequence units occur as a tabular zone of highly deformed rocks that separate the Cover Sequence in the Awak Mas CoW from the rocks that lie to the east and northeast (the Eastern Mafic Sequence). The sequence is dominated by calcarenites and calcareous marls and contains rafts or tectonic slices of the sequences that lie both structurally above and below it. The sequence is interpreted as a tectonic contact zone between the Lamasi Complex and the Latimojong Metamorphic Complex (CSA, 2017).

The Eastern Mafic Sequence occurs to the east and northeast of Awak Mas. The Sequence is dominated by mafic rocks (basalt and gabbro) with subordinate laminated shales. It has been divided by Archibald *et al.* (2016) into two distinctive associations – a basalt-red shale association and a gabbro-leuco-gabbro association. This sequence lies structurally above the Top Decollement Sequence and is interpreted as a correlation of the Lamasi Complex (CSA, 2017).

The Western Grit Sequence is dominated by sandstones, lithic grits, and distinctly rounded conglomerates. These units are situated west of the Awak Mas Deposit.

The Awak Mas Project area is transected by three major NNE-SSW trending, parallel to sub-parallel and sub-vertical fault zones. Recent fault movement is inferred as dextral (Harjanto & Meyer, 2015). The low geothermal gradient and corresponding intense tectonism indicates the environment may be subduction zone or major thrust related (Querubin and Walters 2012).

3.3. Mineralisation

Mineralisation at Awak Mas and Salu Bulo is predominately hosted within the Cover Sequence and the Basement Sequence (to a lesser extent). Mineralised rocks are spatially associated with disseminated pyrite and multiple minor quartz veinlets. These occur in zones in which the extent and internal structure are controlled by a network of locally mineralised faults and older foliation(s) (CSA, 2017).

The dominant proximal alteration mineral assemblage in the mineralised rocks includes albite-pyrite-silica \pm carbonate \pm chlorite. The sulphide content of the mineralised rocks is generally low, however; it has been observed to increase with grade (Archibald *et al.*, 1996).

Two broad structural styles of mineralisation have been observed (Querubin and Walters, 2012):

- Gently to moderately-dipping (20-40°) broadly tabular zones of cm thick veinlets and altered rock with an overall orientation similar to that of the foliation in the host rocks
- More steeply dipping (30-70°) zones of quartz veinlets, local brecciation, and altered rock, which commonly coincide with faults that cross-cut foliation in both the Cover and Basement Sequences. These may be associated with high angle faults that cut both the Cover Sequence and Basement Sequence.

Crustal depth of mineralisation at Awak Mas is debated with both mesothermal and epithermal models proposed. Mineralisation is generally accepted as associated with sulphur-poor, sodic-rich fluids that were introduced late in the tectonic history (Archibald *et al.*, 1996; Querubin and Walters, 2021, Harjanto *et al.*, 2016).

Archibald *et al.* (1996) claim that mineralisation was related to up-lift associated with core complex associated extension, with gold deposition related to fluid pressure changes associated with the up-lift and unroofing process. Alternatively, Williams and Davys (2015) propose that gold mineralisation is epithermal, having been derived from a very late stage, low-temperature carbonate-rich alteration event. Most recently, Harjanto *et al.* (2016 & 2016a) note that the alteration assemblages, mineralogical composition of gold and ore fluid characteristics were consistent with a mesothermal/orogenic gold deposition model.

3.4. Previous Exploration

The CoW area has been explored by several companies follow initial recognition of gold potential due to local artisanal mining. The compiled ownership history is available in Appendix A -

Reconnaissance stream sediment and rock chip sampling during the late 1980s identified the area now known as the Awak Mas Deposit. Follow-up work during 1988-1990, by Battle Mountain Gold Company (Battle Mountain) included a regional sampling programme, geological mapping, and airborne magnetics. This work identified six discrete anomalies within the CoW, including the Tarra Deposit.

3.4.1. Awak Mas

At the Awak Mas site, an initial 77 diamond drill hole program was completed by Battle Mountain between 1991 and 1993. Further drilling was completed between 1993 and 1997 by Battle Mountain, Lone Star Exploration and Masmindo Mining Corporation (Masmindo), increasing the total holes and total metres drilled to 790 and 94,851, respectively.

Between 2004 and 2008, Vista Gold undertook further exploration. The company drilled 13 further holes and completed a resource estimation under CIM (NI 43-101). An initial feasibility study was initiated by Masmindo through Minproc Engineers Limited.

A further 87 holes for 5,956m were completed by One Asia for infill and metallurgical test work purposes. A Mineral Resource estimate (in accordance with JORC 2012) was subsequently completed by Tetra Tech in 2013 based on the One Asia drill program.

During 2017-2018, Nusantara completed 54 diamond holes for 9,356 m of infill, extensional and metallurgical drilling. Close spaced (CS) drilling was completed at Awak Mas between 2020 and 2021. Fifty-four holes for 3,677m were completed in the Tanjung Domain of the Awak Mas deposit and 78 holes for 2,885m in the Mapacing Domain of the Awak Mas deposit.

A number of subsequent Mineral Resource estimates have been completed by Cube Consulting in the period from 2017 to 2021 (Cube 2017 & 2021) as updates to the previous estimates to incorporate all additional geological work and drilling completed by Nusantara in that time.

3.4.2. Tarra & Salu Bulu

Regional stream sediment programs completed by Battle Mountain identified the Tarra and Kandeapi Prospects. Geochemical surveys comprising trenching and surface sampling, coupled with drilling, were completed at Tarra by Placer Dome and Masmindo between 1996 and 1999. Forty-three holes for a total of 4,518m were drilled at Sula Bulu, Tarra and Tarra Northwest, Puncak Selatan and Puncak Utara.

Infill drilling at Salu Bulu was completed by One Asia in 2011-2013. Mineral Resources (in accordance with JORC 2012) were defined by Tetra Tech at Sula Bula in 2013. One Asia completed the initial Mineral Resource estimate (in accordance with JORC 2012) at Tarra in 2015.

A total of 97 holes for 5,283m of CS drilling was completed by Nusantara at Salu Bulu between 2020 and 2021.

3.5. Satellite Prospects (outside Resource areas)

Further exploration has been completed at a few satellite prospects within the Awak Mas CoW, namely Tarra Northwest, West Tarra, Sewatu-Uran, Kandeapi, Salu Kombong, Freddie & Bertie, Puncak Selatan, Salu Tabang, Salu Nangka and Puncak Utara. Prospects, displayed in Figure 7 and summarised in Table 2, were

discovered with stream and soil sampling and many were subsequently geologically mapped, trench sampled and drilled (CSA, 2017).

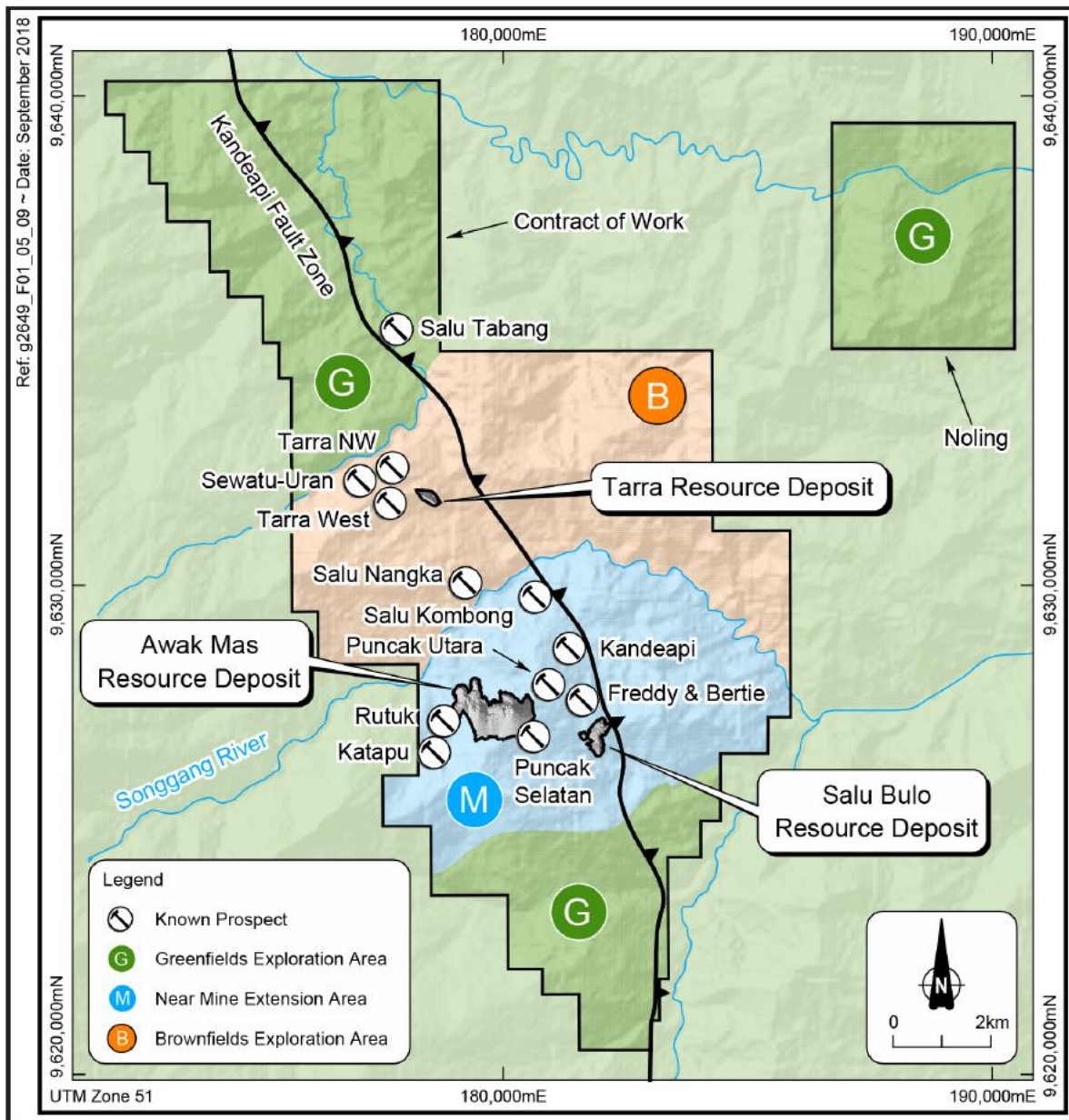


Figure 7 - Awak Mas CoW prospects source: SRK 2018

Table 2 - Previous Exploration at Awak Mas CoW Satellite Prospects

Prospect	Stream and Pan Sampling	Soil Sampling	Costean / Trenching	Drilling
Noling	yes			
Salu Tabang	unknown	unknown		
Tarra NW	yes	yes	yes	yes
Sewatu	yes	yes	yes	yes
West Tarra	yes	yes	yes	yes
Sewatu-Uruan	yes	yes	yes	yes
Salu Nangka	yes	unknown	yes	
Salu Kombong	yes	yes	yes	
Kandeapi	yes	yes	yes	yes
Salu Lengke				
Puncak Utara	no	yes	yes	yes
Freddie-Bertie	yes	yes	yes	yes
Puncak Selatan	unknown	yes	yes	yes
Katapu	yes			

VRM does not believe that the satellite prospects are material to the valuation presented herein. The satellite prospects are relatively immature and lack systematic exploration, however further work may prove successful. Unvalidated results indicate the potential for a larger mineralised system within the CoW area, however most of the information is not validated and cannot be reviewed on-site. VRM has therefore not included these prospects in the valuation.

4. Mineral Resource Estimates

As required by the VALMIN Code, Clause 4.1, VRM has undertaken a high - level review of the Mineral Resource estimation reports and technical data to provide an assessment of the reasonableness of the Mineral Resource estimates for the Awak Mas Project as these are key inputs to the valuation.

The underlying geological or geochemical datasets have not been validated, nor has there been a complete audit or reassessment of the Mineral Resource. The Mineral Resources for the Project have not been re reported or re estimated as a part of this Report. The technical data was reviewed at a high level, however full due diligence was not undertaken.

The information that follows in section 4.2 of the Report is derived from the JORC (2012) Table 1 that forms part of the ASX announcement entitled 'Successful close-spaced diamond drilling campaign generates maiden measured resource at Awak Mas' dated 5 July 2021. Opinions stated in this section are that of Cube Consulting who carried out the Mineral Resource estimate.

VRM's comments on the Mineral Resource are given in section 4.3.

4.1. Current Mineral Resource estimates

The latest Awak Mas Mineral Resources estimates (Nusantara ASX release of 5 July 2021) have been reported at a 0.5 g/t Au cut-off grade inside a US\$1,600 per ounce pit shell. The estimates have been undertaken considering the JORC Code (2012) reporting standard and are summarised in Table 3.

Table 3 - Awak Mas Project Mineral Resource Estimates as at 5 July 2021

Deposit	Category	Tonnes (Mt)	Gold Grade (g/t)	Contained Gold (Moz)
Awak Mas	Measured	2.2	1.58	0.11
	Indicated	36.5	1.41	1.66
	Inferred	5.9	1.10	0.21
	Sub-Total	44.6	1.38	1.97
Salu Bulu	Measured	0.6	2.31	0.05
	Indicated	1.6	2.14	0.11
	Inferred	0.8	1.26	0.03
	Sub-Total	3.0	1.95	0.19
Tarra	Measured	-	-	-
	Indicated	-	-	-
	Inferred	3.0	1.29	0.13
	Sub-Total	3.0	1.29	0.13
TOTAL	Measured	2.9	1.74	0.16
	Indicated	38.1	1.44	1.77
	Inferred	9.7	1.17	0.36
	TOTAL	50.6	1.41	2.29

The totals may not add due to rounding, the Mineral resources are Inclusive of Ore Reserves (detailed below)

The above information is extracted from the ASX announcement entitled ‘Successful close-spaced diamond drilling campaign generates maiden measured resource at Awak Mas’ dated 5 July 2021 and is available to view on the ASX release platform and also the Nusantara website (<https://nusantararesources.investorportal.com.au/>). The Company 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, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements 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 been materially modified from the original market announcements.

4.2. High Level review

4.2.1. Information Sources / Database Integrity

VRM has reviewed the 2021 Awak Mas Local Uniform Conditioning (LUC) and Ordinary Kriging (OK) Mineral Resource estimate and the 2021 Salu Bulu OK Mineral Resource estimate as documented in the Cube Consulting (Cube) draft(v6) report Titled “Awak Mas and Salu Bulu Deposits- Mineral Resource Estimate Update – June 2021”. VRM has not reviewed the Tarra deposit as it does not form part of the DCF valuation.

The drilling database and block model files reviewed were:

- AwakMas_Geology_DB_20210129.accd,
- awakmas_20210222_mining.mdl,
- AwakMas_Geology_DB_CUBE_20200326.accdb, and
- salubulo_20210429_amc.mdl.

4.2.2. Geology and Dimensions

Systematic and regular drilling provide a degree of confidence in both geological and mineralisation continuity within the gross mineralised zones. However, there is degree of uncertainty in the grade continuity at less than the current average drill hole spacing, which is a result of the complex mineralisation style of multiple veining orientations and high short scale grade variability.

A campaign of close spaced drilling, to approximately 15 mN x 15 mE, was completed for parts of Mapacing and Tanjung domains at the Awak Mas deposit as well as parts of the Biwa, Bandoli and Lelating domains at the Salu Bulu deposit. This increased the confidence in the definition of mineralised domains and supported the detailed definition of ore and waste boundaries in these areas, while also shedding light on the local grade architecture, which informed the grade interpolation in more widely drilled areas.

The mineralisation was primarily defined by diamond drill core, with the aid of surface mapping and outcrop locations.

Previous interpretations prior to 2017 have focussed on the definition of multiple narrow complex zones based on a nominal grade cut-off of 0.5g/t Au which is close to the anticipated economic grade cut-off. Close spaced drilling (15 mN x 15 mE) in parts of the Awak Mas and Salu Bulu deposits has given a better understanding of the mineralisation and a sharp definition of ore and waste boundaries. The close spaced drilling leaves some room for alternative interpretations but there would be little difference to the volumes of the mineralised domains.

In areas away from the close spaced drilling there is still some assumption of grade continuity between adjacent holes. However, the knowledge gained from the close spaced drilling has resulted in the gold grade interpolation parameters for areas of more widely spaced drilling being refined to better reflect the observed local grade architecture. This has resulted in grade models that show a sharper contrast between the ore and waste than previous models.

The current interpretation is considered to be a low-risk robust model which reflects the likely outcome from open pit selective mining.

Incorporation and interpretation of the historical geological data from high quality surface mapping, trenches and drilling have been paramount in developing the geological model for Awak Mas which forms the basis for the interpretation of the mineralised domains for estimation.

Structural and lithological interpretation provided a guiding framework for the modelling of the estimation domains. Robust geometrically simple domains were interpreted, incorporating internal dilution to ensure grade continuity, and using a nominal geological based lower grade cut-off of 0.2 g/t Au. A minimum down hole length of 2m (which equates to 1.5m true width) was employed in the interpretation of the estimation domains.

In the areas of Mapacing, Tanjung and Salu Bulu where close spaced drilling (15 mN x 15 mE) has been completed, sub-domains have been created using a nominal geological based lower grade cut-off of 0.3 g/t Au. With the close spaced drilling, areas of internal waste were able to be defined and excluded from the mineralised wireframe. These had to have a minimum width of 2m downhole and include 2 or more holes to be considered as waste. A similar approach was applied to the use of geology to control the Mineral Resource modelling process at Salu Bulu where close spaced drilling was undertaken.

The current mineralisation interpretation and geological models have continued to be confirmed by infill and extensional drilling completed by Nusantara. Confidence in the geological framework and extrapolation outside of the Mineral Resource limits resulted in the discovery of additional significant mineralisation extensions into the Highwall area of the Awak Mas deposit.

At Salu Bulu, Infill drilling has confirmed the spatial correlation of shallow dipping thrust zones, sub-vertical structures, and the footwall contact of the haematitic mudstone unit with gold mineralisation. The additional

close spaced data support the interpretation of discrete higher-grade zones along low angle thrust zones proximal to the sub-vertical structures. These mineralised units are situated within a broad lower grade halo.

Mineralisation at Salu Bulu has close association with geological units that can be clearly identified from drill core logging and photographs.

The complex interaction of multi-phased stockwork and breccia mineralisation associated with at least two dominant structural orientations (shallow thrusts and sub-vertical feeders) results in rapid local changes in the grade tenor and orientation at a scale of less than the current average drill hole spacing (25m to 50m). Areas of Mapacing, Tanjung and Salu Bulu that have had close spaced drilling completed show that there is a relatively hard boundary between the ore and internal waste at the local scale. There is, however, a complex interaction between the ore and waste with 'fingers' of waste, some extending over 50m, intruding throughout the mineralised zones.

Grade and geological continuity are dependent on the interplay of the mineralising structures, preferred host lithology, alteration and veining intensity and the effect of later bounding and offsetting structures. In areas of wider spaced drilling, the local structural complexity is still poorly understood.

The ladder stockwork vein system developed at Salu Bulu is analogous to that at Awak Mas where there is the inherent complexity of two mineralisation orientations and short scale grade continuity at generally less than the drillhole spacing.

The Awak Mas deposit has been subdivided into five broad geologically based domains: from west to east these are Mapacing, Ongan, Lematik, Tanjung and Rante. These predominantly north-south to northeast striking domains lie adjacent to each other, and cover an extent of 1,450m EW by 1,050m NS and extend to a maximum vertical depth of 400m (~820mRL):

- Mapacing – Single shallowly NE dipping domain with a strike length 810m, plan width 230m width and average thickness ranging from 5-30m.
- Ongan – Shallowly dipping and sub-vertical domains with strike extent of 730m, plan width of 150m. Shallow domains vary in average thickness from 5-30m, and sub-vertical domains have an average thickness of 5-10m.
- Lematik – Mainly sub-vertical domains with strike extent of 740m, plan width of 220m and average thickness of 5-60m. A central north plunging (at 60°) pipe has dimensions of 80m x 80m along a strike of 280m.
- Tanjung - Shallowly dipping and sub-vertical domains with strike extent of 910m, plan width of 340m. Shallow domains vary in average thickness from 5-40m, and sub-vertical domains have an average thickness of 5-10m.
- Rante - Shallowly dipping and sub-vertical domains with strike extent of 700m, plan width of 320m. Shallow domains vary in average thickness from 20-70m, and sub-vertical domains have an average thickness of 5-10m.

The mineralised domains at Salu Bulu are orientated north south and have an overall combined strike length of approximately 800m. Individual interpreted mineralisation domains are between 20 to 500m in strike length. Sub-vertical mineralised zones vary from 1.5 to 15m in thickness, however, are more commonly between 3 to 10m in thickness. The broader shallowly dipping mineralised zones vary in average thickness from 2 to 20m and have a strike length of up to 150m. Mineralisation at Salu Bulu has close association with geological units that can be clearly identified from drill core logging and photographs.

4.2.3. Estimation and Modelling Techniques

The grade estimation approach for the Awak Mas deposit used a combined LUC and OK techniques.

OK was applied to the areas of close spaced drilling and the narrow steep sub-vertical domains with a thickness of less than 10m. In the close spaced drill areas, the internal waste could be confidently sub-domained to separate it from the mineralisation.

LUC is a recoverable estimation technique typically used for estimation into small blocks using wider spaced resource definition drilling.

The LUC technique was considered appropriate for the areas of wider spaced drilling outside of the close spaced drilling volume, given the high short scale grade variability and the uncertainty associated with the estimation of the local grade tonnage distribution. The risk of sub-domaining out the internal waste in the wider spaced drilled areas was considered to be too high given the highly localised nature of the grade transitions:

- The LUC method provides a more accurate representation of the recoverable grade and tonnage at the Selective Mining Unit (SMU) scale for non-zero grade cut-offs within the broad shallow domains than would typically be achieved by a traditional linear estimator such as OK. In addition, the close spaced drilling has demonstrated that the continuity of mineralisation and internal waste is often less than 50m, which would make sub-domaining of internal waste to enable the use of OK unacceptably risky.
- The LUC technique is suited specifically for the estimation of grades into blocks that are small relative to the data spacing.
- The LUC technique works well where the spatial continuity between sections is uncertain based on the current drill spacing.
- The observations from the recent close spaced drilling resulted in the modification of interpolation search parameters for the LUC, in order to produce a more rapid grade transition from waste to mineralised zones in the block model.

Robust geometrically simple domains were interpreted for areas outside of the close spaced drilled volume, incorporating internal dilution to ensure grade continuity and using a nominal geological based lower grade cut-off. Grade interpolation used 1m composited samples constrained by hard boundaries within the mineralisation zones.

An appropriate top cutting strategy was used to minimise the influence of isolated high-grade outliers. Interpolation parameters were derived using standard exploratory data analysis techniques of statistical and continuity analysis. Appropriate interpolation strategies were developed on a domain basis using kriging neighbourhood analysis (KNA), which included:

- Oriented ellipsoidal search radii ranged from 100m to 280m depending on the deposit and estimation domain.
- Minimum number of samples was set at 10, and the maximum varied from 16 to 20.

A change of support correction was applied to produce a recoverable Mineral Resource estimate at the local SMU scale for the LUC estimate.

The maximum extrapolation distance from last data points was no more than 100m, which is twice the average drill hole spacing for most of the deposits.

OK estimates were completed at Mapacing and Tanjung within the areas of the close spaced drilling (15 mN x 15 mE). OK was considered appropriate given the closer spaced drilling and the better definition of ore and waste sub-domains.

Grade interpolation used 1m composited samples constrained by hard boundaries within the mineralisation zones.

An appropriate top cutting strategy was used to minimise the influence of isolated high-grade outliers. Interpolation parameters were derived using standard exploratory data analysis techniques of statistical and continuity analysis.

An OK estimate only was completed for the Salu Bulu deposit. OK was considered appropriate given the closer spaced drilling and the better definition of ore and waste sub-domains, resulting in a relatively low internal grade variability. Distinct geological boundaries of the mineralisation were defined in the drill core. Grade interpolation used 1m composited samples constrained by hard boundaries within the mineralisation zones.

An appropriate top cutting strategy was used to minimise the influence of isolated high-grade outliers.

- Estimation was into blocks 10 mN x 5 mE x 2.5mRL. With sub-blocking to 2.5 mN x 1.25 mE x 1.25mRL

Check estimates using Inverse Distance Squared (ID2) were completed and compared to the final LUC estimate.

The LUC estimates were compared against the previous MRE's.

OK estimates in the areas of close spaced drilling at Mapacing, Tanjung and Rante were compared against the previous MRE's.

- The LUC panel was set at 20m by 20m by 5m (XYZ) with a block size for local estimation to a SMU size of 5m by 5m by 2.5m (XYZ).
- The bulk of the drilling data is on 25m by 50m to 50m by 50m grid spacings with local 25m by 25m to 15m by 15m infill holes in several areas (Mapacing, Tanjung and Rante).
- At Mapacing and Tanjung, in the areas of close spaced drilling (15 mN x 15 mE), a block size of 5m x 5m x 2.5m (XYZ) was used.
- Appropriate search ellipses were derived using Search were derived from KNA with an average search radius of 140m and anisotropy of 4:4:1 (major/semi/minor).

Salu Bulu

- The estimation panel was set at 10m by 5m by 2.5m (YXZ) and further sub-blocked to 2.5m by 1.25m by 1.25m (XYZ) for volume resolution.
- Drill holes are spaced along a 50m by 50m grid, with a further 25m by 25m and 15m by 10m infill pattern. Effective data spacing ranges between 10m to 50m as a result of the mineralisation orientation.
- Appropriate search ellipses were derived with search radii varying from 25m to 90m and anisotropy of 3:3:1 (major/semi/minor).

Selection of the SMU size was based on the geometry of the mineralisation and the likely degree to which selective mining can be successfully applied to the visual geologically based grade boundaries.

No assumptions were made as gold was the only variable that had sufficient data available to support an estimation.

Geological interpretation guided the creation of constraining mineralised domains. Mineralised domains were used as hard boundaries and were informed only by composited samples lying within those domains.

All Mineral Resource estimation models was validated using the following techniques:

- Visual 3D checking and comparison of informing samples and estimated values.
- Global statistical comparisons of raw sample and composite grades to the block grades.
- Validation 'swath' plots by northing, easting, and elevation for each domain.
- Analysis of the grade tonnage distribution.
- Comparative estimates using ID2.

4.2.4. Moisture and Cut-off parameters, Bulk Density

Tonnages were estimated on a dry basis. Moisture was not considered in the density assignment.

The adopted cut-off grade (COG) for reporting is 0.5 g/t Au is based on the Ore Reserve reporting cut-off grade (0.5 g/t Au) from the 2018 DFS.

4.2.5. Modifying Factor Assumptions

Mineralisation is near surface and of grades amenable to conventional open pit mining methods.

The assumed mining method would use drill and blast, utilising 2.5m mining flitches to a maximum vertical depth of 300m. An overall pit slope of 40° is assumed to be attainable based on the Maiden Ore Reserve (ASX Announcement released 18 April 2008; Nusantara Delivers Maiden 1.0Moz Gold Ore Reserve April 2018).

Mineralised domains were developed on the basis of continuity in diffuse styles of mineralisation and thus included some lower grade zones.

A minimum width of 2m was used in interpretation of the mineralisation in order to preserve 3D wireframe integrity and continuity. Outside the mineralised domains, a 'mineralised waste' estimate was made.

Domaining for LUC estimation incorporates zones of internal dilution to ensure grade continuity and produces robust geometrically simple zones amenable to selective open mining.

Domaining within the close spaced drilled areas was based on upon 15m x 15m drilling which allowed for the definition of discrete ore and waste zones based upon hard boundaries. At Salu Bulu the close spaced drilling and core photographs were used to identify discrete mineralised zones.

Reasonable prospects for eventual economic extraction were based on the use of constraining pit shells within which the MRE was reported. The constraining shell was established utilising Whittle software with all-in cost parameters and a base gold price of US\$1,450/oz for Awak Mas and US\$1,400 for Salu Bulu. The Awak Mas Mineral Resource estimate was reported within a US\$1,600/oz gold price shell.

4.2.6. Classification and Confidence

The Mineral Resource has been classified as Measured, Indicated, and Inferred on the basis of a range of qualitative criteria.

- data support as defined by drill spacing,
- confidence in the domain interpretation,
- data quality issues affecting particular zones,
- quality of the estimate (slope of regression), and
- reasonable prospects for eventual economic extraction considerations.

Quantitative classification using geostatistical simulation was initially used in the May 2017 Mineral Resource estimate to better clarify the risk associated with the estimate. Classification of the Mineral Resource has only been changed in the areas recently drilled by Nusantara, with the remainder being unchanged from the May 2018 Mineral Resource estimate.

Classification of the respective February and April 2021 Mineral Resource estimates has only been changed in the areas of the close spaced drilling in Mapacing and Tanjung domains at Awak Mas and the Biwa, Bandoli and Lelating domains at Salu Bulu. The remainder of the classification remains unchanged.

Areas classified as Measured apply to the above-mentioned domains where the close spaced drilling to 15m x 15m has been completed, where the level of understanding of the mineralisation continuity and quality was considered to be sufficient to allow for mine planning and final evaluation of the economic viability.

Areas classified as Indicated generally applied to regions of 50m or less drill intercept spacing, where the level of understanding of the mineralisation continuity and quality was considered to be sufficient to allow for mine planning and evaluation of the economic viability.

Areas classified as Inferred generally applied to regions of 50 m or greater drill spacing (up to 100m), where the geological evidence was sufficient to imply but not verify the geological and grade continuity.

All remaining estimated material is unclassified and not reported as part of the Mineral Resource.

4.3. Reasonableness to inform the Valuation

The main objective of this report is, in VRM's opinion to test the reasonableness of the 2021 Mineral Resource to inform the valuation, and how the generally acknowledged uncertainty associated with grade continuity at less than the current average drill hole spacing has been addressed.

The sections below outline VRM's views and conclusions.

4.3.1. Conceptual geological model

In terms of orientation and grade continuity, the conceptual geological model is that of a broad scale fault compartmentalised body where shallow dipping foliation parallel controls interact with steep dipping fault like probable feeder structures. The bulk of the gold is contained in the shallow dipping formations with less overall gold, but often higher grade observed in the sub vertical controls. The interaction between the two orientations is complex and, although the mineralisation is modelled as continuous at the drill spacing scale, appears to be highly variable at the metre to ten metre scale.

The steeply dipping structures have been modelled as continuous mineralisation within and outside of the shallow dipping zones. There is some evidence from the close spaced drilling that in some parts of the deposits that these steep dipping structures may not actually be mineralised any great distance outside of the shallow dipping zones. Cube describes these zones as follows: *'The sub-vertical cross-cutting zones represent the north-south mineralised structures that were delineated from the surface mapping. Typically, the zones are narrow (2 m to 10 m true thickness), and continuity can be established over distances of up to 250 m along strike. Wireframing of the main steep feeder zones was an attempt to better capture the spatial grade variability, but as these sub-vertical structures can commonly occur down to the micro-scale, they will be under-represented in the domaining and estimation process.'*

VRM is in agreement with the broader conceptual geological model but cautions that the metal contribution of the steeply dipping structures may be more limited than currently modelled outside of the shallow dipping

areas. VRM notes that the majority of the material contained in these steep dipping structures outside the shallow dipping zones has been classified as Inferred. VRM believes this is appropriate given the above discussion.

4.3.2. Estimation methodology – Local Uniform Conditioning (LUC)

LUC is an industry standard Mineral Resource estimation methodology that is ideally suited to early-stage estimates with wide spaced drilling. While it is an advanced method and is less frequently used compared to OK, there are numerous examples of public Resource reports that have utilised LUC or the underlying Uniform Conditioning (UC) estimation methodology. UC has been used since the early 1980's (Guibal and Remacre 1983) and LUC was developed in 2006 (Abzalov 2006) as a practical addition to UC.

UC and LUC are designed to be used in situations where the informing drill spacing is significantly larger than the desired SMU scale and where OK will result in excessive smoothing of block grade distributions. Excessive smoothing leads to SMU scale grade and tonnage curves that predict more tonnes and less grade at cut offs below the mean of the domain compared to perfect selectivity. UC and LUC estimate grade into Panels (blocks that are much larger than the SMU, (typically approximately half the drill spacing or larger) with high confidence.

UC and LUC are Gaussian based methods, that is, they rely on an initial transformation of grades into a Gaussian distribution (Bell curve or Normal distribution) and a subsequent post estimation back transformation.

UC is used to estimate either the probability that a panel is above a specified cut-off grade, or the proportion of the panel that is above cut-off, or the distribution of SMU scale blocks within the panel. LUC can be used to extend this by estimating the probable location of each SMU within the panel. This is typically done using a complimentary SMU block scale OK estimate to rank the UC SMU blocks within the panel.

For example, in the case of Awak Mas, UC enables us to estimate with high certainty the number of SMU-sized blocks with gold above a specified cut-off that are contained in the panel, but it does not show where in the panel these blocks are located. This makes it difficult to process the model using the common mining software. LUC can be used to provide a low confidence estimate of the probable location of these blocks, and the resultant model can then be used for block manipulation and visualisation within the various software packages.

If used in the correct situation and implemented correctly LUC is an excellent estimation methodology for open pit Mineral Resources at the mine planning stage as it provided better global definition of grade and tonnage curves and hence provided better estimates of grades and tonnages above economic cut offs. In SRK's opinion, LUC should not be used for final grade control selection because of its reduced local accuracy.

The LUC estimation methodology used for the 5 July 2021 Awak Mas Mineral Resource estimate is an appropriate methodology and has been implemented correctly. In VRM's opinion, LUC is not a substitute for dilution and mining dilution and losses still need to be considered when using LUC models for mine planning.

4.3.3. Results of close spaced (CS) drilling campaigns

The close spaced drilling program was designed to try and quantify and understand the *'degree of uncertainty in the grade continuity at less than the current average drill hole spacing, which is a result of the complex mineralisation style of multiple veining orientations and high short scale grade variability'* (Cube 2021).

There are two aspects to evaluation of the close spaced (CS) drilling areas. One is the extent of the actual continuity of the modelled mineralised domain boundaries in terms of volume defined as mineralised and the other is the continuity of higher grades vs lower grades within any mineralised volume defined. Regarding the volumes defined as mineralised Cube comments that for the Salu Bulu deposit the close spaced drilling areas showed:

"A number of previously modelled steep domains, based on much wider spaced data, have proven to be non-existent in the north of Biwa in particular".

For Awak Mas, the Mapacing and Tanjung close spaced areas did not contain significant interpreted steep structures so no comparisons can be made.

Regarding the grade continuity within the mineralisation at Awak Mas, comparisons of the previous estimate using LUC and the current estimate using OK show mixed results with the Mapacing CS area showing a drop of around 14% of Measured and Indicated metal at a 0.5 g/t Au cut off and the Tanjung area showing an increase of 6% metal (VRM calculations from supplied table comparisons). These two areas represent 3% and 4% respectively of the 2021 Measured and Indicated metal at a 0.5 g/t Au cut off at Awak Mas.

In contrast the at Salu Bulu the Biwa CS area, which was originally estimated with OK and then also updated using OK, shows a 33% decrease in metal. The Biwa area represents 30% of the 2021 Measured and Indicated metal at a 0.5 g/t Au cut off at Salu Bulu but only 2% the 2021 Measured and Indicated classification metal at a 0.5 g/t Au cut off for the combined Awak Mas Salu Bulu deposits.

4.3.4. Classification

VRM is of the opinion that the Mineral Resource classification is appropriate. The Mineral Resource has been reported within an appropriate constraining pit shell. Areas of significant geological uncertainty have been classified as Inferred.

4.3.5. Conclusion

The uncertainty in the grade continuity at less than the current average drill hole spacing issue has been addressed primarily by the use of the LUC estimation methodology in conjunction with the estimation

domain creation process. The addition of several areas of close spaced drilling, designed to try and quantify and understand the associated risk has shown that, for areas of the Awak Mas deposit without significant steep dipping structures, the previous LUC estimate is within acceptable error limits with regard to metal content at economic cut offs and that the LUC 2021 estimation methodology is capable of addressing the wide spacing issue in areas with the type of mineralisation tested. The results of the close spaced drilling at Salu Bulu, where LUC was not used, may indicate that either the mineralisation style there is more sensitive to drill spacing and/or that LUC may be a better estimation method at Salu Bulu also.

The remaining concern, in VRM's opinion, is that areas of Awak Mas that contain a large proportion of steep dipping structures may still be being overestimated in terms of mineralised volume. This has been partially addressed by the fact that most of the steep dipping structures outside of the shallow dipping zones have been classified as Inferred. This risk is also put in the context that the steep dipping structures currently make up approximately 18% of the total Awak Mas metal (Cube 2021 page 156).

In conclusion, the combined Awak Mas and Salu Bulu 20201 Mineral Resource estimate is appropriate for use in Valuation noting that there may be the possibility of further metal reductions at Salu Bulu (~9% of total Measured Indicated and Inferred metal) and within the steep structures (~16% of total Measured Indicated and Inferred metal) at Awak Mas.

While VRM has not undertaken a detailed review of the Tarra Mineral Resource estimates a very high-level review has indicated that the Mineral Resource estimates are reasonable, reliable and have been undertaken using a similar methodology as the Awak Mas and Salu Bulu Mineral Resource estimates and is therefore reasonable to use in the valuation. It is noted that the Tarra Mineral Resources are all classified as Inferred and there is therefore a high level of uncertainty in the grade and geological continuity and the Mineral Resource estimate is not appropriate to use as the basis of any Ore Reserves nor mine planning.

5. Ore Reserve Estimates

As required by the VALMIN Code, Clause 4.1, VRM has undertaken a high - level review of the Ore Reserve estimation reports and technical data to provide an assessment of the reasonableness of the Ore Reserve estimates for the Awak Mas Project as these are key inputs to the valuation being undertaken by Grant Thornton.

As with the Mineral Resource estimates, the underlying geological or geochemical datasets have not been validated, nor has there been a complete audit or reassessment of the Ore Reserve. The Ore Reserves for the Project have not been re reported or re estimated as a part of this Report. The technical data was reviewed at a high level, however full due diligence was not undertaken.

5.1. Current Ore Reserve estimates

The Ore Reserve Estimate was updated in June 2021 to 33.0 Mt at 1.37 g/t containing 1.45 M ounces gold at a cut-off grade of 0.5 g/t reported on a 100% basis (Table 4).

The 2021 Ore Reserve for the Project is reported (Nusantara ASX release of 7 July 2021) according to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2012 Edition) and are summarised in Figure 8.

The Ore Reserve was estimated from the Mineral Resource after consideration of the level of confidence in the Mineral Resource and after taking account of relevant Modifying Factors.

Proved and Probable Ore Reserves are estimated directly from the Measured and Indicated Mineral Resources, respectively. No Inferred Mineral Resources have been included in the Ore Reserve. No mining has taken place.

The Ore Reserve estimate is the Measured and Indicated portions of the LOM production schedule prepared by AMC Consultants Pty Ltd (AMC) supporting the Masmindo Financial Model that demonstrates the Project presents a positive net present value (NPV) and considers the Project is able to be financed.

Table 4 - Awak Mas Project Ore Reserve Statement (July 2021) applying a cut-off grade of 0.5g/t Au

	Classification	Tonnes (Mt)	Au Grade (g/t)	Contained Gold (Moz)
Awak Mas (Main)	Proved	2.5	1.38	0.11
	Probable	28.5	1.33	1.22
	Sub-total	31.0	1.33	1.33
Salu Bulo	Proved	0.6	1.92	0.04
	Probable	1.4	1.93	0.09
	Sub-total	2.0	1.93	0.13
Total	Proved	3.1	1.48	0.15
	Probable	29.9	1.36	1.31
	Total	33.0	1.37	1.45

1. All Mineral Resources and Ore Reserves are completed in accordance with the 2012 JORC Code.
2. The Ore Reserve is reported at a cut-off grade of 0.5g/t Au and US\$1,400 per ounce gold price.
3. All figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding.

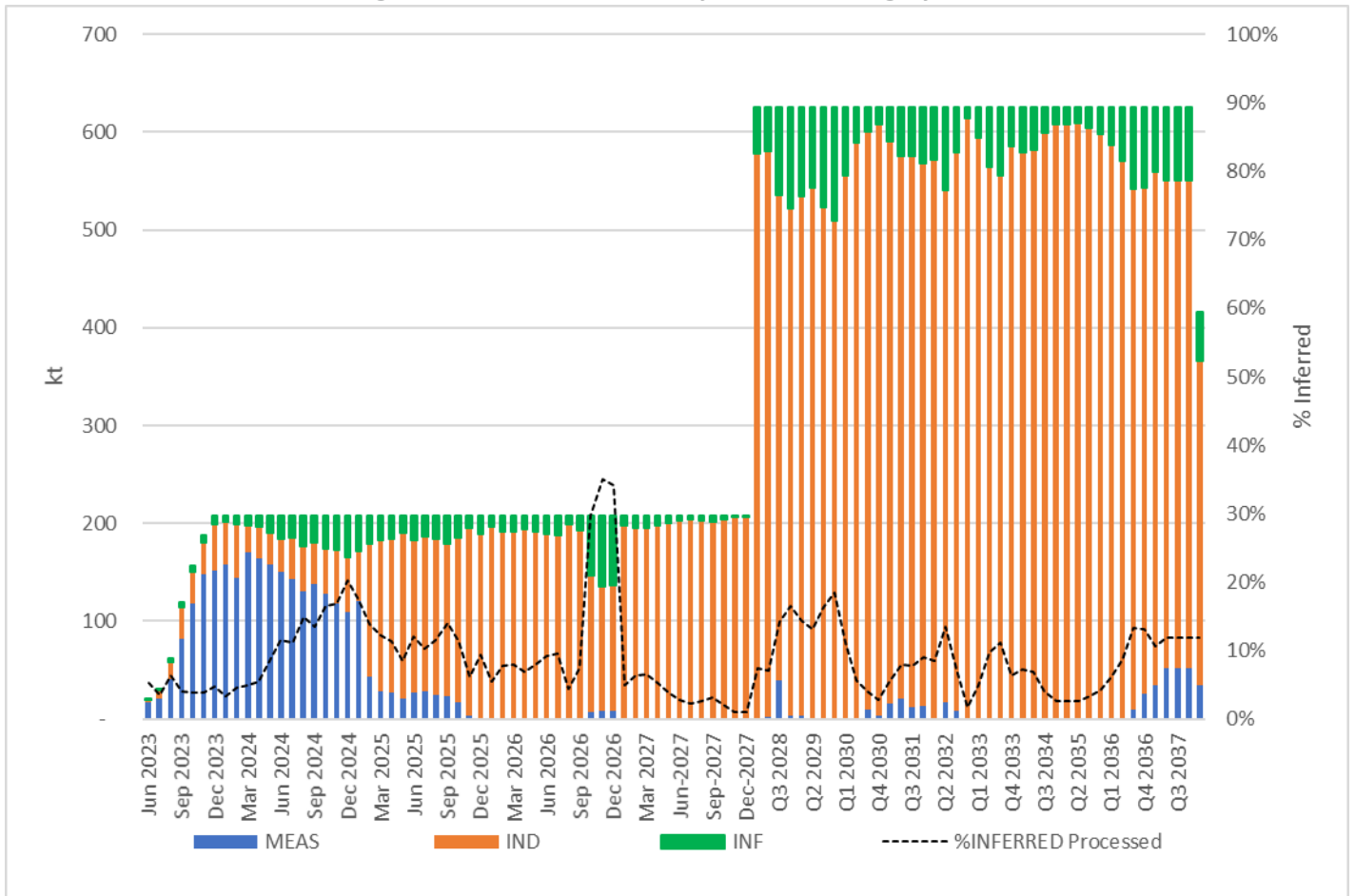
The above information is extracted from the ASX announcement entitled 'Maiden Proved Ore Reserve for Awak Mas Gold Project' dated 7 July 2021 and is available to view on the ASX release platform and also the Nusantara website (<https://nusantararesources.investorportal.com.au/>). The Company confirms 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 Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements 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 been materially modified from the original market announcements.

The LOM production processing schedule¹ contains 36.2 Mt @ 1.35 total processed direct from the pit and from stockpile and includes 3.2 Mt, (9% of total) of Inferred Mineral Resource that is mined throughout the schedule, Figure 8.

The Inferred Resources contain proportionally more low-grade (LG) ore, 0.5–0.6 g/t, and less Very High Grade (VHG), >1.6 g/t, than the total processing inventory, Table 5.

¹ AwakMas_MMax_Schedule_Mining contract_Monthly_2021_Model_MM24_v24_RevC – KR

Figure 8 - Processed Tonnes by Resource Category



Source: Nusantara, Schedule RESCAT data2 – KR.xls

Table 5 - Feed Source by Grade Range

Grade	Grade Range (g/t Au)	% of total feed	% of Inferred in feed
VHG	>1.6	28	17
HG	1.1 – 1.6	22	20
MG	0.8 – 1.1	20	21
LG	0.5 – 0.6	29	42
MARG	0.4 – 0.5	0	0
Total		100	100

Source: Nusantara, Schedule RESCAT data2 – KR.xls, VRM Analysis

5.2. High Level review

Masmindo has managed the overall process of developing the studies supporting the Project. Masmindo has confirmed that there is no material technical, economic or approval issues that would prevent the Project being developed as defined by the DFS Update, Front End Engineering and Design (FEED) and post-FEED Studies.

The reports presented by Masmindo for the Project, reviewed by VRM, show a positive NPV after financing and initial capital investment, supporting the publishing of the Ore Reserve estimate.

The organisations listed in Table 6 have taken a major role in contributing information and support to the project studies that underpin the Ore Reserve estimate by either contributing data or support the permitting and approvals that are required to ensure the Awak Mas gold project is technically and economically feasible.

Table 6 - Key contributors to the Ore Reserve Estimation process

Area of Contribution	Employer
Mining	AMC
Ore processing and test work	DRA
Mineral Resource	Cube Consulting
Tailing storage	Coffey Tetra Tech
Open pit geotechnical	AMC
Open pit hydrogeology	AMC
Hydrology	Golder Associates
Environmental and community	PT Lorax Indonesia
Engineering	PT Resindo
Legal and approvals	Nusantara
Financial modelling	Masmindo

Source: 7 July NUS_Maiden_Proved_Ore_Reserve_for_Awak_Mas_Gold_Project

5.2.1. Information Sources

This review has been based on information provided by Masmindo via a data room. The primary documents used for this review included the following:

- 20210701 - Banking Model AwakMas v1.02_ManagementCase (Estimation 2) vF.xls
- 7 July NUS_Maiden_Proved_Ore_Reserve_for_Awak_Mas_Gold_Project.psf
- 220029_OPM_Awak Mas Gold_Mining contract_2021_MM24_v24_RevB_REV4.12 SUMMARY – KR.xls
- AwakMas_MMax_Schedule_Mining contract_Monthly_2021_Model_MM24_v24_RevC – KR.xls
- Chapter 14_Capital Cost Summary_G.pdf
- Chapter 15_Operating Costs_D.pdf
- Quarry v SB Case Study.pdf
- 2020 Addendum to the 2018 DFS Rev 0_20200629 - capex summary updated 22072020.odf

- 210-1000-FS-REP-0001_Chapter 1 - Executive Summary_Final.pdf
- Schedule RESCATR data2 – KR.xls

5.2.2. Study Status

The project is supported by extensive technical work and review, through the Feasibility Study (FS) and DFS stages, including a DFS Addendum and FEED report in 2020 / 2021.

The FEED report, by Petrosea, underwent external review/ Benchmarking by Mining One and SMEC that led to the preparation of a Management Case that has been used for the financial analysis.

AMC completed the mining components of a DFS for the Awak Mas Gold Project which was completed in 2018 and subsequently an Ore Reserve update completed in 2020 (2020 Addendum) that supports the application of the Modifying Factors and operating cost estimates.

The July 2021 Ore Reserve estimate prepared by AMC, updated the 2020 Ore Reserve estimate based on additional drilling of the Project between 2020 through to 2021 leading to an update of the Project's Mineral Resource estimate for Awak Mas and Salu Bulu.

The 2021 Ore Reserve estimate (ORE) is based on revised mine designs and production schedules based on the 2021 Mineral Resource estimate to deliver a nominal 2.5 Mtpa production rate for the operation which represents no change from the DFS. Reconciliation of the ORE 2020 and ORE 2021 is presented in Table 7.

Table 7 - Awak Mas Project ORE 2021 ad ORE 2020 comparison

Site	Classification	ORE 2021			ORE 2020		
		Tonnes (Mt)	Gold Grade (g/t)	Cont. Gold (Moz)	Tonnes (Mt)	Gold Grade (g/t)	Cont. Gold (Moz)
Awak Mas	Proved	2.5	1.38	0.11	-	-	-
	Probable	28.5	1.33	1.22	32.7	1.30	1.37
Salu Bulu	Proved	0.6	1.92	0.04	-	-	-
	Probable	1.4	1.93	0.09	2.9	1.66	0.16
Total	Proved	3.1	1.48	0.15	-	-	-
	Probable	29.9	1.36	1.31	35.6	1.33	1.53
	Total	33.0	1.37	1.45	35.6	1.33	1.53

Source: 7 July NUS_Maiden_Proved_Ore_Reserve_for_Awak_Mas_Gold_Project

5.2.3. Cut-off parameters

The Ore Reserve is reported at a cut-off grade of 0.5 g/t Au which is slightly higher than the break-even cut-off grade. Proposed process plant recoveries for material above 0.5 g/t Au are well supported by metallurgical test work. Some 4.6 Mt of material between 0.4 g/t and 0.5 g/t Au is proposed to be stockpiled during the operation for possible future processing.

The cut-off grade is calculated in consideration of the following parameters, that are well supported by the technical studies and economics assumptions.

5.2.4. Mining Factors or Assumptions

The 2021 open pit designs are based on the 2020 Ore Reserve estimate addendum optimisation and reflects the metallurgical test work, operating cost and underlying design guidelines determined from the supporting studies. These parameters were agreed with Masmindo and remained consistent with previous estimates as summarised below:

- Gold price - USD1,400/oz.
- Government royalty at 4.00% of total gold revenue.
- Dore transport costs at USD1.00/oz.
- Refining charges at USD1.93/ oz.
- Gold payable at refinery of 99.75%.
- The base processing cost is estimated at USD10.03/t of ore.

The average mining costs based the 2021 cost estimates developed by AMC, inclusive of contractor and owner costs was as follows:

- USD2.85/ t of rock (ore & waste) for Awak Mas
- USD2.69/t of rock for Salu Bulu.

This equates to an average ore mining cost of USD3.87/t of ore for the Awak Mas and USD4.73/t ore for Salu Bulu. The additional costs at Salu Bulu are primarily attributable to the additional haul distance to the process plant.

5.2.5. Ore Loss and Dilution

Traditional ore reserve estimation allows for the application of Ore Loss and Dilution to the modelled in-situ ore zones. The LUC Mineral Resource estimation technique was used to allow for the lack of mineralisation continuity (short-scale variability) and the drill spacing. Given the limitations on modelling short-scale variability, the LUC approach is considered to be an appropriate technique.

The Ore Reserve block size SMU is considered by AMC to incorporate dilution on the basis of selective mining, whereby the modelled block size (5m x 5m x 5m), for Ore Reserve estimation is a 'reblocking' of the Mineral Resource model blocks of 5m x 5m x 2.5m.

When compared to the Mineral Resource model, the Ore Reserve model estimates a variation in the ore tonnage and contained metal. The premise being the Ore Reserve predicts less gold than the Mineral Resource model, thus dilution and ore loss (mining recovery) are accounted for.

AMC's discussion supporting the JORC Table 1 states the following...

"The Awak Mas model was reblocked to a 5 m x 5 m x 5 m SMU to reflect the mining selectivity deemed practical and consistent with the type of mineralization and scale of the operation. The diluted Awak Mas model shows a 5% increase in tonnes and a 7% reduction in gold grade for a resultant 97% of contained gold (cut-off grade of 0.5 g/t) equivalent to a dilution factor of 7%. AMC used this model for mine design and Ore Reserve estimation.

The Salu Bulu resource model was also reblocked to a 5 m x 5 m x 5 m SMU the diluted model presented a 1% increase in diluted tonnes, above the cut-off grade and a 11% reduction in gold grade for a resultant 90% of contained gold (cut-off grade of 0.5 g/t) equivalent to a dilution factor of 11%. AMC used this model for mine design and Ore Reserve estimation."

The premise is the Ore Reserve increase in tonnage and reduction in grade and overall ounces, (97% at Awak Mas and 90% at Salu Bulu), accounts for traditional ore loss and dilution.

VRM considers that dilution should be applied to the designed production shapes as the SMU reflects the smallest selective mining unit and the dilution will account for mining beyond the designed boundary.

For valuation sensitivity purposes VRM recommends that 5% dilution is included to allow for the potential inability to selectively mine to the SMU.

5.2.6. Geotechnical Assumptions

The technical reports and reviews of the geotechnical aspects of the Project have sought to address the potential risks associated with open pit mining in the region. Specific risks for the region include water and seismicity. These have been considered and applied in the design criteria.

Installation of the designed horizontal drainage holes are important components of achieving the proposed hydrogeology environment to support the geotechnical guidelines.

5.2.7. Metallurgical Factors or Assumptions

The proposed processing flowsheet applies metallurgical processes and technology that are conventional and commonly used. The metallurgical recoveries are based on test work reported in the 2020 DFS that are considered to be appropriate to inform the cut-off grade and financial modelling assumptions.

Gold recovery values were applied by ore domain, as determined by Minnovo from additional test work completed post-DFS, as shown below:

- Awak Mas - Rante, Tanjung and Lematik 93.2%.
- Awak mas - Mapacing, Ongan 92,2%.
- Salu Bulu 94.8%.

Significant comminution testing has been carried out on diamond drill core samples including oxide, transitional, and fresh ore types which were obtained across the deposits. These comminution parameters have been applied to process design and equipment selection that inform the capital cost estimates.

No deleterious elements of significance have been determined from metallurgical test work and mineralogy investigations.

5.2.8. Environmental

Extensive and detailed work on approval and permitting has been described and document in the associated reports. These state that all major 'approvals' are in place and demonstrate a strong history of engagement with the community and regulators.

Of note the permitting process for the Tailings Storage Facility (TSF) has been initiated, based on the use of construction materials sourced from mining (waste) in the Salu Bulu pit.

5.2.9. Infrastructure

The project Infrastructure has been well defined and costed in the DFS and FEED work and documents. VRM considers that the infrastructure proposed for the project and the basis of cost estimates are suitable to support the Project.

VRM notes that the TSF is yet to be approved due to recent work confirming the use of waste from Salu Bulu for construction.

5.2.10. Operating Costs

The operating costs estimates, Table 8, are based on equipment, personnel and consumable consumption rates developed from the DFS, Feed and post-Feed review and provide a sound for cost estimation.

The unit rates and consumable costs are based on a combination of market bid pricing and database estimates.

VRM considers that the combination of the consumption build-up and market bid pricing provides confidence in the operating cost estimates.

Noting sensitivity has not been applied to the operating cost estimate, on the basis of variation in productivity an allowance for a cost increase to is appropriate to develop a valuation range. VRM recommends a 10% sensitivity is applied.

Table 8 - Awak Mas Project Operating Cost Estimate – Management Case

Description	USD/Ton of Ore
Mining Operations – LOM1	18.18
Process Plant Operations	8.85
General and Administration (G&A)	3.64
Total Operating Cost per Ton of Mill Feed Treated	30.67

¹Based on mill ore feed (total LOM mining inventory) of 36.20 MT

Source: Nusantara, Chapter 15_Operating Costs_D..pdf

5.2.11. Capital Costs

The Financial model capital cost estimate, USD233M, for the pre-production capitalised development (USD29M), and construction capital (USD203), are based on the operating cost build-up by AMC and the construction capital is the Management Case derived from the review of the Petrosea FEED estimate.

The Management Case capital cost estimate for the project included in the Financial Model is provided in Table 9. The design basis of the cost estimates is developed from the DFS, FEED and post-FEED report, as such it provides a sound foundation for cost estimation.

The cost estimation is based on a detailed breakdown of WBS elements and developed from the following by a panel of consultants and Masmindo personnel:

- Capitalised Mining Costs
- EPC costs
- Owners Costs

Table 9 - Awak Mas Project Capital Costs Estimate – Management Case

WBS	Description	USD
100	Open Pit Mining1	49,429,602
300	Process Plant	43,465,057
400	Tailings Storage Facility	10,966,736
500	Infrastructure	16,009,080
600	Site Support Facilities	19,603,748
700	Project Management, Temporary Facilities & Margin	39,779,646
800	Owner Cost	43,630,125
900	Risk & Opportunity (Contingency)	10,144,669
	Total Upfront Cost	233,028,662

¹Breakdown WBS 100 for financial modelling (a) mine infrastructure USD 7,525,881, (b) mine development USD 12,547,734, (c) pre-production mining (capitalized) USD 29,057,258.

Source: Nusantara, Chapter 14_Capital Cost Summary_G.pdf

Pre-production

The capitalised development costs are based on the operating costs as described in the section above. Of note, contingency has not been applied to the costs.

VRM considers it prudent to allow for contingency to account for productivity reduction and thus increase in cost to inform the Valuation range. The Open Pit Mining includes USD41.5M, (USD12.5+USD 29.0¹) of capitalised operating costs. A 10% increase equates to USD4.1M.

Construction Capital

The construction capital cost estimate is built-up from rates from local suppliers for materials (EPC) and a contingency based on probabilistic modelling by SMEC Adelaide.

The contingency allows for P50. It could be argued that the probability is likely to be higher, the P90 is reported as being USD16.5M. This represents 7.8% of the total USD203M. Based on the level of detailed engineering and FEED work that has been undertaken this is considered to be in-line with expectations. As a stretch estimate VRM would allow for 10-15% contingency.

5.2.12. Revenue Factors

The revenue factors applied in the cut-off grade and optimisation process are considered by VRM to be appropriate and supported by suitable assumption.

VRM has not reviewed the revenue factors applied in the Financial Model as this is outside scope.

5.2.13. Market Assessment

VRM has not reviewed the revenue factors applied in the Financial Model as this is outside scope and is being reviewed by Grant Thornton.

5.2.14. Economic

VRM has not reviewed the revenue factors applied in the Financial Model as this is outside scope and is being reviewed by Grant Thornton.

5.2.15. Social

The social aspects of the Project are described and reported in the DFS and reported that:

- The Company for over a decade has worked harmoniously with the local community.
- Extensive and ongoing community engagement has been undertaken in support of the Environmental and Social Impact Assessment.
- Masmindo enjoys a strong relationship with the communities around Awak Mas and Masmindo Community Development and Empowerment Plan was developed in 2019 and approved in December 2019.

VRM has not undertaken a review of the basis of the work supporting the social and environmental aspects of the Project.

5.2.16. Classification and Confidence

The JORC Table 1 included in the 7 July 2012 ASX release associated with the Awak Mas Project is considered to be suitable and appropriate in support of the Ore Reserve estimate.

The reporting of Proven Ore Reserve is based on the Measured Mineral Resources classified from the close spaced drilling undertaken at Awak Mas and Salu Bulu. The technical work supporting the application of the modifying factors is considered suitable to support reporting of Proven Ore Reserves.

5.3. Reasonableness to inform the Valuation

5.3.1. VRM Comments

It is reiterated that VRM has not undertaken a re-assessment of the underlying data that supports the Ore Reserve nor have the Ore Reserves been re estimated or re reported as a part of this Report.

This Report is limited to a high-level review and documenting / detailing the publicly available information however Nusantara has provided VRM with the full Ore Reserve report for the Awak Mas and Salu Bulu deposit by means of background.

VRM considers that the Ore Reserve estimates within the Awak Mas project are based on high quality engineering and design with no material issues identified or reported with the underlying technical work in support of the modifying facts that have been applied.

In support of a valuation range VRM has noted a number of suggested sensitivities are applied to the costs and mining dilution as summarised below in the following points:

- VRM considers that dilution should be applied to the designed production shapes as the SMU reflects the smallest selective mining unit and the dilution will account for mining beyond the designed boundary. For valuation sensitivity purposes VRM recommends that 5% dilution is included to allow for the potential inability to selectively to the SMU.
- Operating Cost - VRM considers that the combination of the consumption build-up and market bid pricing provides confidence in the operating cost estimates. Noting sensitivity has not been applied to the operating cost estimate, on the basis of variation in productivity an allowance for a cost increase to is appropriate to develop a valuation range. VRM recommends a 10% sensitivity is applied.
- Construction Capital Cost - The contingency allows for P50. It could be argued that the probability is likely to be higher, the P90 is reported as being USD16.5M. The represents 7.8% of the total USD203M. Based on the level of detailed engineering and FEED work that has been undertaken this is considered to be in-line with expectations. As a stretch estimate VRM would allow for 10-15% contingency.

6. Valuation Methodology

The VALMIN Code outlines various valuation approaches that are applicable for Properties at various stages of the development pipeline. These include valuations based on market-based transactions, income or costs as shown in Table 10 and provides a guide as to the most applicable valuation techniques for different assets.

Table 10 - VALMIN Code 2015 valuation approaches suitable for mineral Properties.

Valuation Approaches suitable for mineral properties				
Valuation Approach	Exploration Projects	Pre-development Projects	Development Projects	Production Projects
Market	Yes	Yes	Yes	Yes
Income	No	In some cases	Yes	Yes
Cost	Yes	In some cases	No	No

The Awak Mas Project is best described as a Pre-Development to Development Project with several targets within the CoW that are either conceptual or at an early exploration stage.

There are Mineral Resource estimates within both projects which are reported in accordance with the JORC Code (2012), and an Ore Reserve estimate was also reported as a part of a FEED study by Nusantara in 2021 (ASX release 13 July 2021). Development Projects are defined in VALMIN as tenure holdings for which a decision has been made to proceed with construction or production or both. In the case of the Awak Mas Project VRM understands there has not been a decision to commence construction therefore VRM considers the projects to be Pre-Development Projects.

VRM has identified no material risks regarding the Mineral Resource estimates and considers that the Mineral Resource estimates and the declared Ore Reserve estimates are valid and current. VRM is of the view that there is a reasonable basis for reporting production targets and similar production information therefore an income valuation approach is considered viable as is a market-based valuation approach.

VRM considers that the total asset valuation should be conducted on a sum of the parts basis with three distinct parts identified, these are the Mineral Resources and Ore Reserves within the LOM Model, the Mineral Resources that are outside the LOM and the exploration potential where no Mineral Resources have been identified as at the valuation date.

Therefore, VRM has been requested by Grant Thornton to review the technical inputs into the Financial Model which is based on a DCF model of the LOM. In addition to reviewing the inputs into the financial model VRM has provided a market valuation of the Mineral Resources outside the LOM and a valuation of the exploration potential.

The market value of the Ore Reserves is being undertaken by Grant Thornton using an income approach while the valuation of Mineral Resources outside the LOM is based on a comparable transaction (market-based approach) with supporting valuation methods used including a yardstick approach (market-based approach). A geoscientific (Kilburn) valuation approach (cost-based) and an area-based yardstick valuation (market based) method have been used to determine the likely value of the exploration potential away from the existing Ore Reserves and Mineral Resources.

6.1. Previous Valuations

VRM is not aware of any relevant valuation reports on the Awak Mas Project.

6.2. Valuation Subject to Change

The valuation of any mineral Property is subject to several critical inputs most of these change over time and this valuation is using information available as of 28 June 2021 being the valuation date of this Report and considering information up to 15 July 2021 including the revised Ore Reserve and Mineral Resource estimates.

This valuation is subject to change due to updates in the geological understanding, variable assumptions and mining conditions, climatic variability that may impact on the development assumptions, the ability and timing of available funding to advance the properties, the current and future metal prices, exchange rates, political, social, environmental aspects of a possible development, a multitude of input costs including but not limited to fuel and energy prices, steel prices, labour rates and supply and demand dynamics for critical aspects of the potential development like mining equipment. While VRM has undertaken a review of several key technical aspects that could impact the valuation there are numerous factors that are beyond the control of VRM.

As at the date of this Report in VRM's opinion there have been no significant changes in the underlying inputs or circumstances that would make a material impact on the outcomes or findings of this Report.

6.3. General assumptions

The Mineral Assets of Nusantara are valued using appropriate methodologies as described Table 10 and in the following sections. The valuation is based on several specific assumptions detailed above, including the following general assumptions.

- That all information provided to VRM is accurate and can be relied upon,
- The valuations only relate to the Nusantara Mineral Assets located within tenements controlled by the Company and not the Company itself nor its shares or market value,
- That the mineral rights, tenement security and statutory obligations were fairly stated to VRM and that the mineral licences will remain active,
- That all other regulatory approvals for exploration and mining are either active or will be obtained in the required and expected timeframe,

- That the owners of the mineral assets can obtain the required funding to continue exploration activities,
- The gold price that has been used in this valuation is US\$1,780.30 (London PM Fix Historical Data as at 28 June 2021) (<https://www.kitco.com/gold.londonfix.html>)
- The US\$ - AUS\$ exchange rate of 0.7572 (www.xe.com).
- All currency in this report are Australian Dollars or AUS, unless otherwise noted, if a particular value is in United States Dollars, it is prefixed with US\$.

6.4. Market Based Valuations

As the projects being valued in this Report are dominantly prospective for gold it is important to note the current market conditions and supply and demand fundamentals of the gold market.

The gold price is fundamentally different to many of the other commodities as the gold price is frequently seen as a pseudo currency and is considered by many as a safe haven investment option, especially in the current monetary policies of many of the major countries reserve banks. Global uncertainty in regard to the outbreak of COVID-19 and the resulting impact to the world economy has impacted the recent gold price and the government stimulus and attempts to re-invigorate the global economy is likely to have a continued impact on the gold price into the future. Figure 9 shows the gold price (US\$/oz) over the last five years.

Due to the significant variations in the price over such a short period it is considered critical to ensure that any transactions that are used in a market or transactional based valuation are normalised to the current gold price. This allows a more accurate representation of the value of the mineral asset under the current market environment.



(Source: S&P Global Market Intelligence)

Figure 9 - Five-year Gold price graph (18 July 2016 to 21 July 2021). US Dollars.

6.5. Valuation of Advanced Properties

There are several valuation methods that are suitable for advanced Properties including the following:

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- Financial modelling including discounted cash flow (DCF) valuations (generally limited to Properties with published Ore Reserves),
- Comparable Market Based transactions including Resource and Reserve Multiples
- Joint Venture Transactions
- Yardstick valuations

6.5.1. Income Based Valuations – Discounted Cash Flow

Nusantara announced the completion of a feasibility study in 2018 (ASX release 4 October 2018), a modified DFS which re-evaluated several parts of the 2018 study in 2020 (ASX release 29 June 2020) and finally an updated DFS announced on 13 July 2021. VRM considers, based on the review above, that an income - based valuation approach is appropriate and reasonable. Therefore, based on discussions with Grant Thornton, VRM has reviewed the reasonableness of the technical inputs into the financial model and made suggestions regarding any modifications to the Management Case of the DCF model.

6.5.2. Comparable Market Based Transactions – Resource Based

A comparable transactional valuation is a simple and easily understood valuation method which is broadly based on the real estate approach to valuation. It can be applied to a transaction based on the contained metal for projects with Mineral Resource or Ore Reserves estimates reported. Advantages of this type of valuation method include that it is easily understood and applied, especially where the resources or tenement area is comparable, and the resource or exploration work is reported according to an industry standard (like the JORC Code or NI43-101).

However, is not as robust for projects where the resources are either historic in nature, reported according to a more relaxed standard, or are using a cut-off grade that reflects a commodity price that is not justified by the current market fundamentals. If the projects being valued are in the same or a comparable jurisdiction, then it removes the requirement for a geopolitical adjustment. Finally, if the transaction being used is recent then it should reflect the current market conditions.

Difficulties arise when there are a limited number of transactions, where the projects have subtle but identifiable differences that impact the economic viability of one of the projects. For example, the requirement for a very fine grind required to liberate gold from a sulphide rich ore or where the ore is refractory in nature and requires a non-standard processing method.

The information for the comparable transactions has been derived from various sources including the ASX and other securities exchange releases associated with these transactions, a database compiled by VRM for exploration stage projects (with resources estimated) and development ready projects.

This valuation method is typically the primary valuation method for exploration or advanced (pre-development) projects where Mineral Resources have been estimated. More advanced projects would generally be valued using an income approach due to the modifying factors for a mining operation being better defined. In the case of the Awak Mas Gold Project Nusantara announced the completion of a feasibility study in 2018.

The preference is to limit the transactions and resource multiples to completed transactions from the past two to three years in either the same geopolitical region or same geological terrain. The comparable transactions have been compiled where Mineral Resources and in some cases Ore Reserves have been estimated. Appendix A details the Resource Multiples for a series of transactions that are considered at least broadly comparable with the Awak Mas Gold Project.

6.5.3. Yardstick Valuation

A yardstick valuation was undertaken as a check of the comparable transactions. This yardstick valuation is based on a rule of thumb as supported by a large database of transactions where resources and reserves at various degrees of confidence are multiplied by a percentage of the spot commodity price. The yardstick valuation factors used in this report are in line with other yardstick valuation factors commonly used by other independent specialists and used in other VALMIN reports. The US\$-AUS\$ exchange rate and base metal price as of 28 June 2021 and documented above have been used to determine the yardstick valuation. A variation of the Resource based Yardstick valuation is an area-based yardstick valuation which is similar to a comparable transaction (resource based) valuation however the value is assigned to the area of a project. With the area-based yardstick valuations a value per square kilometre is selected based on typical area transactions a database of broadly comparable transactions with these transactions not necessarily within the same jurisdiction, geological area, mineralisation, or commodity as the target commodity.

6.6 Exploration Asset Valuation

To generate a value of an early-stage exploration Property or the exploration potential away from a mineral deposit it is important to value all the separate parts of the mineral assets under consideration. In the case of the advanced Properties the most significant value drivers for the overall Property are the declared Mineral Resources or Ore Reserves, while for earlier stage Properties a significant contributor to the Property's value is the exploration potential. There are several ways to determine the potential of pre-resource Properties, these being:

- A Geoscientific (Kilburn) Valuation
- Comparable transactions (purchase) based on the Properties' area.
- Joint Venture terms based on the Properties' area.
- A prospectivity enhancement multiplier (PEM)

The methodology to determine the Comparable transactions based on a projects area is undertaken using the same methodology as that described for the Comparable transactions' valuation for advanced projects section; however transactional value is applied to the project's area rather than the Mineral Resources or Ore

Reserves. The Joint Venture terms valuation is similar to the comparable transactions based on the project area, other than a discount to the Joint Venture terms is applied to account for the time value of money (an appropriate discount rate is applied) and a discount to the earn-in expenditure to account for the chance that the Joint Venture earn-in expenditure is not completed in the agreed timeframe.

VRM considers a Geoscientific or Kilburn valuation as a robust valuation method. The comparable transaction multiples can also be useful but are strongly related to the projects tenement area so can be conservative for small areas and overstate large areas. It is the view of VRM that the least transparent and most variable valuation method is a PEM valuation as this depends on an assessment of the effectiveness of the expenditure.

6.6.1 Geoscientific (Kilburn) Valuation

One valuation technique that is widely used to determine the value of a project that is at an early exploration stage without any Mineral Resources or Ore Reserve estimates was developed and is described in an article published in the CIM bulletin by Kilburn (1990). This method is widely termed the geoscientific method where a series of factors within a project are assessed for their potential.

While this technique is somewhat subjective and open to interpretation it is a method that when applied correctly by a suitably experienced specialist enables an accurate estimate of the value of the project. There are five critical aspects that need to be considered when using a Kilburn or Geoscientific valuation, these are the base acquisition cost, which put simply is the cost to acquire and continue to retain the tenements being valued. The other aspects are the proximity to both adjacent to and along strike of a major deposit (Off Property Factors), the occurrence of a mineral system on the tenement (On Property Factors), the success of previous exploration within the tenement (Anomaly Factors) and the geological prospectivity of the geological terrain covered by the mineral claims or tenements (Geological Factors). In early-stage projects often the anomaly factors and geological factors have limited information.

While this valuation method is robust and transparent it can generate a very wide range in valuations, especially when the ranking criteria are assigned to a large tenement. This method was initially developed in Canada where the mineral claims are generally small therefore reducing the potential errors associated with spreading both favourable and unfavourable ranking criteria to be spread over a large tenement. Therefore, VRM either values each tenement or breaks down a larger tenement into areas of higher and lower prospectivity.

Table 11 documents the ranking criteria while the inputs and assumptions that were used to derive the base acquisition cost (BAC) are detailed in the valuation section below.

VRM determines the BAC based on the holding cost of maintaining the tenement for the next year. That cost is commonly determined by the minimum exploration commitment required on the tenement. In Western Australia, the exploration commitment for exploration licences changes depending on the age and

area of the tenement. The costs in Western Australia are between \$1,000 and \$3,000 per sub block which equates to approximately \$300 - \$1,000 per square kilometre. Other jurisdictions have significantly lower exploration commitments however these jurisdictions often have other compensation payments required for competing or impacted land uses. For the Awak Mas CoW VRM has elected to use \$1,000/km².

The technical valuation derived from the Kilburn ranking factors are frequently adjusted to reflect the geopolitical risks associated with the location of the project and the current market conditions toward a specific commodity or geological terrain. These adjustments can either increase or decrease the technical value to derive the fair market valuation.

Using the ranking criteria from Table 11 along with the base acquisition costs tabulated in the appendices an overall technical valuation is determined.

Table 11 - Ranking criteria are used to determine the geoscientific technical valuation.

Geoscientific Ranking Criteria				
Rating	Off-property factor	On-property factor	Anomaly factor	Geological factor
0.1				Generally unfavourable geological setting
0.5			Extensive previous exploration with poor results	Poor geological setting
0.9			Poor results to date	Generally unfavourable geological setting, under cover
1.0	No known mineralisation in district	No known mineralisation within	No targets defined	Generally favourable geological setting
1.5	Mineralisation identified	Mineralisation identified	Target identified; initial indications positive	
2.0	Resource targets identified	Exploration targets identified		Favourable geological setting
2.5			Significant intersections – not correlated on section	
3.0	Along strike or adjacent to known mineralisation	Mine or abundant workings with significant previous production		Mineralised zones exposed in prospective host rocks
3.5			Several significant ore grade intersections that can be correlated	
4.0	Along strike from a major mine(s)	Major mine with significant historical production		
5.0	Along strike from world class mine			

The technical valuation was discounted / escalated to derive a market valuation. A market factor was derived to account for the gold price which while currently elevated compared to the long-term price is below the record high gold prices of 2020 as shown in Figure 9. Due to the pull back from historic high gold prices a discount of 10% has been applied to the technical valuation to account for a market discount. Given the geopolitical, social, and environmental risks associated with projects in Indonesia a discount of 15% has been applied to the technical valuation. These combined market (-10%) and location (-15%) discounts to the technical valuation determine the likely market value of the part of the project outside the LOM.

For early-stage Projects (where there are no Mineral Resources estimated), VRM typically considers the Geoscientific (Kilburn) Valuation method to be the most robust and is commonly the primary valuation method used.

7 Awak Mas Mineral Property Valuation

The mineral asset valued as a part of this ITAR is the Awak Mas Project. As detailed above Nusantara holds 75% of the Project at the Valuation Date. The valuations in this section are undertaken on an equity basis to account for the Nusantara equity at the time of the transaction. The Ore Reserves within the LOM Plans are valued using an income approach (Discounted Cash Flow (DCF) method) with the income valuation being undertaken by Grant Thornton and included in the Grant Thornton Independent Experts Report (IER) to which this report will be appended. VRM has made comments below regarding the technical inputs to the DCF model with Grant Thornton including these comments and technical inputs into the financial model. The VRM has determined a market value of the remnant Mineral Resources within the Project that are outside the LOM model, as well as exploration potential in the surrounding CoW.

VRM has undertaken its valuation based on several techniques, these being a comparable transaction (resource multiplier) and Yardstick method as a cross check for the remnant Mineral Resource estimates. The surrounding exploration tenure have been valued considering a Kilburn or Geoscientific valuation method and an area-based yardstick method as described further below.

7.1 Technical Inputs into the DCF Model

As detailed in Section 4 and Section 5 above VRM has undertaken a review of the Mineral Resource and the Ore Reserve estimates that form the basis of the DCF model and the LOM model.

As a part of this review VRM engaged two specialists being a Resource Geologist to review the Mineral Resource estimates and a Mining Engineer to review the Ore Reserves and the feasibility study.

The Mineral Resource estimate review has not identified any aspects that would impact the valuation of the project and the Mineral Resource estimate is considered suitable for use in Ore Reserve estimation and mine planning.

The review of the feasibility study has only identified three aspects that in VRM's opinion should be reviewed and modified in the financial model either to undertake sensitivity analysis or as a modification to the base case financial model.

Two aspects that are recommended to be changed in the financial model are the dilution of the Ore Reserves and the contingency associated with the Pre-Production Capital Costs. Additional details regarding the rationale for these changes are summarised below.

- VRM considers that dilution should be applied to the designed production shapes as the SMU reflects the smallest selective mining unit and the dilution will account for mining beyond the designed boundary. For valuation sensitivity purposes VRM recommends that 5% dilution is included to allow for the potential inability to selectively mine to the SMU.

- The effect of 5% dilution would result in 5% more tonnes of Ore however the same amount of gold would be contained in the Ore (assuming the dilution was at zero grade), this would result in a 4.77% reduction in the Ore grade. The Financial Model does not allow for the addition of the diluted ore dilution to be easily modelled therefore VRM suggests the additional tonnes of Ore that would be generated by increasing the dilution by 5% should be modelled as Ore Loss with the grade reduced by 4.77%. The overall grade of would be reduced to 1.28g/t Au from 1.35g/t Au.
- Construction Capital Cost Contingency - The Management Case Capital Cost contingency allows for P50 which is the probability of the costs to overrun being 50%. VRM considers that the probability is likely to be higher. The P90 is reported as being USD16.5M.
 - VRM recommends that the Capita Cost Contingency be increased to USD16.475 which is an 8.5% contingency. This should be assigned equally over the 23month pre-production period, therefore \$716,307 should be inserted rather than the current contingency. This adds approximately \$6 million to the CAPEX.
- Operating Cost - VRM considers that the combination of the consumption build-up and market bid pricing provides confidence in the operating cost estimates. VRM notes that sensitivity analysis has not been applied to the operating costs. Based on variation in productivity an allowance for a cost increase to is appropriate to develop a valuation range.
 - VRM recommends sensitivity analysis be undertaken as a part of the valuation with a downside valuation based on a 10% increase in the OPEX. This is easily applied in the financial model.

7.2 Comparable Transactions – Resource Multiples

VRM interrogated a commercial subscription-based transaction database and reviewed a series of gold resource transactions from Indonesia which were announced in the past five years. Seven transactions were identified relating to Indonesian gold assets that occurred since mid-2017. Of these seven transactions only four are considered to be potentially comparable to the Awak Mas, Salu Bulu and Tarra Mineral Resources. All seven transactions are detailed in Appendix A. A value per ounce of gold was determined based on the reported Mineral Resource estimates at the time of the transaction and the transaction value. The transaction value was converted to Australian dollars based on the exchange rate at the date the transaction was announced. This resource multiple was then normalised, using the gold price as at the valuation date to account for changes in the gold price from the time the comparable transaction was announced and the valuation date.

As majority of the Mineral Resources being valued are remnant resources adjacent to the economic Ore Reserves the preferred valuation multiple for the Mineral Resources outside the LOM is based on the average of the three lower resource multiples for comparable transactions. The project valuation range has been determined based on the average normalised gold resource multiple for these three comparable transactions with the upper valuation being 20% above the average and the lower valuation 20% below the average. These correspond to a lower Resource multiple of A\$9.54/oz, a preferred Resource multiple of A\$11.92/oz and an upper Resource multiple of A\$14.30/oz.

In VRM's opinion these multiples can be applied to the remnant Mineral Resources. The remnant Mineral Resources are summarised in Table 13 below. The remnant Mineral Resource valuation has been undertaken on the contained gold within the Mineral Resources that are outside the LOM model. The contained gold has been determined based on the contained gold within the Global Mineral Resource less the Ore Reserves less the Inferred material that is within the pit shell generated from the Ore Reserves. That LOM model contains 3.2Mt of Inferred material at a grade of 1.14g/t gold for approximately 0.12M oz of gold. Therefore, the total Awak Mas Project Mineral Resources that are outside the LOM Model has been determined based on the total Measured Mineral Resources less the Proved Ore Reserves plus the total Indicated Mineral Resources less the Probable Ore Reserved plus the total Inferred Mineral Resources less the Inferred Resources that are contained within the LOM model. Overall, there are 0.72Moz of gold in Mineral Resources outside the LOM model.

Table 12 – Table of Material contained in the LOM and Total Mineral Resources within the Awak Mas CoW

Total Awak Mas Project Ore Reserves and LOM			
Material	Tonnes (Mt)	Gold Grade (g/t)	M oz Gold
Reserves (Total)	33.0	1.37	1.45
Inferred Resources in LOM	3.2	1.14	0.12
Total LOM	36.2	1.35	1.57
Global Awak Mas Project Mineral Resource Estimates			
Material	Tonnes (Mt)	Gold Grade (g/t)	M oz Gold
Measured	2.80	1.74	0.16
Indicated	38.10	1.44	1.76
Inferred	9.70	1.17	0.37
Total	50.60	1.41	2.29

Table 13 – Details of Remnant Mineral Resources outside the LOM

Remnant Resources outside LOM	Contained Gold (M oz)
Measured less Proved	0.01
Indicated less Probable	0.46
Inferred less Inferred in LOM	0.25
Total	0.72

Note The totals may not add due to rounding.

Table 14 - Comparable transaction valuation of the Remnant Mineral Resources at the Awak Mas Project

Comparable transaction valuation summary A\$ million			
	Lower Valuation	Preferred Valuation	Upper Valuation
Remnant Mineral Resources (Moz gold)	0.72	0.72	0.72
Resource Multiple (\$/oz)	\$9.54	\$11.92	\$14.30
Remnant Resource Total Valuation (A\$ million)	\$6.8	\$8.5	\$10.2
Nusantara 75% equity in Remnant Resources (A\$ million)	\$5.1	\$6.4	\$7.7

Note Rounding has been applied to the valuation.

VRM considers the remanent Mineral Resources within the Awak Mas Project to have a combined valued, based on the Nusantara equity of the projects and comparable transactions, at between \$5.1 million and \$7.7 million with a preferred valuation of \$6.4 million.

7.3 Yardstick Method

As detailed above the yardstick method can also be considered as a valuation approach, particularly as a cross check or secondary valuation technique to support the valuation generated by a comparable transaction method. This method is typically used as a secondary approach for valuation of Mineral Resources and is based on a percentage of the current metal price.

For Mineral Resources, a typical yardstick value would be between 0.5% and 5% of the current gold prices, dependent on the declared Mineral Resource estimate classifications at the valuation date. For lower classification levels such as Inferred Mineral Resources this percentage is lower reflecting the higher uncertainty compared to Indicated or Measured categories. As this Yardstick valuation is determining a valuation of remnant Mineral Resources outside the LOM and adjacent to the Ore Reserves a lower Yardstick percentage has been used for the remnant Mineral Resources compared to the Mineral Resources that are not exploited in the current LOM.

This yardstick valuation was determined based on the gold price (in Australian dollars per oz of \$2,352.71/oz) multiplied by the yardstick value of between 0.25% and 2% with this then multiplied by the contained gold in each of the resources that are attributable to Nusantara based on the beneficial interest of the project.

This valuation is summarised in Table 15. .

Table 15 - Yardstick valuation of the Nusantara Mineral Resources

Yardstick Valuation of the Mineral Resources that are outside the Awak Mas LOM						
Classification	Yardstick Factors	Gold Price (A\$/oz)	Contained Gold (M oz)	Lower (\$M)	Preferred (\$M)	Upper (\$M)
Awak Mas Project (75% NUS)						
Measured Resources less Proved Ore Reserves	1.0 – 2.0%	\$2,352.71	0.01	\$0.15	\$0.22	\$0.30
Indicated Resources less Probable Ore Reserves	0.5 – 1.0%	\$2,352.71	0.46	\$4.05	\$6.08	\$8.10
Tarra Inferred Resources	0.5 – 1.0%	\$2,352.71	0.12	\$1.10	\$1.65	\$2.20
Inferred Resources	0.25 – 0.5%	\$2,352.71	0.12	\$0.54	\$0.82	\$1.09
Total Yardstick Valuation				\$5.8	\$8.8	\$11.7

Note

1. Appropriate rounding has been applied to the total valuation.
2. The total valuation considers Nusantara's 75% equity in the Awak Mas Project.
3. The Tara Inferred Mineral Resource estimate is valued at a higher yardstick multiple due to these Resources not being remnant Mineral Resources adjacent to proposed pits included in the LOM. Resources adjacent to the Ore Reserves are considered to have a lower value due to them not being currently economic when considering all the modifying factors included in the DFS.

Therefore, VRM considers that the Awak Mas Project Mineral Resources outside the LOM have a value, based on a yardstick approach, of between \$5.8 million and \$11.7 million with a preferred valuation of \$8.8 million.

7.4 Geoscientific Valuation

There are several specific inputs that are critical in determining a valid Geoscientific or Kilburn valuation, these are ensuring that the specialist undertaking the valuation has a good understanding of the mineralisation styles within the overall region, the tenements and has access to all the exploration and geological information to ensure that the rankings are based on a thorough knowledge of the projects. In addition to ensuring the rankings are correct deriving the base acquisition costs (BAC) is critical as that is the primary driver of the final value. As the CoW includes the Awak Mas deposits and the exploration commitments for the CoW are linked to entire contract area VRM has assigned a BAC for the exploration area of \$123,900 being \$1000/km². In this case the BAC is an assumed cost to maintain the tenement in good standing while the costs of the CoW application, annual fees and targeting have not been included.

The Geoscientific rankings for the CoW were derived for each of the Kilburn ranking criteria with the off-property criteria, on-property criteria, the anomaly factor, and geology criteria using the ratings listed in Table 11. When these ranking criteria are combined with the BAC both of which are detailed in Appendix B this has determined the technical value as shown in Table 16. Note the area of the CoW has been reduced from 14,390 hectares by 2,000 hectares to account for the area associated with the existing Mineral Resource estimates which have been valued either within the LOM by the DCF model or resource multiple valuation for the Resources that are outside the LOM.

Table 16 - Technical Valuation for the 75% of the Exploration Potential held by Nusantara within the CoW

Technical Valuation Summary by Tenement													
Project	Equity	BAC (AUS\$)	Off Property		On Property		Anomaly		Geology		Lower (\$M)	Preferred (\$M)	Upper (\$M)
			Lower	Upper	Lower	Upper	Lower	Upper	Lower	Upper			
CoW	75%	12,390	3	3.5	1	1.5	1	1.3	1	1.5	0.28	0.62	0.95
Total											0.3	0.6	1.0

Note Appropriate rounding has been applied to the total.

Table 16 details the technical value of the exploration potential of the tenement while the Market Value of the project is based on a location and market discounts. As the current gold prices have fallen from their historic highs attained in 2020 a market discount of 10% was applied to the technical value. As the project is located in Indonesia and there are risks associated with heritage, environmental, geopolitical, land use and access permits therefore an additional 15% reduction in the technical valuation was applied for the risks associated with the jurisdictional risks.

The value of the exploration potential of Nusantara's 75% holding in the CoW away from the Mineral Resources is considered by VRM to have a market value as determined by the Geoscientific or Kilburn valuation method of between \$0.3 million and \$1.0 million with a preferred valuation of \$0.6 million.

7.5 Area Based Yardstick Valuation

VRM has undertaken an area-based yardstick valuation of the CoW based on the area of the CoW less an approximation of the area of the CoW that is associated with or adjacent to the Mineral Resources or LOM Model as that area is valued based on the Financial Model and the remnant Mineral Resource estimate valuations. VRM has assumed that the operations and Resource cover approximately 2,000ha of the 14,390ha CoW. Therefore, the same area is being valued based on an area-based yardstick and the Geoscientific valuation above.

The preferred valuation is based on \$6,666/km² being a typical area-based value for that early-stage projects. The upper valuation is based on \$10,000/km² and the lower multiple is \$3,333/km². When these multiples are adjusted for Nusantara's equity in the Awak Mas project CoW the multiples are in the range of \$2500/km² to \$7500/km² with a preferred valuation multiple of \$5,000/km². Table 17 below details the area-based yardstick valuation for an early-stage gold project.

Table 17 - Area Based Yardstick Valuation for the Awak Mas Project

Area Based Yardstick Valuation									
Project	Tenement	Area (km ²)	Equity	Area Multiples (A\$/km ²)			Lower (\$M)	Preferred (\$M)	Upper (\$M)
				Low	Preferred	High			
Awak Mas	CoW	123.9	75%	3,333	6,666	10,000	\$0.31	\$0.62	\$0.93
Total							\$0.3	\$0.6	\$0.9

Note The CoW area has been reduced in this area-based yardstick to account for the Resource areas valued by the DCF and resource multiples estimated to cover 20km².

Appropriate rounding has been undertaken.

For the Nusantara projects VRM considers that the market valuation as determined by the area-based Yardstick valuation method is between \$0.3 million and \$0.6 million with a preferred valuation of \$0.9 million.

8 Risks and Opportunities

As with all mineral assets there are several associated risks and opportunities and therefore also with the valuation of those assets. Some non-geological or mining related technical risks and opportunities that are common to most projects include the risks associated with security of tenure, native title claims, environmental approvals, competing land uses, social, geopolitical, and regulatory approval risks.

In VRM's opinion the Mineral Resource and Ore Reserve estimates are robust with the work undertaken at a high standard however there is always some level of uncertainty associated with any Mineral Resource or Ore Reserve.

Additional risks associated with the potential development including heritage surveys, community consultation, environmental and government approvals have been significantly reduced by the work that Nusantara has undertaken since the initial feasibility study was completed in 2018. Additional technical risks include the geotechnical aspects of operating in a mountainous terrain which specific aspects including geotechnical aspects associated with the construction of the processing facility, the tailings storage facility and other related infrastructure. Nusantara has undertaken multiple studies into these aspects however the project is in an active seismic region and adjacent to a regionally significant fault. While Nusantara has undertaken multiple studies to try and mitigate these risks some are impossible to mitigate.

Opportunities to extend the current resource inventory are present at a number of deposits however the potential to significantly increase the Mineral Resource inventory is dependent on exploration away from the existing mineralisation. While there is significant exploration potential especially at the largely unexplored large CoW area this valuation has assigned negligible value to the exploration potential due to the lack of recent exploration work which is partly due to the challenging terrain and Nusantara being focussed on the near-term development of the Awak Mas and Salo Bulu deposits.

As with all exploration projects, a key technical risk is that further exploration will not result in identifying a body of mineralisation sufficiently large to be considered an economic resource.

Non-technical risks to the project are associated with the financing of the proposed development as envisaged in the feasibility study while a significant opportunity is associated with the commodity price assumptions that underpin the potential development. VRM notes that the Management Case financial model has assumed a US\$1,700 gold price while the Ore Reserves have been estimated at a US\$1,400 gold price. While the long-term forecast gold price is between US\$1,400 – US\$1,500 the uncertainty associated with the current COVID-19 pandemic and the various Government stimulus packages could have a significant impact on the long-term gold price. VRM has interrogated a subscription-based database that summarises various forecast prices with the forecast gold prices being as low as \$1,400/oz to as high as \$2,100 between the report date and FY 2030. This risk or opportunity of these widely assumed gold prices is unable to be quantified due to the highly volatile nature of the current pandemic and the potential impacts on possible gold prices.

9 Preferred Valuations

Based on the valuation techniques detailed above, Table 18 provides a summary of the valuations derived for the remnant Mineral Resources and the Exploration potential within the Awak Mas Project by the various techniques. The combined valuation range for and VRM's preferred valuation is in Table 19. Figure 10 graphically shows the valuation range and preferred valuation for the remnant Mineral Resources and exploration potential within the Awak Mas project and the combined valuation range and preferred valuation for the project outside the LOM.

The preferred valuation that VRM has determined is based on the comparable transaction approach recognising that most of the value (outside the LOM) in the tenement package is attributed to the remnant Mineral Resources estimates. The comparable transaction valuation is supported by the yardstick approach which takes into account the classification of the Mineral Resources discounted for assessed Mineral Resource risk.

Both the geoscientific / Kilburn method and area-based Yardstick valuation methods are considered viable options to value the exploration potential adjacent to the remnant Mineral Resources and the LOM models. The exploration potential within the Awak Mas project has insignificant value primarily due to the lack of recent exploration.

Table 18 - Nusantara Mineral Assets Valuation Summary by method

Valuation summary by various methods				
Valuation Technique	Priority	Lower (A\$M)	Preferred (A\$M)	Upper (A\$M)
Comparable Transactions (Mineral Resources)	Primary	\$5.1	\$6.4	\$7.7
Yardstick (Mineral Resources)	Supporting	\$5.8	\$8.8	\$11.7
Kilburn / Geoscientific (Exploration properties)	Primary	\$0.2	\$0.5	\$0.7
Area Based Yardstick (Exploration properties)	Supporting	\$0.3	\$0.6	\$0.9

Based on the rationale outlined in the body of this Report, VRM is of the view that the Awak Mas Project Remnant Mineral Resources are most appropriately valued considering a comparable transaction approach, while the exploration potential is most appropriately valued applying the Geoscientific valuation method. On this basis, in VRM's opinion the asset valuation for the Awak Mas Project as outlined in Table 19 is between A\$5.3 million and A\$8.4 million with a preferred valuation of A\$6.9 million. This valuation does not include the Ore Reserves and LOM model which is considered by VRM to be the main value driver in the total Awak Mas project value.

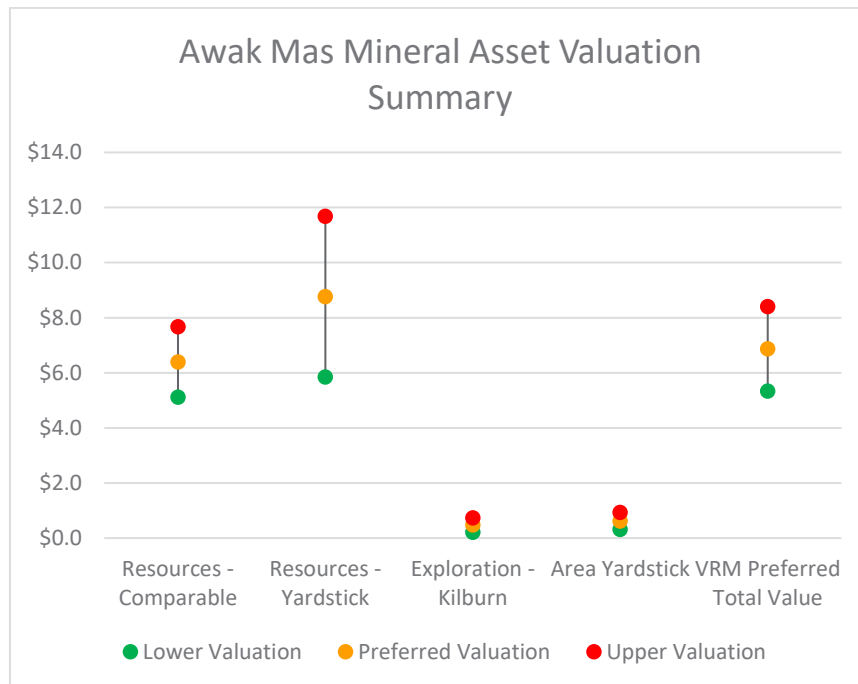


Figure 10 - Valuation summary

Table 19 - Preferred Valuation of the Nusantara Mineral Assets as at 28 June 2021

Valuation Summary			
Nusantara Mineral Assets	Lower (A\$M)	Preferred (A\$M)	Upper (A\$M)
Mineral Resources outside LOM	\$5.1	\$6.4	\$7.7
Exploration Potential	\$0.2	\$0.5	\$0.7
Total (A\$ million)	\$5.3	\$6.9	\$8.4

Note the totals may not add due to rounding.

10 References

The references below document the main documents referred to in this report however the various ASX releases for the various companies including Nusantara have not been included in the reference list.

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11 Glossary

Below are brief descriptions of some terms used in this report. For further information or for terms that are not described here, please refer to internet sources such as Webmineral www.webmineral.com, Wikipedia www.wikipedia.org,

The following terms are taken from the 2015 VALMIN Code.

Annual Report means a document published by public corporations on a yearly basis to provide shareholders, the public and the government with financial data, a summary of ownership and the accounting practices used to prepare the report.

Australasian means Australia, New Zealand, Papua New Guinea, and their offshore territories.

Code of Ethics means the Code of Ethics of the relevant Professional Organisation or Recognised Professional Organisations.

Corporations Act means the Australian Corporations Act 2001 (Cth).

Experts are persons defined in the Corporations Act whose profession or reputation gives authority to a statement made by him or her in relation to a matter. A Practitioner may be an Expert. Also see Clause 2.1.

Exploration Results is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

Feasibility Study means a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-feasibility Study.

Financial Reporting Standards means Australian statements of generally accepted accounting practice in the relevant jurisdiction in accordance with the Australian Accounting Standards Board (AASB) and the Corporations Act.

Independent Expert Report means a Public Report as may be required by the Corporations Act, the Listing Rules of the ASX or other security exchanges prepared by a Practitioner who is acknowledged as being independent of the Commissioning Entity. Also see ASIC Regulatory Guides RG 111 and RG 112 as well as Clause 5.5 of the VALMIN Code for guidance on Independent Expert Reports.

Information Memoranda means documents used in financing of projects detailing the project and financing arrangements.

Investment Value means the benefit of an asset to the owner or prospective owner for individual investment or operational objectives.

Life-of-Mine Plan means a design and costing study of an existing or proposed mining operation where all Modifying Factors have been considered in sufficient detail to demonstrate at the time of reporting that extraction is reasonably justified. Such a study should be inclusive of all development and mining activities proposed through to the effective closure of the existing or proposed mining operation.

Market Value means the estimated amount of money (or the cash equivalent of some other consideration) for which the Mineral Asset should exchange on the date of Valuation between a willing

buyer and a willing seller in an arm's length transaction after appropriate marketing wherein the parties each acted knowledgeably, prudently and without compulsion. Also see Clause 8.1 for guidance on Market Value.

Materiality or being **Material** requires that a Public Report contains all the relevant information that investors and their professional advisors would reasonably require, and reasonably expect to find in the report, for the purpose of making a reasoned and balanced judgement regarding the Technical Assessment or Mineral Asset Valuation being reported. Where relevant information is not supplied, an explanation must be provided to justify its exclusion. Also see Clause 3.2 for guidance on what is Material.

Member means a person who has been accepted and entitled to the post-nominals associated with the AIG or the AusIMM or both. Alternatively, it may be a person who is a member of a Recognised Professional Organisation included in a list promulgated from time to time.

Mineable means those parts of the mineralised body, both economic and uneconomic, that are extracted or to be extracted during the normal course of mining.

Mineral Asset means all property including (but not limited to) tangible property, intellectual property, mining and exploration Tenure and other rights held or acquired in connection with the exploration, development of and production from those Tenures. This may include the plant, equipment and infrastructure owned or acquired for the development, extraction, and processing of Minerals in connection with that Tenure.

Most Mineral Assets can be classified as either:

(a) **Early-stage Exploration Projects** – Tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified.

(b) **Advanced Exploration Projects** – Tenure holdings where considerable exploration has been undertaken and specific targets identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource estimate may or may not have been made, but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category.

(c) **Pre-Development Projects** – Tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely), but where a decision to proceed with development has not been made. Properties at the early assessment stage, properties for which a decision has been made not to proceed with development, properties on care and maintenance and properties held on retention titles are included in this category if Mineral Resources have been identified, even if no further work is being undertaken.

(d) **Development Projects** – Tenure holdings for which a decision has been made to proceed with construction or production or both, but which are not yet commissioned or operating at design levels. Economic viability of Development Projects will be proven by at least a Pre-Feasibility Study.

(e) **Production Projects** – Tenure holdings – particularly mines, wellfields, and processing plants – that have been commissioned and are in production.

Mine Design means a framework of mining components and processes taking into account mining methods, access to the Mineralisation, personnel, material handling, ventilation, water, power, and other technical requirements spanning commissioning, operation, and closure so that mine planning can be undertaken.

Mine Planning includes production planning, scheduling and economic studies within the Mine Design taking into account geological structures and mineralisation, associated infrastructure and constraints, and other relevant aspects that span commissioning, operation, and closure.

Mineral means any naturally occurring material found in or on the Earth's crust that is either useful to or has a value placed on it by humankind, or both. This excludes hydrocarbons, which are classified as Petroleum.

Mineralisation means any single mineral or combination of minerals occurring in a mass, or deposit, of economic interest. The term is intended to cover all forms in which mineralisation might occur, whether by class of deposit, mode of occurrence, genesis, or composition.

Mineral Project means any exploration, development, or production activity, including a royalty or similar interest in these activities, in respect of Minerals.

Mineral Securities means those Securities issued by a body corporate or an unincorporated body whose business includes exploration, development or extraction and processing of Minerals.

Mineral Resources is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

Mining means all activities related to extraction of Minerals by any method (e.g., quarries, open cast, open cut, solution mining, dredging etc).

Mining Industry means the business of exploring for, extracting, processing, and marketing Minerals.

Modifying Factors is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

Ore Reserves is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

Petroleum means any naturally occurring hydrocarbon in a gaseous or liquid state, including coal-based methane, tar sands and oil-shale.

Petroleum Resource and **Petroleum Reserve** are defined in the current version of the Petroleum Resources Management System (PRMS) published by the Society of Petroleum Engineers, the American Association of Petroleum Geologists, the World Petroleum Council, and the Society of Petroleum Evaluation Engineers. Refer to <http://www.spe.org> for further information.

Practitioner is an Expert as defined in the Corporations Act, who prepares a Public Report on a Technical Assessment or Valuation Report for Mineral Assets. This collective term includes Specialists and Securities Experts.

Preliminary Feasibility Study (Pre-Feasibility Study) means a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors that are sufficient for a Competent Person, acting reasonably, to determine if all or part of the Mineral Resources may be converted to an Ore Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study.

Professional Organisation means a self-regulating body, such as one of engineers or geoscientists or of both, that:

- (a) admits members primarily on the basis of their academic qualifications and professional experience.
- (b) requires compliance with professional standards of expertise and behaviour according to a Code of Ethics established by the organisation; and
- (c) has enforceable disciplinary powers, including that of suspension or expulsion of a member, should its Code of Ethics be breached.

Public Presentation means the process of presenting a topic or project to a public audience. It may include, but not be limited to, a demonstration, lecture or speech meant to inform, persuade, or build good will.

Public Report means a report prepared for the purpose of informing investors or potential investors and their advisers when making investment decisions, or to satisfy regulatory requirements. It includes, but is not limited to, Annual Reports, Quarterly Reports, press releases, Information Memoranda, Technical Assessment Reports, Valuation Reports, Independent Expert Reports, website postings and Public Presentations. Also see Clause 5 for guidance on Public Reports.

Quarterly Report means a document published by public corporations on a quarterly basis to provide shareholders, the public and the government with financial data, a summary of ownership and the accounting practices used to prepare the report.

Reasonableness implies that an assessment which is impartial, rational, realistic, and logical in its treatment of the inputs to a Valuation or Technical Assessment has been used, to the extent that another Practitioner with the same information would make a similar Technical Assessment or Valuation.

Royalty or Royalty Interest means the amount of benefit accruing to the royalty owner from the royalty share of production.

Securities has the meaning as defined in the Corporations Act.

Securities Expert are persons whose profession, reputation or experience provides them with the authority to assess or value Securities in compliance with the requirements of the Corporations Act, ASIC Regulatory Guides and ASX Listing Rules.

Scoping Study means an order of magnitude technical and economic study of the potential viability of Mineral Resources. It includes appropriate assessments of realistically assumed Modifying Factors together with any other relevant operational factors that are necessary to demonstrate at the time of reporting that progress to a Pre-Feasibility Study can be reasonably justified.

Specialists are persons whose profession, reputation, or relevant industry experience in a technical discipline (such as geology, mine engineering or metallurgy) provides them with the authority to assess or value Mineral Assets.

Status in relation to Tenure means an assessment of the security of title to the Tenure.

Technical Assessment is an evaluation prepared by a Specialist of the technical aspects of a Mineral Asset. Depending on the development status of the Mineral Asset, a Technical Assessment may include the review of geology, mining methods, metallurgical processes and recoveries, provision of infrastructure and environmental aspects.

Technical Assessment Report involves the Technical Assessment of elements that may affect the economic benefit of a Mineral Asset.

Technical Value is an assessment of a Mineral Asset's future net economic benefit at the Valuation Date under a set of assumptions deemed most appropriate by a Practitioner, excluding any premium or discount to account for market considerations.

Tenure is any form of title, right, licence, permit or lease granted by the responsible government in accordance with its mining legislation that confers on the holder certain rights to explore for and/or extract agreed minerals that may be (or is known to be) contained. Tenure can include third-party ownership of the Minerals (for example, a royalty stream). Tenure and Title have the same connotation as Tenement.

Transparency or being **Transparent** requires that the reader of a Public Report is provided with sufficient information, the presentation of which is clear and unambiguous, to understand the report and not be misled by this information or by omission of Material information that is known to the Practitioner.

Valuation is the process of determining the monetary Value of a Mineral Asset at a set Valuation Date.

Valuation Approach means a grouping of valuation methods for which there is a common underlying rationale or basis.

Valuation Date means the reference date on which the monetary amount of a Valuation in real (dollars of the day) terms is current. This date could be different from the dates of finalisation of the Public Report or the cut-off date of available data. The Valuation Date and date of finalisation of the Public Report **must** not be more than 12 months apart.

Valuation Methods means a subset of Valuation Approaches and may represent variations on a common rationale or basis.

Valuation Report expresses an opinion as to monetary Value of a Mineral Asset but specifically excludes commentary on the value of any related Securities.

Value means the Market Value of a Mineral Asset.

Appendix A - Historical Ownership

The following ownership history has been directly extracted from Tetra Tech (2013) in Cube (2021).

- 1987: New Hope Consolidated Industries Pty Ltd (New Hope) and PT Asminco Bara Utama (Asminco) and formed the original partnership in respect to the Awak Mas Joint Venture.
- 1991: Battle Mountain Gold Company (Battle Mountain or BMGC) later executed a farm-in agreement with New Hope and earned 60% equity.
- 1994: Lone Star Exploration NL (Lone Star or LSE) subsequently acquired the equity of both Battle Mountain and New Hope.
- 1994: Gascoyne Gold Mines NL (Gascoyne or GGM) and JCI Limited (JCI) structured an agreement to combine the various equities (45% LSE, 45% GGM, and 10% Asminco) in the Project under the single corporate entity of Masmindo Mining Corporation Limited (Masmindo or MMC).
- 1998: Lone Star purchased Gascoyne's 45% interest in the Project.
- 1998: Placer Dome Inc (Placer or PDI) entered into a Joint Venture (JV) with Masmindo in September 1998 which allowed Placer to acquire 51% interest in the Project by spending US\$10 million (A\$13.5 million). However, after spending US\$1 million (A\$1.3 million), Placer withdrew from the JV in June 1999.
- 1999: A debt for equity swap was negotiated between Masmindo and JCI Limited in October 1999 providing JCI with 66% equity in the Project in exchange for A\$8 million (US\$5.9 million) that Masmindo owed JCI. Subsequently, Masmindo regained full control of the project by purchasing JCI's interest.
- 2004: Vista Gold (Barbados) Corp. (Vista) executed an option to purchase agreement over the Project with Masmindo. Vista paid US\$1.5 million (A\$2.0 million) to acquire 100% interest of PT Masmindo Dwi Area (PT MDA) which holds the CoW.
- 2009: Pan Asia (now One Asia Resources Limited, One Asia or OARL) entered a JV with Vista to acquire a 60% interest in PT MDA by spending US\$3.0 million on the Project and completing a Feasibility Study and Environmental Impact Assessment (AMDAL) on the Awak Mas Project in compliance with the CoW.
- 2011: One Asia entered into an Additional Option Agreement with Vista to acquire a further 20% interest in the Project which was conditional on conducting 5000 m of exploration drilling and making cash payments to Vista totalling US\$4.5 million.
- 2013: One Asia through its wholly owned subsidiary Awak Mas Holdings Pty Ltd (Awak Mas Holdings) entered into a Purchase Agreement with Vista for acquisition of 100% interest in the Awak Mas Gold Project. The transaction included granting Vista a Net Smelter Royalty of 2.0% on the first 1.25 million ounces of gold produced from the Awak Mas Gold Project and 2.5% on the next 1.25 million ounces of gold produced.
- 2017: Nusantara Resources Limited (formerly Awak Mas Holdings) demerged from One Asia with a 100% interest in the Awak Mas Gold Project to enable an Initial Public Offering (IPO) and listing on the Australian Securities Exchange (ASX).
- 2017: Nusantara Resources Limited (Nusantara or NUS) raised A\$16.2 million via the IPO at \$0.42/share. Nusantara (ASX: NUS) commenced trading on the ASX on the 2nd August 2017.

Appendix B - Comparable transactions

The table below details the transactions within Indonesia where there are advanced gold projects over the past 5 years.

Acquirer Name	Property (ies)	Province	Development Stage	Date	Description of Consideration	Deal Summary	Comparable?
PT Alam Tri Abadi	Pani, Tujuh Bukit, Wetar	Gorontalo, Jawa Timur, Maluku	Expansion, Operating, Prefeas/Scoping	28/04/2021	PT Adaro Energy Tbk paid Rp2,420 per share in cash to acquire an approx. 0.78% interest in PT Merdeka Copper Gold Tbk from Mr. Garibaldi Tohi.	Jakarta, Indonesia-based PT Adaro Energy Tbk unit PT Alam Tri Abadi has acquired an approx. 0.78% interest in Jakarta, Indonesia-based PT Merdeka Copper Gold Tbk from Indonesia-based Mr. Garibaldi Tohi.	No
Private company	Barisan 1, Barisan II	Aceh	Reserves Development	9/03/2017	Private Co. has paid \$1.0 million to acquire an 80% interest in Indonesian assets from Lithion Energy Corp.	Indonesia-based Private Co. has acquired 80% interest in Indonesian assets from Vancouver, British Columbia-based Lithion Energy Corp., through the acquisition of 80% interest in the PT Gayo Mineral Resources and PT Linge Mineral Resources. The Indonesian assets includes Barisan I and Barisan II properties that, are located in Aceh Province, Indonesia.	Yes
PT Indotan Halmahera Bangkit	Gosowong	Maluku Utara	Operating	31/01/2020	PT Indotan Halmahera Bangkit paid \$60.0 million in cash and will pay an additional \$30.0 million in cash, 18 months after completion, to acquire a 75% interest in the Gosowong mine from Newcrest Mining Ltd.	Indonesia-based PT Indotan Halmahera Bangkit has acquired a 75% interest in the Gosowong mine from Melbourne-based Newcrest Mining Ltd., through acquisition of 100% interest in Newcrest Singapore Holdings Pte Ltd. which owns a 75% interest in PT Nusa Halmahera Minerals that operates the mine. The mine is located in Indonesia.	No

Lion Selection Group Limited	Pani	Gorontalo	Prefeas/Scoping	1/02/2018	Lion Selection Group Ltd. issued 35.75 million shares of its common stock and 23.83 million options to acquire a 33.3% interest in the Pani gold project from One Asia Resources Ltd. In addition to this, Lion Selection Group Ltd. has also contributed A\$200,000 towards One Asia Resources Ltd.'s transaction costs. Furthermore, Lion Selection Group Ltd. has met One Asia Resources Ltd.'s joint venture funding obligations of approx. A\$1.29 million.	Melbourne-based Lion Selection Group Ltd. has acquired a 33.3% interest in the Pani gold project from Melbourne-based One Asia Resources Ltd. The project is located in Gorontalo, Indonesia.	Yes
PT Ancora Indonesia Resources Tbk	West Lombok	Nusa Tenggara Barat	Feasibility Started	5/09/2017	PT Ancora Indonesia Resources Tbk has paid approx. C\$2.57 million in cash to acquire a 90% interest in the West Lombok property from Southern Arc Minerals Inc. In addition to this, PT Ancora Indonesia Resources Tbk has granted a 3.0% net smelter return royalty, which can be bought back any time by paying C\$2.57 million. The property is also subject to an existing 2.0% net smelter return royalty in favor of a third party which may be purchased for C\$1.28 million.	Jakarta, Indonesia-based PT Ancora Indonesia Resources has acquired a 90% interest in the West Lombok property from Vancouver, British Columbia-based Southern Arc Minerals Inc. The property is located in Nusa Tenggara Barat, Indonesia.	Yes
PT Merdeka Copper Gold, Tbk.	Pani	Gorontalo	Prefeas/Scoping	5/11/2018	PT Merdeka Copper Gold Tbk. paid \$55 million in cash to acquire a 66.60% interest in the Pani project from Provident Capital Partners Pte. Ltd.	Jakarta, Indonesia-based PT Merdeka Copper Gold Tbk. has acquired a 66.60% interest in the Pani project from Singapore-based Provident Capital Partners Pte. Ltd. The project is located in Gorontalo, Indonesia.	Yes
PT Danusa Tambang Nusantara	Martabe	Sumatera Utara	Expansion	8/08/2018	PT United Tractors Tbk paid \$1.21 billion (including assumption of debt) to acquire a 95% interest in the Martabe mine from an investor group.	Jakarta Timur, Indonesia-based PT United Tractors Tbk unit Indonesia-based PT Danusa Tambang Nusantara has acquired a 95% interest in the Martabe gold mine from an investor group comprised Melbourne-based EMR Capital Group, San Francisco-based Farallon Capital Management L.L.C., Mr. Martua Sitorus, Mr. Robert Hartono and Mr. Michael Bambang Hartono. EMR Capital Group has sold an 80% interest in the Martabe gold mine under this transaction. The mine is located in Sumatera Utara, Indonesia.	No

Property	Date	Deal Value (AU\$M)	% Equity Acquired	Reserves and Resources Equivalent (oz)	Reserve & Resource Equivalent Multiple (Au\$/oz)	Au Price at Date (AU\$)	Normalised Reserve & Resource Equivalent Multiple (Au\$/oz)	Comparable?
Pani, Tujuh Bukit,	28/04/2021	38.48	0.78	NA	\$152.72	\$2,282.32	\$156.82	No
Barisan 1, Barisan II	9/03/2017	1.33	80.00	285,170	\$4.65	\$1,598.72	\$6.82	Yes
Gosowong	31/01/2020	134.09	75.00	740,097	\$181.18	\$2,367.99	\$179.31	No
Pani	1/02/2018	15.37	33.30	789,210	\$19.48	\$1,675.50	\$27.24	Yes
West Lombok	5/09/2017	2.51	90.00	2,080,871	\$1.21	\$1,665.86	\$1.70	Yes
Pani	5/11/2018	76.46	66.60	1,578,420	48.438	\$1,708.95	\$66.43	Yes
Martabe	8/08/2018	1,629.99	95.00	8,139,186	\$200.26	\$1,631.44	\$287.68	No



Scheme implementation deed

Nusantara Resources Limited

PT Indika Energy Tbk

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Date: 27 June 2021

Parties

- 1 **PT Indika Energy Tbk** of Graha Mitra, 11rd Floor, Jl. Jend Gatot Subroto Kav. 21, Jakarta 12930, Indonesia (**IND** or **Bidder**)
 - 2 **Nusantara Resources Limited (ACN 150 791 290)** of Leydin Freyer, Level 4, 96 – 100 Albert Road, South Melbourne, VIC 3205 Australia (**NUS** or **Company**)
-

Background

- A The parties have agreed that Bidder will acquire NUS by means of a scheme of arrangement under Part 5.1 of the Corporations Act between NUS and Scheme Shareholders.
- B Bidder and NUS have agreed to implement the Scheme on and subject to the terms of this deed.

The parties agree

1 Defined terms and interpretation

1.1 Defined terms

A term or expression which is defined in the dictionary in Schedule 1 has the meaning given to it in the dictionary.

1.2 Interpretation

The interpretation clause in Schedule 1 sets out rules of interpretation for this deed.

2 Agreement to proceed with Transaction

2.1 NUS to propose Scheme

- (a) NUS agrees to propose the Scheme on and subject to the terms of this deed.
- (b) NUS must not consent to any modification of, or amendment to, the Scheme, or to the making or imposition by the Court of any condition in respect of the Scheme, without the prior written consent of Bidder (such consent not to be unreasonably withheld or delayed).

2.2 Nomination of acquirer

- (a) At any time prior to 10 Business Days before the provision of the Regulator's Draft to ASIC, the Bidder may nominate a wholly-owned Subsidiary of Bidder (**Bidder Nominee**) to pay the Scheme Consideration and to which the Scheme Shares are to be transferred in accordance with the Scheme by providing a written notice which sets out the details of the Bidder Nominee to NUS.
- (b) If Bidder nominates a Bidder Nominee:
 - (i) the parties must procure that the Scheme Shares transferred under the Scheme are transferred to the Bidder Nominee rather than Bidder;

- (ii) Bidder must procure that the Bidder Nominee:
 - (A) complies with this deed as if the Bidder Nominee were a party to it in place of Bidder; or
 - (B) promptly executes and delivers to NUS a deed poll of accession in favour of NUS under which the Bidder Nominee agrees to comply with this as if it were a party to it in place of Bidder; and
 - (C) executes the Deed Poll (together with the Bidder); and
- (iii) any such nomination will not relieve Bidder of its obligations under this deed, including the obligation to pay or procure payment of the Scheme Consideration as contemplated by the terms of this deed and the Scheme (provided that Bidder will not be in breach of this deed if it does not discharge an obligation where that obligation has been fully discharged by the Bidder Nominee).

2.3 Scheme Consideration

- (a) Each Scheme Shareholder will be entitled to receive the Scheme Consideration in respect of each of their Scheme Shares, on and subject to the terms of the Scheme.
- (b) Subject to the Scheme becoming Effective, Bidder undertakes and warrants to NUS (in NUS' own right and separately as trustee for each of the Scheme Shareholders) that, in consideration of the transfer to Bidder (or if applicable, the Bidder Nominee) of all Scheme Shares pursuant to the terms of the Scheme, Bidder (or if applicable, the Bidder Nominee) will:
 - (i) accept that transfer on the Implementation Date; and
 - (ii) pay, or procure the payment of, an amount equal to the Aggregate Scheme Consideration in cleared funds into a trust account operated by NUS as trustee for the Scheme Shareholders before 12 noon on the Business Day immediately before the Implementation Date.

2.4 NUS board recommendation

NUS must use best endeavours to procure that the NUS IBC:

- (a) unanimously recommends to NUS Shareholders that they vote in favour of the resolution to approve the Scheme (**Recommendation**); and
- (b) include a statement that the NUS IBC members intend to cause any NUS Shares in which they have a Relevant Interest to be voted in favour of the resolution to approve the Scheme (**Voting Intention**),

and does not publicly change, withdraw or modify their Recommendation or Voting Intention unless:

- (c) the NUS IBC members, after considering the matter in good faith and after taking advice from external legal advisers, determines that a Competing Proposal is a Superior Proposal or it no longer considers the Scheme to be in the best interests of NUS Shareholders; or

- (d) the Independent Expert concludes that the Scheme is not in the best interests of NUS Shareholders.

2.5 Confirmation

NUS represents and warrants to Bidder that it has been advised by each NUS IBC director in office at the date of this deed that he or she will make and maintain their Recommendation and Voting Intention unless permitted to change or withdraw it in accordance with this deed.

3 Conditions precedent

3.1 Conditions

Subject to this clause 3, the Scheme will not become Effective until and unless the following Conditions are satisfied or waived in accordance with clause 3.4:

- (a) **Independent Expert:** The Independent Expert concludes in the Independent Expert's Report that the Scheme is in the best interests of NUS Shareholders on or before the date on which the Scheme Booklet is registered by ASIC under the Corporations Act (and does not change or publicly withdraw that conclusion prior to the Delivery Time).
- (b) **Court approval:** The Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act.
- (c) **NUS Shareholder approval:** NUS Shareholders approve the Scheme at the Scheme Meeting by the requisite majorities under section 411(4)(a) of the Corporations Act.
- (d) **Restraints:** No restraining order, injunction or other order that would prevent the Scheme made by a court of competent jurisdiction or Governmental Agency in Australia on the application of a Government Agency in one of those jurisdictions is in effect as at the Delivery Time.
- (e) **Prescribed Occurrence:** No Prescribed Occurrence occurs between the date of this deed and the Delivery Time.
- (f) **Material Adverse Change:** No Material Adverse Change occurs, is announced or becomes known to Bidder between the date of this deed and the Delivery Time.

3.2 Reasonable endeavours

- (a) NUS must, to the extent within its power to do so, use reasonable endeavours to procure that the Condition in clause 3.1(e) is satisfied.
- (b) Each of NUS and Bidder must, to the extent within its power to do so, use reasonable endeavours to procure that:
 - (i) the Conditions in clauses 3.1(a), 3.1(b), 3.1(c), 3.1(d) and (in the case of Clause 3.1(f), in their respective capacities as shareholders of MAS) are satisfied as soon as practicable after the date of this deed; and
 - (ii) there is no occurrence within its control or the control of any of its Related Bodies Corporate that would prevent any of those Conditions being satisfied.

- (c) No party shall take any action that will or is likely to hinder or prevent the satisfaction of any Condition except to the extent that such action is required to be done or procured pursuant to this deed, the Scheme or the Deed Poll or is required by law.
- (d) NUS will not be in breach of its obligations under clause 3.2(a), 3.2(b) or 3.2(c) to the extent that it takes or omits to take any action referred to in clause 5.1(c) or 5.1(d).

3.3 Notice in relation to satisfaction of Conditions

Each party must:

- (a) keep the other party promptly and reasonably informed of the steps it has taken and of its progress towards satisfaction of the Conditions;
- (b) in relation to any Condition, promptly notify the other party in writing upon becoming aware of:
 - (i) the satisfaction of that Condition, in which case the notifying party must also provide reasonable evidence that the Condition has been satisfied; or
 - (ii) any fact or circumstance that it becomes aware of which results in, or may result in, that Condition becoming incapable of satisfaction or may result in that Condition not being satisfied in accordance with its terms; and
- (c) in relation to any Condition, promptly notify the other party in writing of a breach or non-fulfilment of a Condition or any occurrence or event that will prevent a Condition from being satisfied and where a party is entitled to waive that Condition upon receipt or delivery of such a notice (as applicable) that party must notify the other party in accordance with clause 3.4 as soon as reasonably practicable after receipt of that notice (and in any event before 6.00 pm on the Business Day before the Second Court Date) as to whether the party waives the breach or non-fulfilment of the Condition resulting from the occurrence or event.

3.4 Waiver of Conditions

- (a) The Conditions in clauses 3.1(a), 3.1(b), 3.1(c) and 3.1(d) cannot be waived.
- (b) The Conditions in clauses 3.1(e) and 3.1(f) are for the sole benefit of Bidder and may only be waived by Bidder in writing.
- (c) Waiver of breach or non-fulfilment of a Condition does not constitute:
 - (i) a waiver of breach or non-fulfilment of any other Condition resulting from the same event; or
 - (ii) a waiver of breach or non-fulfilment of that Condition resulting from any other event.

3.5 Failure of Condition

- (a) If:
 - (i) there is a breach or non-fulfilment of a Condition that has not been waived in accordance with clause 3.4;

(ii) a Condition becomes incapable of satisfaction and the breach or non-fulfilment of that condition precedent that has occurred, or would otherwise occur, has not been waived in accordance with clause 3.4; or

(iii) the Scheme has not become Effective by the End Date,

then NUS and Bidder must promptly consult, acting reasonably and in good faith, to determine whether they can reach agreement with respect to:

(iv) an extension of the time for satisfaction of the relevant Condition or to adjourn or change the date of an application to the Court;

(v) an extension of the End Date; or

(vi) the Transaction proceeding by way of alternative means or methods.

(b) If NUS and Bidder have not reached agreement under clause 3.5(a) within 5 Business Days or by the End Date, then, in each case before the Delivery Time, either of them may terminate this deed by giving written notice to the parties, provided that a party may only exercise such termination right if the relevant circumstances did not arise due to a breach of this deed by that party or a deliberate act or omission of that party for the purpose of frustrating satisfaction of the Condition.

(c) If the Condition in clause 3.1(c) is not satisfied only because of a failure to obtain the majority required by section 411(4)(a)(ii)(A) of the Corporations Act, then either party may by written notice to the other within three Business Days after the date of the conclusion of the Scheme Meeting require the approval of the Court to be sought, pursuant to the Court's discretion in section 411(4)(a)(ii)(A), provided the party has, in good faith formed the view that the prospect of the Court exercising its discretion in that way is reasonable. If approval is given, the Condition in 3.1(c) is deemed to be satisfied for all purposes.

3.6 Certain notices

If a party becomes aware:

(a) that any Condition has been satisfied; or

(b) of any fact, matter or circumstance that has resulted, will result or is reasonably likely to result, in:

(i) a Condition becoming incapable of satisfaction or otherwise not being satisfied in accordance with its terms;

(ii) a breach of a Warranty provided by that party under this deed or such a Warranty ceasing to be true and correct in all material respects; or

(iii) a material breach of this deed by that party,

it must promptly notify the other party in writing and provide such evidence or details as may be reasonably requested by another party.

4 Implementation steps and Scheme Booklet

4.1 NUS obligations

Subject to any change of recommendation by the NUS IBC that is permitted by clause 2.4, NUS must take all steps reasonably necessary to promptly implement the Scheme as soon as reasonably practicable after the date of this deed and use all reasonable endeavours to do so in accordance with the Timetable and otherwise on and subject to the terms of this deed. Without limiting the foregoing, NUS must:

- (a) **Independent Expert:** as soon as reasonably practicable after the date of this deed, appoint the Independent Expert and provide all assistance and information reasonably requested by the Independent Expert in connection with the preparation of the Independent Expert's Report, and if, after the date of public release of the initial Independent Expert's Report, NUS proposes to provide any new or additional information to the Independent Expert, provide a copy of that information to Bidder and consult with Bidder in relation to that information, including by having regard to (in good faith) all comments from Bidder in relation to that information;
- (b) **Preparation of Scheme Booklet:** as soon as reasonably practicable after the date of this deed, prepare the Scheme Booklet (other than the Bidder Information and the Independent Expert's Report) in accordance with applicable laws, including the Corporations Act and Corporations Regulations, ASIC Regulatory Guide 60, Takeovers Panel guidance notes and the Listing Rules and provide Bidder with drafts of the Scheme Booklet;
- (c) **Consult with Bidder in relation to the Scheme Booklet:** consult with Bidder as to the content and presentation of the Scheme Booklet, including allowing Bidder a reasonable opportunity to review and make suggested amendments to the draft Scheme Booklet, and if such suggested amendments relate to the Bidder Information, NUS must adopt such suggested amendments, and in respect of any other suggested amendments or comments made by Bidder, NUS must consider in good faith such comments, provided that, in respect of the Independent Expert's Report, any such comments must be limited to matters of factual accuracy and NUS makes no representation, and gives no assurance, as to the extent to which such comments will be considered or incorporated by the Independent Expert;
- (d) **Bidder Information:** obtaining Bidder's written consent (which shall not be unreasonably withheld or delayed) to the inclusion of the Bidder Information (including in respect of the form and context in which the Bidder Information appears in the Scheme Booklet);
- (e) **Approval of draft Scheme Booklet:** procure that a meeting of the NUS IBC is convened to approve the draft Scheme Booklet to be provided to ASIC for its review;
- (f) **Lodgement of Scheme Booklet:**
 - (i) provide an advanced draft of the Scheme Booklet (**Regulator's Draft**) to ASIC for its review for the purposes of section 411(2) of the Corporations Act; and
 - (ii) keep Bidder reasonably informed of any material issues raised by ASIC in relation to the Scheme Booklet and any steps taken to address such issues;

- (g) **Approval of Scheme Booklet:** procure that a meeting of the NUS IBC is convened to consider approving the despatch of the Scheme Booklet to NUS Shareholders, subject to orders of the Court under section 411(1) of the Corporations Act;
- (h) **No objection statement:** apply to ASIC for:
 - (i) a letter stating that ASIC does not intend to appear at the First Court Hearing; and
 - (ii) a statement under section 411(17)(b) of the Corporations Act stating that ASIC has no objection to the Scheme;
- (i) **First Court Hearing:** apply to the Court for orders under section 411(1) of the Corporations Act directing NUS to convene the Scheme Meeting;
- (j) **Approval and registration of Scheme Booklet:** request that ASIC register the Scheme Booklet in accordance with section 412(6) of the Corporations Act;
- (k) **Despatch:** as soon as reasonably practicable following registration of the Scheme Booklet by ASIC, despatch the Scheme Booklet to NUS Shareholders;
- (l) **Supplementary disclosure:** if, after despatch of the Scheme Booklet, NUS becomes aware:
 - (i) that information included in the Scheme Booklet is or has become misleading or deceptive in any material respect (whether by omission or otherwise); or
 - (ii) of information that is required to be disclosed to NUS Shareholders under any applicable law but was not included in the Scheme Booklet,

promptly consult with Bidder and make any supplementary disclosure to NUS Shareholders that NUS considers reasonably necessary in the circumstances;
- (m) **Scheme Meeting:** convene and hold the Scheme Meeting to approve the Scheme in accordance with the orders made by the Court at the First Court Hearing;
- (n) **Conditions Certificate:** at the Second Court Hearing, provide to the Court (through its counsel) a certificate confirming (in respect of matters within its knowledge) whether or not the Conditions (other than the Condition in clause 3.1(b)) have been satisfied or waived in accordance with clause 3, a draft of which must be provided to Bidder by 5:00pm on the Business Day prior to the Second Court Date;
- (o) **Second Court Hearing:** subject to the Conditions (other than the Condition in clause 3.1(b)) being satisfied or waived in accordance with clause 3, apply to the Court for orders under section 411(4)(b) of the Corporations Act approving the Scheme;
- (p) **Court Documents:** prepare the Court Documents, provide drafts of those documents to Bidder and consider in good faith any reasonable comments promptly provided by or on behalf of Bidder;
- (q) **Bidder representation at Court Hearings:** allow, and not oppose, any application by Bidder for leave of the Court to be represented by counsel at a Court Hearing;

- (r) **Lodgement of Court order:** for the purposes of section 411(10) of the Corporations Act, lodge with ASIC an office copy of the orders made by the Court under section 411(4)(b) of the Corporations Act before 5:00pm on the Business Day immediately following the day on which it receives such office copy;
- (s) **Quotation of NUS Shares and ASX listing:** apply to ASX to have:
 - (i) trading in NUS Shares suspended from the close of trading on the Effective Date; and
 - (ii) NUS removed from the official list of ASX, and quotation of NUS Shares on ASX terminated, by the close of trading on the trading day immediately following the Implementation Date;
- (t) **Court approval application:** if the resolution submitted to the Scheme Meeting in relation to the Scheme is passed by the requisite majorities required under section 411(4)(a)(ii) of the Corporations Act and subject to all other Conditions (other than the Condition in clause 3.1(b)) being satisfied or waived in accordance with this deed, apply to the Court for orders approving the Scheme in accordance with sections 411(4)(b) and 411(6) of the Corporations Act;
- (u) **ASIC and ASX review:** keep Bidder informed of any material matters raised by ASIC or ASX in relation to the Scheme Booklet or the Transaction, and use reasonable endeavours to take into consideration any suggestions raised by Bidder in resolving such matters;
- (v) **Promote merits of Transaction:** participate in efforts reasonably requested by Bidder to promote the merits of the Transaction and the Scheme Consideration to key NUS Shareholders; and
- (w) **Compliance with laws:** do everything reasonably within its power to ensure that the Transaction is effected in accordance with the terms of this deed and applicable laws.

4.2 Bidder obligations

Bidder (and, if applicable, the Bidder Nominee) must take all steps reasonably necessary to implement the Scheme as soon as reasonably practicable and use all reasonable endeavours to do so in accordance with the Timetable and otherwise on and subject to the terms of this deed. Without limiting the foregoing, Bidder must:

- (a) **Prepare Bidder Information:** as soon as practicable after the date of this deed:
 - (i) prepare the Bidder Information for inclusion in the Scheme Booklet in accordance with all applicable laws, including the Corporations Act and Corporations Regulations, ASIC Regulatory Guide 60, Takeovers Panel guidance notes and the Listing Rules; and
 - (ii) provide NUS with drafts of the Bidder Information and consider in good faith any reasonable comments provided by or on behalf of NUS;
- (b) **Final form of Bidder Information:** provide to NUS the Bidder Information (including drafts thereof) in a form appropriate for inclusion in the Scheme Booklet;
- (c) **Assistance with Scheme Booklet and Court Documents:** provide any assistance or information reasonably requested by NUS or its Representatives in connection with the preparation of the Scheme Booklet (including any

supplementary disclosure to NUS Shareholders) or any Court Documents, including reviewing drafts of the Scheme Booklet and Court Documents provided by or on behalf of NUS and promptly providing comments in good faith;

- (d) **Independent Expert's Report:** provide any assistance or information reasonably requested by NUS or its Representatives, or by the Independent Expert, in connection with the preparation of the Independent Expert's Report, and IND will procure that Petrosea provides any information in relation to the Petrosea FEED Contract, Petrosea Umbrella Services Contract or the Petrosea Share Pledge Documents as may be reasonably requested in connection with the preparation of such report;
- (e) **Confirmation of Bidder Information:** promptly after NUS requests that it does so (and in any event prior to 5pm on the Business Day prior to the First Court Date), confirm in writing to NUS that:
 - (i) it consents to the inclusion of the Bidder Information in the Scheme Booklet, in the form and context in which the Bidder Information appears;
 - (ii) the Bidder Information is accurate and not misleading or deceptive in any material respect (whether by omission or otherwise) and otherwise complies with all applicable laws, ASIC Regulatory Guide 60, Takeovers Panel guidance notes and the Listing Rules; and
 - (iii) the Bidder Information is in a form appropriate for inclusion in the Scheme Booklet;
- (f) **Provide comments promptly:** promptly (having regard to the Timetable) provide comments on documents on which NUS and Bidder are required to consult in accordance with clause 4.1(c) (including the Scheme Booklet and all material documents required to be given to the Court in relation to the Scheme);
- (g) **Update Bidder Information:** promptly notify NUS in writing if it becomes aware:
 - (i) of information which should have been but was not included in the Bidder Information, and promptly provide NUS with the omitted information; or
 - (ii) that the Bidder Information is or has become misleading or deceptive in any material respect (whether by omission or otherwise), or otherwise does not comply with applicable laws, ASIC Regulatory Guide 60, Takeovers Panel guidance notes and the Listing Rules, and promptly provide NUS with all information necessary to ensure the Bidder Information complies with applicable laws and is not false or misleading in any material respect (whether by omission or otherwise);
- (h) **Deed Poll:** before 5:00pm on the date that is 2 Business Days before the First Court Date, execute, and procure that the Bidder and (if applicable) Bidder Nominee executes, the Deed Poll, and deliver the fully executed Deed Poll to NUS and, if the Scheme becomes Effective, fully comply with the Deed Poll;
- (i) **Conditions certificate:** before the Delivery Time, provide to NUS for provision to the Court at the Second Court Hearing a certificate confirming (in respect of matters within its knowledge) whether or not the Conditions (other than the Condition in clause 3.1(b)) have been satisfied or waived in accordance with clause 3, a draft of which must be provided to NUS by 5:00pm on the date 2 Business Days before the Second Court Date;

- (j) **Representation at Court:** ensure that it is represented by counsel at each Court Hearing, and (if requested by the Court) undertake, through its counsel, to do all things within its power to ensure the fulfilment of its obligations under this deed and the Deed Poll and as are reasonably necessary to ensure the Court makes an order under section 411(4)(b) of the Corporations Act approving the Scheme;
- (k) **Scheme Consideration:** if the Scheme becomes Effective, pay or procure the payment of the Scheme Consideration in the manner and in the amount contemplated by clause 2.3(b)(ii), the terms of the Scheme and the Deed Poll;
- (l) **Share transfer:** if the Scheme becomes Effective, accept a transfer of the Scheme Shares as contemplated by clause 2.3(b)(i) and execute instruments of transfer in respect of the Scheme Shares;
- (m) **Promotion of Transaction:** participate in efforts reasonably requested by NUS to promote the merits of the Transaction, including:
 - (i) meeting with key NUS Shareholders where requested by NUS; and
 - (ii) providing NUS with such information and assistance as NUS reasonably requests to enable it to promote the merits of the Transaction; and
- (n) **Compliance with laws:** do everything reasonably within its power to ensure that the Transaction is effected in accordance with the terms of this deed and applicable laws.

4.3 MAS assistance

NUS and IND agree that to the extent MAS has information which may assist NUS, IND or the Independent Expert in the preparation of the Scheme Booklet and/or the Independent Expert's Report then NUS and IND must promptly direct MAS, and exercise its rights (or procure that their respective Subsidiaries exercise their rights) under the MAS Shareholders Agreement, MAS Articles of Association and the applicable laws, to procure the provision of such information to NUS, IND and the Independent Expert.

4.4 Scheme Booklet

- (a) If, after a reasonable period of consultation, Bidder and NUS are unable to agree on the form or content of a particular part of the Scheme Booklet (other than the Independent Expert's Report), then:
 - (i) if the relevant part of the Scheme Booklet is Bidder Information, NUS will make such amendments to that part of the Scheme Booklet as required by Bidder (acting reasonably and in good faith); and
 - (ii) in any other case, NUS (acting reasonably and in good faith) will decide the form and content of that part of the Scheme Booklet.
- (b) Bidder and NUS agree that the Scheme Booklet will contain a responsibility statement to the effect that:
 - (i) NUS is responsible for the NUS Information contained in the Scheme Booklet, and none of Bidder or its Related Bodies Corporate or their respective directors, officers or employees assumes any responsibility or liability for the accuracy or completeness of the NUS Information;

- (ii) Bidder is responsible for the Bidder Information contained in the Scheme Booklet, and none of NUS or its Related Bodies Corporate or their respective directors, officers or employees assumes any responsibility or liability for the accuracy or completeness of the Bidder Information; and
- (iii) the Independent Expert is responsible for the Independent Expert's Report, and none of Bidder or its Related Bodies Corporate or their respective directors, officers or employees, nor NUS or its Related Bodies Corporate or their respective directors, officers or employees, assumes any responsibility or liability for the accuracy or completeness of the Independent Expert's Report.

5 Conduct of business and transitional matters

5.1 Conduct of business

- (a) Subject to clause 5.1(c), from the date of this deed until the Implementation Date, NUS must, and must procure that each entity of the NUS Group (including MAS), will, conduct the business and operations of the NUS Group:
 - (i) as a going concern in the ordinary and normal course and consistent with the Agreed Budget and business plans disclosed to Bidder and agreed by NUS and Bidder prior to the date of this deed, and in respect of activities or expenditure outside the scope of such Agreed Budget and business plans, must not make any significant change to the nature or scale of any activity comprised in its businesses and operations; and
 - (ii) substantially consistent with the manner in which the business and operations were conducted prior to the date of this deed to the extent it remains appropriate to do so having regard to the current state of development and progress in the NUS business and operations (subject to all applicable laws, regulations and requirements of Government Agencies), including:
 - (A) complying in all material aspects with all material contracts to which a NUS Group member is a party;
 - (B) using reasonable endeavours to preserve its current business organisation and its current relationships with Government Agencies and others with whom it has business dealings;
 - (C) maintaining (and if necessary, renewing) each material consent, registration, filing, contract, notice of non-objection, notarisation, certificate, licence, approval, permit, authority or exemption issued or granted by a Government Agency or relevant industry body, in each case which is necessary to the conduct the business of the NUS Group;
 - (D) protecting and maintaining each of its physical assets in the normal course and consistent with past practices;
 - (E) maintaining appropriate and adequate insurance in respect of each of the assets of the NUS Group which are insurable and promptly notifying Bidder if any renewal proposal is not accepted by the insurer;

- (F) keeping and maintaining proper records of all its dealings and transactions relating to its business and operations;
- (G) in relation to the Project, using all reasonable endeavours to progress the Project in the ordinary course and in the same way that a reasonable and prudent person in the position of the NUS Group would do and, in particular, use all reasonable endeavours to ensure that on or before 6:00 pm on the Business Day before the Second Court Date it takes such steps in relation to the Project as have been agreed and minuted at the meetings of the board of directors of MAS;
- (H) preserving relationships with joint venturers, customers, suppliers, landlords, licensors, licensees and other persons with whom it has business dealings and which are material to the NUS Group;
- (I) ensuring that all amounts owing to trade or other creditors of the entity are paid in accordance with applicable payment terms or customary practices;
- (J) consulting with Bidder in relation to the preparation and approval of any budget or business plan relating to NUS businesses or operations;
- (K) not undertaking any action which would, or would reasonably be expected to, give rise to a Prescribed Occurrence;
- (L) conducting its business and operations in accordance with all applicable laws and regulations and sound industry practice in all material respects;
- (M) with regards to MAS to the extent it is reasonably within NUS' control to do so via the rights of Salu Siwa as a shareholder of MAS and via the rights of NUS nominee directors on the board of MAS (including, for the avoidance of any doubt, procuring voting in favour of any resolutions necessary to give effect to the terms of this deed and implementation of the Scheme), procure that MAS:
 - (1) conducts its business activities based on the Agreed Budget and business plan or otherwise agreed in writing by NUS and Bidder;
 - (2) conducts its business activities based on the use of proceeds agreed under the MAS Additional Funding Agreement until completion of the Scheme or otherwise agreed in writing by NUS and Bidder;
 - (3) does not approve any waiver, modification, variation, amendments and/or notice to proceed with reference to any existing material contract entered into by MAS, including but not limited to the Petrosea FEED Contract Addendum and Petrosea Umbrella Services Contract;
 - (4) works together on the completion of the Petrosea FEED Contract with Petrosea based on the Petrosea FEED Contract Addendum and the Petrosea Umbrella Services Contract;

- (5) negotiates in good faith with Petrosea in relation to the EPC Work, provided that nothing in this deed requires MAS to enter into any binding arrangement with Petrosea in relation to such EPC Work prior to the day after the Implementation Date; and
 - (6) maintains its business activities, led by the appointed Person-In-Charge, in accordance with any existing contractual obligations binding on MAS; and
- (N) with regards to NUS:
- (1) conducting its business activities based on the Agreed Budget and business plan; and
 - (2) ensuring that MAS (or NUS on behalf of MAS) gives notice by the deadline of 1 July 2021, and pays the amount specified under the Net Smelter Royalty Agreement, to extend the date for exercise by MAS (or NUS on behalf of MAS) of the right to purchase the royalties (**Purchase Date**), and in the event implementation of the Scheme has not occurred by 30 September 2021, ensuring that MAS (or NUS on behalf of MAS) gives notice by the deadline of 1 October 2021 and makes payment of the specified amount under the Net Smelter Royalty Agreement to further extend the Purchase Date,

provided that, for the avoidance of doubt, in the case of MAS, NUS is only required to procure that MAS conducts the business and operations of MAS in accordance with the matters specified in clause 5.1(a) to the extent it is reasonably within NUS' control to do so using all reasonable endeavours via the rights of Salu Siwa as a shareholder of MAS and via the rights of NUS nominee directors on the board of MAS (including, for the avoidance of any doubt, procuring voting in favour of any resolutions necessary to give effect to the terms of this deed and implementation of the Scheme).

- (b) Without limiting clause 5.1(a) NUS must not, and must procure that each other member of the NUS Group (including MAS) does not, without the consent of Bidder (not to be unreasonably withheld or delayed):
- (i) declare, pay or distribute any dividend or other share of its profits or assets;
 - (ii) make any change to its constitution;
 - (iii) acquire or dispose (or agree to acquire or dispose) of any securities, business or assets having a value in excess of \$100,000, other than to or from another member of the NUS Group;
 - (iv) make a commitment to, or incur, capital expenditure of more than \$100,000 in one transaction or a series of related transactions;
 - (v) incur financial indebtedness of an amount exceeding \$100,000 (excluding any borrowings advanced (1) by a member of the NUS Group; (2) by IND or its Related Bodies Corporate to MAS, and (3) pursuant to the Petrosea FEED Contract or the MAS Additional Funding Documents, and excluding, for the avoidance of doubt, any indebtedness under or in connection with the NUS Group's existing debt facilities or private placement notes, or related hedging arrangements);

- (vi) enter into, materially varies or terminates any contract under which the NUS Group would receive revenue, or make expenditure, of more than \$100,000 over the life of the contract;
- (vii) pay, discharge or satisfy any liability under a contract, arrangement or understanding to the NUS Group of more than \$100,000 other than in accordance with its terms;
- (viii) vary any employment agreement with one or more of its officers, directors, other executives, or employees, or accelerate or otherwise increase remuneration, compensation or rights to benefits for any of the aforementioned, other than:
 - (A) in accordance with an existing contractual obligation to do so which have been disclosed in writing to Bidder prior to the date of this deed;
 - (B) pursuant to an obligation under the NUS Group's policies and guidelines in effect as at the date of this deed (the terms of which have been disclosed in writing to Bidder prior to the date of this deed); or
 - (C) as required by law or regulation;
- (ix) enter into a new employment contract with a potential employee of the NUS Group in which the total employment costs and obligations payable to that potential or existing employee exceed \$100,000 per annum;
- (x) pay a director, employee or consultant a termination or retention payment, other than as provided for in an existing contract in place as at the date of this document and a copy of which has been Fairly Disclosed;
- (xi) do or omit to do anything which might result in the variation, termination, suspension, revocation or non-renewal of any licence or authorisation held by the NUS Group which is material to the operation of its business;
- (xii) take any action in respect of its software or information technology systems (including to enter into, vary or terminate any contract or commitment relating to the use or development of that software or those systems) which would have a material adverse impact on the use of that software or those systems;
- (xiii) change any accounting policies or practices;
- (xiv) make any material tax election or settle or compromise any material liability relating to tax unless NUS has received an opinion from a Queen's Counsel that the settlement or compromise is in the best interests of the NUS Group;
- (xv) guarantee or indemnify the obligations of any other person other than a member of the NUS Group;
- (xvi) cease, or threaten to cease, to carry on a substantial part of its business;
- (xvii) settle any legal proceedings, claim, investigation, arbitration or other like proceeding where the settlement amount exceeds \$100,000; or
- (xviii) authorise, agree, offer, commit or resolve to do any of the matters set out in clauses 5.1(b)(i) to 5.1(b)(xvii) (inclusive).

provided that, for the avoidance of doubt, in the case of MAS, NUS is only required to procure that MAS conducts the business and operations of MAS in accordance with the matters specified in clause 5.1(b) to the extent it is reasonably within NUS' control to do so via the rights of Salu Siwa as a shareholder of MAS and via the rights of NUS nominee directors on the board of MAS.

- (c) Nothing in this clause 5.1 restricts any member of the NUS Group from doing or not doing (or agreeing to do or not do) anything which:
 - (i) is required by any applicable law or Government Agency (including any administrative orders or guidance in relation to COVID-19 or other epidemics or pandemics) or is required for any NUS Director to comply with his or her fiduciary or statutory duties;
 - (ii) is required or permitted by this deed, the Scheme, the IND Transaction Documents or any transaction contemplated by any of them;
 - (iii) is required to pay any tax or duty when due;
 - (iv) is required to obtain or maintain insurances for the NUS Group (or any member thereof) or the business conducted by the NUS Group (or any member thereof);
 - (v) in the reasonable opinion of a member of the NUS Group, is a necessary and prudent response to any emergency or disaster (including a situation giving rise to a risk of personal injury or damage to property);
 - (vi) relates to payment of any costs and expenses reasonably necessary to proceed with the Transaction, including all fees payable to external advisers of NUS, retention payments and costs of D&O insurance referred to in clause 5.8 to the extent Fairly Disclosed to IND or are required by this deed;
 - (vii) has been Fairly Disclosed in the Disclosure Materials or Disclosure Letter, or in any documents lodged with ASX or ASIC or any other Government Agency in Australia or Indonesia by or on behalf of any member of the NUS Group before the date of this deed;
 - (viii) is within the actual knowledge of Bidder;
 - (ix) has been consented to or approved by IMI at any shareholder meeting of MAS or by the IMI or IND nominee directors at any meeting of the board of directors of MAS or NUS (as the case may be); or
 - (x) has been consented to in writing by Bidder or Bidder Nominee (such agreement not to be unreasonably withheld or delayed).
- (d) For the avoidance of doubt, nothing in clause 5.1(a) restricts the ability of NUS to respond to a Competing Proposal in accordance with clause 7.
- (e) If NUS requests Bidder's consent for the purposes of clause 5.1(c)(x) and Bidder does not notify NUS within:
 - (i) 3 Business Days of the request being made; or
 - (ii) such shorter period (if any) as specified in the request where, in the reasonable opinion of NUS, a shorter period is required to avoid prejudice to the interests of the NUS Group,

then Bidder will be deemed to have consented to the relevant matters the subject of the request.

- (f) IND agrees it must promptly direct MAS, and exercise its rights or procure that IMI exercise its rights under the MAS Shareholders Agreement, MAS Articles of Association and applicable laws to procure MAS' compliance with the provisions in this clause 5.1.
- (g) Each of NUS and IND agree that from the date of this deed until the Implementation Date they will each use reasonable endeavours to obtain the approval of the *Rancangan Kerja dan Anggaran Biaya* (RKAB) for MAS' annual budget and work plan for 2021 by the Ministry of Energy and Mineral Resources of the Republic of Indonesia.

5.2 Information and access obligations

- (a) Subject to clause 5.2(b), from the date of this deed until the Implementation Date, NUS must:
 - (i) within 21 days after the end of each calendar month, provide Bidder with the monthly management reports of NUS;
 - (ii) promptly provide Bidder with a notice in writing of any breach of this deed on becoming aware of such breach;
 - (iii) use reasonable endeavours to procure that, subject to Bidder providing reasonable notice, Bidder is provided with reasonable access during normal business hours to information, premises, employees, advisors and officers (including the chief executive officer and chief financial officer) of NUS where Bidder reasonably requests such access for the purposes of:
 - (A) facilitating Bidder to develop plans for NUS' operations and business following implementation of the Scheme;
 - (B) understanding NUS' financial position (including cash flow and working capital position), trading performance and management control systems;
 - (C) implementing the Scheme; or
 - (D) any other purpose agreed with NUS in writing.
- (b) NUS will not be required to comply with clause 5.2(a) provided that:
 - (i) information will be made available via a data room; or
 - (ii) NUS will not be required to provide access under clause 5.2(a) to the extent that doing so would, in the reasonable opinion of NUS: (1) cause unreasonable disruption to the NUS Group's business; (2) result in any member of the NUS Group breaching any applicable law or requirement of any Government Agency, or any obligation of confidentiality owed to a Third Party; or (3) prejudice the interests of the NUS Group (or any member thereof) or compromise legal privilege.
- (c) Subject to clause 7, nothing in clauses 5.2(a) or 5.4 requires NUS to provide any information concerning its directors' and management's consideration of the Scheme or any Competing Proposal.

- (d) Any information provided by NUS pursuant to clause 5.2(a) will be subject to clause 13.

5.3 Material change of control consents

- (a) NUS represents and warrants to Bidder, subject to clause 9.5, that it has Fairly Disclosed all change of control or unilateral termination rights in material contracts with each supplier to, or customer of, the NUS Group which may be triggered by or exercised as a result of the implementation of the Scheme.
- (b) Bidder must take, and must procure that its Related Bodies Corporate (including IND, IMI and Petrosea) provide any consents required under the terms of the IND Transaction Documents for the change of control in NUS pursuant to the Transaction.

5.4 Transition Committee

- (a) On and from the date of this deed, NUS and Bidder agree to establish a committee (**Transition Committee**) initially comprising the following individuals:
 - (i) as representatives of NUS, Robin Widdup and Craig Smyth;
 - (ii) as representative of Bidder, Azis Armand and Adi Darma Shima.
- (b) The Transition Committee must work together in good faith, consult with each other and plan to:
 - (i) scope the workplan, composition and schedule for the Transition Committee in relation to implementing the Scheme and transitioning the business of the NUS Group to Bidder;
 - (ii) implement the Scheme; and
 - (iii) ensure the transition of the management of the business and the affairs of the NUS Group to Bidder following the implementation of the Scheme.
- (c) Without limiting clause 5.4(b), the matters considered by the Transition Committee will include:
 - (i) consulting with Bidder and obtain consent from Bidder (not to be unreasonably withheld or delayed) in relation to all major business decisions of the NUS Group outside the scope of the Agreed Budget and business plans, including, for the avoidance of doubt, concerning MAS and its operation by NUS (subject to clause 5.2(c));
 - (ii) providing Bidder with details of any material contracts which are proposed to be entered into prior to the next Transition Committee meeting;
 - (iii) provide Bidder with details of any material change in NUS' business or financial position;
 - (iv) any matters material to the Transaction and their potential impact including any matters, events or occurrences reasonably likely to result in a breach of this deed;
 - (v) the strategy for engagement with key stakeholders (including Government Agencies and key contractual counterparties); and

- (vi) the process for obtaining any change of control consent in respect of any material contracts.
- (d) The Transition Committee will be a forum for consultation between the parties which will enable the Transition Committee to provide direction and advice on the conduct of any negotiations between the parties, MAS, Petrosea, and/or other members of the NUS Group relevant to the implementation of the Scheme and/or its related arrangements, and the Transition Committee may, where appropriate, be involved in any negotiations amongst them, including but not limited to those between MAS and Petrosea in relation to the Petrosea FEED Contract Addendum and Petrosea Umbrella Services Contract.
- (e) Any information provided to Representatives of Bidder under this clause 5.4 will be subject to the obligations set out in clause 13.
- (f) The Transition Committee will meet at least fortnightly or on such shorter timeframes as NUS and Bidder may agree. Meetings may be held via telephone.
- (g) The members of the Transition Committee may agree to invite other persons to attend meetings of the Transition Committee from time to time (including the parties' respective legal and financial advisers).
- (h) Unless permitted otherwise under this deed, nothing in this clause 5.4:
 - (i) in any way, or to any extent, limits NUS' conduct of the business of the NUS Group (including doing anything to progress the Project);
 - (ii) requires NUS to act at the direction of Bidder or imposes any obligation on NUS to conduct the business of the NUS Group in accordance with any direction or representation made by Bidder; or
 - (iii) requires any party to act or participate in any forum to the extent that doing so is contrary to law or the requirements of any Government Agency.

5.5 Performance Rights and Options

- (a) No later than 5 Business Days after the announcement of the Scheme, NUS will issue a written notice of the Scheme to all holders of NUS Employee Options in accordance with the Employee Share and Option Plan Rules dated June 2017 applicable to the NUS Employee Options, whereupon all NUS Employee Options (which have not lapsed or expired), must be exercised at any time prior to the earlier of:
 - (i) the later of:
 - (A) 60 days after receiving such notice; and
 - (B) the date that the Scheme becomes unconditional; and
 - (ii) the expiry date of such NUS Employee Option (where the expiry date of the relevant NUS Employee Option occurs before either date in clause 5.5(a)(i))

(Option Exercise Period).
- (b) If any NUS Employee Options remain unexercised after the Option Exercise Period, the NUS Employee Options will lapse without further payment from NUS.

- (c) NUS confirms that as at the date of this deed, 2,400,000 NUS Performance Rights (with an expiry date of 31 December 2023) are outstanding, and will vest and be exercised into NUS Shares prior to the Record Date.
- (d) To avoid doubt, Bidder acknowledges and agrees that, despite any other provision of this deed:
 - (i) the NUS Board can exercise such discretions and authorise such actions and take such steps under the rules of NUS Employee Share and Option Plan Rules or the Incentive Option and Performance Rights Scheme (or otherwise) as it considers necessary or desirable to give effect to the arrangements; and
 - (ii) no action or matter contemplated in this clause 5.5 will give rise to, or in any way contribute to, any breach of a Condition or any breach of any provision of this deed.

5.6 Resignation of directors

- (a) Subject to implementation of the Scheme in accordance with its terms including Bidder having paid the Scheme Consideration, NUS must procure that, with effect on and from the Implementation Date:
 - (i) those persons nominated by Bidder are appointed to the NUS Board and/or the boards of other members of the NUS Group (including MAS), subject to such persons having duly signed consents to act as a director of the relevant member(s) of the NUS Group and such consents to act having been provided to NUS before the Effective Date; and
 - (ii) those persons nominated by Bidder provide written notice to the effect that they have no claim outstanding for loss of office, remuneration or otherwise against the NUS Group and resign as directors of NUS and/or other members of the NUS Group.
- (b) Any nomination by Bidder under clause 5.6(a)(i) or 5.6(a)(ii) must be made by written notice to NUS, and such notice must be given before the Effective Date.
- (c) Nothing in clause 5.6(a) requires any director of a member of the NUS Group to forego any rights he or she may have under any deed of access and indemnity or policy of directors and officers insurance.

5.7 Deeds of indemnity and insurance

- (a) Subject to the Scheme becoming Effective, Bidder undertakes in favour of NUS and each other person who is a NUS Indemnified Party that it will:
 - (i) procure that NUS and each member of the NUS Group complies with any deeds of indemnity, access and insurance entered into by them in favour of their respective directors and officers from time to time, including to ensure that directors' and officers' run-off insurance cover for such directors and officers obtained in accordance with clause 5.8 is maintained (and NUS may, at its election, pay any reasonable amounts necessary to ensure such maintenance upfront and prior to the implementation of the Scheme); and
 - (ii) for a period of 7 years from the Implementation Date, ensure that the constitutions of NUS and each other member of the NUS Group continue to contain rules which are no less favourable overall than the rules contained in

those constitutions at the date of this deed that provide for each company to indemnify each of its current and previous directors and officers against any liability incurred by that person in his or her capacity as a director or officer of the company to any person other than a member of the NUS Group; and

- (b) The undertakings contained in clause 5.7(a) are subject to any Corporations Act restriction and will be read down accordingly.
- (c) NUS receives and holds the benefit of clause 5.7(a) to the extent it relates to the other NUS Indemnified Parties as trustee for them.
- (d) The undertakings contained in clause 5.7(a) are given until the earlier of the end of the relevant period specified in clause 5.7(a) or the relevant member of the NUS Group ceasing to be part of the NUS Group.

5.8 D&O insurance

Each party acknowledges that, notwithstanding any other provision of this deed, NUS may (following consultation with Bidder and providing the Bidder with the terms of the policy, including the price), prior to the Implementation Date, enter into arrangements to secure and place a directors' and officers' run-off insurance policy in respect of any current or former director or officer of any member of the NUS Group that applies for no less than a 7 year period following the Implementation Date provided that the cost of such insurance policy is not materially more than the estimated amount disclosed in the Disclosure Materials (and to the extent it is materially more, NUS must get at least 2 other quotes and consult with the Bidder before entering into the policy which provides at least as good coverage as exists today but which is the lowest of all quotes obtained).

6 Undertakings relating to MAS

6.1 General

NUS and Bidder will each procure:

- (a) implementation of the undertakings in this clause 6; and
- (b) issue by MAS of a certificate signed by the members of the Board of Directors and Board of Commissioners of MAS acknowledging the undertakings in this clause 6.

6.2 EPC Work and Petrosea FEED Contract

NUS and Bidder will procure that MAS will, and IND will procure that Petrosea will enter into the Petrosea FEED Contract Addendum and the Petrosea Umbrella Services Contract at the same time as this deed is executed.

6.3 EPC Contract

NUS and Bidder will procure that MAS will, and Bidder will procure that Petrosea will, negotiate in good faith in relation to the EPC Work, provided that nothing in this deed requires MAS to enter into any binding arrangements with Petrosea in relation to such EPC Work prior to the day after the Implementation Date.

6.4 Funding of MAS

NUS and Bidder:

- (a) acknowledge that MAS, Salu Siwa and IMI (the **Relevant Parties**) have entered into the MAS Additional Funding Agreement to finance the ongoing costs of the Project during the period up to 30 September 2021 (**MAS Additional Funding End Date**); and
- (b) agree that NUS will procure Salu Siwa and MAS, and IND will procure IMI and MAS, to enter into the MAS Funding Arrangement Deed to govern certain matters relating to funding of MAS and the Project (including any additional funding of MAS in the event the implementation of the Scheme does not occur by the MAS Additional Funding End Date).

6.5 Conduct of Business of MAS

NUS and Bidder will procure that MAS will continue its conduct of business with reference to the provisions under this deed.

7 Exclusivity

7.1 No current discussions

NUS represents and warrants that, as at the date of this deed:

- (a) other than confidentiality agreements, it is not a party to any agreement or arrangement with any Third Party entered into for the purposes of facilitating an actual, proposed or potential Competing Proposal;
- (b) it is not, directly or in indirectly, in any negotiations or discussions, and has ceased any existing negotiations or discussions, with any person in respect of any actual, proposed or potential Competing Proposal; and
- (c) any due diligence access granted to any Third Party for the purposes of such Third Party making, formulating, developing or finalising, or assisting in the making, formulation, development or finalisation of, a Competing Proposal has been terminated.

7.2 No-shop

During the Exclusivity Period, NUS must not, and must take reasonable steps to ensure that any member of the NUS Group or its Representatives do not:

- (a) solicit, initiate or invite enquiries, discussions or proposals in relation to, or which may reasonably be expected to lead to, an expression of interest, offer or proposal from any person in relation to an actual, proposed or potential Competing Proposal; or
- (b) communicate to any person any intention to do any of the things referred to in clause 7.2(a).

7.3 No-talk

Subject to clause 7.6, during the Exclusivity Period, NUS must not, and must ensure that any member of the NUS Group or its Representatives do not:

- (a) participate in or continue any discussions or negotiations in relation to, or which may reasonably be expected to lead to, a Competing Proposal;

- (b) enter into any agreement, arrangement or understanding with any Third Party in relation to a Competing Proposal or which may reasonably be expected to lead to an actual, proposed or potential Competing Proposal;
- (c) provide or make available to any Third Party any non-public information relating to the NUS Group for the purposes of such Third Party formulating, developing or finalising a Competing Proposal; or
- (d) communicate to any person any intention to do any of the things referred to in clause 7.3(a), 7.3(b) or 7.3(c).

7.4 Notification obligation

During the Exclusivity Period, NUS must notify Bidder within 1 Business Day if NUS, any member of the NUS Group or any of NUS' Representatives:

- (a) becomes aware of an approach by any person regarding any actual, proposed or potential Competing Proposal;
- (b) receives a Competing Proposal,

and such notice must set out the material terms and conditions of the Competing Proposal and subject to clause 7.6, the identity of the Third Party making the Competing Proposal.

7.5 Exclusivity of due diligence

Subject to clause 7.6, during the Exclusivity Period, NUS must not, and must ensure that neither it nor any member of the NUS Group or any of its Representatives, in relation to an actual, proposed or potential Competing Proposal:

- (a) enables any other person to undertake due diligence investigations on any member of the NUS Group, any of the operations or assets of the business of the NUS Group or any part thereof;
- (b) makes available to any other person, or permits any other person to receive any non-public information relating to any member of the NUS Group, any of the operations or assets of the business of the NUS Group or any part thereof;
- (c) makes available to any other person, or permits any other person to have access to, any officers or employees of the NUS Group; or
- (d) makes available to any other person, or permits any other person to have access to any premises or sites used, leased, licenced or owned by the NUS Group,

other than Bidder and any other person nominated by Bidder (whether in the course of due diligence or otherwise).

7.6 Fiduciary exception

Clauses 7.3, 7.4 and 7.5 do not apply to the extent that they restrict any person from taking or not taking any action with respect to a bona fide Competing Proposal (which was not directly or indirectly solicited, invited, encouraged or initiated by NUS, any member of the NUS Group or any of its Representatives in breach of clause 7) where the NUS IBC, acting in good faith, determines:

- (a) after consultation with its financial adviser, that the Competing Proposal is, or could reasonably be expected to become, a Superior Proposal; and
- (b) after receiving advice from its external legal adviser, that failing to respond to the Competing Proposal may constitute a breach of the NUS IBC's fiduciary or statutory duties.

7.7 Matching right

- (a) During the Exclusivity Period, NUS must not enter into any legally binding agreement (whether or not in writing) pursuant to which a Third Party proposes, or proposes to undertake or give effect to a Competing Proposal, and must use reasonable endeavours to procure that no NUS IBC member publicly changes or withdraws his or her recommendation in favour of the Scheme to publicly recommend a Competing Proposal unless:
 - (i) the NUS IBC has determined, acting in good faith and after consultation with its financial adviser and having received written legal advice from its external legal advisers, that the Competing Proposal is, or could reasonably be expected to lead to, a Superior Proposal;
 - (ii) NUS has provided Bidder with the material terms and conditions of the Competing Proposal (including the identity of the Third Party making the Competing Proposal); and
 - (iii) within 5 Business Days of receiving the information referred to in paragraph 7.7(a)(ii) above from NUS, Bidder does not make a matching or superior offer (**Bidder Counterproposal**) that the NUS IBC determines, acting in good faith and after consultation with its financial adviser, that the terms and conditions (taken as a whole) would produce an equivalent or superior outcome for NUS Shareholders as compared to the outcome that would be produced by the Competing Proposal.
- (b) If Bidder makes a Bidder Counterproposal before the deadline specified in clause 7.7(a)(iii) and the NUS IBC determines that such Bidder Counterproposal (taken as a whole) would produce an equivalent or superior outcome for NUS Shareholders as compared to the outcome that would be produced by the Competing Proposal, then Bidder and NUS must each use reasonable endeavours to agree the transaction documentation requirement to implement the Bidder Counterproposal as soon as reasonably practicable, and subject to such transaction documentation being agreed NUS must use its best endeavours to procure that the NUS IBC makes a public statement recommending the Bidder Counterproposal to NUS Shareholders (unless the NUS IBC after considering in good faith and taking advice from external legal advisers no longer determines the Bidder Counterproposal to be in the best interests of the NUS Shareholders or the Independent Expert concludes that the Counterproposal is not in the best interests of the NUS Shareholders).

7.8 Normal provision of information

Nothing in this clause 7 prevents NUS from:

- (a) providing information to:
 - (i) its Representatives or to any Government Agencies; or

- (ii) its auditors, customers, financiers, joint venturers and suppliers acting in that capacity in the ordinary course of business;
- (b) fulfilling its continuous disclosure obligations; or
- (c) making presentations to, or responding to enquiries from, brokers, portfolio investors, analysts and other Third Parties in the ordinary course of business or for the purpose of promoting the merits of the Transaction.

8 Break Fees

8.1 Background

This clause 8 has been agreed to in circumstances where:

- (a) each party believes it and its shareholders will derive significant benefits from the implementation of the Scheme;
- (b) each party has incurred and will further incur significant costs in connection with the Scheme, which will include significant opportunity costs if the Scheme is not implemented;
- (c) each party has requested that provision be made for the payment outlined in clause 8.2 or 8.3 (as applicable), and would not have entered into this deed had such provision not been made;
- (d) the NUS Board believes that:
 - (i) it is reasonable and appropriate to agree to pay the Break Fee to secure Bidder's entry into this deed; and
 - (ii) the Break Fee represents a genuine and reasonable estimate of costs that would be incurred by Bidder if the Scheme is not implemented; and
- (e) each party has received separate legal advice in relation to this deed and the operation of this clause 8.

8.2 Payment of Break Fee

Subject to clauses 8.5 and 8.7, and provided that NUS is not entitled to terminate this deed in accordance with clause 11.1 at the time of the relevant event, NUS must pay Bidder the Break Fee, without deduction, set-off or withholding and within 10 Business Days after receipt of a written demand from Bidder, if any of the following events occur:

- (a) before the Second Court Date, a NUS IBC member:
 - (i) fails to make the Recommendation;
 - (ii) publicly changes or withdraws his or her Recommendation; or
 - (iii) publicly recommends a Competing Proposal,other than where:
 - (iv) the Independent Expert has concluded that the Scheme is not or is no longer in the best interests of NUS Shareholders; or

- (v) there is any matter or thing giving NUS the right to terminate under clause 11.1;
- (b) the Condition set out in clause 3.1(e) in this deed is not satisfied (due to a matter, event or circumstance within the control of NUS) and is not waived in accordance with this deed and the Transaction does not complete;
- (c) Bidder terminates this deed in accordance with clause 11.2; or
- (d) a Competing Proposal is publicly announced by a Third Party after the date of this deed and before the Second Court Date, and, within 12 months after such announcement, the Third Party making the Competing Proposal acquires all or a majority of the NUS Shares or otherwise acquires Control of NUS.

8.3 Payment of Reverse Break Fee

Subject to clause 8.7, and provided that Bidder is not entitled to terminate this deed in accordance with clause 11.1 at the time of the relevant event, Bidder must pay NUS the Reverse Break Fee, without deduction, set-off or withholding and within 10 Business Days after receipt of a written demand from NUS, if NUS terminates this deed in accordance with clause 11.3.

8.4 Nature of payment

The payment by a party under clauses 8.2 or 8.3 is an amount to compensate the other party for the following costs and expenses:

- (a) external advisory costs (excluding success fees);
- (b) internal costs such as costs of management and directors' time, risk management costs and capital costs;
- (c) out-of-pocket expenses; and
- (d) opportunity costs incurred in pursuing the Transaction or in not pursuing other alternative acquisitions or strategic initiatives which otherwise could have been developed.

8.5 Timing of payment

- (a) A demand by a party for payment of the Break Fee under clause 8.2 or the Reverse Break Fee under clause 8.3 must:
 - (i) be in writing;
 - (ii) be made after the occurrence of the event in that clause giving rise to the right to payment;
 - (iii) state the circumstances which give rise to the demand; and
 - (iv) nominate an account in the name of Bidder or a Related Body Corporate into which NUS is to pay the Break Fee or NUS or a Related Body Corporate into which Bidder is to pay Reverse Break Fee (as applicable).
- (b) NUS must pay the Break Fee into the account nominated by Bidder and Bidder must pay the Reverse Break Fee into the account nominated by NUS (as applicable), without deduction, set-off or withholding, within 10 Business Days after

receiving a valid demand for payment where Bidder is entitled under clause 8.2 to the Break Fee or NUS is entitled under clause 8.3 to the Reverse Break Fee (as applicable).

8.6 Qualifications to Break Fee

- (a) No amount is payable by NUS or Bidder under this clause 8 if the Scheme becomes Effective.
- (b) This clause 8 imposes obligations on NUS or Bidder only to the extent that the performance of those obligations:
 - (i) does not constitute unacceptable circumstances as declared by the Australian Takeovers Panel;
 - (ii) does not breach the fiduciary or statutory duties of any NUS Director; or
 - (iii) is not otherwise unlawful or held to be unenforceable by a court.
- (c) If the Break Fee has been paid by NUS or Bidder and clause 8.6(a) or 8.6(b) applies, Bidder or NUS (as applicable) must reimburse all or the relevant part of the Break Fee or Reverse Break Fee (as the case may be) within 10 Business Days after receipt of a written demand for reimbursement from NUS or Bidder (as applicable).
- (d) Where the Break Fee becomes payable to Bidder under clause 8.2 and is actually paid to Bidder and has not been reimbursed under clause 8.6(c), Bidder cannot make any claim against NUS for the payment of any subsequent Break Fee.
- (e) Where the Reverse Break Fee becomes payable to NUS under clause 8.3 and is actually paid to NUS and has not been reimbursed under clause 8.6(c), NUS cannot make any claim against Bidder for the payment of any subsequent Reverse Break Fee.

8.7 Other claims

- (a) Notwithstanding any other provision of this deed:
 - (i) the maximum aggregate amount which NUS may be required to pay in relation to this deed (including any breach of this deed by NUS) is the Break Fee, and in no event will the aggregate liability of NUS under or in connection with this deed exceed the Break Fee; and
 - (ii) where the Break Fee is paid to Bidder in accordance with clause 8.2, neither Bidder nor any of its Related Bodies Corporate may make any claim (of whatsoever nature) against NUS or any other NUS Indemnified Party under or in connection with this deed.
- (b) Clause 8.7(a) does not apply to any claim in respect of, and does not limit the liability of NUS in connection with, any failure to perform the Scheme. For the avoidance of doubt, any amounts paid or payable by NUS in respect of any such failure shall be disregarded for the purposes of clause 8.7(a)(i). Subject to clause 8.7(c):
 - (i) the maximum aggregate amount which Bidder may be required to pay in relation to this deed (including any breach of this deed by Bidder) is the

Reverse Break Fee, and in no event will the aggregate liability of Bidder under or in connection with this deed exceed the Reverse Break Fee; and

- (ii) where the Reverse Break Fee is paid to NUS in accordance with clause 8.3, neither NUS nor any of its Related Bodies Corporate may make any claim (of whatsoever nature) against Bidder or any other Bidder Indemnified Party under or in connection with this deed.
- (c) Clause 8.7(b) does not apply to any claim in respect of, and does not limit the liability of Bidder in connection with, any failure to perform the Deed Poll or to fully discharge the obligations under clause 2.3(b)(ii). For the avoidance of doubt, any amounts paid or payable by Bidder in respect of any such failure shall be disregarded for the purposes of clause 8.7(b)(i).

8.8 Survival

Any accrued obligations under this clause 8 survive termination of this deed.

9 Warranties

9.1 NUS Warranties

NUS represents and warrants to Bidder that each of the NUS Warranties is true and correct and not misleading or deceptive.

9.2 NUS' indemnity

- (a) NUS acknowledges and agrees that in entering into this deed Bidder has relied on the NUS Warranties.
- (b) NUS agrees to indemnify Bidder against any claim, action, damage, loss, liability, cost, expense or payment of whatever nature and however arising that Bidder or any of the other Bidder Indemnified Parties suffers, incurs or is liable for arising out of any breach of any of the NUS Warranties.

9.3 Bidder Warranties

Bidder represents and warrants to NUS that each of the Bidder Warranties is true and correct and not misleading or deceptive.

9.4 Bidder's indemnity

Bidder agrees to indemnify NUS against any claim, action, damage, loss, liability, cost, expense or payment of whatever nature and however arising that NUS or any of the other NUS Indemnified Parties suffers, incurs or is liable for arising out of any breach of any of the Bidder Warranties.

9.5 Qualifications on NUS Warranties

The NUS Warranties and the indemnity in clause 9.2 are each subject to facts, matters, circumstances and acts which:

- (a) are required or permitted by this deed, the Scheme or the IND Transaction Documents or any transaction contemplated by any of them;

- (b) have been Fairly Disclosed in the Disclosure Materials or Disclosure Letter, or in any documents lodged with ASX, ASIC or other Government Agency in Australia or Indonesia by or on behalf of any member of the NUS Group before the date of this deed; or
- (c) are within the actual knowledge of Bidder as at the date of this deed.

9.6 Qualifications on Bidder Warranties

The Bidder Warranties are each subject to facts, matters, circumstances and acts which:

- (a) are required or permitted by this deed or the Scheme or any transaction contemplated by either;
- (b) have been Fairly Disclosed to NUS before the date of this deed; or
- (c) are within the actual knowledge of NUS as at the date of this deed.

9.7 Survival of Warranties

Each Warranty:

- (a) is severable;
- (b) survives the termination of this deed; and
- (c) subject to this deed, is given with the intent that liability thereunder will not be confined to breaches which are discovered prior to the date of termination of this deed.

9.8 Survival of indemnities

Each indemnity in this deed (including those in clauses 9.2 and 9.4):

- (a) is severable;
- (b) is a continuing obligation;
- (c) constitutes a separate and independent obligation of the party giving the indemnity from any other obligations of that party under this deed; and
- (d) survives the termination of this deed.

9.9 Timing of Warranties

Each Warranty is given:

- (a) at the date of this deed;
- (b) at the date the Scheme Booklet is despatched to NUS Shareholders; and
- (c) at the Delivery Time,

unless such Warranty is expressed to be given at a particular time, in which case it is given at that time.

9.10 Notifications

Each party will promptly advise the other in writing if it becomes aware of any fact, matter or circumstance which constitutes a breach of any of the representations or warranties given by it under this clause 9.

10 Releases

- (a) Each party releases any and all rights that it has or may have or that may otherwise accrue to it after the date of this deed, and agrees with the other party that it will not make any claim (or whatsoever nature), against, the other party's Related Bodies Corporate, past or present Representatives as at the date of this deed in connection with:
 - (i) any breach of any covenant, representation or warranty under this deed;
 - (ii) any disclosures or information provided in connection with this deed or the Scheme containing any statement which is false or misleading (whether by omission or otherwise); or
 - (iii) any failure to provide information in connection with this deed or Scheme, except to the extent arising from fraud or wilful misconduct of the relevant Representative.
- (b) The releases in clause 10(a) are subject to any restriction imposed by law and will be read down to the extent that any such restriction applies.
- (c) Bidder receives and holds the benefit of clause 10(a) as trustee for each other Bidder Indemnified Parties.
- (d) NUS receives and holds the benefit of clause 10(a) as trustee for each other NUS Indemnified Parties. On and from the Implementation Date, the provisions in this clause 10 may not be waived or varied in a manner that adversely affects any right or benefit of the NUS Indemnified Parties without the prior written consent of the majority of the directors who are members of the NUS IBC as at the date of this deed.

11 Termination

11.1 Termination by NUS or Bidder

NUS or Bidder may terminate this deed at any time before the Delivery Time in accordance with clause 3.5, or if NUS and Bidder agree in writing to terminate this deed.

11.2 Termination by Bidder

Bidder may terminate this deed by notice in writing to NUS at any time before the Delivery Time if:

- (a) NUS commits a material breach of this deed (including the NUS Warranties), provided that:
 - (i) Bidder has given written notice to NUS setting out the relevant circumstances and stating an intention to terminate this deed; and

- (ii) the relevant circumstances have not been remedied to the reasonable satisfaction of Bidder within 10 Business Days from the date such notice is given (or any shorter period ending at 5:00pm on the Business Day immediately before the Second Court Date). Termination under this clause 11.2(a) will take effect at the expiry of the period referred to in this clause 11.2(a)(ii); or
- (b) if any NUS IBC member publicly withdraws or changes his or her Recommendation or Voting Intention or publicly recommends, supports or endorses a Competing Proposal, for any reason.

11.3 Termination by NUS

NUS may terminate this deed by notice in writing to Bidder at any time before the Delivery Time if:

- (a) the circumstances referred to in clause 2.4(c) or 2.4(d) occur; or
- (b) Bidder commits a material breach of this deed (including the Bidder Warranties), provided that:
 - (i) NUS has given written notice to Bidder setting out the relevant circumstances and stating an intention to terminate this deed; and
 - (ii) the relevant circumstances have not been remedied to the reasonable satisfaction of NUS within 10 Business Days from the date such notice is given (or any shorter period ending at 5:00pm on the Business Day immediately before the Second Court Date). Termination under this clause 11.3(b) will take effect at the expiry of the period referred to in this clause 11.3(b)(ii).

11.4 Effect of termination

If this deed is terminated in accordance with this clause 11, this deed will cease to have force and effect without any liability or obligation on the part of any party, except that:

- (a) this clause 11 and clauses 1, 8, 9, 10 and 13 through 16 (inclusive) will survive termination; and
- (b) each party will retain any rights and remedies that accrued prior to termination, including any rights and remedies in respect of any past breach of this deed or (if applicable) in respect of the breach giving rise to termination.

11.5 Remedies

The parties acknowledge that damages may not be a sufficient remedy for breach of this deed and that specific performance, injunctive relief or any other remedies which would otherwise be available in equity or law are available as a remedy for a breach or threatened breach of this deed by any party, notwithstanding the ability of the other party to terminate this deed or demand payment of the Break Fee or the Reverse Break Fee (as the case may be).

12 Public announcements

- (a) Immediately after execution of this deed, each of NUS and Bidder must issue its own public announcement of the Scheme in a form agreed between the parties.

- (b) Where a party proposes or is required to make any public announcement or disclosure in connection with the Transaction or the Scheme, that party must, before making such announcement, to the extent lawful and practicable to do so, consult with the other party prior to making the relevant announcement or disclosure and unless immediate disclosure is required must give the other party a reasonable opportunity to comment on the form and content of the public announcement or disclosure and considering in good faith any such comments from the other party.

13 Confidentiality

- (a) Each party acknowledges and agrees that:
 - (i) information provided by either party to the other, or obtained by either party from the other, in the course of proposing, negotiating or implementing the Transaction (including information provided before or after the date of this deed); and
 - (ii) all copies of information, agreements and those parts of the notes and other records referred to above,is strictly confidential (**Confidential Information**) and may not be disclosed to any third party (except as permitted by this deed).
- (b) For the avoidance of doubt, information that is known by a party before the date of this deed and that was not obtained on a confidential basis from another party in the course of proposing, negotiating or implementing the Transaction is not Confidential Information.
- (c) Confidential Information may only be used for the purposes of implementing the Transaction or disclosed by a party:
 - (i) to a Representative of that party or any of its Related Bodies Corporate for the purpose of implementing the Transaction, provided that the disclosing party ensures that the recipient only uses it for the purposes of implementing the Transaction and otherwise complies with these terms of confidentiality; and
 - (ii) if disclosure is required by law, the rules of a stock exchange, or any requirement of a court or Government Agency.
- (d) The rights and obligations of the parties under this clause survive termination of this deed.

14 Duty, costs and expenses

14.1 Stamp duty

Bidder:

- (a) must pay all stamp duties and any related fines and penalties in respect of this deed or the Scheme or any transaction effected or steps taken under this deed or the Scheme; and

- (b) indemnifies NUS against any liability arising from or in connection with any failure by Bidder to comply with clause 14.1(a).

14.2 Costs and expenses

Except as otherwise provided in this deed, each party must pay its own costs and expenses in connection with the negotiation, preparation, execution and performance of this deed and the proposed, attempted or actual implementation of the Transaction.

15 GST

- (a) In this clause 15, a word or expression defined in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) has the meaning given to it in that legislation.
- (b) If a party makes a supply under or in connection with this deed in respect of which GST is payable, the consideration for the supply but for the application of this clause 15(b) (**GST exclusive consideration**) is increased by an amount (**Additional Amount**) equal to the GST exclusive consideration multiplied by the rate of GST prevailing at the time the supply is made.
- (c) If a party must reimburse or indemnify another party for a loss, cost or expense, the amount to be reimbursed or indemnified is first reduced by the amount equal to any input tax credit the other party, or the representative member of the GST group of which the other party is a member, is entitled to with respect to the loss, cost or expense, and then increased in accordance with clause 15(b) if such amount is consideration for a taxable supply made under or in connection with this deed.
- (d) A party need not make a payment of the Additional Amount until it receives a tax invoice or adjustment note (as appropriate) for the supply to which the payment relates.

16 General

16.1 Notices

- (a) A notice, consent, approval, waiver or other communication sent by a party under this deed (**Notice**) must be:
 - (i) in writing;
 - (ii) sent by an authorised representative of the sender; and
 - (iii) marked for the attention of the person named below,and must be:
 - (iv) left at, or sent by commercial courier to, the address set out below; or
 - (v) sent by email to the addresses set out below.

NUS

Attention: Matthew Doube
Address: Leydin Freyer, Level 4, 96 – 100 Albert Road, South Melbourne,
VIC 3205 Australia
Email: mdoube@nusantararesources.com
with a copy (for information purposes only) to npathak@gtlaw.com.au

Bidder

Attention: Purbaja Pantja
Address: Graha Mitra Level 11, Jl. Jend. Gatot Subroto Kav. 21, Indonesia
12930
Email: Purbaja.pantja@indikaenergy.co.id

with a copy (for information purposes only) to ehumphry@claytonutz.com

- (b) Subject to clause 16.1(c), a Notice is taken to be received:
- (i) if sent by delivery, when it is delivered;
 - (ii) if sent by post, three days after posting (or seven days after posting if sent from one country to another);
 - (iii) if sent by email:
 - (A) when the sender receives an automated message confirming delivery;
or
 - (B) four hours after the time sent (as recorded on the device from which the email was sent), provided that the sender does not receive an automated message that the email has not been delivered,
- whichever happens first.
- (c) If a Notice is taken to be received under clause 16.1(b):
- (i) before 9:00am on a Business Day, it will be taken to be received at 9:00am on that Business Day; or
 - (ii) after 5:00pm on a Business Day or on a non-Business Day, it will be taken to be received at 9:00am on the next Business Day.

16.2 Governing law and jurisdiction

- (a) This deed is governed by the laws of Victoria, Australia.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of Victoria, Australia and courts competent to hear appeals from those courts.

16.3 Language

- (a) Each of the Parties confirms that it fully understands and agrees to be bound by the terms and conditions of this Deed notwithstanding that this Deed is prepared and executed in the English language. Each of the Parties further agrees that the execution of this Deed (and the Deed Poll) in the English language will not affect the validity, binding effect or enforceability of this Deed and the Bidder will procure that an opinion or affidavit to such effect from a leading Indonesia law firm is available, if reasonably requested by NUS or the Court, for provision to the Court at the First Court Hearing and the Second Court Hearing.
- (b) In compliance with the Law of Indonesia No. 24 of 2009 regarding National Flag, Language, Emblem and Anthem (**Law No. 24**) and the Presidential Regulation No. 63 of 2019 on the Use of Indonesian (**PR No. 63/2019**), the Parties agree to execute the Indonesian-language text of this deed no later than 30 days from the date of this deed and the Indonesian-language text will be deemed to be effective from the date the English-language text is executed. In the event of any inconsistency between the Indonesian-language text and the English-language text of this Deed, or should there be any dispute over the meaning or interpretation of certain provisions of this Deed, the Parties hereby agree that the English-language text shall prevail, and the Indonesian-language text will be deemed to be amended to conform with and to make the relevant Indonesian-language text consistent with the relevant English-language text.
- (c) Each of the Parties in good faith agrees that it will not (nor will it allow or assist any party to) in any manner or forum in any jurisdiction:
 - (i) challenge the validity of, or raise or file any objection to this Deed or the transactions contemplated in this Deed;
 - (ii) defend its non-performance or breach of its obligations under this Deed; and
 - (iii) allege that this Deed is against public policy or otherwise does not constitute its legal, valid and binding obligation, enforceable against it in accordance with its terms,

on the basis of any failure to comply with Law No. 24 and PR No. 63/2019.

16.4 No representation or reliance

- (a) Each party acknowledges that no other party (nor any person acting on behalf of another party) has made any representation or other inducement to it to enter into this deed, except for representations or inducements expressly set out in this deed and (to the maximum extent permitted by law) all other representations, warranties and conditions implied by statute or otherwise in relation to any matter relating to this deed, the circumstances surrounding the parties' entry into it and the transactions contemplated by it are expressly excluded.
- (b) Each party acknowledges and confirms that it does not enter into this deed in reliance on any representation or other inducement by or on behalf of any other person, except for any representation or inducement expressly set out in this deed.

16.5 No merger

The rights and obligations of the parties do not merge on completion of the Transaction. They survive the execution and delivery of any assignment or other document entered into for the purpose of implementing the Transaction.

16.6 Waivers and consents

- (a) Failure to exercise or enforce, a delay in exercising or enforcing, or the partial exercise or enforcement of any right, power or remedy provided by law or under this deed by any party does not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement, of that or any other right, power or remedy provided by law or under this deed.
- (b) Any waiver or consent given by a party under this deed is only effective and binding on that party if it is given or confirmed in writing by that party.
- (c) No waiver of a breach of any term of this deed operates as a waiver of another breach of that term or of a breach of any other term of this deed.
- (d) Except where this deed expressly provides otherwise, where the consent of a party is required under this deed, such consent may be given or withheld in that party's absolute discretion.

16.7 Variation

- (a) Subject to clause 16.7(b), this deed may only be varied by a document signed by or on behalf of NUS and Bidder.
- (b) On and from the Implementation Date, the parties may not amend or vary this deed in a manner that adversely affects any right or benefit conferred on a NUS Indemnified Party (other than NUS) or Bidder Indemnified Party (as the case may be) under this deed without the prior written consent of the majority of directors of NUS at the date of this deed or Bidder Indemnified Party (as the case may be).

16.8 Assignment

A party may not assign, novate or otherwise transfer any of its rights or obligations under this deed without the prior written consent of the other parties.

16.9 Further action

Each of the parties will do all things and execute all further documents necessary to give full effect to this deed.

16.10 Entire agreement

Subject to clause 13, this deed supersedes all previous agreements, understandings, negotiations or deeds in respect of its subject matter and embodies the entire agreement between the parties.

16.11 Severability

- (a) If the whole or any part of a provision of this deed is void, unenforceable or illegal in a jurisdiction, it is severed for that jurisdiction but only to the extent that it is void, unenforceable or illegal and provided that it will have full force and effect in any other jurisdiction.
- (b) Where a provision (or any part thereof) is severed in a jurisdiction, the remainder of this deed will have full force and effect in that (and any other) jurisdiction.
- (c) This clause 16.11 does not apply to any severance that alters the basic nature of this deed or is contrary to public policy.

16.12 Counterparts

This deed may be executed in any number of counterparts. All counterparts together will be taken to constitute one instrument.

Schedule 1 Dictionary

1 Dictionary

Additional Amount has the meaning given in clause 15(b).

Aggregate Scheme Consideration means the Scheme Consideration multiplied by the total number of Scheme Shares.

Agreed Budget means the budgets agreed between NUS and IND on or prior to signing this deed relating to the expenditure and work program for MAS and NUS in folders 16.3 and 16.10.3 of the virtual data room.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given in section 12 of the Corporations Act.

ASX means ASX Limited (ABN 98 008 624 691) or, where the context requires, the financial market operated by it.

Bidder Counterproposal has the meaning given in clause 7.7(a)(iii).

Bidder Indemnified Parties means Bidder and its Related Bodies Corporate and their respective directors, officers and employees.

Bidder Information means information regarding Bidder and its Related Bodies Corporate provided by or on behalf of Bidder to NUS or its Representatives for inclusion in the Scheme Booklet.

Bidder Nominee has the meaning given in clause 2.2.

Bidder Warranties means the representations and warranties of Bidder set out in Schedule 3.

Break Fee means \$800,000.

Business Day has the meaning given in the Listing Rules.

Competing Proposal means any proposal, offer, agreement, arrangement or transaction which is sufficiently detailed and credible to warrant consideration as such by NUS and which, if entered into or completed, would result in a Third Party (either alone or together with one or more Associates) directly or indirectly:

- (a) acquiring a Relevant Interest in any NUS Shares, as a result which the Third Party, together with any Associates, would have a Relevant Interest in more than 20% or more of all NUS Shares in aggregate;
- (b) acquiring or having a right to acquire, or obtaining an economic interest in, all or a material part of the assets, business or undertakings of the NUS Group; or
- (c) acquiring Control of, or merging with, NUS or MAS, whether by takeover bid, scheme of arrangement or shareholder approved acquisition.

Condition means a condition set out in clause 3.1.

Control has the meaning given in section 50AA of the Corporations Act.

Corporations Act means the *Corporations Act 2001* (Cth).

Corporations Regulations means the *Corporations Regulations 2001* (Cth).

Court means the Federal Court of Australia or such other court of competent jurisdiction under the Corporations Act as agreed in writing between Bidder and NUS.

Court Documents means the documents required for the purposes of the Court Hearings, including (as applicable) originating process, affidavits, submissions and draft minutes of Court orders.

Court Hearings means the First Court Hearing and Second Court Hearing.

Deed Poll means the deed poll to be entered into by Bidder (and if applicable, the Bidder Nominee) in the form of Attachment C or in such other form as NUS and IND agree in writing.

Delivery Time means 8:00am on the Second Court Date.

Disclosure Letter means the letter so entitled from NUS provided to Bidder on or before the date of this deed.

Disclosure Materials means the Disclosure Letter and all written information, documents and responses disclosed or made available to Bidder or its Representatives by or on behalf of NUS before the date of this deed in the “Nusantara Resources Workspace” Caplinked virtual data room (an index of which has been initialled by the parties’ lawyers before execution of this deed for the purposes of identification) or otherwise.

Effective means the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme.

Effective Date means the date on which the Scheme becomes Effective.

Encumbrance means a mortgage, charge, pledge, lien, encumbrance, security interest, title retention, preferential right, trust arrangement, contractual right of set-off, or any other security agreement or arrangement in favour of any person, whether registered or unregistered, including any Security Interest.

End Date means 31 December 2021 or such later date as Bidder and NUS (acting reasonably) agree in writing.

EPC Work means the engineering, procurement and construction work in relation to the Project.

Exclusivity Period means the period from the date of this deed until the earlier of:

- (a) the termination of this deed in accordance with clause 11;
- (b) the Implementation Date; and
- (c) the End Date.

Fairly Disclosed means, in relation to a matter, such matter being disclosed in sufficient detail to enable a reasonable and sophisticated person experienced in M&A transactions to identify the nature and scope of the relevant matter.

First Court Date means the first day on which an application made to the Court for orders under section 411(1) of the Corporations Act directing NUS to convene the Scheme Meeting is heard (or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard), with such hearing being the **First Court Hearing**.

Government Agency means any foreign or Australian government or governmental, semi-governmental, administrative, fiscal, monetary, statutory or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any state, or any other federal, state, provincial, local or other government, whether foreign or Australian. It also includes any self-regulatory organisation established under statute, the listing rules of any recognised stock or securities exchange or otherwise discharging substantially public or regulatory functions (including ASX, ASIC and the Takeovers Panel).

GST exclusive consideration has the meaning given in clause 15(b).

IMI means PT Indika Mineral Investindo, a company incorporated in Indonesia and having its registered office at Graha Mitra, 3rd Floor, Jl. Jend. Gatot Subroto Kav. 21, Jakarta 12930, Indonesia.

Implementation Date means the fifth Business Day after the Record Date or such other day as Bidder and NUS agree in writing.

IND Subscription Agreement means the agreement dated 25 February 2020 entered into between IMI, NUS and MAS relating to the subscription by IMI of shares in MAS.

IND Transaction Documents means the IND Subscription Agreement, the MAS Shareholders Agreement, the Petrosea FEED Contract, the Petrosea Umbrella Services Contract, the Petrosea Share Pledge Documents and the MAS Additional Funding Documents.

Independent Expert means the independent expert to be appointed by NUS to prepare the Independent Expert's Report in accordance with clause 4.1(a).

Independent Expert's Report means the report prepared by the Independent Expert for inclusion in the Scheme Booklet opining on whether the Scheme is in the best interests of NUS Shareholders, and includes and update or supplement to that report.

Insolvency Event means, in relation to any entity:

- (a) the entity resolving that it be wound up or a court making an order for the winding up or dissolution of the entity;
- (b) a liquidator, provisional liquidator, administrator, receiver, receiver and manager or other insolvency official being appointed to the entity or in relation to the whole, or a substantial part, of its property, business or assets;
- (c) the entity executing a deed of company arrangement;
- (d) the entity ceases, or threatens to cease to, carry on substantially all the business conducted by it as at the date of this deed;

- (e) the entity is or becomes unable to pay its debts when they fall due within the meaning of the Corporations Act (or, if appropriate, legislation of its place of incorporation);
- (f) the entity being deregistered as a company or otherwise dissolved; or
- (g) something having a substantially similar effect to any of the things described in paragraphs (a) to (f) happens in connection with the entity under the law of any foreign jurisdiction.

Intellectual Property Rights means:

- (a) patents, designs, trade marks and service marks (whether registered or unregistered) and any applications for, or rights to apply for, registration of any patent, design, trade mark or service mark;
- (b) copyright (including copyright in software, websites, databases and advertising and other promotional materials);
- (c) all rights to have information (including trade secrets, know how, operating procedures and technical information) kept confidential; and
- (d) all other rights or protections having similar effect anywhere in the world.

Listing Rules means the official listing rules of ASX.

MAS means PT Masmino DWI Area, a company incorporated in Indonesia and having its registered office at Gedung Graha Mitra LT. 10Jl. Gatot Subroto Kav. 21, Karet Semanggi Set Abud, Jakarta Selatan DK Jakarta 12930, Indonesia.

MAS Additional Funding Agreement means the US\$4,000,000 additional funding agreement between Salu Siwa, IMI and MAS dated on or about the same date as the MAS Funding Arrangement Deed.

MAS Additional Funding Documents means the MAS Additional Funding Agreement and the MAS Funding Arrangement Deed.

MAS Additional Funding End Date has the meaning given in clause 6.4.

MAS Articles of Association means the articles of association of MAS as at the date of this deed.

MAS Funding Arrangement Deed means the document titled 'Funding Arrangement Deed' entered into between NUS, IND, Salu Siwa, MAS and IMI on the same date of this deed.

MAS Shareholders Agreement means the Shareholders Agreement dated 25 February 2020 between IMI, NUS, Salu Siwa, Vista Gold (Barbados) Corp and MAS.

Material Adverse Change means a matter, event, change or circumstance that occurs or becomes known after the date of this deed (including any action taken by a Government Agency) which (either individually or when aggregated with other events occurrences, changes or matters of the same or substantially similar nature) has resulted in, or is reasonably likely to result in a material adverse change in the affairs, business, operations, assets, liabilities, financial position, of NUS Group that would have a material adverse effect on the NUS business, operations, financial position or performance and any matters, events, changes or circumstance which shall be disregarded if:

- (a) it is expressly required or permitted by this deed, the Scheme, the IND Transaction Documents, or any transaction contemplated by any of them;
- (b) it is Fairly Disclosed in the Disclosure Materials or Disclosure Letter, or in any documents lodged with ASX, ASIC or other Government Agency in Australia or Indonesia by or on behalf of any member of the NUS Group before the date of this deed;
- (c) it is within the actual knowledge of Bidder as at the date of this deed;
- (d) it is approved, consented to or requested by Bidder or any of its Related Bodies Corporate;
- (e) it relates to payment of any Transaction costs and expenses incurred by NUS including all fees payable to external advisers of NUS, retention payments and costs of D&O insurance; or
- (f) it results or arises from or in connection with:
 - (i) any actual or proposed change in any law, regulation or policy, or in any accounting principle or standard, or in the interpretation of any of the foregoing;
 - (ii) general economic, business or political conditions or changes in any such conditions (including disruptions to, or fluctuations in, financial markets, or changes in interest rates, foreign currency exchange rates or commodity prices);
 - (iii) any act of terrorism, war (whether or not declared) natural disaster or the like; or
 - (iv) the announcement of, or the entry into or performance of, this deed or the Scheme or the transactions contemplated by either.

Net Smelter Royalty Agreement means the royalty agreement between NUS, MAS and Vista Gold Corporation in relation to gold produced by the Project (as varied from time to time).

Notice has the meaning given in clause 16.1(a).

NUS Board means the board of directors of NUS.

NUS Director means a director of NUS.

NUS Employee Options means the 5,300,000 issued options exercisable into NUS Shares issued pursuant to the Company's Employee Share and Option Plan Rules 2017.

NUS Group means NUS and each of its Related Bodies Corporate (including for the avoidance of any doubt, MAS and each other Subsidiary of NUS).

NUS IBC or Independent Board Committee means the committee of NUS Directors established to consider the Transaction, comprising all Directors of NUS who are not conflicted to consider the Transaction, being Greg Foulis, Rob Hogarth, Robin Widdup and Neil Whitaker.

NUS Indemnified Parties means NUS and its Related Bodies Corporate and their respective current and former directors, officers and employees.

NUS Information means all the information in the Scheme Booklet other than the Bidder Information and the Independent Expert's Report.

NUS IP means all Intellectual Property Rights owned by the NUS Group.

NUS Performance Rights means the 2,400,000 performance rights exercisable into NUS Shares issued pursuant to the Company's Incentive Option and Performance Rights Scheme 2020.

NUS Share means a fully paid ordinary share in the capital of NUS.

NUS Shareholder means a holder of one or more NUS Shares, as shown in the Share Register.

NUS Warranties means the representations and warranties of NUS set out in Schedule 2.

Option Exercise Period has the meaning given in clause 5.5(a).

Petrosea means PT Petrosea Tbk, a company incorporated in Indonesia and having its registered office at Indy Bintaro Office Park, Building B, Jl. Boulevard Bintaro Jaya Blok B7/A6, Sektor VII, CBD Bintaro Jaya, South Tangerang 15424, Indonesia.

Petrosea FEED Contract means the front end engineering and design services contract dated 23 March 2020 entered into between Petrosea and MAS as may be varied or supplemented (including as varied under the Petrosea FEED Contract Addendum).

Petrosea FEED Contract Addendum means the letter agreement(s) (incorporating Contract Variation 11 to the FEED Contract) entered into between MAS and Petrosea on the same date of this deed relating to exercise of rights under the Petrosea FEED Contract.

Petrosea Share Pledge Documents means the Pledge of Shares Agreement dated 23 March 2020 between Salu Siwa and Petrosea (pursuant to which Salu Siwa pledged certain of its shares in MAS) and the Deferred Payment Undertaking dated 23 March 2020 between MAS, NUS and Petrosea.

Petrosea Umbrella Services Contract means the contract entered into between MAS, IND and Petrosea on the same date of this deed relating to Petrosea's provision of certain engineering services to MAS in relation to the Project.

Prescribed Occurrence means the occurrence of any of the matters set out in Schedule 4.

Project means the the design, construction, development, ownership, financing, operation and maintenance of the Awak Mas gold mine project located in South Sulawesi Province, Indonesia.

Recommendation has the meaning given in clause 2.4(a) and which is, for the avoidance of doubt, subject to the qualifications in clauses 2.4(c) and 2.4(d).

Record Date means 7:00pm on the third Business Day after the Effective Date of the Scheme, or such other time and date as Bidder and NUS agree in writing.

Regulator's Draft has the meaning given in clause 4.1(f)(i).

Regulatory Guides means the regulatory guides published by ASIC and in force at the date of this deed.

Related Body Corporate has the meaning given in section 50 of the Corporations Act.

Relevant Interest has the meaning given in sections 608 and 609 of the Corporations Act.

Representative means, in respect of a party, an employee, agent, officer, director, adviser or financier of that party (or of a Related Body Corporate of that party), and, in the case of advisers and financiers, includes employees, officers and agents of the adviser or financier (as applicable). For the avoidance of doubt, for the purposes of this deed (and in particular, but not limited to, clauses 7 and 13(c)), a representative or nominee of the Bidder on the Board of NUS or MAS will not be considered to be a Representative of NUS or MAS.

Reverse Break Fee means \$800,000.

Salu Siwa means Salu Siwa Pty Ltd, a company incorporated in Australia which registered office is at Leydin Freyer, Level 4, 96 - 100 Albert Road, South Melbourne, Victoria 3205.

Scheme means the scheme of arrangement under Part 5.1 of the Corporations Act between NUS and the Scheme Shareholders, the form of Attachment B or such other form as agreed in writing between Bidder and NUS.

Scheme Booklet means the explanatory statement in respect of the Scheme to be despatched to NUS Shareholders, which will contain (among other things) the Independent Expert's Report (or a concise version of that report), a notice of meeting in respect of the Scheme Meeting and a proxy form.

Scheme Consideration means, in respect of each Scheme Share, \$0.35.

Scheme Meeting means the meeting of NUS Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act.

Scheme Share means a NUS Share on issue held by a Scheme Shareholder, other than any NUS Shares held by Bidder as at the Record Date.

Scheme Shareholder means each NUS Shareholder who is the holder of one or more Scheme Shares as at the Record Date.

Second Court Date means the first day on which an application made to the Court for orders under section 411(4)(b) of the Corporations Act approving the Scheme is heard (or if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard), with such hearing being the **Second Court Hearing**.

Security Interest has the meaning given in section 12 of the Personal Property Securities Act 2009 (Cth).

Share Register means the register of NUS Shareholders maintained in accordance with the Corporations Act.

Subsidiary has the meaning given to that term in the Corporations Act.

Superior Proposal means a bona fide Competing Proposal which the NUS Board, acting in good faith and after taking advice from its legal and financial advisers, determines:

- (a) is reasonably capable of being completed in accordance with its terms taking into account all aspects of the Competing Proposal, including its conditions, the identity, reputation and financial condition of the person making such proposal, and legal, regulatory and financial matters;
- (b) is, in the NUS Directors' reasonable opinion having regard to any external financial advice, of a higher financial value to NUS Shareholders and would, if it is completed, result in a transaction that is favourable to NUS Shareholders than the Transaction if completed substantially in accordance with its terms; and
- (c) is necessary for the NUS Board to pursue, accept or recommend because failing to do so would be reasonably likely to constitute a breach of the NUS Board's fiduciary or statutory obligations,

in each case taking into account all aspects of the Competing Proposal, including:

- (d) the financial value and form of the consideration payable to NUS Shareholders under the Competing Proposal and the Tax consequences related to payment of that consideration (as compared to the consideration available under the Scheme and the Tax consequences related to payment of that consideration);
- (e) the terms and conditions of the Competing Proposal, the likelihood of those conditions being satisfied and the level of certainty in respect of the funding required for the Competing Proposal (as compared to the nature and status of outstanding Conditions and whether those Conditions are likely to be satisfied or waived, and the level of certainty in respect of the funding required for the Scheme);
- (f) the level of certainty and the likely timing required to implement or complete the Competing Proposal (as compared to the Scheme); and
- (g) any other matters relevant to the Competing Proposal being contemplated.

Takeovers Panel means the Takeovers Panel constituted under the *Australian Securities and Investments Commission Act 2001* (Cth).

Tax means any tax, levy, excise, duty, charge, surcharge, contribution, withholding tax (including royalty withholding tax), impost or withholding obligation of whatever nature, whether direct or indirect, (including any tax payable under a country's foreign source income attribution or anti-tax-deferral rules) by whatever method collected or recovered, together with any fees, penalties, fines, interest or statutory charges in any country or jurisdiction.

Third Party means a person other than Bidder and its Associates or NUS and its Associates.

Timetable means the indicative timetable for the implementation of the Transaction set out in Attachment A, or such other indicative timetable as agreed in writing between IND and NUS.

Transaction means the acquisition of NUS by Bidder (or if applicable, the Bidder Nominee) by means of the Scheme.

Transition Committee has the meaning given in clause 5.4.

Voting Intention has the meaning in clause 2.4(b) and which is, for the avoidance of doubt, subject to the qualifications in clauses 2.4(c) and 2.4(d).

Warranty means a NUS Warranty or Bidder Warranty (as applicable).

2 Interpretation

In this deed, the following rules of interpretation apply unless the contrary intention appears.

- (a) Headings are for convenience only and do not affect the interpretation of this deed.
- (b) The singular includes the plural and vice versa.
- (c) Words that are gender neutral or gender specific include each gender.
- (d) Where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings.
- (e) The words “include”, “including”, “such as”, “for example” and similar expressions are not words of limitation and do not limit what else might be included.
- (f) A reference to:
 - (i) a person includes a natural person, partnership, joint venture, government agency, association, corporation or other body corporate or entity (as that term is defined in section 64A of the Corporations Act);
 - (ii) a thing (including a chose in action or other right) includes a part of that thing;
 - (iii) a party includes its successors and permitted assigns;
 - (iv) a document includes all amendments or supplements to that document;
 - (v) a clause, term, party, schedule or attachment is a reference to a clause or term of, or a party, schedule or attachment to, this deed (as applicable);
 - (vi) this deed includes all schedules and attachments to it;
 - (vii) a law includes a constitutional provision, treaty, decree, convention, statute, regulation, ordinance, by-law, judgment, rule of common law or equity or a Listing Rule and is a reference to that law as amended, consolidated or replaced;
 - (viii) an agreement (other than this deed) includes an undertaking or legally enforceable arrangement or understanding (whether or not in writing);
 - (ix) a time period includes the date referred to as that on which the period begins and the date referred to as that on which the period ends; and
 - (x) a monetary amount is in Australian dollars;
- (g) An agreement on the part of two or more persons binds them jointly and severally.
- (h) When the day on which something must be done is not a Business Day, that thing must be done on the following Business Day.

- (i) In determining the time of day where relevant to this deed, the time of day is:
 - (i) for the purposes of giving or receiving Notice, the time of day where the party receiving Notice is located; or
 - (ii) for any other purpose under this deed, the time of day in the place where the party required to perform an obligation is located.
- (j) No rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of this deed or any part of it.
- (k) A reference to a party being **aware** of certain information, having **knowledge** of certain information, having an **awareness** of certain information or to certain information being **known** to a party, at a particular time, is a reference to:
 - (i) in respect of the Bidder, Purbaja Pantja and Adi Darma Shima; and
 - (ii) in respect of NUS, Matthew Doube and Neil Whittaker.

Schedule 2 NUS Warranties

- (a) **Validly existing:** NUS is properly incorporated and a validly existing corporation registered under the laws of its place of incorporation.
- (b) **Power:** NUS has full corporate power and lawful authority to execute, deliver and perform this deed and the Scheme.
- (c) **Corporate action:** NUS has taken the necessary corporate action to authorise the entry into this deed and the Scheme and has taken or will take all necessary corporate action to authorise the performance of this deed and the Scheme.
- (d) **Binding:** This deed and the Scheme constitutes a valid and binding obligation on NUS, enforceable in accordance with its terms, and the execution and performance of this deed will not result in a breach of the constitution of any member of the NUS Group or, so far as NUS is aware, any agreement, deed, writ, order or injunction, rule or regulation to which NUS or any member of the NUS Group is a party or to which they are bound or require any consent and in respect of which the breach would have a material adverse effect on the NUS Group.
- (e) **Performance:** The execution and performance by NUS of this deed and the Scheme does not and will not violate or breach any provision of:
 - (i) any writ, order or injunction, judgment, law, rule, obligation or regulation to which NUS or any of its Subsidiaries is party or by which NUS or any of its Subsidiaries is bound; or
 - (ii) NUS' constitution or equivalent constituent documents of any of NUS' Subsidiaries.
- (f) **Capacity:** NUS is not entering into this deed as trustee of any trust or settlement or otherwise in a representative capacity;
- (g) **No approvals:** other than as expressly contemplated by clause 3.1 and as far as NUS is aware, no shareholder or Government Agency approvals are required to be obtained by the NUS Group in order for NUS to execute and perform this deed and the Scheme;
- (h) **Capital structure:** As at the date of this deed, there are on issue:
 - (i) 229,273,007 NUS Shares;
 - (ii) 20,000,000 options issued to Petrosea and IND exercisable into NUS Shares;
 - (iii) 5,300,000 NUS Employee Options; and
 - (iv) 2,400,000 NUS Performance Rights,and NUS nor or its Related Bodies Corporate has not issued or agreed to issue any other securities options, performance rights, preference shares, instruments or rights which may convert into NUS Shares and which are still outstanding.
- (i) **NUS Information:** The NUS Information included in the Scheme Booklet and any supplementary disclosure made to NUS Shareholders pursuant to clause 4.1(l) (excluding any information provided by Bidder) has been prepared in good faith

and, as at the date of the Scheme Booklet or supplementary disclosure (as applicable):

- (i) is not misleading or deceptive in any material respect (whether by omission or otherwise);
 - (ii) complies in all material respects with the requirements of the Corporations Act and Corporations Regulations, Listing Rules, Takeovers Panel guidance notes and ASIC Regulatory Guide 60;
 - (iii) any statement of opinion or belief contained in the NUS Information is honestly held and there are reasonable grounds for holding the opinion or belief.
- (j) **Information provided to Independent Expert:** The information provided to the Independent Expert by NUS has been provided in good faith and on the understanding that the Independent Expert will rely on that information for the purpose of preparing the Independent Expert's Report.
- (k) **ASX announcements:** No material information contained in any document or announcement which any member of the NUS Group has lodged, or filed with, or otherwise given to, ASIC or ASX (or which has been lodged, filed or given on behalf of a member of the NUS Group) since the date 12 months prior to the date of this deed, was misleading or deceptive in any material respect (whether by omission or otherwise) as at the date the relevant document was lodged, filed with or given to ASIC or ASX (or, if applicable, such other date that the information in the relevant document was expressed to be given).
- (l) **Solvency:** No member of the NUS Group or its Related Bodies Corporate is the subject of an Insolvency Event, nor has any regulatory action of any nature of which it is aware been taken or threatened to be taken that would prevent or restrict its ability to fulfil its obligations under this deed.
- (m) **Disclosure:** As at the date of this deed, NUS is in compliance in all material respects with its continuous disclosure obligations under Listing Rule 3.1 and, except for Bidder's proposal to acquire NUS, NUS is not withholding from disclosure to ASX any material information in reliance on Listing Rule 3.1A.
- (n) **Disclosure Materials:** The Disclosure Materials were compiled and made available to Bidder and its Representatives in good faith and NUS has not, prior to the date of this deed, intentionally withheld material information from the Disclosure Materials for the purpose of securing the agreement of Bidder to proceed with the Transaction on the terms of this deed and the Scheme. The Disclosure Materials are:
- (i) true and accurate in all material respects as at the date of the relevant document;
 - (ii) are not misleading or deceptive in any material respect when taken as a whole (including any omission); and
 - (iii) do not omit any material information in relation to the NUS Group which is known that has not otherwise been Disclosed to Bidder and which might reasonably be considered necessary for Bidder to make an informed decision as to whether to enter into this deed and proceed with the transaction contemplated by it.

- (o) **Financial reports:** NUS Group's financial statements as filed with ASX comply with all applicable statutory requirements and were prepared in accordance with the Corporations Act, relevant accounting standards and all other applicable laws and regulations, and give a true and fair view of the financial position and assets and liabilities of the NUS Group;
- (p) **Licences, permits, authorisations and approvals:** NUS and each member of the NUS Group (including MAS) has all material licences, permits, authorisations and approvals necessary for it to conduct its business in the manner in which it is conducted at the date of this deed, and none of NUS or any member of the NUS Group (including MAS) are in material breach of, or default under, any such licence, permit, authorisation or approval, nor has NUS or any of its Subsidiaries (including MAS), received any notice in respect of the termination, revocation, variation or non-renewal of any such licence, permit, authorisation or approval;
- (q) **Employees and contractors:**
 - (i) no individual providing services to NUS as, or on behalf of, a contractor, is an employee of NUS;
 - (ii) NUS has been compliant with its obligations under statute, industrial award and industrial agreements relating to its employees; and
 - (iii) NUS has been compliant with its statutory leave obligations.
- (r) **Intellectual Property Rights:**
 - (i) the NUS Group is the sole legal and beneficial owner of all right, title and interest in and to the NUS IP which is material to the NUS Group;
 - (ii) the NUS Group has not licensed, assigned or otherwise disposed of any right, title or interest in the NUS IP and there is no obligation for the NUS Group to grant a licence, assignment or other right in respect of any NUS IP to any third party (including companies related to the NUS Group, other than to NUS or its Subsidiaries) which is material to the NUS Group; and
 - (iii) the NUS IP comprises all the material Intellectual Property Rights necessary for each of NUS and its Subsidiaries to operate its business as it has been operated in the 12 months before the date of this deed;
- (s) **Compliance with laws:** NUS and each member of the NUS Group (including MAS) have complied in all material respects with all applicable laws and regulations in each applicable jurisdiction in which the NUS Group operates, and none of NUS or any member of the NUS Group (including MAS) is aware of, or has received any notice of any actual or alleged material breach of any such laws or regulations by any member of the NUS Group;
- (t) **Contracts:** NUS and each member of the NUS Group (including MAS) have complied in all material respects with each material contract to which it is a party, and none of NUS or any member of the NUS Group (including MAS) is aware of any intention on the part of any counterparty to such a material contract to terminate or amend the terms of such material contract;
- (u) **Financing arrangements:** no outstanding calls or demands have been made under, or in respect of, any existing financing or security arrangements to which the NUS or any of its Subsidiaries (including MAS) is party to or by which any member of the NUS Group (or any assets thereof) is bound;

- (v) **No breach of any financing arrangements:** there is no existing or unremedied material breach of, nor any material default, event of default, cancellation event, review event, prepayment event or similar event currently subsisting under any existing financing or security arrangements to which NUS or any of its Subsidiaries (including MAS) is party to or by which any member of the NUS Group (or any assets thereof) is bound;
- (w) **No Encumbrances:** on the Implementation Date, there will be no Encumbrances over all or any of the NUS Group's present or future assets or revenues, except any Encumbrance provided in connection with the progression of the Project in the ordinary course;
- (x) **Costs:** NUS' total external costs paid or incurred in relation to the Scheme or the transaction contemplated by this deed (including all legal, financial, print, shareholder communication and any other costs) (unless reasonably necessary to undertake transactions contemplated in this Deed or the Scheme) will not materially exceed the estimates Fairly Disclosed in the Disclosure Materials;
- (y) **No litigation:** as at the date of this deed, neither NUS or any of its Subsidiaries are:
- (i) a party to any material legal action, investigation, proceeding, dispute, claim, demand, notice, direction, inquiry, arbitration, mediation, dispute resolution or litigation; or
 - (ii) the subject of any material ruling, judgement, order, declaration or decree by any Government Agency,
- and as far as NUS is aware, there is no such legal action, investigation, proceeding, dispute, claim, demand, notice, direction, inquiry, arbitration, mediation, dispute resolution or litigation, dispute resolution, litigation, ruling, judgement, order, declaration or decree pending, threatened or anticipated, against NUS or its Subsidiaries;
- (z) **Anti-bribery:** as far as NUS is aware no member of the NUS Group or any director, officer or employee of the NUS Group, or any other person acting on behalf of any member of the NUS Group, has:
- (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity;
 - (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; or
 - (iii) made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment,
- and in each case, in violation of any applicable domestic or foreign anti-bribery laws in Australia, Indonesia or any other jurisdiction which is applicable to the NUS Group;
- (aa) **Money laundering laws:** as far as NUS is aware, the operations of the NUS Group are and have been conducted at all times in compliance with all applicable money laundering legislation of Australia, Indonesia or any other jurisdiction which is applicable to the NUS Group, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Government Agency in those jurisdictions.

Schedule 3 Bidder Warranties

- (a) **Validly existing:** each of Bidder and (if applicable) Bidder Nominee is properly incorporated and a validly existing corporation registered under the laws of its place of incorporation.
- (b) **Power:** Bidder and (if applicable) Bidder Nominee has full corporate power and lawful authority to execute, deliver and perform this deed and the Deed Poll.
- (c) **Corporate action:** Bidder and (if applicable) Bidder Nominee has taken all necessary corporate action to authorise the entry into this deed and the Deed Poll and has taken or will take all necessary corporate action to authorise the performance of this deed and the Deed Poll.
- (d) **Binding:** This deed and the Deed Poll constitute valid and binding obligations on Bidder and (if applicable) Bidder Nominee, enforceable in accordance with its terms.
- (e) **Performance:** The execution and performance by Bidder and (if applicable) Bidder Nominee of this deed and the Deed Poll did not and will not violate or breach any provision of:
 - (i) any writ, order or injunction, judgment, law, rule or regulation to which Bidder or Bidder Nominee is party or by which it is bound; or
 - (ii) Bidder's or Bidder Nominee's constitution or other constituent documents.
- (f) **Bidder Information:** The Bidder Information included in the Scheme Booklet, and any other information provided by Bidder pursuant to clause 4.2(g), has been prepared in good faith and, as at the date of the Scheme Booklet or the date on which such information is so provided (as applicable):
 - (i) is not misleading or deceptive in any material respect (whether by omission or otherwise);
 - (ii) complies in all material respects with the requirements of the Corporations Act and Corporations Regulations, Listing Rules, Takeovers Panel guidance notes and ASIC Regulatory Guide 60 (as applicable); and
 - (iii) any statement of opinion or belief contained in the Bidder Information is honestly held and there are reasonable grounds for holding the opinion or belief.
- (g) **Information provided to Independent Expert:** The information provided to the Independent Expert by Bidder has been provided in good faith and on the understanding that the Independent Expert will rely on that information for the purpose of preparing the Independent Expert's Report.
- (h) **Insolvency Event or regulatory action:** Neither Bidder, Bidder Nominee nor any of its Related Bodies Corporate is the subject of an Insolvency Event, nor has any regulatory action of any nature of which Bidder is aware been taken or threatened that would prevent or in any way restrict the ability of Bidder or (if applicable) Bidder Nominee to fulfil its obligations under this deed or the Deed Poll.
- (i) **No regulatory approvals:** As far as Bidder is aware, no approval, consent, waiver, clearance, concession, allowance, notification or authorisation is required to be

obtained from, or made to, any Government Agency in order for Bidder to execute and perform this deed or the Deed Poll.

- (j) **No dealings with NUS Shareholders:** Neither Bidder nor any of its Associates has any agreement, arrangement or understanding with any NUS Shareholder under which:
 - (i) that NUS Shareholder (or an Associate of that NUS Shareholder) would or may be or become entitled to receive:
 - (A) consideration for their NUS Shares that is different from the Scheme Consideration; or
 - (B) any benefit in connection with the Scheme that is not also offered to all other NUS Shareholders on the same terms; or
 - (ii) that NUS Shareholder agrees to vote in favour of the Scheme or against any Competing Proposal.
- (k) **No dealings with NUS directors or employees:** Neither Bidder nor any of its Associates has any agreement, arrangement or understanding with any director, officer or employee of NUS or any other member of the NUS Group relating in any way to the Transaction or the business or operations of the NUS Group after the Effective Date.
- (l) **Reasonable basis:** Bidder has a reasonable basis to expect that it will have available to it sufficient cash amounts (whether from internal cash resources or external funding arrangements) to satisfy its and, if applicable, the Bidder Nominee's obligations to pay the Scheme Consideration in accordance with this deed and the Deed Poll.

Schedule 4 Prescribed Occurrences

- (a) NUS converting all or any of its shares into a larger or smaller number of shares;
- (b) NUS or any other member of the NUS Group resolving to reduce its share capital in any way or resolving to re-classify, combine, split, redeem or re-purchase directly or indirectly any of its shares;
- (c) NUS or any other member of the NUS Group:
 - (i) entering into a buy-back agreement; or
 - (ii) resolving to approve the terms of a buy-back agreement under the Corporations Act;
- (d) NUS or any other member of the NUS Group issuing shares, or granting a performance right or an option over its shares, or agreeing to make such an issue or grant such a performance right or an option (other than other than the issue of NUS Shares upon exercise or vesting of NUS Performance Rights or NUS Employee Options);
- (e) NUS or any other member of the NUS Group issuing, or agreeing to issue, convertible notes or any other securities convertible into shares or debt securities other than where the securities are issued, or agreed to be issued, to a member of the NUS Group;
- (f) NUS or any other member of the NUS Group declaring, paying or distributing any dividend, bonus or other share of its profits or assets;
- (g) NUS or any other member of the NUS Group disposing, or agreeing to dispose, of the whole, or a substantial part, of the NUS Group's business or property;
- (h) NUS or any other member of the NUS Group granting, or agreeing to grant, an Encumbrance over the whole, or a substantial part, of the NUS Group's business or property;
- (i) NUS or any other member of the NUS Group resolving that it be wound up;
- (j) a liquidator or provisional liquidator of a member of the NUS Group being appointed;
- (k) a court making an order for the winding up of a member of the NUS Group;
- (l) an administrator of a member of the NUS Group being appointed under the Corporations Act;
- (m) NUS or any other member of the NUS Group being or becoming unable to pay its debts when they fall due or is unable to pay its debts within the meaning of the Corporations Act save for any debts or liabilities owing by NUS or the NUS Group to the Bidder, IMI or Petrosea;
- (n) NUS or any other member of the NUS Group making any change to or repeals its constitution;
- (o) NUS or any other member of the NUS Group executing a deed of company arrangement;

- (p) a receiver, or a receiver and manager, being appointed in relation to the whole, or a substantial part, of the NUS Group's business, assets or property;

but does not include any occurrence:

- (q) required or permitted by this deed, the Scheme or the IND Transaction Documents, or any transaction contemplated by any of such documents;
- (r) Fairly Disclosed in the Disclosure Materials or Disclosure Letter, or in any documents lodged with ASX, ASIC or other Government Agency in Australia or Indonesia by or on behalf of any member of the NUS Group before the date of this deed; or
- (s) are within the actual knowledge of Bidder as at the date of this deed; or
- (t) approved, consent to or requested by the Bidder or the Bidder Nominee.

Execution page

Executed as a deed.

Executed by PT Indika Energy Tbk.
acting by Azis Armand
a Vice President Director, in the presence of:





Witness:
Signature:
Name: Dian Paramita
Address: Graha Mitra – 11th Floor, Jalan Jend. Gatot Subroto Kav. 21, Jakarta Selatan 1930
Occupation: Chief Legal Officer

Executed by PT Indika Energy Tbk.
acting by Purbaja Pantja
a Director, in the presence of:





Witness:
Signature:
Name: Dian Paramita
Address: Graha Mitra – 11th Floor, Jalan Jend. Gatot Subroto Kav. 21, Jakarta Selatan 1930
Occupation: Chief Legal Officer

Signed, sealed and delivered by **Nusantara Resources Limited (ACN 150 791 290)** in accordance with section 127 of the *Corporations Act 2001* (Cth) and by:

Signature of director

Signature of director/secretary

Name of director (print)

Name of director/secretary (print)

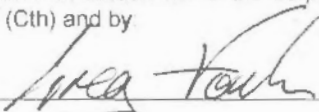
Execution page

Executed as a deed.

Executed by PT Indika Energy Tbk.
acting by _____
a director, in the presence of.

Witness:
Signature:
Name:
Address:
Occupation:

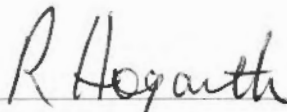
Signed, sealed and delivered by **Nusantara Resources Limited (ACN 150 791 290)** in accordance with section 127 of the *Corporations Act 2001* (Cth) and by



Signature of director

GREG TOULIS

Name of director (print)



Signature of director/secretary

R HOGARTH

Name of director/secretary (print)

Attachment A Indicative Timetable

Event	Date
Draft Scheme Booklet provided to ASIC	Late July 2021
First Court Hearing	Mid August 2021
Scheme Meeting	Mid/late September 2021
Second Court Hearing	Late September 2021
Effective Date	Early October 2021
Record Date	Early October 2021
Implementation Date	Mid-October 2021

Attachment B Scheme

Not reproduced here – please see Appendix D of this Scheme Booklet.

Attachment C Deed Poll

Not reproduced here – please see Appendix E of this Scheme Booklet.



Scheme of arrangement

Nusantara Resources Limited

Each person registered as a holder of NUS Shares as at the Record Date

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Date: [] 2021

This scheme of arrangement is made under section 411 of the Corporations Act.

Parties

- 1 **Nusantara Resources Limited (ACN 150 791 290)** of Leydin Freyer, Level 4, 96 – 100 Albert Road, South Melbourne, VIC 3205 Australia (**NUS**)
- 2 Each NUS Shareholder as at the Record Date (**Scheme Shareholders**)

The parties agree

1 Defined terms and interpretation

1.1 Defined terms

A term or expression which is defined in the dictionary in Schedule 1 has the meaning given to it in the dictionary.

1.2 Interpretation

The interpretation clause in Schedule 1 sets out rules of interpretation for this Scheme.

2 Preliminary matters

2.1 NUS

In respect of NUS:

- (a) NUS is a public company incorporated in Australia, registered in New South Wales and is a company limited by shares.
- (b) As at the date of the Implementation Deed, 229,273,007 NUS Shares were quoted for trading on ASX.

2.2 Bidder

In respect of Bidder:

- (a) Bidder is a listed public company duly established and registered under the applicable laws in the Republic of Indonesia.
- (b) Pursuant to clause 2.2(a) of the Implementation Deed, Bidder has nominated its wholly-owned Subsidiary, PT Indika Mineral Investindo, as the Bidder Nominee, and the Bidder Nominee has executed a deed poll of accession dated 2 August 2021 acceding to the terms of the Implementation Deed.

2.3 If Scheme becomes Effective

- (a) If this Scheme becomes Effective:
 - (i) in consideration of the transfer of the Scheme Shares to Bidder Nominee, Bidder and Bidder Nominee must provide or procure the provision of the

- Scheme Consideration to NUS on behalf of the Scheme Shareholders in accordance with this Scheme and the Deed Poll; and
- (ii) all the Scheme Shares, and all the rights and entitlements attaching to them as at the Implementation Date, will be transferred to Bidder Nominee; and
 - (iii) NUS will enter the name and address of Bidder Nominee in the Share Register in respect of all the Scheme Shares.
- (b) Bidder and NUS have entered into the Implementation Deed in respect of (among other things) the implementation of this Scheme.
 - (c) This Scheme attributes certain actions to Bidder and Bidder Nominee but does not itself impose any obligations on Bidder (or Bidder Nominee) to perform those actions. By executing the Deed Poll, each of Bidder and Bidder Nominee has agreed to perform the actions attributed to it under this Scheme.

3 Conditions

3.1 Conditions precedent

This Scheme is conditional on and will not become Effective until and unless the following conditions precedent are satisfied:

- (a) all the conditions in clause 3.1 of the Implementation Deed (other than the condition in the Implementation Deed relating to Court approval of this Scheme) are satisfied or waived in accordance with the terms of the Implementation Deed by 8:00am on the Second Court Date;
- (b) neither the Implementation Deed nor the Deed Poll is terminated in accordance with its terms before 8:00am on the Second Court Date;
- (c) this Scheme is approved by the Court having made orders under section 411(4)(b) of the Corporations Act, including with any alterations made or required by the Court under section 411(6) of the Corporations Act as are acceptable to NUS and Bidder (each acting reasonably);
- (d) such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to this Scheme as are acceptable to NUS and Bidder (each acting reasonably) are satisfied or waived; and
- (e) the order of the Court made under section 411(4)(b) of the Corporations Act (and if applicable, section 411(6) of the Corporations Act) approving this Scheme becoming Effective.

3.2 Certificates

- (a) Each of NUS and Bidder will provide a certificate (or such other evidence as the Court may require) to the Court at the Second Court Hearing confirming (in respect of matters within their knowledge) whether or not the conditions precedent in clauses 3.1(a) and 3.1(b) of this Scheme have been satisfied or waived (but in the case of the condition precedent in clause 3.1(a) only in respect of those conditions in clause 3.1 of the Implementation Deed (other than the condition relating to Court approval of this Scheme) included for that party's benefit).
- (b) The certificates given by NUS and Bidder under clause 3.2(a) constitute conclusive evidence that the conditions precedent in clauses 3.1(a) and 3.1(b) have been satisfied or waived.

3.3 End Date

Without limiting any rights under the Implementation Deed, this Scheme will lapse and be of no further force or effect if:

- (a) the Effective Date does not occur on or before the End Date; or
- (b) the Implementation Deed or the Deed Poll is terminated in accordance with its terms,

unless Bidder (and Bidder Nominee) and NUS otherwise agree in writing (and if required, as approved by the Court).

4 Implementation of this Scheme

4.1 Lodgement of Court orders with ASIC

NUS must lodge with ASIC in accordance with section 411(10) of the Corporations Act an office copy of the order made by the Court under section 411(4)(b) of the Corporations Act approving this Scheme as soon as practicable and in any event before 5:00pm on the Business Day immediately following the day on which it receives an office copy of the court orders or such later date as NUS and Bidder agree in writing.

4.2 Transfer of Scheme Shares

Subject to this Scheme becoming Effective, on the Implementation Date:

- (a) subject to the provision of the Scheme Consideration in the manner contemplated by clauses 5.1, 5.2(b) and 5.2(c), all of the Scheme Shares, together with all rights and entitlements attaching to them as at the Implementation Date, must be transferred to Bidder Nominee, without the need for any further act by any Scheme Shareholder (other than acts performed by NUS (or any directors, officers, or secretaries of NUS) as attorney and agent for Scheme Shareholders under clause 8.5), by:
 - (i) NUS, in its capacity as the attorney and agent of the Scheme Shareholders, duly completing and executing the Scheme Transfer on behalf of the Scheme Shareholders (as transferors), and delivering it to Bidder Nominee; and
 - (ii) Bidder Nominee duly executing the Scheme Transfer (as transferee), attending to the stamping of the Scheme Transfer (if required) and delivering it to NUS for registration; and
- (b) immediately following receipt of the Scheme Transfer in accordance with clause 4.2(a), NUS must enter, or procure the entry of, the name of Bidder Nominee in the Share Register in respect of all the Scheme Shares transferred to Bidder Nominee in accordance with this Scheme.

5 Scheme Consideration

5.1 Entitlement to Scheme Consideration

On the Implementation Date, in consideration for the transfer to Bidder Nominee of the Scheme Shares, each Scheme Shareholder will be entitled to the Scheme Consideration for each Scheme Share held by that Scheme Shareholder, subject to the terms of this Scheme.

5.2 Provision of Scheme Consideration

- (a) Bidder's and Bidder Nominee's obligations to provide the Scheme Consideration will be satisfied by Bidder or Bidder Nominee depositing (or procuring the deposit) in cleared funds an amount equal to the Aggregate Scheme Consideration less any amounts deducted in accordance with clause 5.2(f) into the Trust Account before 12 noon on the Business Day immediately before the Implementation Date (provided that any interest on the amount so deposited (less bank fees and other charges) (**Accrued Interest**) will accrue for the benefit of Bidder or if applicable Bidder Nominee), such amount to be held by NUS for the purposes of paying the Scheme Consideration to Scheme Shareholders in accordance with clause 5.2(b).
- (b) Subject to Bidder or Bidder Nominee providing the Aggregate Scheme Consideration in accordance with clause 5.2(a), NUS must, on the Implementation Date and from the Trust Account, pay (or procure the payment to each Scheme Shareholder of) the proportion of the Aggregate Scheme Consideration attributable to that Scheme Shareholder based on the number of Scheme Shares held by that Scheme Shareholder as at the Record Date, which obligation will be satisfied by NUS:
- (i) where a Scheme Shareholder has, before the Record Date, made an election in accordance with the requirements of the Registry to receive distribution payments from NUS by electronic funds transfer to a bank account nominated by the Scheme Shareholder, paying, or procuring the payment of, the relevant amount in Australian currency by electronic means in accordance with that election; or
 - (ii) dispatching, or procuring the dispatch of, a cheque drawn on an Australian bank in Australian currency for the relevant amount to the Scheme Shareholder by prepaid post to their Registered Address, such cheque being drawn in the name of the Scheme Shareholder (or, in the case of joint holders, in accordance with clause 5.3).
- (c) If:
- (i) either:
 - (A) a Scheme Shareholder does not have a Registered Address; or
 - (B) NUS as the trustee for the Scheme Shareholders believes that a Scheme Shareholder is not known at the Scheme Shareholder's Registered Address,and no account has been notified in accordance with clause 5.2(b)(i) or a deposit into such an account is rejected or refunded; or
 - (ii) a cheque issued under this clause 5 has been cancelled in accordance with clause 5.4(a),

NUS as the trustee for the Scheme Shareholders may credit the amount payable to the relevant Scheme Shareholder to a separate bank account of NUS (**Separate Account**) to be held until the Scheme Shareholder claims the amount or the amount is dealt with in accordance with the *Unclaimed Money Act 2008* (Vic). To avoid doubt, if the amount is not credited to a Separate Account, the amount will continue to be held in the Trust Account until the Scheme Shareholder claims the amount or the amount is dealt with in accordance with the *Unclaimed Money Act 2008* (Vic).

Until such time as the amount is dealt with in accordance with the *Unclaimed Money Act 2008* (Vic), NUS must hold the amount for the relevant Scheme Shareholder, but any interest or other benefit accruing from the amount will be to

the benefit of Bidder. An amount credited to the Separate Account or Trust Account (as applicable) is to be treated as having been paid to the Scheme Shareholder when credited to the Separate Account or Trust Account (as applicable). NUS must maintain records of the amounts paid, the people who are entitled to the amounts and any transfers of the amounts.

- (d) To the extent that there is a surplus in the amount held by NUS as the trustee for the Scheme Shareholders in the Trust Account, that surplus may be paid by NUS as the trustee for the Scheme Shareholders to Bidder or Bidder Nominee following the satisfaction of NUS's obligations as the trustee for the Scheme Shareholders under this clause 5.2.
- (e) NUS must pay any Accrued Interest to any account nominated by Bidder or Bidder Nominee following satisfaction of NUS's obligations under clause 5.2(b).
- (f) If Bidder or Bidder Nominee is required by Subdivision 14-D of Schedule 1 of the *Taxation Administration Act 1953* (Cth) to pay amounts to the ATO in respect of the payment of Scheme Consideration to certain Scheme Shareholders, the parties agree that:
 - (i) Bidder or Bidder Nominee is permitted to deduct the relevant amounts from the Aggregate Scheme Consideration before depositing the Aggregate Scheme Consideration in the Trust Account in accordance with clause 5.2(a), and remit such amounts to the ATO;
 - (ii) the Scheme Consideration payable to those Scheme Shareholders for whom a payment to the ATO has been made shall not be increased to reflect the deduction, and the net Scheme Consideration payable to those Scheme Shareholders shall be taken to be in full and final satisfaction of the amounts owing to those Scheme Shareholders; and
 - (iii) Bidder or Bidder Nominee must pay any amount so deducted from the Aggregate Scheme Consideration under clause 5.2(f)(i) to the ATO within the time permitted by law, and, if requested in writing by the relevant Scheme Shareholder, provide a receipt or other appropriate evidence of such payment (or procure the provision of such receipt or other evidence) to the relevant Scheme Shareholder.

5.3 Joint holders

In the case of Scheme Shares held in joint names:

- (a) any cheque required to be sent under this Scheme will be made payable to the joint holders and sent to the holder whose name appears first in the Share Register as at the Record Date; and
- (b) any other document required to be sent under this Scheme will be forwarded to the holder whose name appears first in the Share Register as at the Record Date.

5.4 Cancellation and re-issue of cheques

- (a) NUS may cancel a cheque issued under this clause 5 if the cheque:
 - (i) is returned to NUS; or
 - (ii) has not been presented for payment within six months after the date on which the cheque was sent.
- (b) During the period of one year commencing on the Implementation Date, on request in writing from a Scheme Shareholder to NUS (or the Registry) (which request may not be made until the date which is 5 Business Days after the Implementation Date), a cheque that was previously cancelled under clause 5.4(a) must be reissued.

5.5 Unclaimed monies

- (a) The *Unclaimed Money Act 2008* (Vic) will apply in relation to any Scheme Consideration which becomes 'unclaimed money' (as defined in section 3 of the *Unclaimed Money Act 2008* (Vic)).
- (b) Any interest or other benefit accruing from unclaimed Scheme Consideration will be to the benefit of Bidder.

5.6 Orders of a court or Government Agency

If written notice is given to NUS (or the Registry) of an order or direction made by a court of competent jurisdiction or by another Government Agency that:

- (a) requires payment to a third party of a sum in respect of Scheme Shares held by a particular Scheme Shareholder, which sum would otherwise be payable to that Scheme Shareholder by NUS in accordance with this clause 5, then NUS will be entitled to make that payment (or procure that it is made) in accordance with that order or direction; or
- (b) prevents NUS from making a payment to a particular Scheme Shareholder in accordance with clause 5.2(b), or such payment is otherwise prohibited by applicable law, NUS will be entitled to retain an amount, in Australian dollars, equal to the amount of the relevant payment until such time as payment in accordance with this clause 5 is permitted by that order or direction or otherwise by law,

and the payment or retention by NUS will constitute full discharge of NUS's obligations under clause 5.2(b) with respect to the amount so paid or retained until, in the case of clause 5.6(b), it is no longer required to be retained.

6 Dealings in NUS Shares

6.1 Determination of Scheme Shareholders

To establish the identity of the Scheme Shareholders, dealings in NUS Shares or other alterations to the Share Register will only be recognised if:

- (a) in the case of dealings of the type to be effected using CHES, the transferee is registered in the Share Register as the holder of the relevant NUS Shares at or before the Record Date; and
- (b) in all other cases, registrable transfer or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received at or before the Record Date at the place where the Share Register is kept,

and NUS must not accept for registration, nor recognise for any purpose (except a transfer to Bidder Nominee pursuant to this Scheme and any subsequent transfer by Bidder Nominee or its successors in title), any transfer or transmission application or other request received after the Record Date, or received prior to the Record Date but not in registrable or actionable form.

6.2 Register

- (a) NUS must register, or cause to be registered, registrable transmission applications or transfers of Scheme Shares in accordance with clause 6.1(b) at or before the Record Date, provided that nothing in this clause 6.2(a) requires NUS to register a transfer that would result in an NUS Shareholder holding a parcel of NUS Shares that is less than a 'marketable parcel' (as defined in the operating rules of ASX).
- (b) If this Scheme becomes Effective, a Scheme Shareholder (and any person claiming through that holder) must not dispose of, or purport or agree to dispose of, any Scheme Shares or any interest in them after the Record Date otherwise than pursuant to this Scheme, and any attempt to do so will have no effect and NUS will be entitled to disregard any such disposal, purported disposal or agreement.
- (c) For the purpose of determining entitlements to the Scheme Consideration, NUS must maintain the Share Register in accordance with the provisions of this clause 6.2 until the Scheme Consideration has been paid to the Scheme Shareholders and Bidder Nominee has been entered into the Share Register as the holder of all of the Scheme Shares. The Share Register in this form will solely determine entitlements to the Scheme Consideration.
- (d) All statements of holding for Scheme Shares (other than statements of holding in favour of Bidder and Bidder Nominee) will cease to have effect after the Record Date as documents of title in respect of those shares and, as from that date, each entry current at that date on the Share Register (other than entries in respect of Bidder and Bidder Nominee) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the NUS Shares relating to that entry.
- (e) As soon as practicable after the Record Date, and in any event within one Business Day after the Record Date, NUS will ensure that the details of the names, Registered Addresses and holdings of NUS Shares for each Scheme Shareholder as shown in the Share Register as at the Record Date are available to Bidder Nominee in the form Bidder Nominee reasonably requires.

7 Quotation of NUS Shares

- (a) NUS will apply to ASX to suspend trading in NUS Shares with effect from the close of trading on the Effective Date.
- (b) NUS will apply:
 - (i) for termination of the official quotation of NUS Shares on the ASX; and
 - (ii) to have itself removed from the official list of ASX,in each case with effect on and from the close of trading on the trading day immediately following the Implementation Date, or such later date as may be:
 - (A) requested by Bidder Nominee, acting reasonably; and
 - (B) permitted by ASX.

8 General Scheme provisions

8.1 Consent to amendments to this Scheme

If the Court proposes to approve this Scheme subject to any alterations or conditions:

- (a) NUS may by its counsel consent on behalf of all persons concerned to those alterations or conditions to which Bidder or Bidder Nominee has consented (such consent not to be unreasonably withheld or delayed); and
- (b) each Scheme Shareholder agrees to any such alterations or conditions to which counsel for NUS has consented.

8.2 Scheme Shareholders' agreements and warranties

- (a) Each Scheme Shareholder irrevocably consents and:
 - (i) agrees to the transfer of their Scheme Shares together with all rights and entitlements attaching to those Scheme Shares in accordance with this Scheme;
 - (ii) agrees to the variation, cancellation or modification of the rights attached to their Scheme Shares constituted by or resulting from this Scheme;
 - (iii) agrees to, on the direction of Bidder Nominee, destroy any share certificates relating to their Scheme Shares; and
 - (iv) acknowledges that this Scheme binds NUS and all Scheme Shareholders (including those who did not attend the Scheme Meeting and those who did not vote, or voted against this Scheme, at the Scheme Meeting),
without the need for any further act by the Scheme Shareholder.
- (b) Each Scheme Shareholder is taken to have warranted to NUS and Bidder Nominee, and appointed and authorised NUS as its attorney and agent to warrant to Bidder Nominee, that:
 - (i) all their Scheme Shares (including any rights and entitlements attaching to their Scheme Shares) which are transferred under this Scheme will, at the time of transfer of them to Bidder Nominee, be fully paid and free from all:
 - (A) mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise; and
 - (B) restrictions on transfer of any kind;
 - (ii) they have full power and capacity to transfer their Scheme Shares to Bidder Nominee together with any rights attaching to those Scheme Shares; and
 - (iii) as at the Record Date, they have no existing right to be issued any other Scheme Shares or any other form of NUS Shares.

8.3 Title to and rights in Scheme Shares

- (a) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme will, at the time of transfer of them to Bidder Nominee, vest in Bidder Nominee free from all:

- (i) mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise; and
 - (ii) restrictions on transfer of any kind.
- (b) On the provision of the Scheme Consideration in the manner contemplated by clause 5, Bidder Nominee will be beneficially entitled to the Scheme Shares to be transferred to it under this Scheme pending registration by NUS of Bidder Nominee in the Share Register as the holder of the Scheme Shares. Bidder Nominee's entitlement to be registered in the Share Register as the holder of the Scheme Shares arises on the Implementation Date in accordance with clause 4.2.

8.4 Appointment of sole proxy

On the provision of the Scheme Consideration in the manner contemplated by clause 5 and until NUS registers Bidder Nominee as the holder of all Scheme Shares in the Share Register, each Scheme Shareholder:

- (a) is deemed to have appointed Bidder Nominee as attorney and agent (and directed Bidder Nominee in each such capacity) to appoint any director, officer, secretary or agent nominated by Bidder Nominee as its sole proxy and, where applicable or appropriate, corporate representative to attend shareholders' meetings, exercise the votes attaching to the Scheme Shares registered in their name and sign any shareholders' resolution whether in person, by proxy or by corporate representative;
- (b) must not attend or vote at any Shareholders' meetings or sign any Shareholders' resolutions, whether in person, by proxy or by corporate representative (other than pursuant to clause 8.4(a));
- (c) must take all other actions in the capacity of a registered holder of Scheme Shares as Bidder Nominee reasonably directs; and
- (d) acknowledges and agrees that in exercising the powers conferred by clause 8.4(a), Bidder Nominee and any director, officer, secretary or agent nominated by Bidder Nominee under that clause may act in the best interests of Bidder Nominee as the intended registered holder of the Scheme Shares.

8.5 Authority given to NUS

On and from the Effective Date, each Scheme Shareholder, without the need for any further act, irrevocably appoints NUS and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purposes of:

- (a) enforcing the Deed Poll against Bidder and Bidder Nominee; and
- (b) executing any document, or doing or taking any other act, necessary, desirable or expedient to give effect to this Scheme and the transactions contemplated by it, including executing the Scheme Transfer under clause 4.2 and the giving of the Scheme Shareholders' consent under clause 8.2 and 9.2,

and NUS accepts such appointment. NUS, as attorney and agent of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under this clause 8.5 to all or any of its directors, officers or secretaries (jointly, severally or jointly and severally).

8.6 Binding effect of this Scheme

This Scheme binds NUS and all of the Scheme Shareholders (including those who did not attend the Scheme Meeting and those who did not vote, or voted against this Scheme, at the Scheme Meeting) and, to the extent of any inconsistency, overrides the constitution of NUS.

9 General

9.1 Stamp duty

Bidder or Bidder Nominee will:

- (a) pay all stamp duty (if any) and any related fines and penalties payable in respect of the Scheme and the Deed Poll, the performance of the Deed Poll and each transaction effected by or made under or in connection with the Scheme and the Deed Poll; and
- (b) indemnify each Scheme Shareholder against any liability arising from failure to comply with clause 9.1(a).

9.2 Consent

Each Scheme Shareholder consents to NUS doing all things necessary or incidental to give full effect to the implementation of this Scheme and the transactions contemplated by it, whether on behalf of the Scheme Shareholders, NUS or otherwise.

9.3 Notices

- (a) If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to NUS, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at NUS' registered office or at the office of the Registry.
- (b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by a NUS Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

9.4 Governing law and jurisdiction

- (a) This Scheme and any dispute arising out of or in connection with the subject matters of this document is governed by the laws in force in Victoria, Australia.
- (b) Each party irrevocably:
 - (i) submits to the non-exclusive jurisdiction of the courts of Victoria, Commonwealth courts having jurisdiction in that state and the courts competent to determine appeals from those courts, with respect to any proceedings that may be brought at any time relating to this Scheme; and
 - (ii) waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, if that venue falls within clause 9.4(b)(i).

9.5 No liability when acting in good faith

Neither NUS nor Bidder nor Bidder Nominee, nor any of their respective officers or employees will be liable for anything done or omitted to be done in the performance of this Scheme in good faith.

9.6 Further action

NUS must do all things and execute all documents necessary to give full effect to this Scheme and the transactions contemplated by it.

Schedule 1 Dictionary

1 Dictionary

Accrued Interest has the meaning given in clause 5.2(a).

Aggregate Scheme Consideration means the Scheme Consideration multiplied by the total number of Scheme Shares.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) or, where the context requires, the financial market operated by it.

ATO means the Australian Taxation Office.

Bidder means PT Indika Energy Tbk. of Graha Mitra, 11th Floor, Jl. Jend. Gatot Subroto Kav. 21, Jakarta 12930, Indonesia.

Bidder Nominee means PT Indika Mineral Investindo of Graha Mitra, 3rd Floor, Jl. Jend. Gatot Subroto Kav. 21, Jakarta 12930, Indonesia.

Business Day has the meaning given in the Listing Rules.

CHES means the Clearing House Electronic Subregister System operated by ASX Settlement Pty Limited and ASX Clear Pty Limited.

Corporations Act means the *Corporations Act 2001* (Cth).

Court means the Supreme Court of Victoria or such other court of competent jurisdiction under the Corporations Act as agreed in writing between Bidder and NUS.

Deed Poll means the deed poll dated 17 August 2021 under which, among other things, Bidder covenants in favour of Scheme Shareholders to provide the Scheme Consideration in accordance with the Scheme.

Effective means the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to this Scheme.

Effective Date means the date on which this Scheme becomes Effective.

End Date means 31 December 2021 or such later date as Bidder and NUS agree in writing.

Government Agency means any foreign or Australian government or governmental, semi-governmental, administrative, fiscal, statutory or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any state, or any other federal, state, provincial, local or other government, whether foreign or Australian. It also includes any self-regulatory organisation established under statute or otherwise discharging substantially public or regulatory functions (including ASIC and the Takeovers Panel).

Implementation Date means the fifth Business Day after the Record Date or such other day as Bidder and NUS agree in writing.

Implementation Deed means the scheme implementation deed dated 27 June 2021 between NUS and Bidder relating to, among other things, the implementation of the Scheme.

Listing Rules means the official listing rules of ASX.

Notice has the meaning given in the Implementation Deed.

NUS means Nusantara Resources Limited.

NUS Share means a fully paid ordinary share in the capital of NUS.

NUS Shareholder means each person who is registered in the Share Register as a holder of NUS Shares.

Record Date means 7:00pm on the third Business Day after the Effective Date of the Scheme, or such other time and date as Bidder and NUS agree in writing and ASX may allow.

Registered Address means, in relation to a Scheme Shareholder, the address shown in the Share Register as at the Record Date.

Registry means Computershare Investor Services Pty Limited (ABN 48 078 279 277).

Scheme means this scheme of arrangement, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to in writing by NUS and Bidder.

Scheme Consideration means, in respect of each Scheme Share, \$0.35 cash.

Scheme Meeting means the meeting of NUS Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act.

Scheme Share means a NUS Share held by a Scheme Shareholder as at the Record Date.

Scheme Shareholder means a NUS Shareholder recorded in the Share Register as at the Record Date (other than the Bidder or the Bidder Nominee).

Scheme Transfer means one or more proper instruments of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, which may be or include a master transfer of all or part of the Scheme Shares.

Second Court Date means the first day on which an application made to the Court for orders under section 411(4)(b) of the Corporations Act approving this Scheme is heard (or if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard), with such hearing being the **Second Court Hearing**.

Separate Account has the meaning given in clause 5.2(c).

Share Register means the register of NUS Shareholders maintained in accordance with the Corporations Act.

Subsidiary has the meaning given to it in the Corporations Act.

Trust Account means an Australian dollar denominated trust account which is operated by NUS as trustee for the Scheme Shareholders.

2 Interpretation

In this Scheme, the following rules of interpretation apply unless the contrary intention appears.

- (a) Headings are for convenience only and do not affect the interpretation of this Scheme.
- (b) The singular includes the plural and vice versa.
- (c) Words that are gender neutral or gender specific include each gender.
- (d) Where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings.
- (a) The words “include”, “including”, “such as”, “for example” and similar expressions are not words of limitation and do not limit what else might be included.
- (e) A reference to:
 - (i) a person includes a natural person, partnership, joint venture, government agency, association, corporation or other body corporate or entity (as that term is defined in section 64A of the Corporations Act);
 - (ii) a thing (including a chose in action or other right) includes a part of that thing;
 - (iii) a party includes its successors and permitted assigns;
 - (iv) a document includes all amendments or supplements to that document;
 - (v) a clause, term, party, schedule or attachment is a reference to a clause or term of, or a party, schedule or attachment to, this Scheme (as applicable);
 - (vi) this Scheme includes all schedules to it;
 - (vii) a law includes a constitutional provision, treaty, decree, convention, statute, regulation, ordinance, by-law, judgment, rule of common law or equity or a Listing Rule and is a reference to that law as amended, consolidated or replaced;
 - (viii) an agreement (other than this Scheme) includes an undertaking or legally enforceable arrangement or understanding (whether or not in writing);
 - (ix) a time period includes the date referred to as that on which the period begins and the date referred to as that on which the period ends; and
 - (x) a monetary amount is in Australian dollars.
- (b) An agreement on the part of two or more persons binds them jointly and severally.
- (c) When the day on which something must be done is not a Business Day, that thing must be done on the following Business Day.
- (d) In determining the time of day where relevant to this Scheme, the time of day is:
 - (i) for the purposes of giving or receiving Notice, the time of day where the party receiving Notice is located; or
 - (ii) for any other purpose under this Scheme, the time of day in the place where the party required to perform an obligation is located.
- (e) No rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of this Scheme or any part of it.



Deed poll

PT Indika Energy Tbk.

PT Indika Mineral Investindo

In favour of each person registered as a holder of NUS Shares as at the Record Date

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Parties

- 1 PT Indika Energy Tbk. of Graha Mitra, 11th Floor, Jl. Jend Gatot Subroto Kav. 21, Jakarta 12930, Indonesia (**Bidder**)
- 2 PT Indika Mineral Investindo of Graha Mitra, 3rd Floor, Jl. Jend. Gatot Jl. Jend Gatot Subroto Kav. 21, Jakarta 12930, Indonesia (**Bidder Nominee**)

In favour of each person registered as a holder of NUS Shares as at the Record Date (**Scheme Shareholders**)

Background

- A Bidder and NUS have entered into the Implementation Deed, under which:
 - (i) Bidder and NUS have agreed to implement the Scheme; and
 - (ii) Bidder has agreed to:
 - (A) enter into this deed poll; and
 - (B) pay or procure the provision of the Scheme Consideration to each Scheme Shareholder, in accordance with the Scheme.
 - B Bidder is entering into this deed poll for the purpose of covenanting in favour of the Scheme Shareholders to undertake the actions attributed to Bidder under the Scheme.
 - C Bidder Nominee, as nominated by Bidder in accordance with section 2.2(a) of the Implementation Deed, must execute this deed in accordance with section 2.2(b)(iii)(B) of the Implementation Deed.
-

1 Defined terms and interpretation

1.1 Defined terms

Unless the context otherwise requires:

- (a) **Implementation Deed** means the scheme implementation deed dated 27 June 2021 between Bidder and NUS relating to (among other things) the implementation of the Scheme; and
- (b) terms defined in the Implementation Deed have the same meaning when used in this deed poll.

1.2 Interpretation

Clause 2 of Schedule 1 of the Implementation Deed applies to the interpretation of this deed poll, except that references to 'this deed' are to be read as references to 'this deed poll'.

1.3 Nature of deed poll

Each of Bidder and Bidder Nominee acknowledges that:

- (a) this deed poll may be relied on and enforced by any Scheme Shareholder in accordance with the terms of this deed poll even though the Scheme Shareholders are not party to it; and

- (b) under the Scheme, each Scheme Shareholder irrevocably appoints NUS and each of its directors, officers and secretaries (jointly and each of them severally) as its agent and attorney to enforce this deed poll against Bidder and/or Bidder Nominee.

1.4 Bidder Nominee

For the avoidance of doubt, the nomination of the Bidder Nominee under the Implementation Deed will not relieve the Bidder of its obligations under this deed poll and the Scheme (provided that Bidder will not be in breach of this deed poll if it does not discharge an obligation where that obligation has been fully discharged by the Bidder Nominee).

2 Conditions

2.1 Conditions

This deed poll and the obligations of Bidder and Bidder Nominee under this deed poll are subject to the Scheme becoming Effective.

2.2 Termination

The obligations of Bidder and Bidder Nominee under this deed poll will automatically terminate and the terms of this deed poll will be of no further force or effect if:

- (a) the Implementation Deed is terminated in accordance with its terms; or
- (b) the Scheme does not become Effective by the End Date,

unless Bidder, Bidder Nominee and NUS otherwise agree in writing and in accordance with the Implementation Deed.

2.3 Consequences of termination

If this deed poll is terminated under clause 2.2, then in addition and without prejudice to any other rights, powers or remedies available to it:

- (a) each of Bidder and Bidder Nominee is released from its obligations to further perform this deed poll except those obligations under clause 6.1; and
- (b) each Scheme Shareholder retains the rights they have against Bidder and/or Bidder Nominee in respect of any breach of this deed poll which occurred before it was terminated.

3 Scheme obligations

3.1 Bidder undertakings

Subject to clause 2, Bidder and Bidder Nominee each undertake in favour of each Scheme Shareholder to:

- (a) deposit or procure the deposit of the Aggregate Scheme Consideration in cleared funds into a trust account operated by NUS as trustee for the Scheme Shareholders before 12 noon on the Business Day immediately before the Implementation Date (it being noted that, in accordance with the Scheme, any interest on the amount so deposited, less bank fees and other charges, will accrue for the benefit of Bidder or Bidder Nominee); and
- (b) provide or procure the provision of the Scheme Consideration in accordance with the terms of the Scheme; and

- (c) undertake or procure the undertaking of all other actions attributed to it under the Scheme, as if named as a party to the Scheme,
- in each case subject to and in accordance with the terms of the Scheme.
-

4 Warranties

Each of Bidder and Bidder Nominee represents and warrants in favour of each Scheme Shareholder that:

- (a) it is a corporation validly existing under the laws of its place of incorporation;
 - (b) it has the legal right and full corporate power to enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;
 - (c) it has taken all necessary corporate action to authorise its entry into this deed poll and has taken or will take all necessary corporate action to authorise the performance by it of this deed poll and to carry out the transactions contemplated by this deed poll;
 - (d) it is solvent and no resolutions have been passed nor has any other step been taken or legal proceedings commenced or threatened against it for its winding up or dissolution or for the appointment of a liquidator, receiver, administrator or similar officer over any or all of its assets (or any event under any law which is analogous to, or which has a substantially similar effect to, any of the events referred to in this paragraph);
 - (e) this deed poll is valid and binding on it and is enforceable against it in accordance with the terms of this deed poll; and
 - (f) this deed poll does not conflict with, or result in the breach of or default under, any provision of its constitution, or any writ, order or injunction, judgment, law, rule or regulation to which it is a party or subject or by which it is bound.
-

5 Continuing obligations

This deed poll is irrevocable and, subject to clause 2, remains in full force and effect until:

- (a) Bidder and Bidder Nominee have fully performed their obligations under this deed poll; or
 - (b) the earlier termination of this deed poll under clause 2.2.
-

6 General

6.1 Stamp duty

Bidder (or if applicable Bidder Nominee) must:

- (a) pay all stamp duty (if any) and any related fines and penalties payable on or in connection with the transfer by the Scheme Shareholders of the Scheme Shares to Bidder pursuant to the Scheme and this deed poll; and
- (b) indemnify each Scheme Shareholder against any liability arising from failure to comply with clause 6.1(a).

6.2 Notices

- (a) Any notice or other communication to Bidder or Bidder Nominee in connection with this deed poll must be:

- (i) in legible writing in English;
- (ii) signed by the person making the communication, or on that person's duly authorised Representative; and
- (iii) given by hand delivery, pre-paid post or email in accordance with the details set out below:

Bidder and Bidder Nominee

Attention: Purbaja Pantja

Address: Graha Mitra Level 11, Jl. Jend. Gatot Subroto Kav. 21, Jakarta 12930

Email: purbaja.pantja@indikaenergy.co.id

with a copy (for information purposes only) to ehumphry@claytonutz.com

- (b) Subject to clause 6.2(c), any notice or other communication given in accordance with clause 6.2(a) will be deemed to have been duly given as follows:
 - (i) if delivered by hand, on delivery;
 - (ii) if sent by pre-paid post, three days after posting (or seven days after posting if sent from one country to another); and
 - (iii) if sent by email:
 - (A) when the sender receives an automated message confirming delivery of the email;
 - (B) when the sender receives an email from the recipient confirming receipt of the email; or
 - (C) four hours after the time sent (as recorded on the device from which the email was sent), provided that the sender does not receive an automated message that the email has not been delivered,
 whichever happens first.
- (c) Any notice or other communication that, pursuant to clause 6.2(b), would be deemed to be given:
 - (i) before 9:00am on a Business Day, it will be taken to be received at 9:00am on that Business Day; or
 - (ii) after 5:00pm on a Business Day or on a non-Business Day, it will be taken to be received at 9:00am on the next Business Day,
 where references to time are to time in the place the recipient is located.

6.3 Cumulative rights

The rights, powers and remedies of Bidder, Bidder Nominee and each Scheme Shareholder under this deed poll are cumulative with and do not exclude the rights, powers or remedies provided by law independently of this deed poll.

6.4 Waiver

- (a) A party waives a right under this deed poll only by written notice that it waives that right. A waiver is limited to the specific instance to which it relates and to the specific purpose for which it is given.
- (b) Failure to exercise or enforce, a delay in exercising or enforcing or the partial exercise or enforcement of:

- (i) any right, power or remedy provided by law or under this deed poll; or
- (ii) any right, power, authority, discretion or remedy created or arising upon default under this deed poll,

by any party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement, of that or any other right, power or remedy provided by law or under this deed poll.

- (c) A party may not rely on any conduct of another party as a defence to the exercise of a right, power, authority, discretion or remedy by that other party.

6.5 Variation

A provision of this deed poll may not be varied unless:

- (a) if before the First Court Date, the variation is agreed to by NUS, Bidder and Bidder Nominee in writing; or
- (b) if on or after the First Court Date, the variation is agreed to by NUS, Bidder and Bidder Nominee in writing and the Court indicates that the variation would not of itself preclude approval of the Scheme,

in which event Bidder and Bidder Nominee will enter into a further deed poll in favour of the Scheme Shareholders giving effect to the variation.

6.6 Governing law and jurisdiction

- (a) This deed poll is governed by the laws in force in Victoria, Australia.
- (b) Each of Bidder and Bidder Nominee irrevocably:
 - (i) submits to the non-exclusive jurisdiction of the courts of Victoria, Commonwealth courts having jurisdiction in that state and the courts competent to determine appeals from those courts, with respect to any proceedings that may be brought at any time relating to the Scheme; and
 - (ii) waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, if that venue falls within clause 6.6(b)(i).

6.7 Language

- (a) Each of Bidder and Bidder Nominee confirms that it fully understands and agrees to be bound by the terms and conditions of this Deed Poll notwithstanding that this Deed Poll is prepared and executed in the English language. Bidder and Bidder Nominee each further agrees that the execution of this Deed Poll in the English language will not affect the validity, binding effect or enforceability of this Deed Poll.
- (b) In compliance with the Law of Indonesia No. 24 of 2009 regarding National Flag, Language, Emblem and Anthem (**Law No. 24**) and the Presidential Regulation No. 63 of 2019 on the Use of Indonesian (**PR No. 63/2019**), each of the Bidder and Bidder Nominee agrees to execute the Indonesian-language text of this Deed Poll prior to the First Court Hearing and the Indonesian-language text will be deemed to be effective from the date the English-language text is executed. In the event of any inconsistency between the Indonesian-language text and the English-language text of this Deed Poll, or should there be any dispute over the meaning or interpretation of certain provisions of this Deed Poll, the Bidder and Bidder Nominee each hereby agrees that the English-language text shall prevail, and the Indonesian-language text will be deemed to be amended to conform with and to make the relevant Indonesian-language text consistent with the relevant English-language text.

- (c) Each of the Bidder and Bidder Nominee in good faith agrees that it will not (nor will it allow or assist any party to) in any manner or forum in any jurisdiction:
 - (i) challenge the validity of, or raise or file any objection to this Deed Poll or the transactions contemplated in this Deed Poll;
 - (ii) defend its non-performance or breach of its obligations under this Deed Poll; and
 - (iii) allege that this Deed Poll is against public policy or otherwise does not constitute its legal, valid and binding obligation, enforceable against it in accordance with its terms,

on the basis of any failure to comply with Law No. 24 and PR No. 63/2019.

6.8 Assignment

- (a) The rights created by this deed poll are personal to Bidder, Bidder Nominee and each Scheme Shareholder, and must not be dealt with at law or in equity.
- (b) Any purported dealing in contravention of clause 6.8(a) is invalid.

6.9 Further action

Each of Bidder and Bidder Nominee will, at its own expense, promptly do all things and execute all documents necessary to give full effect to this deed poll and the transactions contemplated by it.

Execution page

Executed as a deed.

Signed, sealed and delivered by **PT Indika Energy Tbk.**



Signature of director

Azis Armand

Name of director (print)




Signature of director/~~secretary~~

Purbaja Pantja

Name of director/~~secretary~~ (print)

Signed, sealed and delivered by **PT Indika Mineral Investindo:**



Signature of director

Purbaja Pantja

Name of director (print)

~~Signature of director/secretary~~

~~Name of director/secretary (print)~~

APPENDIX F – CORPORATE DIRECTORY

Registered Office

Nusantara Resources Limited (ACN 150 791 290)

Leydin Freyer, Level 4, 100 Albert Road
South Melbourne, Victoria, 3205

Telephone: +61 (0)3 9692 7222

NUS Directors

Greg Foulis	Non-Executive Chairman
Neil Whitaker	Managing Director
Robert Alan Hogarth	Non-Executive Director
Robin Anthony Widdup	Non-Executive Director
Richard Ness	Non-Executive Director
Kamen Palatov	Non-Executive Director
Craig Kevin Smyth	Alternate Director to Robin Anthony Widdup

Secretary

Claire Newstead-Sinclair

Registry

Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnson Street
Abbotsford, Victoria, 3067

Financial Adviser

Taylor Collison
Level 16, 211 Victoria Square
Adelaide, South Australia 5000

Legal Adviser

Gilbert + Tobin
Level 25, 101 Collins Street
Melbourne, Victoria 3000

Independent Expert

Grant Thornton Corporate Finance Pty Ltd
Level 17, 383 Kent Street
Sydney, New South Wales 2000

NUS Shareholder Information Line

1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)
8:30am to 5:00pm (AEST)
Monday to Friday (excluding public holidays)





Nusantara Resources Limited

ACN 150 791 290

Leydin Freyer, Level 4, 100 Albert Road, South Melbourne, VIC 3205

T: +61 (0)3 9692 7222

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