

Dear Shareholder

## THE PATH TOWARDS GOLD PRODUCTION

You may have seen the recent announcement of Nusantara's strategic Partner, PT Indika Energy Tbk. and its affiliates (collectively, **Indika Energy**) advancing in the Awak Mas Gold Project (**Awak Mas**) owned by PT Masmindo Dwi Area as the wholly-owned subsidiary of Nusantara Resources Ltd. (**Masmindo**). I would like to take this opportunity to emphasise the importance of this major milestone almost 18 months in the making and provide context about why this is so pivotal.

Successfully building a gold mine requires the confluence of many elements, including funding, know-how, a thoroughly assessed project plan and all stakeholders aligned towards gold production. The introduction of Indika Energy to Awak Mas helps tick many boxes that Nusantara would have struggled to deliver alone and puts us squarely on the path towards gold production.

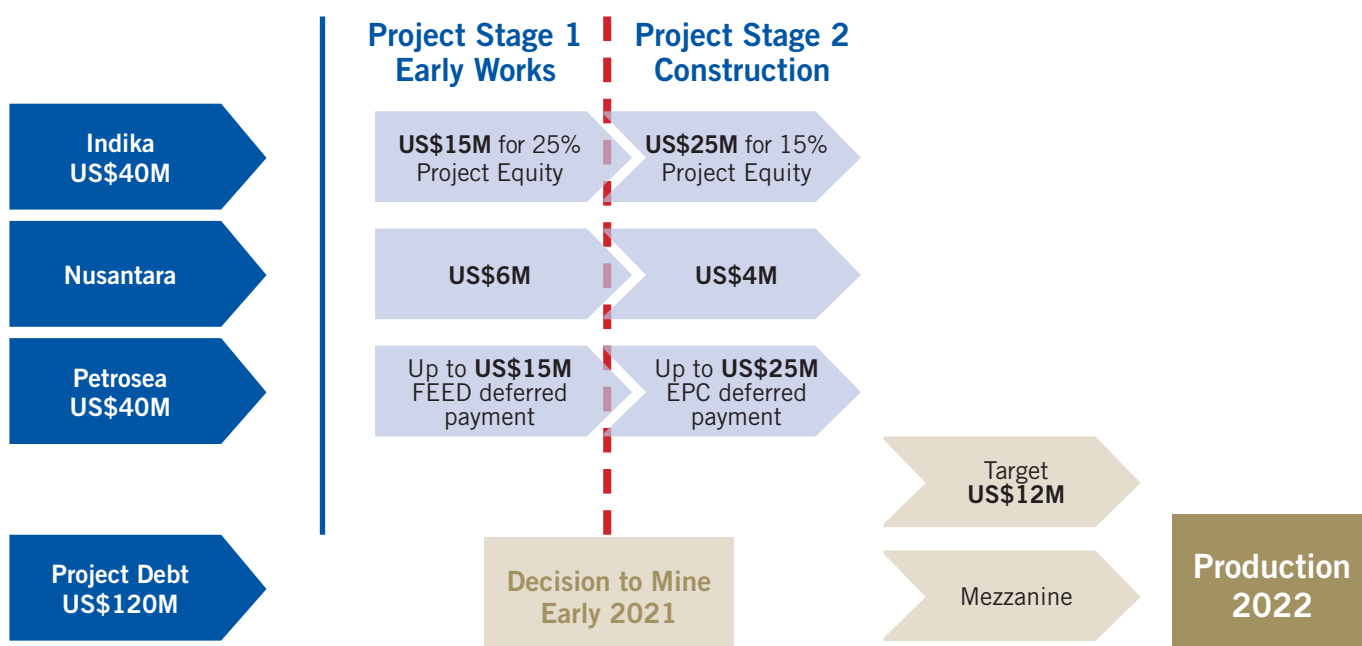
In partnership with Indika Energy, we are on track to build and finance Awak Mas leveraging tail winds from one of the best gold markets for many years. The US\$15M equity investment by Indika Energy is the first of two tranches

totalling US\$40M that allows Indika Energy to acquire a 40% equity investment in Masmindo. One of Indika Energy's subsidiaries, PT Petrosea Tbk. (**Petrosea**), has been appointed to oversee the US\$11.5M engineering and design work (**FEED**) with the expectation that this will then roll into a construction contract to build the mine.

In addition to the US\$40M Indika Energy equity investment in Masmindo, Petrosea has agreed to a deferred payment arrangement for the FEED work and will look to extend these deferred payment arrangements up to US\$40M into the construction phase.

The two-stage development funding strategy (see below) for Masmindo as the project entity is set out in the Indika Energy transaction documents executed in February 2020. Indika Energy and Nusantara are working together aiming to meet the targets and conditions to trigger the tranche 2 of Indika Energy equity investment and settlement of deferred payment arrangements. The critical milestones in the nine months ahead include FEED completion, land compensation and project financing.

### Development Funding Strategy



The remainder of 2020 will be busy for Masmindo, including an updated Reserve (Q2 2020), updated DFS (1H 2020), engineering and design work, land acquisition and finalising permitting. In parallel, we will seek US\$100–\$120M project bank finance for Awak Mas with support from one of our partners, Indika Energy. Masmindo's partners have a clear aim to capture this current gold market and deliver the tremendous upside for our shareholders that come with gold production.

### Awak Mas at a glance (Based on DFS<sup>1</sup>):

- ✓ Enhanced Resource 2.35Moz (April 2020)<sup>2</sup>
- ✓ Reserve 1.1Moz (April 2018) due to be updated Q2 2020 <sup>3</sup>
- ✓ Production of more than 100,000 ounces recovered annually for at least 11 years
- ✓ Capital cost US\$146M, plus US\$16M pre-production costs
- ✓ Low cost operations US\$758/oz
- ✓ NPV<sub>5%</sub> US\$152M based on US\$1,250 gold price + US\$65M sensitivity for 10% increase (spot gold price is now 36% higher).
- ✓ Exploration upside from near mine and regional exploration with mineralisation outcropping over a 10km belt
- ✓ Steady cash flow to grow the company
- ✓ An experienced executive management and project team in country.

The Awak Mas fundamentals can create tremendous shareholder value with a well-executed plan to achieve our first gold pour in 2022, which will re-rate Nusantara as a gold producer. This will be followed by a systematic exploration program to expand our resource and reserve base from the outstanding near mine and regional exploration targets. I see a clear path to more than 100,000 ounces of gold production annually with Awak

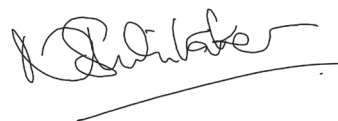
### WHY GOLD?

I have always loved the commodity and I think the timing is excellent to transition to be a gold producer. Since ancient times, gold has been sought after for its beauty, but its dominant purpose as a global currency and safe-haven investment has recently come to the fore. Massive and accelerating monetary expansion by central banks and extremely low interest rates will continue to focus more attention on hard assets like gold. Building a new long-life gold producer with a large deposit, clear expansion potential and a growing production profile is a good business plan.

Mas operating at capacity, and I am confident that this mine will operate for decades. The proposed timelines above assume some reversion to normality following the current COVID-19 crisis, particularly with respect to locating the development team at site, global supply chains and availability of debt finance. We continue to carefully monitor developments and are well positioned with sufficient funds and modest holding costs to adapt our work plans to suit most scenarios over the coming months.

I thank the Awak Mas Gold Project executive team – a tremendously talented group of people with the energy and passion to deliver this project – our directors, employees and contractors, partner Indika Energy, community partners and our shareholders for their commitment to the success of this Company.

Yours sincerely



**Neil Whitaker**  
Chief Executive Officer  
Nusantara Resources Limited

1. ASX Release dated 4 October 2018 – Definitive Feasibility Study Completed  
2. ASX release dated 28 April 2020 titled – Mineral Resources increases 18% to 2.35M ounces  
3. ASX release dated 13 September 2018 titled – Ore Reserve increases by 11% to 1.1M ounces

## Appendix 1

### Mineral Resource Estimate – April 2020<sup>4</sup>

Deposit	Classification	Tonnes (mt)	Au Grade (g/t)	Contained Gold (Moz)
Awak Mas	Measured	-	-	-
	Indicated	41.2	1.37	1.81
	Inferred	6.1	1.11	0.22
	<b>Sub-total</b>	<b>47.3</b>	<b>1.34</b>	<b>2.03</b>
Salu Bulu	Measured	-	-	-
	Indicated	3.0	1.68	0.16
	Inferred	0.7	1.07	0.02
	<b>Sub-total</b>	<b>3.7</b>	<b>1.56</b>	<b>0.19</b>
Tarra	Measured	-	-	-
	Indicated	-	-	-
	Inferred	3.0	1.29	0.13
	<b>Sub-total</b>	<b>3.0</b>	<b>1.29</b>	<b>0.13</b>
Total	Measured	-	-	-
	Indicated	44.2	1.39	1.97
	Inferred	9.8	1.16	0.37
	<b>Total</b>	<b>54.0</b>	<b>1.35</b>	<b>2.35</b>

### Ore Reserve Estimate – September 2018<sup>5</sup>

Deposit	Classification	Tonnes (mt)	Au Grade (g/t)	Contained Gold (Moz)
Awak Mas	Proved	-	-	-
	Probable	24.1	1.28	0.99
Salu Bulu	Proved	-	-	-
	Probable	2.8	1.67	0.15
Total	Proved	-	-	-
	Probable	26.9	1.32	1.14
	<b>Total</b>	<b>26.9</b>	<b>1.32</b>	<b>1.14</b>

- a) All Mineral Resources and Ore Reserves are completed in accordance with the 2012 JORC Code.  
b) The Mineral Resource is reported at a cut-off grade of 0.5g/t Au and constrained within USD 1,450 per optimised pit shells.  
c) The Ore Reserve is reported at a cut-off grade of 0.5g/t Au and USD1,250 per ounce gold price.  
d) All figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding.

4. ASX release dated 28 April 2020 titled – Mineral Resources increases 18% to 2.35M ounces  
5. ASX release dated 13 September 2018 – Ore Reserve increased by 11% to 1.1Moz Gold