NUSANTARA
RESOURCES LIMITED

2018 ANNUAL REPORT

ABN: 69 150 791 290

ANNUAL GENERAL MEETING

The Nusantara Annual General Meeting will be held 10:00am, Friday, 31 May 2019 at the Rendezvous Hotel Melbourne.

All shareholders are invited to attend.

CORPORATE VISION

To generate returns to its shareholders by demonstrating commitment to our values in delivering:

- Successful development and operation of the Awak Mas Gold Project;
- Organic growth through exploration, to realise the true value of the Awak Mas Gold Project; and
- Greenfield growth capitalising on other Asia - Pacific opportunities

2018 HIGHLIGHTS

February 2018

- Mineral Resource increased to 2.0 Moz gold

March 2018

- Contract of Work amendment signed providing tenure certainty and investment stablity

April 2018

- Maiden Ore Reserve of 1.0 Moz gold confirmed

May 2018

- 89% of Project Mineral Resource identified as reporting to the Indicated Resource category

July 2018

- Fully underwritten rights issue completed

September 2018

- Ore Reserve increased by 11% to 1.1 Moz gold

October 2018

- Definitive Feasibility Study completed
- Significant near mine mineralisation identified

December 2018

- Strategic Partner PT Indika Energy Tbk invests in Company
- AustralianSuper commits to increase shareholding to 14% in January 2019

2018 ANNUAL REPORT

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CHAIRMAN'S REPORT

NUSANTARA VISION

CHAIRMAN'S REPORT

Dear Shareholders,

I am pleased to report that outstanding progress was achieved in 2018 and Nusantara is now in the prime position to finance and develop the Awak Mas gold project in Indonesia. Our team delivered on all important milestones; we confirmed tenure, delivered a comprehensive and robust Feasibility Study, outlined exciting exploration upside, secured a credentialed strategic partner, and maintained our strong community support. The year ahead is promising as we accelerate towards financing Awak Mas, prepare for development and test high potential exploration targets.

Your directors would like to thank shareholders, big and small alike, for their loyalty through the often-challenging phase of project feasibility, and we look forward to delivering the rewards as the project is financed and developed. In December 2018 we welcomed Indika Energy as our strategic Indonesian partner. Indika is a Jakarta listed US$1 billion energy and service conglomerate and brings a wealth of Indonesian operating and financing experience through its extensive resources and energy activities. Indika joins cornerstone shareholders Lion Selection and AustralianSuper, aligned with the aim of developing Awak Mas.

I would like to reflect on two key macro - backdrops to our business: gold and Indonesia. The Nusantara Board have a positive outlook on both.

Indonesia is an exciting place to do mining business. It has exceptional geological potential that is relatively under-explored. It affords a low-cost base, excellent infrastructure, and with a long history of mining, it has access to a skilled workforce and contractors. The Indonesian landscape of mining ownership, capability and competition is changing rapidly. In the gold industry, there are new players, new mines and new transactions. By way of example:

- New players – Emerging large scale companies include Pamapersada, Merdeka, Indika
- New mines – Tujuh Bukit is Indonesia's newest gold mine. It was commissioned in 2017 and delivered 167,000 ounces at <$500/oz cash costs in 2018.
- New transactions – the most recent scale transaction was the US$1.2 billion sale in 2018 by EMR Capital of the +300,000oz/year Matarbe Gold mine to Pamapersada.

Nusantara in partnership with Indika aims to be at the forefront of this exciting dynamic.

On gold, recent price improvements make the Awak Mas project even more compelling and will assist ongoing financing discussions. The Awak Mas economics were presented based on a US$1,250/oz gold price. Pleasingly, the gold price has traded above $1,300/oz in recent months, fuelled by a backdrop of growing global political and financial market uncertainty. We believe our project and share valuation will deliver significant leverage to higher gold prices.

As a relatively new company, less than two years old, we continue to grow and build capability. As part of Indika's investment, we welcomed Mr Richard Ness to the Nusantara Board. Mr Ness is a mining executive with over 30 years of Indonesian experience in the energy, mineral resources and mining sectors including senior roles with Freeport, Newmont and Merdeka.

In closing, on behalf of the Board, I would like to thank our executives, employees, contractors and communities all of whom have contributed to our success.

Greg Foulis
Chairman

MANAGING DIRECTOR'S REPORT

NUSANTARA VALUES

CARING
We care about people first, ensure a safe work place for our people, are environmentally responsible and support the communities in which we operate.

INTEGRITY
We set high standards of ethics (doing what is right), honouring our commitments, and seeking relationships that are mutually beneficial.

TEAMWORK
We know that we are stronger when we collaborate, we value the views of others, we all strive to reach our potential and embrace diversity.

ACCOUNTABILITY
We take responsibility, doing what we say we will do, and are measured on the outcomes of our decisions and actions.

EXCELLENCE
We strive to achieve superior outcomes by focusing on action, continual improvement, and challenge the way we do things.

MANAGING DIRECTOR'S REPORT

Dear Shareholders,

During 2018, Nusantara significantly advanced development of our flagship Awak Mas Gold Project ('Awak Mas') in South Sulawesi, Indonesia. Our work in 2018 demonstrated that Awak Mas is a high value project with significant exploration potential. We confirmed tenure, delivered a robust Feasibility Study, outlined exploration upside, secured a strategic partner and maintained our community support. We remain confident that Awak Mas will offer a strong foundation for the future growth of the Company.

Early in 2018, Nusantara signed of an amendment to our Contract of Work ('CoW') with the Government of Indonesian. The CoW now secures project tenure until 2050 with options for two ten-year extensions under the IUPK system. The amendment also confirmed that Nusantara's local subsidiary, PT Masmindo Dwi Area, is the sole holder of the CoW.

The completion of the Definitive Feasibility Study (DFS) in October marked an important milestone for the Project. The DFS reported that Awak Mas has a Mineral Resource of 2.0 million ounces and an initial Ore Reserve of 1.1 million ounces which will support an 11-year operation delivering approximately 100,000 ounces of gold per year. The project is financially robust with an initial capital cost of US$146 million, an All-in-Sustaining Cost of US$758 per ounce, a NPV5% of US$152M and an IRR of 20% based on a gold price of US$1250 per ounce. Importantly, the DFS outlined a range of opportunities that have the potential to enhance the value of Awak Mas and these will be evaluated as the project is developed. Of note, the project has economic leverage to gold prices, and pleasingly we have seen gold break back through US$1300 per ounce in early 2019.

Our geological team have redirected their efforts to exploration with the objective of identifying opportunities to increase the mineral resource. The initial results of this work have been extremely promising, and we will continue exploration with a focus on the near mine areas and developing a deeper understanding of the CoW area geology.

In December, we welcomed the investment by Indonesian energy company, PT Indika Energy Tbk ('Indika') (IDX: INDY) in Nusantara. Indika now owns 20% of Nusantara and brings Indonesian operating experience to the development of Awak Mas. Indika's investment was also supported by AustraliaSuper, who have increased their holding to 14%.

As part of Indika's investment, we welcomed Mr Richard Ness to the Nusantara Board. Mr Ness is a mining executive with over 38 years of experience in the energy, mineral resources and mining sectors including senior Indonesian roles with Freeport and Newmont. We look forward to his valuable contribution in advancing the Awak Mas Project.

We remain committed to demonstrating our five core values of Caring, Integrity, Teamwork, Accountability and Excellence. The drilling program and other site activities were completed in 2018 without any health, safety and environmental incidents; this is an outstanding achievement and indicative of the culture within our business.

We continue to provide community support through health, training, education and employment initiatives. This assistance has been welcomed by the local people and is an important step in ensuring a robust future for Awak Mas and the Indonesian community.

Despite the milestones completed in 2018, the Board has been disappointed that our share price has not reflected the strong underlying project value. We remain vigilant in improving this position and focused on communicating to all potential investors, the value of the project and the growth opportunities of Awak Mas through further exploration of the CoW area. With all approvals in place, the Project is well positioned for development and reinforced by good local, provincial and federal government support. We believe Indonesia offers low investment risk given its long history of mining; a robust legal, regulatory and political environment; and supported by good infrastructure.

The Nusantara team looks forward to an active and successful 2019 as the Company strives to deliver shareholder value. With strong support we are well funded to deliver on the 2019 objectives; securing project finance and enhancing project value through exploration.

Mike Spreadborough
Managing Director

Company Background

Nusantara Resources Limited (Nusantara) is an Australian mining company listed on the Australian Securities Exchange.

The Company is focussed on growing shareholder value by developing and operating gold projects within the Asia-Pacific region. Nusantara owns a 100% interest in the Awak Mas Gold Project (Awak Mas), located in the Luwu Regency of South Sulawesi Province, Indonesia.

Project Background

Awak Mas has had over 135 km of drilling, with over 1,100 holes now completed. The Project has a 2.0 million ounce Mineral Resource[1], containing a 1.1 million ounce Ore Reserve[2].

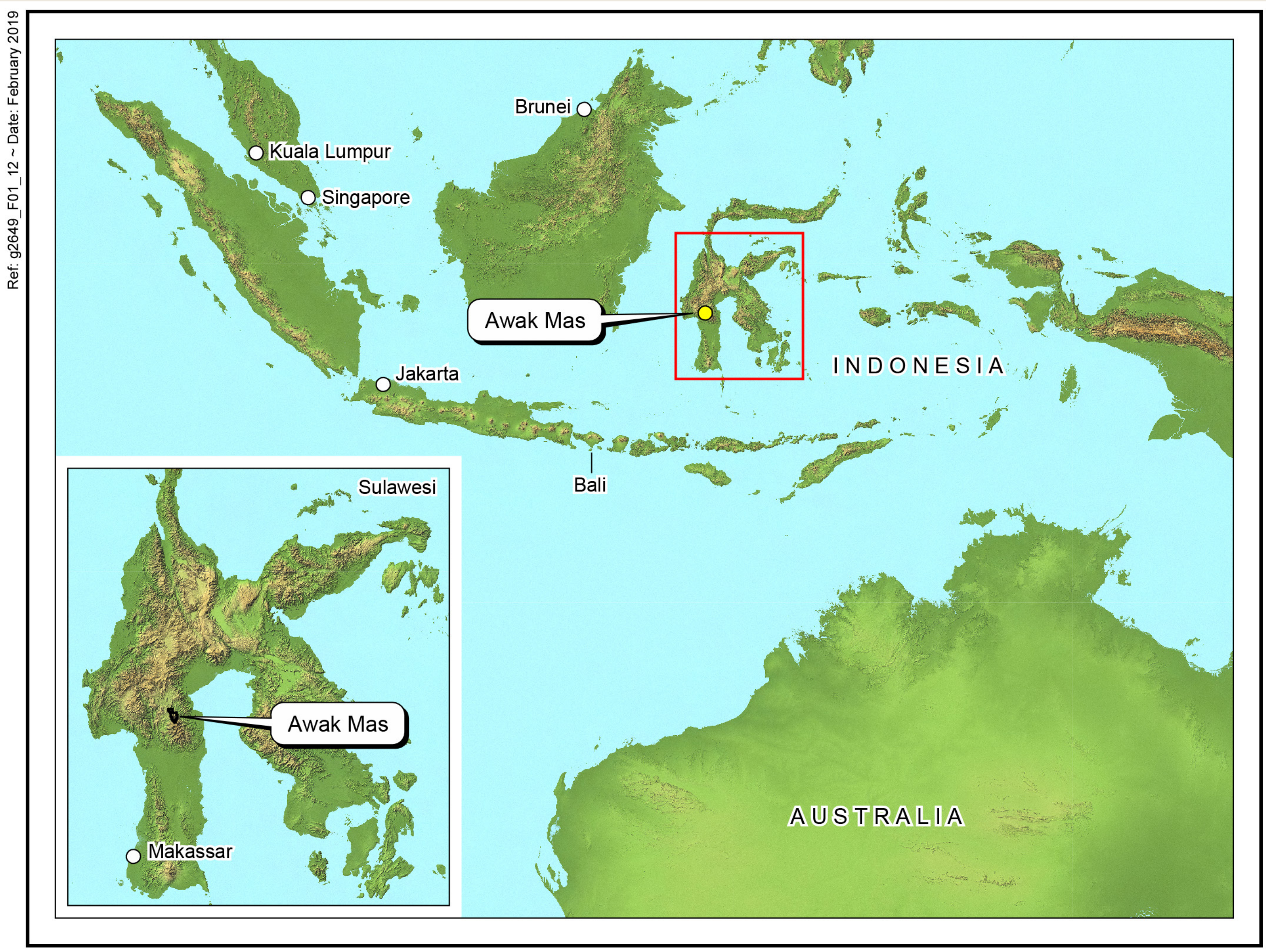
A Definitive Feasibility Study was completed in October 2018, confirming a robust, long-life, low cost project.

Project Tenure

Awak Mas is held under a 7th generation Contract of Work (CoW) signed with the Government of Indonesia (GoI) in 1998. The CoW covers an area of 14,390 hectares and is held by Nusantara's 100% owned local subsidiary company, PT Masmindo Dwi Area (Masmindo).

On the 14 March 2018, Masmindo signed an amendment to the CoW, with the GoI.

The amendment reaffirms Masmindo as the legal holder of the CoW with the sole rights to explore and exploit mineral deposits within the CoW area until 2050. After this period, the operations under the CoW may be extended in the form of a special mining operation and production business license (IUPK-OP), in accordance with the prevailing laws and regulations, which allows for two ten-year extensions.



1 ASX Announcement Project Mineral Resource grows to 2.0 Moz Au, 27 February 2018
2 ASX Announcement Ore Reserve increased by 11% to 1.1 Moz Gold, 13 September 2018

Upon conversion of the CoW in 2050 into an IUPK-OP the license could be further extended until 2070.

The most notable amendments to the Masmindo CoW were:

- Adopting the prevailing rates for taxes and royalties featuring:
  - Indonesian corporate tax of 25%; and
  - gold royalty rate currently levied at 3.75%.
- Divestment of at least a 51% share in Masmindo (CoW holder) to Indonesian participants at fair market value according to internationally accepted practice in the 10th year of commercial production. Based on the current mine development schedule, divestment is not anticipated to be required before 2030, although Nusantara may elect to sell any percentage interest to Indonesian participants prior to this.

The amended CoW provides long-term tenure and investment stability for the development of Awak Mas. It stipulates that Masmindo shall be granted the sole rights to:

- explore for minerals and mine any deposit of minerals found in the CoW area (Figure 1);
- process, refine, store, and transport, by any means, minerals extracted;
- market, sell, or dispose of such products from the mines (inside and outside Indonesia) after carrying out processing and refining domestically; and to
- perform all other operations and activities necessary.

Exploration Activity

In January 2018, the Company completed a 12-hole resource definition diamond drilling program at the satellite Salu Bulo deposit, which forms part of the Awak Mas Gold Project[3]. This program followed the completion of the Awak Mas deposit resource drilling program in late 2017, that involved 9,400 metres of drilling.

The assay results of the program confirmed the continuity and strike potential of Salu Bulo, along with the identification of shallow dipping mineralisation north of a controlling structure. Consequently, the Indicated and Inferred Resource was upgraded with a 65% increase in contained gold to 3.7 Mt at 1.53 g/t Au for 180,000 contained ounces. This led to a lift in the overall project mineral resource to 45 Mt at 1.38 g/t Au for 2.0 Moz. This was a significant outcome for the Company, highlighting the immense upside potential of the Awak Mas Gold Project[4].

A six-hole exploration program was subsequently carried out into the Awak Mas Highwall area and in March 2018 potential upside was identified along the untested 2 km corridor between Awak Mas and Salu Bulo deposits[5].

The drilling program was completed in April 2018 and the results verified considerable mineralisation extensions of the Awak Mas deposit along the under-explored corridor between the two deposits (Figure 2)[6].

In May 2018, the final resource definition and metallurgical diamond holes were completed. Upon finalisation, the Mineral Resource achieved 89% in the Indicated Resource category, providing strong confidence in the geological model and suggesting a mine life beyond 10 years (Table 1)[7].

	Classification	Tonnes (Mt)	Au Grade (g/t)	Contained Gold (Moz)
Awak Mas	Measured	-	-	-
	Indicated	36.4	1.4	1.62
	Inferred	3.1	1.0	0.10
	Sub-total	**39.5**	**1.4**	**1.72**
Salu Bulo	Measured	-	-	-
	Indicated	2.9	1.7	0.16
	Inferred	0.6	1.1	0.02
	Sub-total	**3.6**	**1.6**	**0.18**
Tarra	Measured	-	-	-
	Indicated	-	-	-
	Inferred	2.3	1.3	0.10
	Sub-total	**2.3**	**1.3**	**0.10**
Total	**Measured**	**-**	**-**	**-**
	Indicated	**39.3**	**1.4**	**1.78**
	Inferred	**6.0**	**1.1**	**0.22**
	Total	**45.3**	**1.4**	**2.00**

Table 1: Awak Mas Mineral Resource estimates (May 2018) by deposit at 0.5 g/t Au cut-off and constrained within a US$1400/oz optimisation shell.

3 ASX Announcement High Grade Drill results from Salu Bulo, 16 January 2018
4 ASX Announcement Project Mineral Resource grows to 2.0 Moz Au, 27 February 2018
5 ASX Announcement Eastern extension to Awak Mas deposit confirmed, 8 March 2018
6 ASX Announcement Significant results from Awak Mas extension drilling, 4 April 2018
7 ASX Announcement Indicated resource grows by a further 0.2 Moz, 8 May 2018

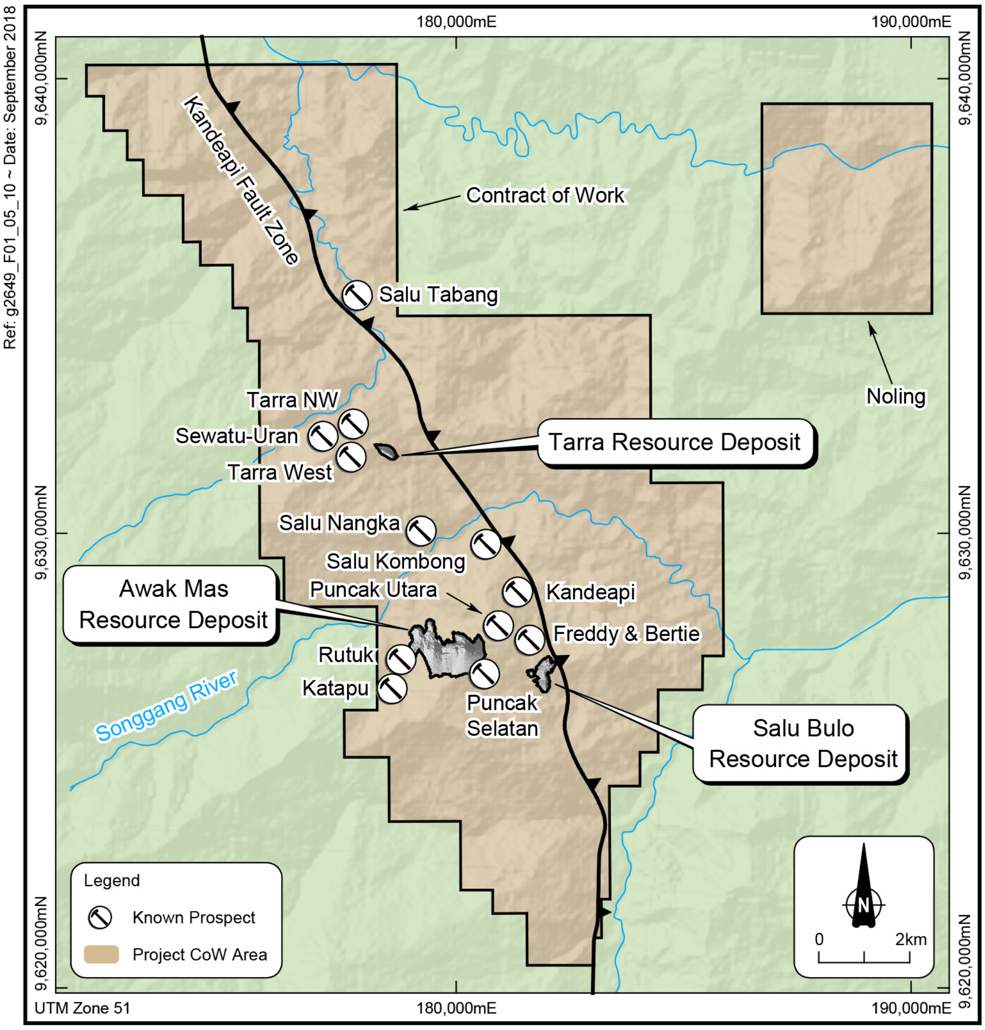


Figure 1: Awak Mas Contract of Work Area

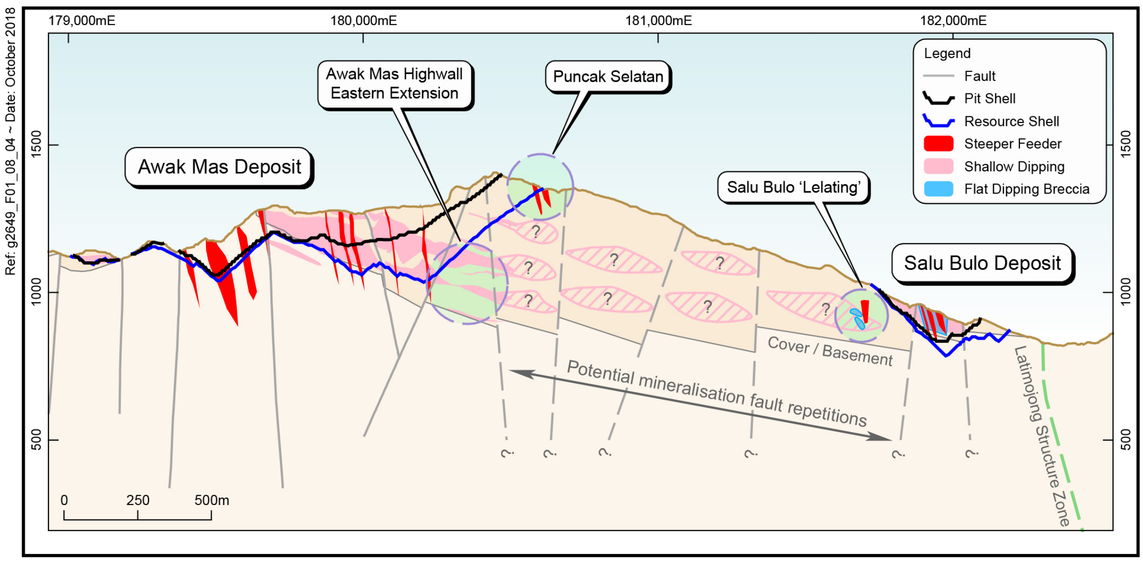


Figure 2: Significant mineralisation discovered in the Awak Mas highwall suggests extension into the Puncak Selatan prospect and indication of repitition across the corridor to Salu Bulo

In the second half of 2018, a new exploration program commenced which focussed on the near-mine prospects at Salu Kombong, Puncak Utara and Puncak Selatan (Figure 3).

In October 2018, significant gold and copper results from surface and trench samples enhanced the exploration prospectivity of the near-mine area[8].

This was further affirmed in December 2018, when the near-mine exploration program continued to demonstrate positive outcomes[9]. The proximity of the mineralisation at Puncak Selatan, to the Awak Mas deposit (if proven and dependent on quality and grade) provides the possibility of increasing the overall value of the Project[10].

The Company will continue to explore the geological setting of the Awak Mas deposit and the CoW area, to allow improved definition of the CoW exploration area.

Ore Reserve

In September 2018, the Company announced an updated 1.1 million ounce gold Ore Reserve that formed the basis of the Definitive Feasibility Study (Table 2)[10].

	Classification	Tonnes (Mt)	Au Grade (g/t)	Contained Gold (Moz)
Awak Mas	Proved	-	-	-
	Probable	24.1	1.28	0.99
	Sub-total	**24.1**	**1.28**	**0.99**
Salu Bulo	Proved	-	-	-
	Probable	2.8	1.67	0.15
	Sub-total	**3.6**	**1.6**	**0.18**
Total	**Proved**	**-**	**-**	**-**
	Probable	**26.9**	**1.32**	**1.14**
	Total	**26.9**	**1.32**	**1.14**

Table 2: Awak Mas Ore Reserve estimates (September 2018) by deposit.

Feasibility Study

In October 2018, Nusantara completed a Definitive Feasibility Study (DFS) into the proposed development of Awak Mas.

The DFS confirmed a financially robust, technically low risk and long-life project with a processing rate of 2.5 Mtpa, low strip ratio of 3.5 and a high gold recovery of 91% through a conventional Carbon-In-Leach processing plant.

The activities associated with the DFS included:

- completion of plant design, engineering and preparation of a detailed engineering cost estimate for the process plant;
- preparation of cost estimates for project infrastructure and facilities including power and water supplies, site road access, site accommodation camp and site offices (Figure 4);
- completion of a TFS cost estimate;
- work to compile the overall Project schedule;
- completion of environmental and social impact studies;
- preparation of capital and operating cost estimates and financial modelling for the Project; and
- completion of a process to identify, evaluate and select of value improvements for inclusion in the DFS.

The financial evaluation of the Project demonstrated a high gross margin with considerable exploration upside. The key financial outcomes are shown in Table 3:

Description	Outcome
Net Present Value (Post Tax)	US$152 Million
Internal Rate of Return	20.3%
Initial Capital cost	US$146 Million
Pre-production mining expenditure	US$16 Million
C1 cash cost	US$643 per ounce
AISC cost	US$758 per ounce

Table 3: Definitive Feasibility Study Financial Outcomes

8 ASX Announcement Significant near mine mineralisation identified, 4 October 2018
9 ASX Announcement High grade results from near mine exploration, 19 December 2018
10 ASX Announcement Ore Reserve increased by 11% to 1.1 Moz Gold, 13 September 2018

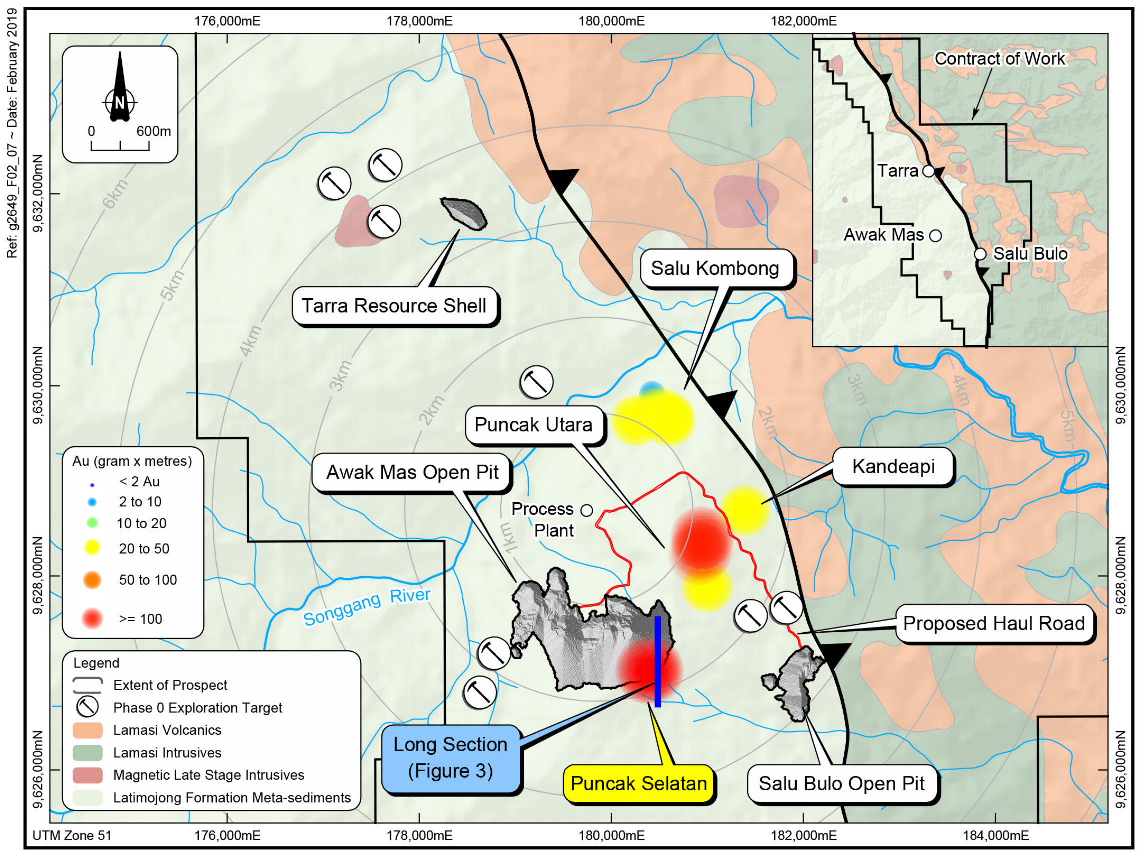


Figure 3: Near mine prospects including the priority exploration prospects of Puncak Selatan, Puncak Utara and Kandeapi

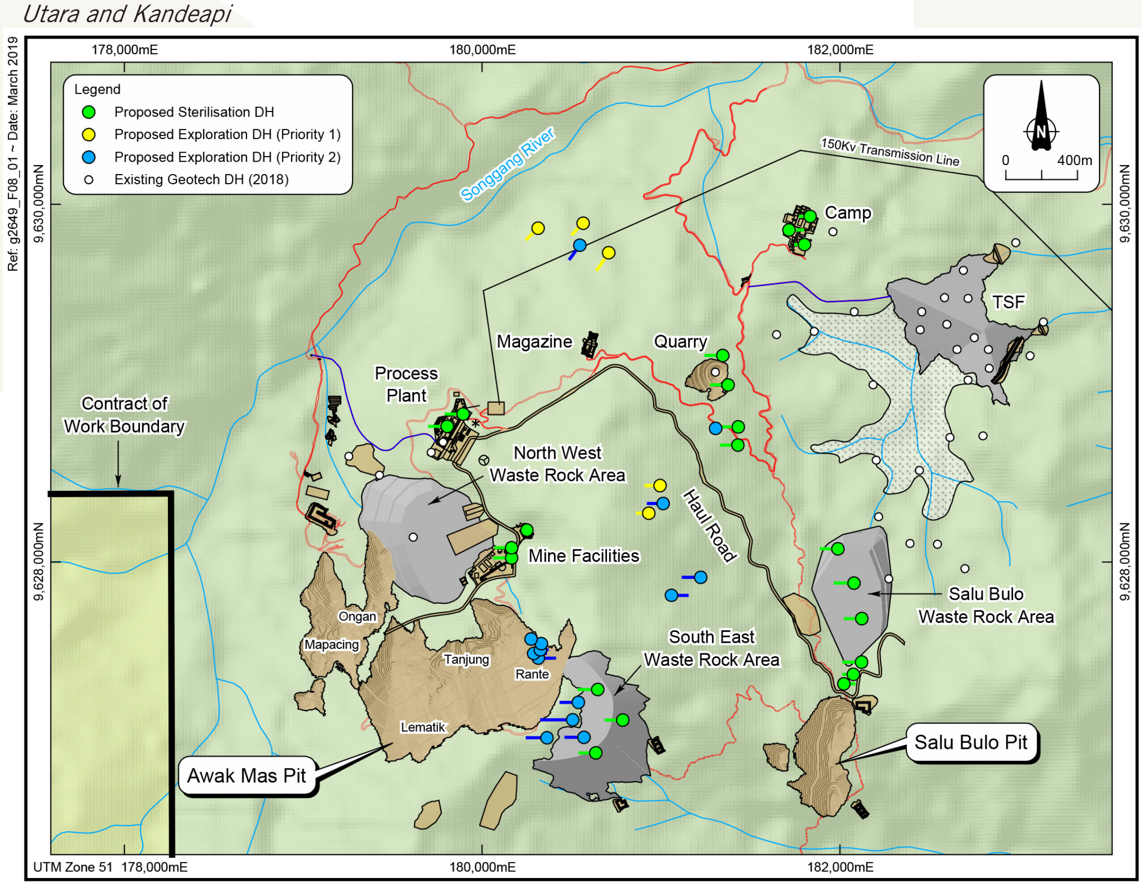


Figure 4: Awak Mas planned site layout

Nusantara continues to reach key milestone objectives, including completion of the Awak Mas Gold Project Definitive Feasibility Study in October 2018 and securing strategic partner, Indika Energy in December 2018. Both mark significant achievements for the business and the Project, as we look ahead to complete the project financing and progress towards development.

Safety, Quality and Security

Safety remains our first priority and we attach great importance to the health of our employees. Employees must pass a full medical check-up before they are recruited and throughout their work, their health and fitness are monitored.

Nusantara has developed standard operating procedures for health and safety that reinforces workers to be vigilant at work and highlights the notion that anyone has the right to stop any unsafe act, at any time.

Nusantara holds daily morning safety meetings with employees to reinforce our safety framework. Among other factors, the safety framework at Awak Mas includes vehicle inspections regimes, project training, competency assessment and safety inspections.

All consultants coming to site first undertake a safety induction program and site activities are supported by qualified medical providers. All site activities are assessed for high risk tasks and increased supervision is applied as required.

Nusantara maintains an onsite medical clinic, an all-wheel drive ambulance to undertake medical support services at site. A number of local paramedics have been recruited to ensure that all site activities have medical support available.

We are proud that during the year, there were no serious safety or health incidents. The year was 'Recordable Injury-free' (defined as Medical Treatment or Lost Injuries). This success was driven by our strong safety culture and the regime applied to all working procedures, personnel and temporary visitors to site.

As part of our safety framework, we strive to ensure that our workplace remains safe by implementing appropriate security measures. Qualified security personnel have been recruited and security posts have been constructed to monitor and check all incoming personnel and visitors to site. All people coming to and from site are formally reported and documented.

We will continue to strive to meet our very high operating standard to achieve a safe and healthy working environment at site.

Community

We are committed to working with local communities to achieve mutual benefits and positive outcomes from our operations. The Company has developed four main areas for community engagement and support: education; health; infrastructure; and economic empowerment.

During the year, the Company provided various support to the neighbouring community, including continued support to the elementary school in Boneposi village; the construction of which, was supported by Masmindo.

Additionally, the Company delivered emergency aid provisions to the areas impacted by disaster events, including the devastating Sulawesi earthquake and tsunami that effected Palu.

The Company continues purchase local supplies and recruit local people and contractors where possible, to produce important employment opportunities which support the ongoing and collective growth of Indonesia.

Environment

The Company's environmental plan complies with prevailing laws and regulations on environmental protection. Nusantara actively seeks to protect the environment in which it operates, implementing a number of environmental monitoring activities and programs including rainfall data collection; ground and surface water monitoring; revegetation programs; and waste removal.

During the year the Company maintained regular monitoring programs and continues to evaluate areas for improvement. A number of environmental baseline studies have been completed in the past and the Company continually updates its environmental database for the CoW area and surrounding area. Environmental monitoring is conducted for Surface Water quality; Hydrology; Meteorology; Ambient Air Quality and Noise; Terrestrial Flora and Fauna; and Aquatic Ecology.

Surface Water Quality samples are undertaken at 13 monitoring points for dissolved metals, anions, nutrients, organics, microbiological and physicals. Hydrology monitoring is undertaken at 12 monitoring points to assess stream velocity and stream cross sections. Meteorology monitoring is conducted through an automated weather station for temperature; wind speed and direction; and relative humidity, while rainfall is conducted by a manual rain gauge and evaporation rates assessed and recorded. Ambient Air Quality and Noise is assessed at 4 monitoring points while Flora and Fauna assessment is conducted every 6 months from 3 locations. Aquatic Ecology monitoring is undertaken every 6 months from 3 locations.

The Company continues its agricultural replantation program to replace crops disturbed during site activities as well as a hazardous waste removal system.

Finance and Corporate

The Company continued to advance the Awak Mas Gold Project. The financial statements reflect a $7.0 million investment in exploration and evaluation in 2018. The major focus of this investment during the year was geology and feasibility costs.

Of the $7.0 million investment, $2.1 million related to exploration and geology reflecting:

- work conducted to upgrade Mineral Resources and deliver a maiden and then updated Ore Reserve; and
- costs associated with developing and maintaining the exploration team and advancing the wider Contract of Work exploration program.

The delivery of the October 2018 DFS resulted in costs incurred of $3.1 million relating to expert consultants and the Company.

The remaining $1.8 million relates to maintaining the site operations (including camp facilities) and the Jakarta administration activities (including maintaining tenure arrangements and advancing permitting and approvals).

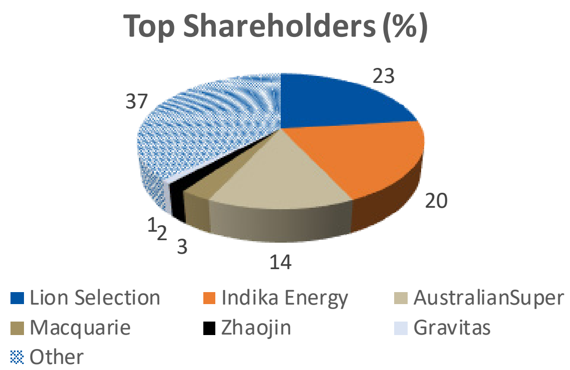
The Company held cash of USD6.4 million (AUD9.0 million) as at 31 December 2018.

In December 2018, the Company achieved another significant milestone, securing a strategic Indonesian cornerstone investor to advance the Project. This was accomplished through a two-stage capital raising for AUD10.25M. During the first phase, PT Indika Energy Tbk ('Indika'), through its wholly owned subsidiary PT Indika Mineral Investindo, subscribed for 30,607,162 shares at AUD0.23 to obtain a 19.9% interest in the Company.

In the second phase, which secured shareholder approval at the January 2019 General Meeting, existing shareholder, AustralianSuper Pty Ltd (AustralianSuper), increased their holding to 14.0% after subscribing for 11,190,895 shares (and 5,595,448 unlisted options with an exercise price of AUD0.35 expiring 30 November 2020) at 23 cents per share and Indika maintained their 19.9% interest by subscribing for a further 2,780,260 shares (and 16,693,711 unlisted options exercisable at AUD0.35, expiring 30 November 2020) at 23 cents per share.

In December 2018, the Company welcomed Mr Richard Ness as a Director. Mr Ness is a representative of Indika and has extensive gold mining and Indonesian mining experience.

As at 31 January 2019, the significant shareholding of the Company can be represented by the following pie chart:



PT Indika Energy Tbk (IDX: INDY) is a leading integrated energy company in Indonesia through its strategic investments in the areas of Energy Resources, Energy Services, and Energy Infrastructure. Its Energy Resources business pillar focusses on exploration, production and processing of coal. Its Energy Services business provides contract mining, engineering, procurement and construction (EPC) as well as operations and maintenance (O&M) in the oil and gas sector, and offshore supply base services. The Energy Infrastructure segment operates coal-fired power plants and provides marine transportation, ports & logistics for bulk goods and natural resources.

The investment and ongoing support from AustralianSuper and Lion Selection Group, reasserts the value potential of the project and marks an important step in the progression towards development.

Also, during the year 32,508,392 listed loyalty options expired.

At 31 January 2019, Nusantara had 167,775,990 fully paid ordinary shares, 18,034,307 listed options (exercisable at AUD0.30 each), 22,289,159 unlisted options (exercisable at AUD0.35 each) and 6,317,318 other unlisted options on issue.

Corporate Governance

The Company is committed to maintaining high standards of corporate governance in the performance of our duties and upholding investor confidence in the operations of the business.

The Company's corporate governance statement can also be viewed at the following URL: http://nusantararesources.com/corporate-governance/

Complete details of the Company's corporate governance policies are available on the Company's website at:

www.nusantararesources.com


PT. MASMINDO DWI AREA

BOARD OF DIRECTORS

Board Committee Meetings

The memberships of each Board committee are indicated below:

a. Board Committee

b. Audit and Budget Committee

c. Financing Committee

Greg Foulis
Chairman &
Independent
Non-Executive Director
(A & C)

Rob Hogarth
Independent
Non-Executive Director
(A & B)

Richard Ness
Non-Executive Director
(A, B & C)

Robin Widdup
Non-Executive Director
(A, B & C)

Mike Spreadborough
Managing Director &
Chief Executive Officer
(A, B & C)

Boyke Abidin
Executive Director
(A)

Annual Financial Report

for the year ended 31 December 2018

- **Directors' Report**
- **Auditor's Independence Declaration**
- **Consolidated Statement of Comprehensive Income**
- **Consolidated Statement of Financial Position**
- **Consolidated Statement of Changes in Equity**
- **Consolidated Statement of Cash Flows**
- **Notes to the Financial Statements**
- **Director's Declaration**
- **Auditor's Report**

DIRECTORS' REPORT

The Directors present their report together with the financial statements for Nusantara Resources Limited ("Nusantara" or "the Company") and its controlled entities (collectively the "Group"), for the financial year ended 31 December 2018.

Directors

The following persons held the office of Director during the year ended 31 December 2018 and to the date of this report unless otherwise stated:

Greg Foulis (appointed 29 March 2018)	Chairman
Michael Spreadborough	Managing Director
Boyke Abidin	Director
Robert Hogarth	Director
Robin Widdup (appointed 28 February 2018)[1]	Director
Richard Ness (appointed 13 December 2018)[2]	Director
Martin Pyle (resigned 30 May 2018)	Director

1 – Mr Craig Smyth was appointed alternate director for Mr Robin Widdup

2 – Mr Kamen Palatov was appointed alternate director for Mr Richard Ness

Directors have been in office since the start of the financial year unless otherwise stated in this report.

Directors interests in the shares and options of the Company and related bodies corporate

As at 31 December 2018, the interests of the Directors in the shares and options of Nusantara Resources Limited were:

Director Name	Number of Ordinary shares	Number of options
Greg Foulis	174,993	549,162
Michael Spreadborough	180,000	2,065,000
Boyke Abidin	165,235	442,500
Robert Hogarth	-	295,000
Robin Widdup[1]	917,223	641,460[2]
Richard Ness[3]	-	-

[1] Mr Widdup is a Director of Lion Manager Pty Ltd which at 31 December 2018 held 1,378,544 ordinary shares in the Company (1,128,547 escrowed till 2 August 2019) and 650,831 options (including 295,000[2] incentive options granted to Mr Widdup and reported above). Mr Widdup is also a director of Lion Selection Limited which at 31 December 2018 held 39,017,231 ordinary shares (20,802,944 escrowed till 2 August 2019) and 3,750,000 options)

[2] 295,000 incentive options were granted to Mr Widdups nominee Lion Manager Pty Ltd and included in the above total

[3] Mr Ness is a Commissioner of PT Indika Energy Tbk which at 31 December 2018 held 30,607,162 ordinary shares

Company Secretary

Mr Derek Humphry was appointed company secretary 29 March 2018. Ms Jane Rose resigned as company secretary on 31 May 2018.

Principal Activities and Significant Changes in the Nature of Activities

The principal activities of the Group during the financial year continued to be gold exploration and evaluation focusing on the Awak Mas Gold Project in South Sulawesi, Indonesia.

Operating Results

The consolidated loss of the Group was $2,343,243 after providing for income tax (2017: loss of $2,240,873).

During the year the Group continued its ongoing exploration and evaluation work on the 100%-owned Awak Mas Gold Project (Project) under a Contract of Work ("CoW"). A Definitive Feasibility Study of the Project was completed and the exploration program continued to yield success with an expanded number of targets identified for exploration activities in 2019.

Major milestones were achieved during the year as announced to the ASX on:

- 15 March 2018, the Company reached agreement with the Government of Indonesia on several amendments to the CoW, securing long-term tenure to the Project;
- 31 January, 27 February and 8 May 2018, the Company released updates to the Project Mineral Resource Estimate which now stands at 2.0 Moz;
- 18 April 2018, the Company released its Inaugural Ore Reserve for the Project and followed this on 13 September 2018 with an updated Ore Reserve of 1.1 Moz;
- 4 July 2018, the Company completed a Fully Underwritten Rights Entitlement Offer;
- 4 October 2018, the Company completed and announced the results of a Definitive Feasibility Study of the Project; and
- 12 December 2018, the Company secured an Indonesian based strategic partner investment in the Company from a leading integrated energy company in Indonesia, PT Indika Energy Tbk.

Financial Position

The net assets of the Group have increased by $6,080,575 from $32,522,675 at 31 December 2017 to net assets $38,603,250 as at 31 December 2018.

Significant Changes in State of Affairs

There are no significant changes in the state of affairs of the Group during the financial year, other than as disclosed in the Directors' Report.

Dividends Paid or Recommended

No dividend has been declared or paid by the Group. The Directors do not recommend the payment of a dividend for the year ended 31 December 2018.

Significant Events After Balance Date

On 23 January 2019 the Company held a General Meeting at which two placements were approved. These placements were made resulting in the issuance of 13,971,155 shares and 22,289,159 unlisted options, exercisable at A$0.35 each and expiring 30 November 2020 raising $2,293,000 (A$3,213,366) before costs. Other than this matter, no matters have arisen since the end of the financial year to the date of this report of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Likely Future Developments

The Group's primary strategy will continue to focus on exploration and evaluation activities at the Awak Mas Gold Project.

DIRECTORS' REPORT (CONTINUED)

Information on Directors

Greg Foulis Qualifications and experience	**Chairman (Appointed 29 March 2018)** Greg is a resource sector - finance executive with over 30 years of diverse international experience across a variety of roles ranging from senior executive, business development and investment advisory. Greg's most recent position was Chief Executive Office of Kingsgate Consolidated Limited, an ASX-listed gold mining and development company. Greg led the restructuring, divestment and re-focus of the business, including the elimination of a debt burden of over US$100 million. Greg received an M.Comm (Finance) from the University of NSW in 1992 and a B.AppSc. (Hons) in Geology from the NSW Institute of Technology in 1984. He is a Graduate Member of the Australian Institute of Company Directors and a Fellow of the Australian Institute of Mining and Metallurgy.
Michael Spreadborough Qualifications and experience	**Director (Appointed 16 February 2017)** Mike Spreadborough is a mining engineer with extensive experience in the development and operation of mineral resources projects spanning a range of commodities including copper, gold, uranium, lead, zinc and iron ore. Over the past 20 years Mike has held senior executive roles with a number of mining companies including Chief Operating Officer of Sandfire Resources and Inova Resources Ltd (formerly Ivanhoe Australia), General Manager, Coastal Operations for Rio Tinto and General Manager, Mining for WMC and later Vice President, Mining for BHP Billiton at the world-class Olympic Dam mine in South Australia. Mike holds a Bachelor of Mining Engineering from the University of Queensland and an MBA from Deakin University, as well as a WA First Class Mine Manager's Certificate of Competency. He is also a Non-Executive Director of Clean TeQ Holdings Limited (appointed December 2016).
Boyke Abidin Qualifications and experience	**Director (Appointed 11 April 2017)** Boyke holds a Bachelor of Science in Business Administration from International University Europe – London. He has more than 25 years' experience in Indonesian management. Previously a Government Liaison Officer for Rawas Gold Mine in South Sumatra, Boyke has extensive in-country expertise. He is President Director of Indonesian Operations for One Asia and has been a Director of the Company's subsidiary PT Masmindo DWI Area since 2000. He is also a Director of PT Pani Resources Indonesia, PT Dwinad Nusa Sejahtera and PT Sorikmas Mining.
Rob Hogarth Qualifications and experience	**Director (Appointed 17 February 2017)** Rob Hogarth built his mining industry expertise during a 37-year career with KPMG where he was leader of KPMG's Energy and Natural Resources and Major Projects Advisory Practices and lead partner for many of the firm's listed mining clients working with large and small companies in the Asia Pacific region. He has been involved with Indonesia since 1983. Since retiring from KPMG in 2009 he has become a Non-Executive Director of a range of companies, including AMC Consultants, and sits on a number of audit committees. Rob is also the Independent Chair of the Risk and Audit Committee of the Environment Protection Authority of Victoria and a Non-Executive Director of Federation Training and PR Exploration Pty Ltd. He was a Non-Executive Director of Dart Mining NL from February 2014 to June 2015. Rob holds a Bachelor of Economics (Accounting and Business Law) and is a Fellow, Institute of Chartered Accountants in Australia.

Richard Ness	**Director (Appointed 13 December 2018)**
Qualifications and experience	Richard is a mining executive based in Indonesia, with over 38 years of professional experience in the energy, mineral resources and mining sectors. Richard has held senior executive positions at Newmont Indonesia and Freeport Indonesia; and currently serves as the President Commissioner of PT Petrosea Tbk and Commissioner of PT Indika Energy Tbk. Richard is also the Vice President and Chief Executive Officer at PT Merdeka Copper Gold Tbk, which recently commissioned, and now runs, the successful Tujuh Bukit gold project in Java, Indonesia; and is the Chairman-Mining Division at American Chamber of Commerce in Indonesia.
Robin Widdup	**Director (Appointed 28 February 2018)**
Qualifications and experience	Robin is the Founder and a Director of the Company's largest shareholder, Lion Selection Group Limited. Robin has 40 years of mining industry and equity market experience. Following working in a range of operations in the United Kingdom, Zambia and Australia, Robin joined the J B Were & Sons Resource Research team, prior to founding Lion Selection Group and Lion Manager in 1997. He is currently Managing Director of Lion Manager, Director of Lion Selection Group Limited, Chairman of Celamin Holdings NL and a Non-Executive Director of One Asia Resources Limited.

Meetings of the Board

The Board of Directors held 14 meetings during the year ended 31 December 2018. Attendances of Directors at these meetings are shown in the table below:

	Meetings Attended	Number eligible to attend
Mr Martin Pyle	5	6
Mr Greg Foulis	9	9
Mr Rob Hogarth	14	14
Mr Robin Widdup	10	11
Mr Richard Ness	1	1
Mr Michael Spreadborough	14	14
Mr Boyke Abidin	13	14

In addition thirteen (13) circular resolutions were resolved during the year. All circular resolutions were ratified at subsequent Board meetings.

Indemnification of Directors and Officers

Under the Constitution of the Company every officer (and former officer) of the Company is indemnified, to the extent permitted by law, against all costs expenses and liabilities incurred as such by an officer providing it is in respect of a liability to another person (other than the Company or a related body corporate) where such liability does not arise out of conduct involving a lack of good faith and is in respect of a liability for costs and expenses incurred in defending proceedings in which judgment is given in favour of the officer or in which the officer is acquitted or is granted relief under the Law.

Indemnification of Auditors

To the extent permitted by law, the Company has agreed to indemnify the auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit. No payment has been made to indemnify Ernst & Young during or since the financial year.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Share Options

At 31 December 2018, the unissued ordinary shares of Nusantara under option are as follows:

Grant Date	Expiry Date	Exercise Price	Listed Options	Unlisted Options
31/08/2018	31/07/2020	$0.30	249,999	-
04/07/2018	31/07/2020	$0.30	17,784,308	-
04/06/2018	27/07/2021	$0.61	-	740,000
17/04/2018	02/08/2021	$0.61	-	975,318
28/07/2017	02/08/2021	$0.61	-	4,130,000[1]
28/07/2017	02/08/2020	$0.42	-	177,000
28/07/2017	02/08/2020	$0.42	-	295,000[2]

[1] 2,507,500 escrowed until 2 August 2019
[2] escrowed until 2 August 2019

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate.

Shares issued as a result of the exercise of options

During the year 295,000 options expired and no options were exercised.

Non – Audit services

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that any services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by Directors prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

During the year, no fees were paid to Ernst & Young for non-audit services provided during the year ended 31 December 2018 (31 December 2017: Ernst and Young acted as the investigating accountant for the Company IPO and were paid $33,955 for the services provided).

Environmental Regulations and Performance

The Group's operations are subject to significant environmental regulation under the laws of Indonesia. The Directors are not aware of any breaches of the legislation during the financial year that are material in nature.

Auditor's Independence Declaration

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 for the year ended 31 December 2018 is set out on page 11 and forms part of this report.

Remuneration Report (Audited)

The Directors of Nusantara present the Remuneration Report (the Report) for the Company and its controlled entities for the year ended 31 December 2018. This Report forms part of the Directors' Report and has been audited in accordance with section 300A of the Corporations Act 2001. The Report details the remuneration arrangements for Nusantara's key management personnel (KMP):

- Non-executive directors
- Executive directors and senior executives (collectively the executives).

KMP are those persons who, directly or indirectly, have authority and responsibility for planning, directing and controlling the major activities of the Company and Group. The table below outlines the KMP of the Group and their movements during 2018:

Key Management Person	Position	Term as KMP
Non Executive Directors		
Greg Foulis	Non-Executive Chair	Appointed 29 March 2018
Rob Hogarth	Non-Executive Director	Appointed 17 February 2017
Robin Widdup	Non-Executive Director	Appointed 28 February 2018
Richard Ness	Non-Executive Director	Appointed 13 December 2018
Martin Pyle	Non-Executive Chair	Retired 30 May 2018
Executive Directors		
Mike Spreadbrough	Managing Director	Appointed 16 February 2017
Boyke Abidin	Executive Director	Appointed 11 April 2017
Other Key Management Personnel		
Colin McMillan	General Manager Geology	Appointed 1 February 2017
Derek Humphry	Chief Financial Officer	Appointed 16 February 2018
	Company Secretary	Appointed 29 March 2018
Craig Smyth	Chief Financial Officer	Ceased 31 March 2018
Jane Rose	Company Secretary	Ceased 29 March 2018

Remuneration Policy

The full Board fulfils the roles of remuneration committee and is governed by the Group's adopted remuneration policy This policy governs the operations of the Board. The Board shall review and reassess the policy at least annually and obtain the approval of the Board.

General Director Remuneration

Shareholder approval must be obtained in relation to the overall limit set for Non Executive Directors' fees, currently A$250,000 per year. The Directors shall set individual Board fees within the limit approved by shareholders.

Shareholders must also approve the framework for any broad-based equity based compensation schemes and if a recommendation is made for a Director to participate in an equity scheme, that participation must be approved by the shareholders.

Executive Remuneration

The Group's remuneration policy for Executive Directors and senior management is designed to promote superior performance and long-term commitment to the Group. Executives receive a base remuneration which is market related, and may be entitled to performance based remuneration at the ultimate discretion of the Board.

Overall remuneration policies are subject to the discretion of the Board and can be changed to reflect competitive market and business conditions where it is in the interests of the Group and shareholders to do so.

Executive remuneration and other terms of employment are reviewed annually by the Remuneration Committee having regard to performance, relevant comparative information and expert advice.

The Committee's reward policy reflects its obligations to align executive's remuneration with shareholders' interests and to retain appropriately qualified executive talent for the benefit of the Group. The main principles of the policy are:

(a) Reward reflects the competitive market in which the Group operates;

(b) Individual reward should be linked to performance criteria; and

(c) Executives should be rewarded for both financial and non-financial performance.

Details of Remuneration for Year Ended 31 December 2018

The remuneration for each Director and the senior Executive of Nusantara during the year was as follows:

2018 Key Management Person	Short Term Benefits Salaries/Fees USD	Post-Employment Superannuation USD	Share Based Payment – Options USD	Total USD
Directors				
Greg Foulis[1]	39,016	3,707	14,654	57,377
Rob Hogarth	34,154	3,245	21,652	59,051
Robin Widdup[2]	31,167	-	9,715	40,882
Richard Ness[3]	1,810	-	-	1,810
Martin Pyle[4]	22,440	-	9,022	31,462
Executive Directors				
Mike Spreadborough	246,488	15,312	129,910	391,710
Boyke Abidin	104,966	-	32,477	137,443
Other Key Management Personnel				
Colin McMillan	171,688	15,312	43,303	230,303
Derek Humphry[5]	162,665	13,240	31,724	207,629
Craig Smyth[6]	-	-	32,476	32,476
Jane Rose[6]	-	-	-	-
	814,394	**50,816**	**324,933**	**1,190,143**

[1] Mr Foulis commenced 29 March 2018

[2] Mr Widdup commenced 28 February 2018

[3] Mr Ness commenced 13 December 2018

[4] Mr Pyle retired as a director on 30 May 2018

[5] Mr Humphry commenced 16 February 2018

[6] Services Agreement with Lion Manager Pty Ltd which commenced on 1 July 2017 to provide accounting and corporate secretarial services. Monthly fee of A$17,500 (plus GST), ceasing on 31 March 2018. The fees for 2018 amounted to $39,290. No additional fee was payable with respect to Mr Smyth's role as Chief Financial Officer or Ms Jane Rose as Company Secretary of the Company.

Details of Remuneration for Year Ended 31 December 2017

2017 Key Management Person	Short Term Benefits Salaries/Fees USD	Post-Employment Superannuation USD	Share Based Payment – Options USD	Total USD
Directors				
Martin Pyle	42,859	-	12,679	55,538
Rob Hogarth	31,133	2,959	12,679	46,771
Rob Thomson[1]	-	-	-	-
Executive Directors				
Mike Spreadborough	107,273	6,369	125,590	239,232
Boyke Abidin	77,118	-	19,019	96,137
Other Key Management Personnel				
Craig Smyth[2]	-	-	19,019	19,019
Adrian Rollke[3]	81,484	-	12,679	94,163
Jane Rose[2]	-	-	-	-
	339,867	**9,328**	**201,665**	**550,860**

[1] Mr Thomson ceased as a director 23 February 2017

[2] Services Agreement with Lion Manager Pty Ltd which commenced on 1 July 2017 to provide accounting and corporate secretarial services. Monthly fee of A$17,500 (plus GST) . No additional fee is payable with respect to Mr Smyth’s role as Chief Financial Officer or Ms Jane Rose as Company Secretary of the Company

[3] Mr Rollke remuneration related to his position as Country Manager Indonesia. Mr Rollke ceased as a director 10 April 2017

Details of Shares Held by Key Management Personnel

2018 Key Management Person	Opening Balance 1/1/2018	Held at time of appointment	Shares Acquired 2018	Shares Disposed 2018	Closing Balance 31/12/2018
Mike Spreadborough	180,000		-	-	180,000
Boyke Abidin	165,235		-	-	165,235
Rob Hogarth	-		-	-	-
Greg Foulis[1]		-	174,993	-	174,993
Robin Widdup[2]		474,303	442,920	-	917,223
Richard Ness[3]		-	-	-	-
Colin McMillan	-	-	-	-	-
Derek Humphry[4]		-	-	-	-
Craig Smyth[5]	1,417,543				
Martin Pyle[6]	657,143				
	2,419,921	**474,303**	**617,913**	**-**	**1,437,451**

[1] Mr Foulis commenced 29 March 2018

[2] Mr Widdup commenced 28 February 2018

[3] Mr Ness commenced 13 December 2018

[4] Mr Humphry commenced 16 February 2018

[5] Mr Smyth ceased as a Key Management Person on 31 March 2018. There were no movements between 31 December 2017 to 31 March 2018

[6] Mr Pyle retired as a director 30 May 2018. There were no movements between 31 December 2017 and 30 May 2018.

Details of Options Held by Key Management Personnel

2018 Key Management Person	Opening Balance 1/1/18	Held at time of appointment	Unlisted Incentive Options granted as compensation	July 2018 Listed Options	Listed Loyalty Options expired 14/11/18	Closing Balance as at 31/12/18
Mike Spreadborough	2,125,000		-	-	(60,000)	2,065,000[1]
Boyke Abidin	497,578		-	-	(55,078)	442,500[2]
Rob Hogarth	295,000		-	-	-	295,000[2]
Greg Foulis		-	445,000	104,162	-	549,162
Robin Widdup[4]		158,101	295,000[3]	346,460	(158,101)	641,460
Richard Ness		-	-	-	-	-
Colin McMillan	767,000	-	-	-	-	767,000
Derek Humphry		-	975,318	-	-	975,318
Martin Pyle[5]	514,049					
Craig Smyth[5]	915,014					
	5,113,641	**158,101**	**1,715,318**	**450,622**	**(273,179)**	**5,735,440**

[1] 295,000 options escrowed until 2 August 2019, expiry 2 August 2020, exercise price A$0.42, 1,770,000 escrowed until 2 August 2019, expiry 2 August 2021, exercise price A$0.61

[2] Escrowed until 2 August 2019, expiry 2 August 2021, exercise price A$0.61

[3] Incentive options granted to Mr Widdup's nominee Lion Manager Pty Ltd

[4] Mr Widdup commenced 28 February 2018

[5] No movement in holding from 31 December 2018 to end of service

The sign-on and incentive options lapse or are deemed to be forfeited 90 days after the option holder ceases to be an executive of Nusantara, unless the Board determines otherwise**.**

The Terms and Conditions of all options granted in any year which affected or will affect compensations is as follows.

Item	July 2017	April 2018	June 2018
Assessed fair value at grant date (A$)	$0.21	$0.064	$0.065
Number of options	4,425,000	975,318	740,000
Vesting Conditions	One third on the later of 28/07/2018 and when the Company is listed and the 45 day VWAP of the Shares is A$0.525 or greater. One third on the later of 28/07/2019 or a Decision to mine at the Awak Mas Gold Project. One third on the later of 28/07/2020 or Commencement of commercial production at the Awak Mas Gold Project	One third on the later of 28/07/2018 and when the Company is listed and the 45 day VWAP of the Shares is A$0.525 or greater. One third on the later of 28/07/2019 or a Decision to mine at the Awak Mas Gold Project. One third on the later of 28/07/2020 or Commencement of commercial production at the Awak Mas Gold Project	One third on the later of 28/07/2018 and when the Company is listed and the 45 day VWAP of the Shares is A$0.525 or greater. One third on the later of 28/07/2019 or a Decision to mine at the Awak Mas Gold Project. One third on the later of 28/07/2020 or Commencement of commercial production at the Awak Mas Gold Project
Exercise Price (A$)	$0.61	$0.61	$0.61
Grant Date	28/07/2017	12/04/2018	04/06/2018
Expiry Date	02/08/2021	02/08/2021	27/07/2021

Employment agreements

Executives are employed under a open ended employment contract which can be terminated with notice by either the Company or the executive.

The table below summarises amounts payable to Directors (inclusive of superannuation):

Director	Annual Director's fee AUD	Wages, salaries and/or bonuses
Greg Foulis	75,000	-
Robert Hogarth	50,000	-
Robin Widdup	50,000	-
Richard Ness	50,000	-
Michael Spreadborough	-	AUD350,000
Boyke Abidin[1]	-	USD94,440

[1] Mr Abidin is employed by a wholly owned subsidiary of the Company.

Non Executive Directors may be reimbursed for expenses reasonably incurred in attending to the Group's affairs

The Managing Director and executives' termination provisions are as follows:

Executive	Termination payment	Termination cause	Resignation
Michael Spreadborough	12 months	None	3 months
Boyke Abidin	12 months	None	None
Colin McMillan	12 months	None	3 months
Derek Humphry	3 months	None	3 months

This concludes the remuneration report, which has been audited.

This Directors' Report, is signed in accordance with a resolution of the Board of Directors.

Michael Spreadborough
MANAGING DIRECTOR

29 March 2019
PERTH

Building a better working world

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Auditor's Independence Declaration to the Directors of Nusantara Resources Limited

As lead auditor for the audit of Nusantara Resources Limited for the financial year ended 31 December 2018, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit*;* and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of the financial report of Nusantara Resources Limited and the entities it controlled during the financial year.

Ernst & Young

Scott Jarrett
Partner
29 March 2019

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 USD	2017 USD
Income			
Interest Income		3,105	214
Expenses			
Employee and Directors benefits expense		(698,901)	(759,443)
Share based remuneration	22	(368,312)	(269,412)
Professional fees and consultants		(586,098)	(504,622)
Depreciation and amortisation		(61,032)	(51,599)
Write off of fixed assets		-	(102,885)
Community and social		-	(40,016)
Other expenses		(632,005)	(513,110)
Loss before income tax		**(2,343,243)**	**(2,240,873)**
Income tax expense	3	-	-
Loss for the year		**(2,343,243)**	**(2,240,873)**
Change to Foreign Currency Translation			
Items that may be reclassified subsequently to profit or loss		(535,025)	(139,454)
Total Comprehensive Loss for the year attributable to owners of the parent		**(2,878,268)**	**(2,380,327)**
Loss per share			
From continuing operations:			
Basic loss per share (cents)	17	(2.1)	(5.3)
Diluted loss per share (cents)	17	(2.1)	(5.3)

The financial statements should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Note	2018 USD	2017 USD
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	6,364,317	7,433,666
Other receivables	7	171,743	260,928
TOTAL CURRENT ASSETS		**6,536,060**	**7,694,594**
NON-CURRENT ASSETS			
Property, plant and equipment	11	78,984	83,310
Exploration and evaluation expenditure	12	32,936,707	25,922,423
Other assets	13	52,684	73,421
TOTAL NON-CURRENT ASSETS		**33,068,375**	**26,079,154**
TOTAL ASSETS		**39,604,435**	**33,773,748**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	935,746	1,108,186
Provisions	15	65,439	142,887
TOTAL CURRENT LIABILITIES		**1,001,185**	**1,251,073**
TOTAL LIABILITIES		**1,001,185**	**1,251,073**
NET ASSETS		**38,603,250**	**32,522,675**
EQUITY			
Issued capital	16(a)	40,155,584	31,565,053
Reserves	16(b)	5,196,457	5,363,170
Accumulated losses		(6,748,791)	(4,405,548)
TOTAL EQUITY		**38,603,250**	**32,522,675**

The financial statements should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	Issued Capital USD	Other Reserves USD	Accumulated Losses USD	Total USD
At 1 January 2017		1	-	(2,164,675)	(2,164,674)
Loss for the period attributable to members of the Company		-	-	(2,240,873)	(2,240,873)
Other comprehensive income	16	-	(139,454)	-	(139,454)
Total comprehensive loss		-	(139,454)	(2,240,873)	(2,380,327)
Shares issued during the period	16	32,766,956	-	-	32,766,956
Costs associated with the issue of shares	16	(1,201,904)	-	-	(1,201,904)
Intercompany loan forgiveness			5,233,212	-	5,233,212
Shares based payment	22		269,412	-	269,412
Balance as at 31 December 2017		**31,565,053**	**5,363,170**	**(4,405,548)**	**32,522,675**

	Note	Issued Capital USD	Other Reserves USD	Accumulated Losses USD	Total USD
At 1 January 2018		31,565,053	5,363,170	(4,405,548)	32,522,675
Loss for the period attributable to members of the Company		-	-	(2,343,243)	(2,343,243)
Other comprehensive income	16	-	(535,025)	-	(535,025)
Total comprehensive loss		-	(535,025)	(2,343,243)	(2,878,268)
Shares issued during the period	16	8,886,458	-	-	8,886,458
Costs associated with the issue of shares	16	(295,927)	-	-	(295,927)
Shares based payment	22	-	368,312	-	368,312
Balance as at 31 December 2018		**40,155,584**	**5,196,457**	**(6,748,791)**	**38,603,250**

The financial statements should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 USD	2017 USD
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest income		3,105	214
Payments to suppliers and employees		(1,863,947)	(2,308,094)
Net cash used in operating activities	19	**(1,860,842)**	**(2,307,880)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment and intangible assets		(35,968)	(166,797)
Payments for exploration expenditure		(7,228,045)	(2,575,790)
Net cash used in investing activities		**(7,264,013)**	**(2,742,587)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		8,886,458	12,935,742
Payment for share issue expenses		(295,927)	(1,201,904)
Loan proceeds from related body corporate		-	790,000
Net cash provided by financing activities		**8,590,531**	**12,523,838**
Net increase/(decrease) in cash held		(534,324)	7,473,371
Effect of exchange rates	16	(535,025)	(145,979)
Cash and cash equivalents at beginning of the year		7,433,666	106,274
Cash and cash equivalents at end of the year	6	**6,364,317**	**7,433,666**

The financial statements should be read in conjunction with the accompanying notes

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 1: CORPORATE INFORMATION

The financial report of Nusantara Resources Limited ("Nusantara" or "the Company") and its controlled entities ("the Group") for the year ended 31 December 2018 was authorised for issue in accordance with a resolution of the Directors on 29 March 2019.

Nusantara is a listed public company effective from 2 August 2017 limited by shares incorporated in Australia.

The Directors have the power to amend and reissue the financial report.

The nature of the operations and principal activities of the Company and the Group are described in the Directors' Report.

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This consolidated financial report includes the consolidated financial statements and notes and financial information relating to Nusantara as an individual parent entity ("Parent Entity" or "Company") for the year ended 31 December 2018.

The presentation currency for the Group is US dollars.

Basis of preparation

The financial report is a general-purpose financial report which has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act* 2001. Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. The financial report also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report covers the consolidated financial statements of Nusantara Resources Limited and its subsidiaries.

The financial report has been prepared on an accruals basis and is based on historical costs basis modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial report is presented in US dollars unless otherwise stated.

a. Going concern basis of accounting

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

As at 31 December 2018, the Group current assets exceeded current liabilities by $5,534,875 (2017: $6,443,521). For the year ended 31 December 2018 the Group incurred a loss of $2,343,243 (2017: $2,240,873) and experienced net cash outflows from operating and investing activities of $9,124,855 (2017: $5,050,467).

On 23 January 2019 the Company held a General Meeting at which two placements were approved. These placements were made resulting in the issuance of 13,971,155 shares and 22,289,159 unlisted options, exercisable at A$0.35 each and expiring 30 November 2020 raising $2,293,000 (A$3,213,366) before costs.

The Group continues to focus on exploration, evaluation and development activities at the Awak Mas Gold Project and is currently without an operating cash inflow. The Group will need to raise additional capital to advance the Awak Mas Gold Project and its ongoing working capital requirements which results in a material uncertainty in relation to going concern. While no assurances can be given about future ability to finance the Group's activities, Nusantara has a proven past ability to raise funds and invest in the Group, the Directors believe the Company, given the quality of the Awak Mas Gold Project, can raise future funds to pursue its business strategy and meet its obligations as and when they fall due.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the company not continue as a going concern.

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2018. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. A list of controlled entities is contained in Note 10 to the financial statements. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

c. Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority. Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses. Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity. Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss. Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future. Current tax assets and liabilities are off set where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are off set where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

d. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on a cost basis. Indicators of impairment of the carrying amount of plant and equipment are reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts. The cost of property, plant and equipment constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The depreciation rates used for each class of depreciable assets are:

- Plant and equipment 17% - 33%.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

e. Exploration and Development Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development or sale of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full against profit in the period in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. There are currently no material restoration requirements for the area of interest held.

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to entities in the Group, are classified as finance leases. Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period. Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

g. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement as the expense category that is consistent with the function of the intangible assets. The useful life for each class of intangible assets are:

- Software: 4 years.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

h. i) Financial Instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost include security deposits and other receivables included under current receivable assets.

Financial assets at fair value through OCI (debt instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Group currently does not have debt instruments classified as financial assets at fair value through OCI.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group currently does not have equity instruments classified as financial assets at fair value through OCI.

Financial assets at fair value through profit and loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

The Group currently does not have financial assets at fair value through profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

i. Impairment of Non-Financial Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

j. Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in United States dollars. Parent entity's functional currency is Australia dollars, consistent with last year. Its presentational currency remains in United States dollars.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined. Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge. Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of comprehensive income.

Group companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of comprehensive income in the period in which the operation is disposed.

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wages increases and the probability that the employee may satisfy vesting requirements. Those cash outflows are discounted using market yields on corporate bonds with terms to maturity that match the expected timing of cash flows.

l. Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model, further details of which are given in Note 22.

That cost is recognised in employee benefits expense, together with a corresponding increase in equity (Share Based Payment Reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options (if any) is reflected as additional share dilution in the computation of diluted loss per share (further details are given in Note 17).

m. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

n. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and subject to an insignificant risk of change in value.

o. Revenue and Other Income

Interest income is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. All revenue is stated net of the amount of goods and services tax (GST).

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p. Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and service received by the Group during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount normally paid within 30 days of recognition of the liability.

q. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

r. Comparative Figures

When required by Accounting Standards, comparative amounts have been adjusted to conform to changes in presentation for the current financial year. When the Group applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed. The Group has not changed its accounting policies other than the adoption of new accounting standards which had no significant impact on the Group.

s. Key estimates

i. Impairment

The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value in-use calculations which incorporate various key assumptions. These assumptions are disclosed in each of the notes to the financial report where applicable.

ii. Exploration and Evaluation Expenditure

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

t. New Accounting Standards for Application in Future Periods

PART A - Changes in accounting policy, new and amended standards and interpretations

There was no material impact of any new accounting policies adopted during the period including in relation to AASB 9 Financial Instruments and AASB 15 Revenue from Contracts with Customers.

PART B – Accounting standards issued but not yet effective

Australian Accounting Standards and Interpretations that are issued, but are not yet effective for the period ending 31 December 2018 are disclosed below. The Group intends to adopt these new standards and interpretations, if applicable, when they become effective.

AASB 16 Leases

AASB 16 was issued in January 2016 and it replaces AASB 117 Leases, AASB Interpretation 4 Determining whether an Arrangement contains a Lease, AASB Interpretation-115 Operating Leases-Incentives and AASB Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Lessor accounting under AASB 16 is substantially unchanged from today's accounting under AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases.

AASB 16, which is effective for annual periods beginning on or after 1 January 2019, requires lessees and lessors to make more extensive disclosures than under AASB 117.

Transition to AASB 16

The Group is intending to use the modified retrospective method when transitioning to AASB 16.

The Group will elect to use the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value. The Group has leases of certain office equipment (i.e. printing and photocopying machines) that are considered of low value. The Group is currently in the process of assessing the impact of these changes, however does not expect AASB 16 to have a significant impact on the financial statements.

AASB 17 Insurance Contracts

This standard is not applicable to the Group.

AASB Interpretation 23 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of AASB 112 and does not apply to taxes or levies outside the scope of AASB 112, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. The interpretation is effective for annual reporting periods beginning on or after 1 January 2019, but certain transition reliefs are available. The Group will apply the interpretation from its effective date. Since the Group operates in a complex multinational tax environment, applying the Interpretation may affect its consolidated financial statements. In addition, the Group may need to establish processes and procedures to obtain information that is necessary to apply the Interpretation on a timely basis.

AASB 2017-6 Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation

Under AASB 9, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to AASB 9 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The amendments should be applied retrospectively and are effective from 1 January 2019, with earlier application permitted. These amendments have no impact on the consolidated financial statements of the Group.

AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The amendments address the conflict between AASB 10 and AASB 128 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in AASB 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The IASB and AASB have deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively. The Group will apply these amendments when they become effective.

AASB 2018-2 Amendments to Australian Accounting Standards – Plan Amendment, Curtailment or Settlement

This standard is not applicable to the Group.

AASB 2017-7 Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies AASB 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in AASB 9 applies to such long-term interests.

The amendments also clarified that, in applying AASB 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying AASB 128 Investments in Associates and Joint Ventures.

The amendments should be applied retrospectively and are effective from 1 January 2019, with early application permitted. Since the Group does not have such long-term interests in its associate and joint venture, the amendments will not have an impact on its consolidated financial statements.

AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements 2015–2017 Cycle

These improvements include:

• AASB 3 Business Combinations

The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2019, with early application permitted. These amendments will apply on future business combinations of the Group.

• AASB 11 Joint Arrangements

A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in AASB 3. The amendments clarify that the previously held interests in that joint operation are not remeasured.

An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1 January 2019, with early application permitted. These amendments are currently not applicable to the Group but may apply to future transactions.

• AASB 112 Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

An entity applies those amendments for annual reporting periods beginning on or after 1 January 2019, with early application permitted. When an entity first applies those amendments, it applies them to the income tax consequences of dividends recognised on or after the beginning of the earliest comparative period. The Group does not expect any effect on its consolidated financial statements.

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

• AASB 123 Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 January 2019, with early application permitted. The Group does not expect any effect on its consolidated financial statements.

NOTE 3: INCOME TAX EXPENSE	2018 USD	2017 USD
a. The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:		
Loss before tax	(2,343,243)	(2,240,873)
Total income tax benefit calculated at 30% (2017: 30%)	(702,973)	(672,262)
Tax effect of:		
– Non-deductible expenses	702,973	672,262
	-	-
Deferred tax asset not brought to account	-	-
Income Tax Expense	-	-

The Group has available tax losses carried forward in Indonesia. These tax losses have not been recognised due to the uncertainty of their recoverability in future periods. Indonesian tax losses can be carried forward for 5 years under the Awak Mas Contract of Work (as amended) under prevailing Indonesian tax legislation. Deductible temporary differences do not expire under Australian current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not yet considered probable that future taxable income will be available to utilise them.

NOTE 4: INTERESTS OF KEY MANAGEMENT PERSONNEL	2018 USD	2017 USD
a) Compensation for Key Management Personnel		
Short term employee benefits	814,394	339,867
Post-Employment	50,816	9,328
Share Based Transactions	324,933	201,665
Total compensation	**1,190,143**	**550,860**

b) Other Key Management Personnel Transactions

There have been no other Key Management Personnel transactions involving equity instruments. For details of other transactions with Key Management Personnel refer to Note 21 Related Parties.

NOTE 5: AUDITORS' REMUNERATION	2018 USD	2017 USD
Ernst & Young Australia - audit services	60,094	54,548
Ernst & Young Australia – non-audit services	-	33,955
	60,094	**88,503**

During the 2017 year, Ernst and Young acted as the investigating accountant for the Company IPO and were paid $33,955 for the services provided. The Company's Indonesian subsidiary PT Masmindo Dwi Area prepares financial statements which are audited for regulatory purposes. The auditor is BDO. For the year ended 31 December 2018 BDO performed some audit services to support the Ernst and Young audit of the Group and will receive fees of $5,000 (2017: Nil).

NOTE 6: CASH AND CASH EQUIVALENTS	2018 USD	2017 USD
Cash at bank	6,364,317	7,433,666
	6,364,317	**7,433,666**

NOTE 7: OTHER RECEIVABLES	2018	2017
CURRENT	USD	USD
Prepayments	16,957	10,532
Security Deposits[1]	114,372	126,360
Other receivables	40,414	124,036
	171,743	**260,928**

[1] A$120,000 is held as security for a credit card facility and bears interest at 1.6433%
A$42,000 is held as security for the office lease and bears interest at 1.6433%

NOTE 8: SEGMENT INFORMATION

The Group operates predominantly in the minerals exploration sector, with the principle activity of the Group being the exploration and evaluation of gold projects. The Group classifies these activities under a single operating segment; the Indonesian exploration and development activities.

Regarding the exploration and evaluation operating segment, the Chief Operating Decision Maker (determined to be the Board of Directors) receives information on the exploration and evaluation expenditure incurred. This information is disclosed in note 12 of the financial report. No segment revenues are disclosed as the exploration tenement is not at a stage where revenues have been earned. Furthermore, no segment costs are disclosed as all segment expenditure is capitalised, with the exception of expenditure written off. The non-current assets of the Group, attributable to the parent entity, are located in Indonesia.

NOTE 9: PARENT ENTITY DISCLOSURES

The following information has been extracted from the records of the parent entity:

	2018 USD	2017 USD
Current assets	6,387,831	7,585,473
Total assets	39,022,421	32,879,868
Current liabilities	419,171	357,193
Total liabilities	419,171	357,193
Issued capital	40,155,584	31,565,054
Reserves	5,362,363	5,529,080
Accumulated losses	(6,914,697)	(4,571,459)
Net equity	**38,603,250**	**32,522,675**
Loss of the parent entity	(2,343,238)	(4,541,459)
Total comprehensive loss of the parent entity	(2,343,238)	(4,541,459)

The parent entity has not entered into any contractual commitments for the acquisition of property plant and equipment as at 31 December 2018.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 10: CONTROLLED ENTITIES

The consolidated financial statements include the financial statements of Nusantara Resources Limited and the subsidiaries listed in the following table:

Controlled Entities consolidated	Country of Incorporation	Percentage Owned 2018 %	Percentage Owned 2017 %
PT Masmindo Dwi Area	Indonesia	100	100
Salu Siwa Pty Limited	Australia	100	100
Vista Gold (Barbados) Corp	Barbados	100	100

NOTE 11: PROPERTY, PLANT AND EQUIPMENT	**2018 USD**	**2017 USD**
Plant and equipment		
At cost	401,249	372,431
Accumulated depreciation	(322,265)	(289,121)
Total plant and equipment	**78,984**	**83,310**
Reconciliation of the carrying amounts are set out below:		
Plant and equipment		
Carrying amount at beginning of year	83,310	60,412
Additions	28,818	90,831
Depreciation	(33,144)	(8,365)
Write off plant and equipment	-	(59,568)
Carrying amount of plant and equipment at end of year	**78,984**	**83,310**

NOTE 12: EXPLORATION AND EVALUATION EXPENDITURE	**2018 USD**	**2017 USD**
Costs carried forward in respect of areas of interest in:		
– exploration and evaluation phases at the end of year	**32,936,707**	**25,922,423**
Reconciliations		
Carrying amount at the beginning of year	25,922,423	22,851,800
Expenditure incurred during current year	7,014,284	3,070,623
Carrying amount at the end of year	**32,936,707**	**25,922,423**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 13: OTHER ASSETS	**2018**	**2017**
Intangible asset – computer software	**USD**	**USD**
At cost	368,247	361,095
Accumulated amortisation	(315,563)	(287,674)
Total intangible asset	**52,684**	**73,421**

Reconciliation of the carrying amounts are set out below:

Intangible asset		
Carrying amount at beginning of year	73,421	84,003
Additions	7,152	75,969
Amortisation	(27,889)	(43,234)
Write off intangible assets	-	(43,317)
Carrying amount of intangible asset at end of year	**52,684**	**73,421**

NOTE 14: TRADE AND OTHER PAYABLES	**2018 USD**	**2017 USD**
Trade payables and accrued expenses	928,153	1,071,080
VAT payables	7,593	37,106
Trade and other payables	**935,746**	**1,108,186**

NOTE 15: PROVISIONS	**2018 USD**	**2017 USD**
Provisions	65,439	142,887

NOTE 16: ISSUED CAPITAL AND RESERVES	**2018 USD**	**2017 USD**
a. Issued Capital		
153,804,835 (2017: 97,531,763) fully paid ordinary shares. The shares have no par value.	40,155,584	31,565,053
Movements in ordinary share capital	**Shares**	**Shares**
At the beginning of the reporting period	97,531,763	1
Shares issued during the year	56,273,072	97,531,762
At the end of the reporting period	**153,804,835**	**97,531,763**

Movements in ordinary share capital	**2018 USD**	**2017 USD**
Balance at beginning of the reporting period	31,565,053	1
Shares issued during the year	8,886,458	32,766,956
Costs associated with shares issued during the year	(295,927)	(1,201,904)
At the end of the reporting period	**40,155,584**	**31,565,053**

NOTE 16: ISSUED CAPITAL AND RESERVES (CONTINUED)

	2018	2017
Movements in options	**Options**	**Options**
At the beginning of the reporting period	37,405,392	-
Sign and Incentive Options issued/(expiring) during the year	1,420,318	4,897,000
Listed Loyalty Options issued/(expiring) during the year	(32,508,392)	32,510,059
Listed Loyalty Options exercised	-	(1,667)
Listed Rights issue Options issued during the year	18,034,307	-
At the end of the reporting period	**24,351,625**	**37,405,392**

b. Reserves

	Foreign Currency Translation USD	Debt Forgiveness USD	Share Based Payment USD	Total Other Reserves USD
At 1 January 2017	-	-	-	-
Currency translation differences	(139,454)	-	-	(139,454)
Intercompany loan forgiveness	-	5,233,212	-	5,233,212
Shares based payment	-	-	269,412	269,412
Balance as at 31 December 2017	**(139,454)**	**5,233,212**	**269,412**	**5,363,170**
At 1 January 2018	(139,454)	5,233,212	269,412	5,363,170
Currency translation differences	(535,025)	-	-	(535,025)
Shares based payment	-	-	368,312	368,312
Balance as at 31 December 2018	**(674,479)**	**5,233,212**	**637,724**	**5,196,457**

Nature and purpose of reserves

Foreign Currency Translation
Exchange differences between the functional currency and presentation currency of the parent are recognised in other comprehensive income as described in note 2(j) and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the differences are realised.

Debt Forgiveness
In prior financial year Nusantara entered into a convertible loan agreement with its previous parent company, One Asia, in relation to outstanding funding amounts provided by to the Group. On 26 July 2017 One Asia converted its outstanding loan amounts owed by Nusantara and its subsidiaries, in exchange for the issue of 58,969,875 Nusantara shares to settle loans payable to related body corporates. The fair value of the shares issued was determined with reference to the IPO price of A$0.42. As the fair value of shares provided as consideration of A$24,767,348 (US$19,831,215) was less than the balance of the loans, the difference of US$5,233,212 was recognised as a reserve.

Share-based payments
The share-based payments reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 22 for further details of these plans.

NOTE 16: ISSUED CAPITAL AND RESERVES (CONTINUED)

c. Options

Attaching options

On 4 July 2018 the Company completed a rights entitlement issue which included issuing one option for every two shares taken up (totalling 12,832,917 listed options) and 5,201,390 options relating to underwriting of the rights entitlement issue. These options are exercisable at A$0.30 each and expire 31 July 2020.

Loyalty options

On 14 November 2017 the Company completed a bonus issue to eligible shareholders of one free loyalty option for every three Nusantara shares held at an exercise price of A$0.42. 32,510,059 loyalty options were allotted, being quoted on the Australian Securities Exchange (ASX) under trading code NUSO. During the reporting period nil (2017: 1,667) Loyalty Options were exercised. On 14 November 2018 the 32,508,392 unexercised loyalty options expired in accordance with their terms.

NOTE 17: LOSS PER SHARE	**2018 USD**	**2017 USD**
a. Reconciliation of loss		
Loss for the year	(2,343,243)	(2,240,873)
Loss used in the calculation of basic and dilutive EPS	**(2,343,243)**	**(2,240,873)**
	Number	**Number**
b. Weighted average number of ordinary shares outstanding during the year used in calculating basic and dilutive Loss per share	111,967,115	42,274,516
Weighted average number of dilutive options outstanding	-	-
c. Anti-dilutive options (not used in dilutive loss per share calculation)	38,248,697	37,405,392
	2018 Cents	**2017 Cents**
d. Loss per share (both basic and diluted)	**(2.1)**	**(5.3)**

NOTE 18: COMMITMENTS AND CONTINGENT LIABILITIES

(a) In December 2013 the Company entered into an agreement with Vista Gold Corporation to acquire 100% of Salu Siwa, PT Masmindo via acquisition of all shares in Vista Gold (Barbados) Inc. In accordance with the terms of the agreement, as consideration for the transaction, the Company agreed to grant Vista Gold Corporation a royalty of 2.0% of Net Smelter Returns on the first 1,250,000 ounces of gold produced from the Awak Mas Gold Project and 2.5% on the next 1,250,000 ounces of gold produced.

(b) In order to maintain current rights of tenure to tenements the Group is required to advance the Awak Mas Gold Project through to operation and production. The Awak Mas Gold Project is currently in the Operations and Production Period and the Group is required to pay Dead Rent of $57,560 annually ($4.00 per hectare on the 14,390 hectares of the CoW) and Building Tax of approximately $10,000 annually.

(c) The Group is subject to a tax audits by the Indonesian tax department and has been issued with a revised assessment with respect to VAT paid in 2012. This revised assessment amounted to approximately $242,825 (IDR3.3 billion). The Group is disputing the assessment and has paid 60% of this amount as a deposit to advance to the Tax Court. If the Tax Court issues a negative decision the Group would need to pay approximately $190,000, being the balance of the assessment plus additional penalties, before it could Appeal to the Supreme Court. The Group remains confident that the VAT and penalties are not payable, however this is subject to due process and not beyond doubt. The Group may be subject to tax audits from which additional claims could arise, however is confident its position is defensible.

NOTE 18: COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)

(d) Operating lease commitments – Group as lessee

The Group has entered into operating leases on certain office premises and office equipment.

Future minimum rentals payable under non-cancellable operating leases as at 31 December are, as follows:

	2018 USD	2017 USD
Within one year	151,013	147,742
After one year but not more than five years	74,511	222,607
More than five years	-	-
Total	**225,524**	**370,349**

NOTE 19: NOTES TO THE CASH FLOW STATEMENT	**2018 USD**	**2017 USD**
a. Reconciliation of Cash		
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:		
Cash at bank	6,364,317	7,433,666
	6,364,317	**7,433,666**
b. Reconciliation of Loss from ordinary activities after Income Tax to net cash used in operating activities		
Loss from ordinary activities after income tax	(2,343,243)	(2,240,873)
Add/(less) non-cash items:		
Depreciation and amortisation	61,032	51,599
Write off of fixed assets	-	102,885
Share based transactions	368,312	269,412
Changes in assets and liabilities, net of the effects of purchase and disposal of Controlled Entities during the financial year:		
(Increase)/Decrease in receivables	89,185	(193,084)
Increase/(Decrease) in payables	(81,570)	138,274
Increase/(Decrease) in provisions	45,442	(436,093)
Net cash used in operating activities	**(1,860,842)**	**(2,307,880)**

c. Non-Cash Financing

There were nil non-cash financing events during the year.

NOTE 20: EVENTS SUBSEQUENT TO REPORTING DATE

On 23 January 2019 the Company held a General Meeting at which two placements were approved. These placements were made resulting in the issuance 13,971,155 shares and 22,289,159 unlisted options, exercisable at A$0.35 each and expiring 30 November 2020 raising $2,293,000 (A$3,213,366) before costs. Other than this matter, no matters have arisen since the end of the financial year to the date of this report of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

NOTE 21: RELATED PARTIES

Transactions between related parties as set out below are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Directors

The names of each person holding the position of Director of Nusantara during the financial year are:

Mr Greg Foulis (appointed 29 March 2018)	Chairman – Non-Executive Director
Mr Michael Spreadborough (appointed 16 February 2017)	Managing Director
Mr Robert Hogarth (appointed 17 February 2017)	Non-Executive Director
Mr Boyke Abidin (appointed 11 April 2017)	Executive Director
Mr Robin Widdup (appointed 28 February 2018)	Non-Executive Director
Mr Richard Ness (appointed 13 December 2018)	Non-Executive Director
Mr Martin Pyle (retired 30 May 2018)	Non-Executive Director

Transactions between related parties as set out below are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Details of Key Management Personnel remuneration are set out in Note 4.

Transactions with related parties:

Directors

In 2017 a services agreement was entered into with Lion Manager Pty Ltd for Company Secretarial and Chief Financial Officer duties fulfilled by Craig Smyth. Under the services agreement Lion Manager Pty Ltd, an entity affiliated with Mr Robin Widdup, was paid a monthly fee commensurate with rates charged by third-parties for the provision of accounting and company secretarial services. These arrangements ended on 31 March 2018.

Apart from the details disclosed in this note, no Directors entered into a material contract with the Company or the Group since the end of the previous financial year.

Directors' and Executive Officers' holdings of shares and options

The aggregate interests of Directors and the Executive Officer of the reporting entity and their Director-related entities in shares and share options of entities within the Group at year end are set out in the Directors' Report and at Note 4.

NOTE 22: SHARE-BASED PAYMENTS

The Company has established the Nusantara Incentive Plan (Incentive Plan) to provide an opportunity to eligible participants to participate in the Company's future growth and provide an incentive to contribute to that growth. The Incentive Plan is further designed to assist in attracting and retaining employees.

The Company must obtain Shareholder approval under the Listing Rules and/or the Corporations Act before the participation under the Incentive Plan of any eligible participant who is a Director of or otherwise a related party of the Company. Subject to the Corporations Act and the Listing Rules, the Board may at such times as it determines, issue invitations (in such form as the Board decides from time to time) to eligible participants, inviting applications for a grant of incentive securities up to the number specified in the invitation (Specified Securities) and specifying an acceptance period.

The number of Specified Securities will be determined by the Board in its absolute discretion, granted free of charge. The Board may impose performance criteria for the vesting of Specified Securities. The Company has applied for and obtained confirmation from ASX of waivers from Listing Rule 1.1 (Condition 12) to permit the Company to have options on issue with an exercise price of less than 20 cents. Although the exercise price of the options to be issued by the Company under section 11.13 is not less than 20 cents, the terms of the options provide that the option-holder may elect to use a cashless exercise facility (whereby the option holder can elect to receive a lesser number of Shares on the exercise of the options).

Set out below are the summaries of options granted under the Incentive Plan:

	2018 Options	**2017 Options**
Balance at beginning of the reporting period	4,897,000	-
Options issued during the reporting period		
– exercisable at $A0.61 per share	1,715,318	4,425,000
- exercisable at A$0.42 per share	-	472,000
Options exercised during the reporting period	-	-
Options Forfeited during the reporting period	(295,000)	-
At the end of the reporting period	**6,317,318**	**4,897,000**

The expense recognised for employee services received during the year is shown in the following table:

Share Based Payment Expense	**2018 USD**	**2017 USD**
Expense from equity-settled share-based payment transactions	368,312	269,412

NOTE 22: SHARE-BASED PAYMENTS (CONTINUED)

Fair value of options granted

The assessed fair value at grant date of options granted during the reporting period is set out in the table below.

Item	July 2017	April 2018	June 2018
Assessed fair value at grant date (A$)	$0.21	$0.064	$0.065
Number of options	4,425,000	975,318	740,000
Vesting Conditions	One third on the later of 28/07/2018 and the 45 day VWAP of the Shares is A$0.525 or greater. One third on the later of 28/07/2019 or a Decision to mine at the Awak Mas Gold Project. One third on the later of 28/07/2020 or Commencement of commercial production at the Awak Mas Gold Project	One third on the later of 28/07/2018 and the 45 day VWAP of the Shares is A$0.525 or greater. One third on the later of 28/07/2019 or a Decision to mine at the Awak Mas Gold Project. One third on the later of 28/07/2020 or Commencement of commercial production at the Awak Mas Gold Project	One third on the later of 28/07/2018 and the 45 day VWAP of the Shares is A$0.525 or greater. One third on the later of 28/07/2019 or a Decision to mine at the Awak Mas Gold Project. One third on the later of 28/07/2020 or Commencement of commercial production at the Awak Mas Gold Project
Exercise Price (A$)	$0.61	$0.61	$0.61
Grant Date	28/07/2017	12/04/2018	04/06/2018
Expiry Date	02/08/2021	02/08/2021	27/07/2021

The fair value at grant date is determined using the Black Scholes Model. The model inputs for options granted during the year ended 31 December 2018 included:

Item	July 2017	April 2018	June 2018
a. Consideration	$nil	$nil	$nil
b. Share price at grant date	A$0.42	A$0.265	A$0.22
c. Expected price volatility of the company's shares	77.4%	64.7%	79.5%
d. Expected dividend yield	0%	0%	0%
e. Risk-free interest rate	2.05%	2.05%	2.07%

NOTE 23: FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, trade and other receivables, trade and other payables. The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2018 USD	2017 USD
Financial Assets			
Cash and cash equivalents	6	6,364,317	7,433,666
Receivables	7	171,743	260,928
Total Financial Assets		**6,536,060**	**7,694,594**
Financial Liabilities			
Trade and other payables	14	935,746	1,108,186
Total Financial Liabilities		**935,746**	**1,108,186**

The carrying values of these assets and liabilities approximates the fair values due to their short-term nature.

Financial Risk Management Policies

The Board of Directors is responsible for, amongst other issues, monitoring and managing financial risk exposures of the Group. The Board monitors the Group's financial risk management policies and exposures and approves financial transactions within the scope of its authority. It also reviews the effectiveness of internal controls relating to counterparty credit risk, currency risk, financing risk and interest rate risk.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a currency other than the functional currency).

The Group manages its exposure to fluctuations on the translation into United States dollars by holding cash in several currencies determined based on the expected cash flow requirements.

Cash and cash equivalents by currency	2018 USD	2017 USD
Australian dollars	6,310,765	3,718,038
Indonesian rupiah	36,956	72,479
United States dollars	16,596	3,643,149
	6,364,317	**7,433,666**

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The weighted average interest rate of cash and cash equivalents is 0.8% (31 December 2017: 0%). Receivables and Trade and other payables are non-interest bearing. At 31 December 2018 the Group's interest rate risk is not considered material.

Credit Risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The Group's maximum exposure to credit risk in relation to each class of financial asset is the carrying amount of those assets as indicated in the Statement of Financial Position.

The Group has in place policies that aim to ensure that counterparties and cash transactions are limited to high credit quality financial institutions and that the amount of credit exposure to one financial institution is limited as far as is considered commercially appropriate.

NOTE 23: FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity Risk

Liquidity risk is the risk that the Company does not have sufficient funds to pay its debts as and when they become due and payable. The Company currently does not have major funding in place. However, the Company continuously monitors forecast and actual cash flows and the maturity profiles of financial assets and financial liabilities to manage its liquidity risk.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans if and when required with respect to the development of the Awak Mas Gold Project.

Cash at bank and on hand, as set out in Note 6, is available for use by the Company without restrictions.

Financial liabilities of the Company at 31 December 2018 are expected to be settled within 3 months of year end.

NOTE 24: COMPANY DETAILS

Nusantara Resources Limited is a company domiciled in Australia and its registered office and principal office is located at:

Ground Floor
20 Kings Park Road
West Perth
Western Australia 6005 Australia

DIRECTOR'S DECLARATION

In accordance with a resolution of the Directors of Nusantara Resources Limited, I state that:

In the opinion of the Directors:

(a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001* including:

(i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Michael Spreadborough
MANAGING DIRECTOR
Dated 29 March 2019

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Independent Auditor's Report to the Members of Nusantara Resources Limited

Opinion

We have audited the financial report of Nusantara Resources Limited (the "Company") and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2018 and of its consolidated financial performance for the year ended on that date; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report, which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Carrying value of capitalised exploration and evaluation

Why significant to the audit	How our audit addressed the key audit matter
Capitalised exploration and evaluation assets are the Group's largest asset. The assessment of exploration and evaluation assets is impacted by Nusantara Limited's ability, and intention, to advance its exploration and evaluation activities. The results of exploration and evaluation activities also determines to what extent the mineral reserves and resources may or may not be commercially viable for extraction. Due to the quantum of this asset and the subjectivity involved in determining if there are indicators of impairment, this is a key audit matter. Refer to *Note 12 – Exploration and Evaluation Expenditure* to the financial statements for the amounts held on the Balance Sheet by the Group as at 31 December 2018 and related disclosure.	Our procedures to address the Group's assessment of the carrying value of exploration and evaluation assets included: ‣ considering the Company's right to explore in the relevant exploration area, which included obtaining and assessing relevant documentation such as the *Contract of Work between the Government of the Republic of Indonesia and PT Masmindo Dwi Area dated 19 January 1998,* along with subsequent amendments; ‣ considering the Group's intention to carry out significant exploration and evaluation activity in the relevant exploration area, which included an assessment of the Group's cash-flow forecast models and the intentions and strategy of the Group; and ‣ assessing the commercial viability of results relating to the exploration and evaluation activities carried out in the relevant license area.

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Information Other than the Financial Report and Auditor’s Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company’s 2018 Annual Report, but does not include the financial report and our auditor’s report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 6 to 8 of the directors' report for the year ended 31 December 2018.

In our opinion, the Remuneration Report of Nusantara Resources Limited for the year ended 31 December 2018, complies with section 300A of the *Corporations Act 2001*.

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Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Scott Jarrett
Partner
Sydney
29 March 2019

ADDITIONAL INFORMATION AS AT 3 APRIL 2019

Use of Cash and Cash Equivalents

In accordance with ASX Listing Rule 4.10.19 the Company notes that from admission to the ASX on 31 July 2017 to 31 December 2018 it applied cash and cash equivalents at the time of admission consistent with its business objectives.

On-Market Buy Back

There is no current on-market buy back in place.

Unlisted Options

These options are unlisted and are not transferable. Until conversion they confer no voting rights to subscribe for new securities in the Company.

Unlisted options are a separate class of security that may be converted into Company shares once they have vested and in accordance with specified criteria.

Restricted Securities

Security Type	Number of Securities	Escrow Period Ends
Ordinary shares	25,446,243	2 August 2019
Unlisted options exercisable at A$0.61 expiring 28 July 2021	2,802,500	2 August 2019
Unlisted options exercisable at A$0.42 expiring 8 July 2020	295,000	2 August 2019

Distribution of Ordinary Fully Paid Shareholders

Range	Number of Shareholders	Number of Shares
1 – 1,000	102	50,469
1,001 – 5,000	197	667,948
5,001 –10,000	105	881,189
10,001 – 100,000	223	8,856,419
100,001 Over	95	157,319,965
Total Shareholders	**722**	**167,775,990**

Number of ordinary shareholders with less than a marketable parcel was 161

Distribution of Listed Option Holders

Range	Number of Option Holders	Number of Options
1 – 1,000	33	14,791
1,001 – 5,000	34	103,166
5,001 –10,000	10	70,526
10,001 – 100,000	48	1,991,293
100,001 Over	29	15,854,531
Total Option Holders	**154**	**18,034,307**

Number of listed option holders with less than a marketable parcel was 85

ADDITIONAL INFORMATION AS AT 3 APRIL 2019

Distribution of Unlisted Option Holders

Range	Option Holders	Number of Options
100,001 Over	12	28,606,477

Holder of more than 20% of Unlisted Options

Option Holder	Exerciseable at A$0.35. Expiring 30 November 2020 Transferable	Exerciseable at A$0.42. Expiring 2 August 2020 Not Transferable	Exerciseable at A$0.61. Expiring 27 August 2021 Not Transferable	Exerciseable at A$0.61. Expiring 27 July 2021 Not Transferable
PT Indika Mineral Investindo	16,693,711			
AustralianSuper Pty Ltd	5,595,448			
Holders individually less than 20%		472,000	5,105,318	740,000
Total **28,606,477**	**22,289,159**	**472,000**	**5,105,318**	**740,000**

Twenty Largest Shareholders of Ordinary Shares

Shareholder	Number of Shares	%
Lion Selection Group Limited	39,017,231	23.26
PT Indika Mineral Investindo	33,387,422	19.90
J P Morgan Nominees Australia Limited	24,906,962	14.85
Macquarie Bank Limited	4,991,056	2.97
BNP Paribas Nominees Pty Ltd <Jarvas A/C Non Treaty DRP>	4,679,011	2.79
Silver Pine Capital	3,571,428	2.13
BNP Paribas Noms Pty Ltd <DRP>	3,214,280	1.92
Rentzos Executive Pty Ltd <Retos Executive S/Fund A/C>	2,648,604	1.58
Gravitas Zhaojin Gold Industry Fund LP/C	2,500,000	1.49
Mr Richard Thomas Hayward Daly + Mrs Sarah Kay Daly <Daly Family S/F A/C>	2,350,654	1.40
Mr Gavin Bradley	2,000,000	1.19
Aurora Minerals Limited	1,851,852	1.10
Lion Manager Pty Ltd	1,378,544	0.82
John Joseph Ryan	1,323,684	0.79
DBPC Group Finance Pty Ltd <DBPC Group Finance A/C>	1,190,477	0.71
Swanco Pty Ltd	1,190,476	0.71
Lido Trading Ltd	1,190,434	0.71
HSBC Custody Nominees (Australia) Limited	1,169,091	0.70
Adrian Reinhart David Rollke	1,009,452	0.60
T E & J Pasias Pty Ltd	1,006,013	0.60
	134,576,671	**80.21**

ADDITIONAL INFORMATION AS AT 3 APRIL 2019

Substantial Shareholders

Name	Number of Shares	%
Lion Selection Group Limited	39,017,231	23.26
PT Indika Mineral Investindo	33,387,422	19.90
AustralianSuper Pty Limited	23,488,639	14.00

Twenty Largest Holders of Listed Option

Rank	Name	Number of Options	%
1	Lion Selection Group Limited	3,750,000	20.79
2	Mr Richard Thomas Hayward Daly + Mrs Sarah Kay Daly <Daly Family S/F A/C>	1,422,172	7.89
3	J P Morgan Nominees Australia Limited	1,320,488	7.32
4	Gravitas Zhaojin Gold Industry Fund LP/C	1,250,000	6.93
5	Mr Tarecq Aldaoud	1,000,000	5.54
6	Retzos Executive Pty Ltd <Retzos Executive S/Fund A/C>	884,020	4.90
7	Melshare Nominees Pty Ltd	600,000	3.33
8	Rigi Investments Pty Limited <The Cape A/C>	589,647	3.27
9	Magedo Super Pty Ltd <MG Family Super Fund A/C>	500,000	2.77
10	Atlantis MG Pty Ltd <MG Family A/C>	400,000	2.22
11	BNP Paribas Noms Pty Ltd <DRP>	373,752	2.07
12	Mr Robin Anthony Widdup + Mrs Janet Widdup <Widdup Super Fund A/C>	346,460	1.92
13	BVB Custodian Pty Ltd <BVB A/C>	294,674	1.63
13	Sam Goulopoulos Pty Ltd <S Goulopoulos F/Super A/C>	294,674	1.63
13	T E & J Pasias Pty Ltd	294,674	1.63
16	Mr Allan John Bate	288,519	1.60
17	Thang Pty Ltd	265,206	1.47
18	Ryan Constructions Pty Limited <John Ryan Superfund A/C>	263,733	1.46
19	Assurance Capital Pty Ltd	221,005	1.23
20	Mr Richard Desmond Reid	216,798	1.20
		14,575,522	**80.82**

ADDITIONAL INFORMATION AS AT 3 APRIL 2019

Voting Rights

The voting rights attached to the ordinary shares are governed by the constitution. On a show of hands, every person who is a Member or representative of a Member, shall have one vote and on poll, every Member present in person, or by proxy, or by attorney, or duly authorised representative, shall have one vote for each share held. None of the options have any voting rights.

Share Price

The closing share price on the Australian Securities Exchange on 31 December 2018 was A$0.19.

Share Holder Enquiries

Enquiries relating to share holding, tax file number and notification of change of address should be directed to:

Computershare Investor Services Pty Limited

452 Johnson Street, Abbotsford, Victoria, 3067

Website:	www.computershare.com.au
Telephone:	1300 850 505 (within Australia)
	+61 (0)3 9415 4000
Facsimile:	+61 (0)3 9473 2500

Board of Directors

Greg Foulis - Chairman - Non-Executive Director

Rob Hogarth - Non-Executive Director

Richard Ness - Non-Executive Director

Robin Widdup - Non-Executive Director

Michael Spreadborough - Managing Director

Boyke Abidin - Executive Director

Company Secretary

Derek Humphry

Registered Office

20 Kings Park Road

West Perth, Western Australia, 6005

PO Box 410

West Perth, Western Australia, 6872

Telephone: +61 (0)8 9460 8600

Email: info@nusantararesources.com

Bankers

HSBC Bank Australia

Share Registery

Computershare Investor Services Pty Limited

452 Johnson Street

Abbotsford, Victoria, 3067

Telephone: 1300 850 505 (within Australia)

+61 (0)3 9415 4000

Facsimile: +61 (0)3 9473 2500

Securities Exchange Listing

Shares in Nusantara Resources Limited are quoted on the Australian Security Exchange

ASX Code: NUS

Nusantara Resources Limited
ACN 150 791 290
www.nusantararesources.com

Caring ■ Integrity ■ Teamwork ■ Accountability ■ Excellence