

Lodgement of Prospectus for Loyalty Options

Nusantara Resources Limited ('Nusantara' or 'the Company') has lodged its Prospectus for the Loyalty Options and confirms the timetable for the issue of the Loyalty Options, as previously advised, as follows:

Event	Date
Lodgement of Prospectus with ASIC Notice to existing option holders Lodgement of Prospectus and application for quotation of Loyalty Options (Appendix 3B) with ASX	Thursday 2 November 2017
Record Date	Wednesday 8 November 2017
Prospectus dispatched to Eligible Shareholders	Monday 13 November 2017
Loyalty options issued	Tuesday 14 November 2017
Dispatch of shareholder statements	Wednesday 15 November 2017

All Eligible Shareholders holding fully paid ordinary shares on the **Record Date of 8 November 2017** will receive 1 free Loyalty Option for every 3 Shares held.

Each Loyalty Option will be exercisable with an exercise price of 42 cents at any time on or before 12 months from the Issue Date (ie by 5pm on 14 November 2018).

Nusantara will apply for quotation of the Options. Shares issued upon exercise of the Loyalty Options will rank equally with all fully paid ordinary shares on issue.

About Nusantara Resources

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

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

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

Website: www.nusantararesources.com

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

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

Managing Director / Chief Executive Officer
Nusantara Resources Limited
M: +61 (0)419 329 687
E: info@nusantararesources.com

Phil Retter

Investor Relations
NWR Communications
M: +61 (0)407 440 882
E: phil@nwrcommunications.com.au

PROSPECTUS

For a bonus issue of up to approximately 34,142,365 Loyalty Options to Eligible Shareholders on the basis of 1 Loyalty Option for every 3 Shares held on the Record Date.

Loyalty Options are issued for no consideration and Eligible Shareholders receiving this Prospectus are not required to do anything to be issued their Loyalty Options.

IMPORTANT NOTICE

This Prospectus is dated 2 November 2017 and was lodged with ASIC on that date.

Neither ASIC, ASX nor any of their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. Within 7 days of the date of this Prospectus, the Company will make an application to ASX for the Loyalty Options offered pursuant to this Prospectus to be admitted for quotation on ASX. No securities will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Nature of this Prospectus

The Loyalty Options issued under this Prospectus are options to acquire Shares, which have been quoted on the official list of the ASX during the 3 months prior to the issue of this Prospectus.

This Prospectus is a 'transaction specific prospectus' to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities or options to acquire securities in a class which has been continuously quoted by ASX in the 3 months prior to the date of the prospectus. In general terms 'transaction specific prospectuses' are only required to contain information in relation to the effect of the offer on the company and the rights and liabilities attaching to the securities offered. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus contains information only to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in it. It does not include all of the information that would be included in a prospectus for an initial public offer.

Prospectus availability

Eligible Shareholders can obtain a copy of this Prospectus at any time prior to the Issue Date on the Company's website at www.nusantararesources.com or by contacting the Company. If you access an electronic copy of this Prospectus, you should ensure that you download and read the entire Prospectus.

In accordance with ASIC Corporations Instrument (Application Form Requirements) Instrument 2017/241, this prospectus does not include an application form.

International Offer Restrictions

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. This document does not constitute an offer of Shares in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Canada

This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in Canada. No securities commission or similar authority in Canada has reviewed or in any way passed upon this document, the merits of the Shares and any representation to the contrary is an offence. No prospectus has been, or will be, filed in any province in Canada with respect to the Shares or the resale of such securities. Any resale of the Shares in Canada must be made in accordance with

applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements.

Hong Kong

WARNING: The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Indonesia

A registration statement with respect to the Shares has not been, and will not be, filed with the Capital Market and Financial Institutions Supervisory Agency (Bapepam-LK) of the Republic of Indonesia. Therefore, the Shares may not be offered or sold or be the subject of an invitation for subscription or purchase. Neither this document nor any other document relating to the offer or sale, or invitation for subscription or purchase, of the Shares may be circulated or distributed, whether directly or indirectly, in the Republic of Indonesia or to Indonesian citizens, corporations or residents, except in a manner that will not be considered as a 'public offer' under the law and regulations in the Republic of Indonesia.

Mauritius

In accordance with The Securities Act 2005 of Mauritius, no offer of the Loyalty Options or the Shares may be made to the public in Mauritius without the prior approval of the Mauritius Financial Services Commission. Accordingly any distribution of Loyalty Options or Shares is being made on a private placement basis only and does not constitute a public offering. As such, this document has not been approved or registered by the Mauritius Financial Services Commission and is for the exclusive use of the person to whom it is addressed. The document is confidential and should not be disclosed or distributed in any way without the express written permission of the Company.

Philippines

THE SECURITIES BEING OFFERED OR SOLD HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES REGULATION CODE. ANY FUTURE OFFER OR SALE THEREOF IS SUBJECT TO REGISTRATION REQUIREMENTS UNDER THE CODE UNLESS SUCH OFFER OR SALE QUALIFIES AS AN EXEMPT TRANSACTION.

United States

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Loyalty Options have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

Singapore

This document and any other materials relating to the Loyalty Options or the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares, may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore

except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the 'SFA'), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document is being made available to less than 50 persons in Singapore. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Switzerland

The Loyalty Options or Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ('SIX') or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Shares may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of Securities will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

This document is personal to the recipient only and not for general circulation in Switzerland.

United Kingdom

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the Shares.

This document is issued on a confidential basis to fewer than 150 persons (other than 'qualified investors' (within the meaning of section 86(7) of FSMA)) in the United Kingdom, and the Loyalty Options or the Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 FSMA) received in connection with the issue or sale of the Loyalty Options or the Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who fall within Article 43 (members or creditors of certain bodies corporate) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005, as amended, or (ii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this document relates is available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Disclaimer of representations

No person is authorised to provide any information or make any representation in connection with the Bonus Issue which is not contained in this Prospectus.

Forward looking statements

This Prospectus contains forward looking statements that, despite being based on the Company's current expectations about future events, are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and the Directors. These known and unknown risks, uncertainties and assumptions, could cause actual results, performance or achievements to materially differ from future results, performance or achievements expressed or implied by forward- looking statements in this Prospectus. These risks, uncertainties and assumptions include, but are not limited to, the risks outlined in section 7 of this Prospectus. Forward-looking statements include those containing such words as 'anticipate', 'estimate', 'believe', 'should', 'will', 'may' and similar expressions.

Privacy

Eligible Shareholders should read the privacy information located in section 8.14 of this Prospectus.

Definitions

Certain terms and abbreviations used in this Prospectus have defined meanings which are explained in section 11.

Enquiries

If you have any questions please call the Company's Share Registry, Computershare Investor Services Pty Ltd on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia). Alternatively, consult your broker, accountant or other professional adviser

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CORPORATE DIRECTORY

Directors

Martin Pyle (Non-Executive Chairman)
Robert Hogarth (Non-Executive Director)
Michael Spreadborough (Managing Director)
Boyke Abidin (Executive Director)

Company Secretary

Jane Rose

Registered Office

Level 2, 175 Flinders Lane
Melbourne Vic 3000

Website

www.nusantararesources.com

ASX code NUS

Auditor*

Ernst & Young
200 George Street, Sydney NSW 2000

Share Registry

Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street
Abbotsford VIC 3067

*This party is named for information purposes only and was not involved in the preparation of this Prospectus.

2. TIMETABLE TO THE ISSUE

Indicative timetable

Lodgement of the Prospectus with ASIC and ASX	2 November 2017
Record date	8 November 2017
Prospectus dispatched to Eligible Shareholders	13 November 2017
Loyalty Options issued	14 November 2017
Dispatch of holding statements	15 November 2017
Quotation of Loyalty Options on ASX	16 November 2017

These dates in the table above are indicative only. Subject to ASX Listing Rules, the Directors reserve the right to vary the dates without prior notice.

3. KEY TERMS AND CAPITAL STRUCTURE

Key offer terms

Shares currently on issue ¹	97,530,096
Options currently on issue ^{1,2}	4,897,000
Loyalty Options issued under this Prospectus (approximately) ^{3,4}	34,142,365

1 This assumes no further Shares are issued (including by way of exercise of Options) prior to the Record Date.

2 See section 5.4 for a list of the Company's Options on issue.

3 See section 8.1 for full terms and conditions of the Loyalty Options.

4 Based on the Existing Shares on issue and exercise of all Existing Options on issue prior to the Record Date.

4. INVESTMENT OVERVIEW AND KEY RISKS

This information is a selective overview only. Prospective investors should read the Prospectus in full before deciding whether to sell or exercise any Loyalty Options issued to them pursuant to this Prospectus.

Topic	Summary	Refer to section
What is the Bonus Issue?	As proposed in the IPO Prospectus, the Company wishes to reward Shareholders with a bonus issue of one Loyalty Option for every three Shares held by Eligible Shareholders on the Record Date. Each Loyalty Option will be exercisable with an exercise price of 42 cents at any time on or before 12 months from the Issue Date (i.e. by 5.00pm on 14 November 2018).	5.1
Are the Loyalty Options Free?	Yes, the Loyalty Options are issued for no consideration. The Company will apply to the ASX for quotation of the Loyalty Options.	5.1
Am I an Eligible Shareholder?	The Bonus Issue is made to Eligible Shareholders only. Eligible Shareholders are those Shareholders who: (a) are the registered holders of Shares as at 7.00pm (AES) on the Record Date; and (b) have a registered address in Australia or, to the extent the Company determines it would be lawful and not onerous to make such an offer, a shareholder at the Record Date with a registered address in, Canada, Hong Kong, Indonesia, Mauritius, Philippines, United States, Singapore, Switzerland or United Kingdom .	7.3
How will the funds raised upon exercising Loyalty Options be spent?	As the Loyalty Options are being issued for no consideration, no funds will be raised as a result of the Bonus Issue. It is currently intended that any funds raised by the exercise of the Loyalty Options will be used for accelerating exploration and development on the Company's Awak Mas Gold Project and for working capital.	5.2
What are the key risks of an investment under the Bonus Issue?	An investment in the Company has risks that you should consider before making a decision to invest. These risks include: <ul style="list-style-type: none">• Specific risks related to estimation of mineral resources, exploration and operations, amendments to terms of the Awak Mas Contract of Work, developmental issues, lack of operating history, Indonesian country risk and funding.• General economic risks and business climate. Please carefully consider these risks, the additional risks contained in Section 6 and the information contained in other sections of this Prospectus before deciding whether to sell or exercise your Loyalty Options issued. You may wish to contact your professional adviser.	6
Is the Bonus Issue underwritten?	The Bonus Issue is not underwritten.	7.4
Is the Bonus Issue subject to any conditions?	The Bonus Issue is conditional on the Company obtaining approval from the ASX (on terms satisfactory to the Company) for the Loyalty Options to be quoted on the official list of the ASX.	7.9
What will be the effect of the Bonus Issue on control of the Company?	There will be no effect on the voting power in the Company as a result of the Bonus Issue. The exercise of the Loyalty Options will not have a material effect on the control of the Company as: (a) the issue is pro rata to Eligible Shareholders; and (b) unless an exception under section 611 of the Corporations Act applies, no person acquiring Loyalty Options may exercise their options if that person or someone else's voting power in the Company increases; (i) from 20% or below to more than 20%; or (ii) from a starting point that is above 20% and below 90%.	5.4
Can I sell my Entitlements?	No. The Bonus Issue is non-renounceable meaning Shareholders may not transfer their Entitlement.	7.5
How can I obtain further advice?	If you have any questions on how to exercise the Loyalty Options, please contact the Company's Share Registry on 1300 850 505 (within Australia) or +61 3 9614 4000 (outside Australia). Alternatively, you should contact your stockbroker, accountant or independent professional financial adviser.	

5. PURPOSE AND EFFECT OF THE BONUS ISSUE

5.1 Introduction

The purpose of the offer is to implement the proposed issue of free Loyalty Options as set out in the IPO Prospectus.

By this Prospectus the Company is making a pro-rata bonus issue on the basis of one Loyalty Option for every three Shares held by Eligible Shareholders on the Record Date.

Each Loyalty Option will be issued for no consideration and entitle the holder to be issued one Share exercisable at an exercise price of 42 cents any time on or before 12 months from the Issue Date (i.e. by 5.00pm on 14 November 2018).

The Bonus Issue is non-renounceable meaning Shareholders may not transfer their Entitlement.

The primary purpose of the Bonus Issue is to reward Eligible Shareholders for their loyalty to and support of the Company. If the Bonus Options are exercised, this will provide the Company with a potential source of additional capital.

The terms of the Loyalty Option and underlying Shares are set out in **section 8**.

5.2 Use of any funds of the Bonus Issue

As the Loyalty Options are being issued for no consideration, no funds will be raised as a result of the Bonus Issue.

The Company will receive A\$0.42 for each Loyalty Option exercised. There is no certainty that any Loyalty Options will be exercised and the proportion exercised will largely depend on the Share price relative to the exercise price during the exercise period.

It is currently intended that any funds raised by the exercise of the Loyalty Options will be used for accelerating exploration and development on the Company's Awak Mas Gold Project and for working capital.

The application of any funds will depend on when Loyalty Options are exercised and the status of the Company's project and requirements at the relevant time.

5.3 Statement of Financial Position

Set out in Annexure 1 is the unaudited Pro Forma Historical Statements of Financial Position of the Company as at 30 June 2017 and prepared on the basis of the following assumptions:

- (a) the Company completed its initial public offering (IPO) on the ASX on 30 June 2017;
- (b) the Bonus Issue was effective on 30 June 2017;
- (c) no funds would be received from the Bonus Issue;
- (d) no further Shares are issued (including by way of exercise of Existing Options) other than all Loyalty Options issued under this Prospectus; and
- (e) costs of the Bonus Issue are approximately A\$34,350.

5.4 Effect of the Bonus Issue on the Company's securities

Assuming that no further Shares are issued (including by way of exercise of Existing Options) prior to the Record Date, at the close of the Bonus Issue, the capital structure of the Company will be:

Security	Number
Existing Shares	97,530,096
Shares issued pursuant to this Prospectus	Nil
Total Shares on issue after completion of the Bonus Issue	97,530,096
Existing Options	4,897,000

Security	Number
Maximum Loyalty Options issued pursuant to this Prospectus (exercisable at 42 cents on or before 12 months from the Issue Date (i.e. by 5.00pm on 14 November 2018)).	34,142,365 ¹
Maximum total Options on issue upon completion of the Bonus Issue	39,039,365

¹ Based on the Existing Shares on issue and exercise of all Existing Options on issue prior to the Record Date.

If no Existing Options are exercised prior to the Record Date, the number of Loyalty Options to be issued at completion of the Loyalty Issue is approximately 32,510,032. If all Existing Options are exercised prior to the Record Date, the maximum number of Loyalty Options to be issued at completion of the Loyalty Issue is approximately 34,142,365. The actual number of Loyalty Options to be issued will be determined by the number of Existing Options that are exercised between the date of the Prospectus and the Record Date and the number of Eligible Shareholders.

5.5 Potential effect on control

Based on the publicly available information as at 31 October 2017, the relevant interests and voting power of the substantial shareholders of the Company are as follows:

Shareholder	Shares	% voting power
Lion Selection Group Limited	31,378,960	32.17
AustralianSuper Pty Ltd	9,285,714	9.52
Macquarie Bank Limited	4,991,056	5.11

It is not anticipated that the exercise of the Loyalty Options will have a material effect on the control of the Company as:

- (a) the issue is pro rata to Eligible Shareholders; and
- (b) unless an exception under section 611 of the Corporations Act applies, no person acquiring Loyalty Options may exercise their options if that person or someone else's voting power in the Company increases:
 - (i) from 20% or below to more than 20%; or
 - (ii) from a starting point that is above 20% and below 90%.

5.6 Prohibition on exceeding 20% voting power

You must have regard to and comply with the takeovers prohibition in section 606 of the Corporations Act (that is, the 20% voting power threshold), when exercising Loyalty Options granted pursuant to this Prospectus.

The Company expressly disclaims any responsibility for ensuring that you do not breach section 606 as a result of the exercise of the Loyalty Options.

If you may be at risk of breaching section 606 as a result of the exercise of Loyalty Options, you have the following choices available to you:

- (a) sell your Loyalty Options;
- (b) sell some or all of your Shares prior to exercising any Loyalty Options held by you; or
- (c) rely on an exemption from the takeovers prohibition in section 611 (such as the 3% in 6 months creep exemption).

If you may be at risk of exceeding the 20% voting power threshold in section 606 or increasing your voting power from a position above 20% as a result of the acquisition of Shares following exercise of Loyalty Options, you should seek professional advice before exercising Loyalty Options.

6. RISK FACTORS

The Loyalty Options issued under this Prospectus are considered speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors consider the risk factors described below and together with information contained elsewhere in this Prospectus and to consult with their professional advisers before deciding whether to sell or exercise any Loyalty Options issued to them pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business and circumstances. In addition, there are general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

6.1 Risks specific to the Bonus Issue

(a) Dilution

If Shareholders do not exercise their Loyalty Options, because they either sell those Loyalty Options on-market or allow those Loyalty Options to expire without being exercised, and other Shareholders exercise their Loyalty Options, their shareholding will be diluted as a result.

(b) Exercise Price

There can be no guarantee that the Share price will be greater than the exercise price of the Loyalty Options during the period up to the expiry of the Loyalty Options. Accordingly, there is a risk that the Loyalty Options will be out of the money during the exercise period, which would affect the value of the Loyalty Options.

6.2 Specific Risks

The main business activity of Nusantara is the development of the Awak Mas Gold Project. Risks specific to this project and Nusantara's circumstances include the following:

(a) Estimation of Mineral Resources

Estimating the quantity and quality of Mineral Resources is an inherently uncertain process and any Mineral Resources or Ore Reserves that Nusantara states in the future are and will be estimates and may not prove to be an accurate indication of the quantity and/or grade of mineralisation that Nusantara has identified or that it will be able to extract, process and sell.

Mineral Resource Estimates (**MREs**) are expressions of judgement based on knowledge, experience and industry practice. MREs are necessarily imprecise and depend to some extent on interpretations and geological assumptions, the application of sampling techniques, estimates of commodity prices, cost assumptions, and statistical inferences which may ultimately prove to have been unreliable.

The inclusion of MREs should not be regarded as a representation that these amounts can be economically exploited and investors are cautioned not to place undue reliance on MREs, particularly Inferred Resource estimates, which are highly uncertain.

Consequently, MREs are often regularly revised based on actual production experience or new information and are therefore expected to change. Furthermore, should Nusantara encounter mineralisation or formations different from those predicted by past drilling, sampling and similar examinations, Nusantara's MREs may have to be adjusted and mining plans, processing and infrastructure may have to be altered in a way that might adversely affect Nusantara's operations. Moreover,

a decline in the price of gold, increases in production costs, decreases in recovery rates or changes in applicable laws and regulations, including environmental, permitting, title or tax regulations, that are adverse to Nusantara, may mean the volumes of mineralisation that Nusantara can feasibly extract may be significantly lower than the MREs indicated in the IPO Prospectus. If it is determined that mining of certain of Nusantara's Resources and the Reserves derived from them have become uneconomic, this may ultimately lead to a reduction in the quantity of Nusantara's aggregate Resources being mined, or result in Nusantara deciding not to proceed with the project.

If Nusantara's actual Resources are less than current estimates, Nusantara's prospects, value, business, results of operations and financial condition may be materially adversely affected.

(b) Exploration and Operations

The current and future operations of Nusantara, including exploration, appraisal, development and possible production activities may be affected by a range of exploration and operating factors, including:

- (i) geological conditions;
- (ii) limitations on activities due to seasonal or adverse weather patterns;
- (iii) alterations to program and budgets;
- (iv) unanticipated operational and technical difficulties encountered in geophysical surveys, drilling, metallurgical laboratory work and production activities;
- (v) mechanical failure of operating plant and equipment, industrial and environmental accidents, acts of terrorism or political or civil unrest and other force majeure events;
- (vi) industrial action, dispute or disruptions;
- (vii) unavailability of transport or drilling equipment to allow access and geological and geophysical investigations;
- (viii) unavailability of suitable laboratory facilities to complete
- (ix) adverse metallurgical testwork investigations;
- (x) failure of metallurgical testing to determine a commercial viable product;
- (xi) shortages or unavailability of manpower or appropriately skilled manpower;
- (xii) unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment; and
- (xiii) prevention or restriction of access by reason of inability to obtain consents or approvals.

(c) Development Issues

If Nusantara makes a decision to proceed with developing the Awak Mas Gold Project to the production stage, the process of developing and constructing the mine will be subject to additional risks, including those set out in this section.

While Nusantara would make a decision to proceed to production only after completing feasibility studies, which will be prepared with a higher level of detailed investigation and therefore a higher degree of assumed accuracy than the work completed to date, there will remain a risk that economic and technical estimates and assumptions will prove to be inaccurate, and unforeseen factors will result in outcomes that are materially less favourable than those estimated or assumed in the feasibility study.

There are many uncertainties that are inherent in developing a mining project, including:

- The availability of capital to finance feasibility studies, construction and development activities;

RISK FACTORS

- The timing and cost of constructing mining and processing facilities and related infrastructure;
- The availability and cost of skilled labour, power, water and transport; and
- The need to obtain necessary governmental permits and the timing of those permits.

As with any mining project, Nusantara may experience unexpected problems and delays during development, construction and mine start-up. Even if mining commences, there is a risk that the geology of the mines will be more complex than Nusantara's geological investigations have indicated, and that the ore extracted will be lower grade or have different metallurgical characteristics.

(d) Additional Funding Requirements

At the date of this Prospectus, Nusantara has no income producing assets and will generate losses for the foreseeable future. Nusantara must fund a significant amount of capital expenditure in order to commence production at the Awak Mas Gold Project.

Nusantara will use the proceeds raised under the IPO Prospectus to fund further drilling and work programs to progress the Awak Mas DFS however, funds raised under the IPO Prospectus will not be sufficient for expenditure expected to be required for any development of the Awak Mas Gold Project beyond this milestone, including the works required to complete construction of, and commence production at, the project.

The Company expects to raise additional funds for working capital and in order to finance its projected capital expenditure at the Awak Mas Gold Project, potentially by raising debt and/or equity, or through entry into joint venture arrangements. However, if these funding alternatives do not eventuate or are insufficient the Company may need to raise additional equity. Any additional equity financing may be dilutive to Shareholders, and debt financing (including lease financing of equipment), if available, may involve restrictions on financing and operating activities.

There is no assurance that the Company will be able to obtain or access additional funding when required, or that the terms associated with that funding will be acceptable to the Company. If such funding is not obtained, Nusantara will be unable to proceed with the Awak Mas Gold Project, which would adversely affect its business, financial condition and operating results and its ability to continue as a going concern or its ability to pay its debts as and when they fall due. It could also jeopardise Nusantara's ownership of the CoW.

Also, no guarantee or assurance can be given as to whether the Awak Mas Gold Project can be developed to the stage where it will generate positive cashflow or the timing of this development. As such, the Awak Mas Gold Project is dependent on many factors, for example, exploration success, positive DFS outcomes, subsequent mine development, commissioning and operational performance.

(e) Lack of Operating History

Nusantara has never developed or managed a fully operational mining operation facility. Nusantara was incorporated on 9 May 2011 and its only operation is in connection with the Awak Mas Gold Project. Accordingly, Nusantara has no experience in building or operating mining or processing facilities. While Nusantara's Directors and management have substantial experience in the mining industry, there can be no assurance that the Awak Mas Gold Project will experience

results similar to those achieved by other companies or projects in which its Directors and management have been involved in the past. Nusantara's financial condition will depend upon the commercial viability and profitability of the Awak Mas Gold Project. Nusantara cannot provide any assurance that it will be able to commission or sustain the successful operation of the Awak Mas Gold Project, or that it will achieve commercial viability.

(f) No Alternative Means of Generating Revenue

The Awak Mas Gold Project is the only business activity that Nusantara intends to undertake in the near term. Almost all of Nusantara's assets and resources will be employed in the DFS and potentially the development of the Awak Mas Gold Project. Until completion, the Awak Mas Gold Project will not generate income sufficient to cover Nusantara's expenses and until that time, Nusantara will have limited means of generating income or other gains (apart from interest, divestment of PT Masminindo shares or asset sales) or positive cash flows. If the Awak Mas Gold Project is not completed on schedule and in the manner anticipated, there could be a material adverse effect on Nusantara's financial condition.

(g) Operations

Nusantara's future mining operations will be subject to operating risks that could result in decreased production which could reduce its revenues. Operational difficulties may impact the amount of gold produced, delay or increase the cost of mining for a varying length of time. Such difficulties include (but are not limited to) unexpected maintenance or technical problems; failure of key equipment; depletion of Mineral Resources; increased or unexpected reclamation costs; interruptions due to transportation delays; industrial and environmental accidents; industrial disputes; unexpected shortages or increases in the costs of consumables and spare parts; availability of water; availability and cost of power and other utilities; fires; adverse weather conditions and other natural disasters. Other difficulties may arise as a result of variations in mining conditions from those projected from drilling, such as geotechnical issues, variations in the amount of waste material, variations in geological conditions and the actions of potential contractors engaged by Nusantara to operate the Awak Mas Gold Project (including any breach of contract or other action outside the control of Nusantara). There is a medium to high geotechnical risk associated with the project due to the high rainfall, rugged topography, low permeability of the rock mass and potential for landslides.

Unforeseen geological, geotechnical or operational difficulties could also cause a loss of revenue due to lower production than expected, higher operating and maintenance costs and/or ongoing unplanned capital expenditure to meet production targets. Any such geological conditions may adversely affect Nusantara's financial performance.

A failure to obtain access (whether under a contractual arrangement or otherwise) to an adequate supply of capital equipment or consumables for use in Nusantara's operations could result in delays to the commencement of operations at the Awak Mas Gold Project, reduced production rates and increased costs.

Nusantara may consider opportunities for expansion and/or opportunities to acquire other mining and processing rights in the future. There can be no certainty that any expenditures made by Nusantara towards the search for, acquisition of or evaluation of mineral deposits or rights will result in commercial discoveries or acquisitions.

(h) Licences and Permits

Nusantara is required under applicable laws and regulations to seek governmental concessions, permits, authorisations, licenses and other approvals, including in connection with its operating, producing, exploration and development activities. The Directors cannot predict whether the Company will be able to obtain all required permits or other authorisations for its current and future operations. Obtaining, retaining or renewing the necessary governmental concessions, permits, authorisations, licenses (including with respect to environment and water use) and approvals can be a complex and time-consuming process and may involve substantial costs or the imposition of unfavourable conditions. There can be considerable delay in obtaining the necessary permits and other authorisations and in certain cases the relevant government agency may be unable to issue a required permit or other authorisation in a timely manner.

The duration and success of permit applications are contingent on many factors that are outside Nusantara's control (including objections from local communities, non-government organisations or special interest groups). Failure to obtain a material licence or permit in connection with the Awak Mas Gold Project would adversely impact the ability to mine the Awak Mas Gold Project in an economically viable manner or at all.

(i) Land Access

The Awak Mas Gold Project is situated on state-owned land in Indonesia. Under Indonesian law, a party may use state-owned land, provided that it has been granted the necessary land use rights by the competent local, federal or governmental authority.

In addition, there are certain regulatory requirements requiring agreements with other users of the land in respect of the Awak Mas Gold Project, including both legal land users and informal land users. Nusantara does not currently have such agreements in place, and will require land compensation arrangements to be agreed by both parties.

The cost and time of completing such agreements is contingent on many factors that are outside Nusantara's control (including objections from local communities, non-government organisations or special interest groups), and may not be able to be concluded. Failure to obtain such agreements in connection with the Awak Mas Gold Project would adversely impact the ability to mine the Awak Mas Gold Project in an economically viable manner or at all.

(j) Local Communities and Landowners

The development of the Awak Mas Gold Project will depend in part on maintaining good relations with the relevant local communities, particularly with respect to negotiations with a number of land owners which will be required to gain access to areas covered by the Awak Mas Gold Project. Not meeting community and social expectations with respect to compensation for land access, employment opportunities, impact on local businesses or other aspects of the Awak Mas Gold Project may lead to local dissatisfaction with the Awak Mas Gold Project, which in turn may lead to disruptions in Nusantara's proposed operations.

(k) Mineral Title

Title to the mineral property rights held by Nusantara may be challenged or impugned. In Indonesia, the State is the sole authority able to control mineral property rights, and Nusantara's ability to maintain mineral rights will be partly

dependent on government policy, rules for the use of minerals and compliance with any special conditions. In addition, some of the properties that Nusantara has acquired may be subject to prior claims, and Nusantara's rights to the properties may be affected by, among other things, undetected title defects. Certain concessions, permits, authorisations, licenses or approvals held by Nusantara in respect of its operations, development of the Awak Mas Gold Project may be terminated under certain circumstances, which include the following:

- (i) failure by Nusantara to comply with any of its material general or special licence conditions or to gain an extension to the time period required for compliance with such conditions;
- (ii) failure to complete construction within the required timeframe;
- (iii) environmental and safety standards are not met;
- (iv) employment standards are not met;
- (v) Nusantara operates in the licensed areas in a manner that violates applicable law;
- (vi) Nusantara fails to provide information required or requested by authorities; or
- (vii) liquidation of the immediate licence holder.

It is not always possible to comply with, or obtain waivers with respect to such requirements and it is not always clear whether the requirements have been properly complied with, or whether it is possible or practical to obtain evidence of compliance. In some cases, failure to comply with such requirements or to obtain relevant evidence may call into question the validity of the actions taken. Termination by any relevant governmental authority of any one or more of Nusantara's mining, development, exploration or other concessions, permits, authorisations, licences or approvals could have a material adverse effect on Nusantara's business, results of operations, financial condition and prospects and may result in Nusantara being unable to proceed with the development, exploration or continued operation of the Awak Mas Gold Project.

(l) Infrastructure and Utilities

A number of factors could disrupt the operation of the Awak Mas Gold Project, including natural events.

The Awak Mas Gold Project will require a power source sufficient to permit the conduct of the mining activities contemplated by Nusantara's mine plans. Currently, there is no high voltage power supply and infrastructure at the Awak Mas Gold Project, although Nusantara has been in advanced discussions with the Indonesian power utility, PT Perusahaan Listrik Negara (PLN), with PLN entering a Memorandum of Understanding for providing transmission infrastructure and electricity. Any failure to procure such infrastructure or reliable power supply could have a material adverse effect on Nusantara's ability to carry out its business and mine plans and to achieve expected production at the Awak Mas Gold Project. Water is used in mining operations for various purposes. Due to factors such as changing or difficult climate conditions (including drought), changes in allocations or government policy, continuing access to water cannot be guaranteed.

(m) Commodity Prices

Nusantara may derive some of its future revenue from the sale of commodity products. Consequently, any earnings will be closely related to the price of these commodities.

Commodity prices fluctuate and are affected by numerous

RISK FACTORS

factors beyond the control of Nusantara. These factors include worldwide and regional supply, physical and investment demand for the specific commodity, prevailing commodity trading terms general world economic conditions and the outlook for interest rates, inflation and other economic factors on both a regional and global basis. These factors may have a positive or negative effect on Nusantara's exploration, project development and production plans and activities, together with the ability to fund those plans and activities.

(n) Capital and Operating Costs

Nusantara's business, results of operations and financial condition may vary with fluctuations in capital and operating costs. Higher than expected costs may impact the ability of Nusantara to complete its current business plans including exploration drilling and completing a DFS on the Awak Mas Gold Project. An increase in Nusantara's production or capital costs could have a material impact on its potential Reserves estimates. Nusantara's main production expenses are expected to be contractor costs, materials (including construction materials, fuel and mining and processing consumables), personnel costs and energy, and its main capital costs are expected to be the development capital expenditure for the Awak Mas Gold Project. Changes in the costs of Nusantara's mining and processing operations as well as its capital costs could occur as a result of unforeseen events, including international and local economic and political events, and could result in changes in reserve estimates.

Many of these factors may be beyond Nusantara's control. In past resource cycles, operating and capital costs have tended to increase as commodity prices have increased but have not necessarily decreased as quickly as commodity prices decrease. Thus, Nusantara may be faced with higher than currently expected operating and capital costs in the future.

(o) Foreign currency fluctuations

Nusantara will operate in a number of currencies. The majority of Nusantara's sales will provide for payment in US dollars, the same currency in which Nusantara's financial position and results will be presented. However, Nusantara shares are listed in Australian dollars, and costs are likely to be incurred in a mixture of Australian dollars, US dollars and Indonesian Rupiah.

Movements in these foreign currency exchange rates may have a positive or negative effect on Nusantara's exploration, project development and production plans and activities, together with the ability to fund those plans and activities.

The Board will consider whether to manage currency fluctuation risk by hedging however, there can be no assurance that the Company will hedge its exchange rate exposure, nor that it will be able to hedge such exposure on acceptable terms in the future or that any exchange rate hedging conducted by the Company will be effective or will not result in an adverse financial impact arising from the inability to benefit from a favourable movement in exchange rates.

(p) Environment

The Awak Mas Gold Project is subject to Indonesian laws and regulations regarding environmental matters and the discharge of hazardous wastes and materials. As with all mining projects, the Awak Mas Gold Project will be expected to have a variety of environmental impacts should development proceed. There is a risk that owners' rights and environmental requirements may restrict or prevent Nusantara from carrying out its exploration, development and mining activities.

Nusantara intends to and has conducted its activities in an environmentally responsible manner and in accordance with applicable laws and industry standards. Areas disturbed by Nusantara's activities have been and are rehabilitated as required by applicable laws.

The Company's future operations are subject to the extensive environmental risks inherent in the mining and processing industry. Nusantara's operations may substantially impact the environment or cause exposure to hazardous materials. Nusantara will use hazardous materials and will generate hazardous waste in connection with its mining operations. Nusantara may be subject to claims for toxic torts, natural resource damages, and other damages as well as the investigation and clean-up of soil, surface water, groundwater, and other media. Such claims may arise, for example, out of current or former activities at sites that Nusantara owns or will operate. Mining operations can also impact flows and water quality in surface water bodies and remedial measures may be required, such as lining of stream beds, to prevent or minimise such impacts.

These and other impacts that Nusantara's operations may have on the environment, as well as exposures to hazardous substances or wastes associated with Nusantara's operations and environmental conditions at Nusantara's properties, could result in costs and liabilities that would have a material adverse impact on the financial position and operating results of Nusantara.

A violation of environmental laws relating to a mine or other operating facilities, or failure to comply with the instructions of the relevant environmental authorities, could lead to, amongst other things, a temporary shutdown of all or a portion of the mine or relevant facility, a loss of the right to operate the relevant facility, the imposition of costly compliance procedures and fines, or serious reputational damage to Nusantara.

Environmental legislation and permitting requirements and the manner in which these are enforced are likely to evolve in a manner which will increase standards and enforcement criteria, as well as increase fines and penalties for non-compliance. Gold production is an emissions intensive industry. Compliance with changes in laws, regulations and obligations relating to climate change could result in substantial capital expenditure, taxes, reduced profitability from changes in operating costs and revenue generation and strategic growth opportunities being impacted.

The Directors are unable to predict the extent and effect of additional environmental laws and regulations that may be adopted in the future, and if environmental standards evolve in such a manner, this could have a material adverse effect on Nusantara's business, results of operations, financial condition and prospects.

The Company's operations are subject to inspections, including spot checks, by various regulators.

(q) Health and Safety

The Awak Mas Gold Project is subject to a variety of Indonesian industry-specific health and safety laws and regulations which are formulated to improve and protect the health and safety of employees and contractors. Exploration, mining and processing operations have inherent risks and liabilities associated with the health and safety of employees, contractors and impacted communities. This exposure is due to a range of activities including the use of heavy equipment,

working in conditions subject to ground failure or at height or in confined spaces, lifting objects and the handling of hazardous materials, explosives and hazardous waste. In addition, the location of the Awak Mas Gold Project involves extensive travel by employees and contractors.

While the Company intends to implement training and management strategies on site to ensure and improve the health and safety culture of local workers, the occurrence of any industrial accidents, workplace injuries or fatalities may result in workers' compensation claims, related common law claims and potential occupational health and safety prosecutions. This could lead to, amongst other things, a temporary shutdown of all or a portion of the mine or relevant facility, a loss of the right to operate the relevant facility, the imposition of costly compliance procedures and fines, or serious reputational damage to Nusantara.

Nusantara intends to conduct its activities in a responsible manner and in accordance with applicable health and safety laws and industry standards.

(r) Exploration

The exploration of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge will not fully eliminate. While the discovery of a mineral deposit may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish Ore Reserves and to construct mining and processing facilities at a particular site. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which include the particular attributes of the deposit, such as size, quality and proximity to infrastructure; commodity prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in Nusantara not receiving an adequate, or any, return on invested capital for any exploration activities that may be undertaken in the future.

(s) Dependence on Key Personnel

The loss of key personnel and the failure to recruit sufficiently qualified staff could affect Nusantara's future performance. Nusantara has entered into employment contracts with several key personnel, and has engaged consultants on a full time and part-time basis, whose expertise and experience in the mining industry is important to the continued development and operation of its mining interests.

Due to Management's experience and the important role they have taken in developing Nusantara's mining, business and financial plans, Nusantara could be adversely affected if any members of Management cease to actively participate in the Management of Nusantara or leave Nusantara entirely. There may be a limited number of persons with the requisite experience and skills to serve in Nusantara's Management positions if existing Management leave or become otherwise unavailable to Nusantara. Nusantara may not be able to locate or employ qualified executives on acceptable terms or at all. Nusantara does not currently maintain "key person" insurance. If Nusantara cannot attract, train and retain qualified managers or key consultants become unavailable, Nusantara may be unable to successfully manage its growth or otherwise compete effectively in the international gold industry.

(t) Other Regulatory Factors

Government regulations will impose significant costs on Nusantara's mining operations, and future regulations could increase those costs or limit Nusantara's ability to produce gold. The mining industry is subject to increasingly strict regulation with respect to matters such as limitations on land use, employee health and safety, mine permitting and licensing requirements, reclamation and restoration of mining properties, air quality standards, water pollution, protection of human health, plant life and wildlife, the discharge of materials into the environment, surface subsidence from underground mining and the effects of mining on groundwater quality and availability.

The possibility exists that new legislation and/or regulations and orders may be adopted that may materially adversely affect Nusantara's mining operations, cost structure and/or the ability of Nusantara to sell its products. New legislation or administrative regulations (or new judicial interpretations or administrative enforcement of existing laws and regulations), including proposals related to the protection of the environment that would further regulate and tax the industry, may also require Nusantara or its customers to change operations significantly or incur increased costs.

Other changes in government regulation may impact on Nusantara's business. These include changes to taxation laws, fiscal, monetary and regulatory policy changes and changes to export regulation in countries which the Company holds assets.

(u) Insurance Cover

Nusantara's business is subject to a number of risks and hazards generally, including adverse environmental conditions, health and safety accidents, labour disputes, local community challenges, unusual or unexpected geological conditions, ground or slope failures, unexpected metallurgical characteristics, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, earthquakes and fires. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to Nusantara's properties or the properties of others, delays in development or mining, monetary losses (and associated economic loss) and possible legal liability. Although Nusantara intends to maintain insurance to protect against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with its operations.

Nusantara may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability or may contain clauses which exclude liability in certain instances. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to Nusantara or to other companies in the mining industry on acceptable terms. Nusantara might also become subject to liability for pollution or other hazards which may not be insured against or which Nusantara may elect not to insure against because of premium costs or other reasons. Losses from these events may cause Nusantara to incur significant costs that could have a material adverse effect upon its financial performance and results of operations. To the extent that Nusantara incurs losses not covered by its insurance policies, the funds available for sustaining the current operations and for the development of future operations and exploration will be reduced.

6.3 Issues Specific to Nusantara's Foreign Operations

Nusantara is subject to risks relating to the general economic, regulatory, legal, social and political environment in the jurisdictions in which it operates. Other than Nusantara's head office in Australia, its principal asset is located in Indonesia. Nusantara's corporate holding structure also means Nusantara holds those assets through legal entities incorporated in Barbados. As part of its growth program, Nusantara may pursue opportunities in other jurisdictions in the future. Accordingly, Nusantara's business, financial condition and results of operations could be materially adversely affected by factors specific to investing in these jurisdictions. Some of these jurisdictions have experienced, and may continue to experience, significant political and social instability and may in some cases have less established judicial or legal systems, a more volatile political environment and/or more challenging trading conditions than in some other parts of the world. Moreover, Nusantara's business, financial condition and results of operations could be materially adversely affected by changes in economic, political, judicial, administrative, taxation or other regulatory factors or foreign policy in the areas in which Nusantara operates or will operate, sells or expects to sell its products, and holds or will hold its major assets, as well as other unforeseen matters. Unlawful, selective, discriminatory or arbitrary government action could have a material adverse effect on Nusantara's business, results of operations, financial condition and prospects.

Nusantara's operations may also be adversely affected by laws and policies of Australia or other jurisdictions in which or through which Nusantara operates affecting foreign trade, taxation and investment. In the event of a dispute arising in connection with its operations, Nusantara may be subject to the exclusive jurisdiction of a foreign court or may not be successful in subjecting foreign persons to the jurisdiction of courts in Australia or enforcing Australian judgments in foreign jurisdictions.

Investment in Emerging Markets

The Indonesian economy is vulnerable to market downturns and economic slowdowns elsewhere in the world, and, generally, investing in emerging markets such as Indonesia involves greater risk than investing in more developed markets, including in some cases significant legal, economic and political risks. Investors should also note that emerging markets such as Indonesia are subject to rapid change. Global financial or economic crises in any large emerging market country tend to adversely affect prices in equity markets of most or all emerging market countries as investors move their money to more stable, developed markets.

As has happened in the past, financial problems or an increase in the perceived risks associated with investing in emerging economies could dampen foreign investment in Indonesia and adversely affect the economy. In addition, during such times, businesses that operate in emerging markets can face severe liquidity constraints as foreign funding sources are withdrawn. Accordingly, investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in light of those risks, their investment is appropriate. Potential investors are urged to consult with their own legal and financial advisors before making an investment in the Company.

Expropriation, Nationalism and Commercial Disputes

As the Company's assets are located primarily in Indonesia which is an emerging market country, its assets and income are subject to certain political, economic and other uncertainties, including the risk of expropriation, nationalisation and commercial disputes.

Indonesia has been seeking to develop a value added downstream sector including the requirement for domestic processing and refining, bans on the export of unprocessed ores, use of local content, domestic market obligations and staged divestment to local parties. These laws and regulations may result in sub-optimal outcomes for Nusantara and the Awak Mas Gold Project, and there is the possibility that the Indonesian legislation and regulations currently applicable to Nusantara and the Awak Mas Gold Project may become more nationalistic to the detriment of Nusantara.

While legislation exists in Indonesia that would require the payment of compensatory amounts in the event of an expropriation or nationalisation of assets and the CoW specifically includes the availability of international arbitration, there is no assurance that such protections could be enforced and the amount of any such compensation may be lower than the price for which the expropriated asset could be sold in a free-market sale or the value of the asset as part of an ongoing business. Any expropriation or nationalisation of the Company's assets in Indonesia may have a material adverse effect on the Company's financial position and results of operations.

Commercial disputes arise in Indonesia as they do in most jurisdictions. Foreign owned Indonesian companies may face local commercial pressures and legal challenges to asset ownership and value which are time consuming, costly and disrupt harmonious business relationships.

While legislation exists in Indonesia to protect commercial rights, there is no assurance that such protections could be enforced and commercial settlements may be lower than the price for which disputed assets could be sold in a free-market sale or the value of the asset as part of an ongoing business. Any commercial disputes regarding the Company's assets in Indonesia may have a material adverse effect on the Company's financial position and results of operations.

Physical Infrastructure

Whilst Indonesia continues to invest in improving its physical infrastructure, certain elements remain in poor condition, which may lead to interruptions in effective financial and economic activity. Particularly affected are parts of the rail and road networks, power-generation and transmission networks, communication systems and building stock. This poor physical infrastructure potentially disrupts the transportation of goods and supplies as well as communications and adds costs to doing business, which could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

Since 2015 there have been significant advances in the electricity sector and generation and transmission/distribution of power through a major nationwide capital works program initiated by the GOI. Of specific benefit to the Company has been the upgrading of power reticulation and capacity in Southern Sulawesi including a new high-voltage power line passing through the town of Belopa approximately 45 km from the Awak Mas Gold Project.

Corruption in Indonesia

The local and international press has reported that high levels of corruption exist in Indonesia. The demands of corrupt officials or potential future claims that the Company has been involved in official corruption could result in negative publicity or disrupt its ability to conduct its business effectively, which could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

The Indonesian Tax System

Nusantara is subject to a broad range of taxes payable at federal, regional and local levels in Indonesia. Indonesian tax laws, regulations and court practice are subject to frequent change, varying interpretations and inconsistent and selective enforcement. Tax audits or inspections may result in additional costs to the Company if the relevant tax authorities conclude that the Company did not satisfy its tax obligations in any given year. Such audits or inspections may also impose additional burdens on the Company by diverting the attention of management resources. The outcome of these audits or inspections could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

The Group is subject to VAT and withholding tax audits by the Indonesian tax department at the time of this Prospectus and has been issued with revised assessments with respect to certain periods. The Group is in the process of disputing some of these assessments, however this is subject to due process, the outcome is uncertain, and these estimates may be insufficient. The Group may also be subject to tax audits for other periods from which additional claims could arise.

If the tax authorities and/or courts adopt a different interpretation of various tax laws and regulations from that followed by Nusantara and its legal and tax advisors, Nusantara may have to pay taxes of a different type and quantum currently anticipated. This could have a material adverse effect on Nusantara's business, results of operations, financial condition and prospects.

There is the possibility that the Indonesian taxation and/or royalty regime currently applicable to Nusantara and the Awak Mas Gold Project may change to the detriment of Nusantara, without adequate consultation or compensation. This could have a material impact upon the Company and the economic feasibility of the Awak Mas Gold Project.

Additionally, dividends paid by an Indonesian legal entity to a foreign legal entity are generally subject to Indonesian withholding income tax, although this tax rate may be reduced under an applicable double taxation treaty. Although the Company will seek to claim treaty protection, there is a risk that the applicability of the reduced rate of may be challenged by the Indonesian tax authorities. As a result, there can be no assurance that the Company would be able to benefit from the reduced withholding income tax rate which, in practice, could have a material adverse effect on the results of the Company's operations and financial condition.

The Indonesian Legal System and Legislation

Risks associated with the Indonesian legal system include, to varying degrees, the following:

- (a) There is the possibility that the Indonesian legislation and regulations currently applicable to Nusantara and the Awak Mas Gold Project may change to the detriment of Nusantara, without adequate consultation or compensation. This could have a material impact upon the Company and the economic feasibility of the Awak Mas Gold Project;
- (b) Inconsistencies between: (i) federal laws; (ii) decrees, orders and regulations issued by the President, the Government and federal ministers; and (iii) regional and local laws, rules and regulations;
- (c) A lack of judicial and administrative guidance on interpreting legislation as well as a lack of sufficient commentaries on judicial rulings and legislation;
- (d) The relative unavailability of Indonesian legislation and court decisions in an organised manner that facilitates understanding of such legislation and court decisions;
- (e) The relative inexperience of judges and courts in interpreting newly adopted legislation and complex commercial arrangements;
- (f) Substantial gaps in the legal framework due to the delay or absence of implementing regulations for certain legislation;
- (g) A lack of judicial independence from political, social and commercial forces;
- (h) Alleged corruption within the judiciary and governmental authorities;
- (i) Problematic and time-consuming enforcement of both Indonesian and non-Indonesian judicial orders and international arbitration awards;
- (j) A high degree of discretion on the part of governmental authorities, leaving significant opportunities for arbitrary and capricious government action; and
- (k) Bankruptcy procedures that are not well developed and are subject to abuse.

These weaknesses and others could affect Nusantara's ability to enforce its rights under contracts or statutes, or to defend itself against claims by others or enforce or safeguard its property rights.

Foreign Investment Regulation in Indonesia

The Indonesian regulatory regime in relation to foreign investments imposes certain restrictions on the acquisition by foreign investors of direct or indirect interests in Indonesian companies, including offshore loan regulations and repatriation of funds. Changes in the regulatory regime could consequently have a material adverse effect on Nusantara's business and financial condition.

6.4 General Risks Related to the Offer

Stock Market Fluctuations and Economic Conditions

The Loyalty Options are to be quoted on ASX. The Loyalty Options issued under this Prospectus carry no guarantee in respect of profitability, dividends, return of capital, or the price at which they may trade on ASX. The value of the Loyalty Options will be determined by the stock market and will be subject to a range of factors beyond the control of the Company, and the Directors and officers of the Company. There can be no guarantee that an active market in the Options will develop.

Changes in economic and business conditions or government policies in Australia or internationally may affect the fundamentals which underpin commodity prices, and the Company's cost structure and profitability. Adverse changes in such things as the level of inflation, interest rates, exchange rates, government policy (including fiscal, monetary and regulatory policies), consumer spending and employment rates, among others, are out of the control of the Company and may result in material adverse impacts on the business or its operating results.

Commodity prices are influenced by physical and investment demand for those commodities. Fluctuations in commodity prices may influence individual projects in which Nusantara may have an interest.

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Wars, Terrorism, Political and Environmental Events

Events may occur within or outside Australia that could impact upon the world economy, commodity prices, the operations of Nusantara and the price of the Shares. These events include war, acts of terrorism, civil disturbance, political intervention and natural events such as earthquakes, floods, landslides, fires and poor weather affecting roadways, mining and processing of ore. Nusantara has only a limited ability to insure against some of these risks.

Limited Liquidity

There can be no guarantee that an active market in the Options will develop or that the price of the Options will increase or have any recognised value. There may be relatively few potential buyers or sellers of the Options on ASX at any time. This may increase the volatility of the market price of the Options. It may also affect the prevailing market price at which Shareholders are able to sell their Options.

The market for Shares may be illiquid. As a consequence investors may be unable to readily exit or realise their investment.

Major Shareholder

As at 2 November 2017, Lion Selection Group Limited holds a relevant interest of approximately 32% of the Shares on issue. If Lion Selection Group was to dispose of a substantial number of its Shares, or if it were perceived that such sales might occur, this could have a negative impact on the price of the Shares and Options. On the other hand, the failure of Lion Selection Group to dispose of Shares may result in the continuation of a limited level of liquidity in daily trading of the Shares on issue. Note that approximately 20.8 million of the Nusantara Shares held by Lion Selection Group Limited and its affiliated fund are subject to ASX imposed mandatory escrow for a period of 24 months from 2 August 2017.

Issue of Additional Securities

In certain circumstances, the Directors may issue equity securities without any vote or action by Shareholders. If Nusantara were to issue any equity securities the percentage ownership of existing Shareholders may be reduced and diluted.

Encumbrances on Title

Nusantara may at a future date be required to encumber part or all of its tenure to expedite future commercial transactions.

Unforeseen Risks

There may be other risks which the Directors are unaware of at the time of issuing this Prospectus which may impact on Nusantara and its operations, and on the valuation and performance of Nusantara's Shares.

7. DETAILS OF THE BONUS ISSUE

7.1 The Bonus Issue

By this Prospectus the Company is making a pro-rata bonus issue on the basis of one Loyalty Option for every three Shares held by Eligible Shareholders on the Record Date.

Each Loyalty Option will be issued for no consideration and entitle the holder to be issued one Share exercisable at an exercise price of 42 cents any time on or before 12 months from the Issue Date (i.e. by 5.00pm on 14 November 2018).

The Bonus Issue is only open to Eligible Shareholders. Eligible Shareholders are not required to do anything to be issued Loyalty Options, and holding statements for Loyalty Options will be despatched to Eligible Shareholders as soon as possible.

All of the Shares issued upon the exercise of the Loyalty Options issued under this Prospectus will rank equally with Existing Shares. The rights and liabilities of the Loyalty Options and underlying Shares are summarised in **section 8**.

7.2 Minimum Subscription

The Bonus Issue is not subject to a minimum subscription.

7.3 Entitlement to Bonus Issue

The Bonus Issue is made to Eligible Shareholders, who are those Shareholders that:

- (a) are the registered holder of Shares as at 7:00pm (AEST) on the Record Date; and
- (b) have a registered address in Australia or, to the extent the Company determines it would be lawful and not onerous to make such an offer, a shareholder at the Record Date with a registered address in, Canada, Hong Kong, Indonesia, Mauritius, Philippines, United States, Singapore, Switzerland or United Kingdom

7.4 No Underwriting

The Bonus Issue is not underwritten.

7.5 Rights trading

An Eligible Shareholder's Entitlement is non-renounceable. Accordingly, there will be no trading of rights on ASX and Eligible Shareholders will not be able to sell or otherwise transfer their Entitlement.

7.6 Ineligible Shareholders

Shareholders who are not Eligible Shareholders are Ineligible Shareholders.

The Prospectus does not constitute an offer in any jurisdiction where, or to any person to whom, it would not be lawful or practical to issue this Prospectus or make such an offer. In particular, this document may not be distributed to any person, and the Loyalty Options may not be offered or sold, in any country outside Australia, where the Company determines it would be unreasonable to make the Offer having regard to the number of Ineligible Shareholders, the number and value of the Loyalty Options offered to Ineligible Foreign Shareholders and the cost of complying with overseas legal requirements.

7.7 Beneficial holders, nominees, trustees and custodians

Nominees and custodians that hold Shares should note that the Bonus Issue is available only to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of securities. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Bonus Issue is compatible with applicable foreign laws.

7.8 Issue

The Loyalty Options will be issued in accordance with the ASX Listing Rules and the timetable set out in **section 2**. Holding statements for the Loyalty Options issued will be mailed in accordance with the ASX Listing Rules and the timetable set out in **section 2**.

No Loyalty Options will be allotted and issued on the basis of this Prospectus later than thirteen months after the date of this Prospectus.

7.9 Quotation

The Company will make an application for quotation of the Loyalty Options on the ASX and expects the Loyalty Options to be quoted in accordance with the timetable set out in **section 2**.

7.10 Market prices of Existing Shares on ASX

The highest and lowest market sale price of the Existing Shares during the 3 months immediately preceding the lodgement of this Prospectus with the ASIC, and the last market sale price on the date before the lodgement date of this Prospectus, are set out below:

	High since 2 August 2017	Low since 2 August 2017	Last market sale price
Price (cents)	45.0¢	31.0¢	32.0¢
Date	2 August 2017	31 October 2017	1 November 2017

7.11 CHESS

The Company participates in the Clearing House Electronic Subregister System (CHESS). CHESS is operated by ASX Settlement Pty Ltd (ASPL), a wholly owned subsidiary of ASX.

Under CHESS, the Company does not issue certificates to investors. Instead, security holders will receive a statement of their holdings in the Company, including Loyalty Options issued under this Prospectus. If an investor is broker sponsored, ASPL will send a CHESS statement.

The CHESS statement will set out the number of Loyalty Options issued under this Prospectus, provide details of your holder identification number and give the participation identification number of the sponsor.

If you are registered on the issuer sponsored sub register, your statement will be dispatched by the Company's share registrar and will contain the number of Loyalty Options issued to you under this Prospectus and your security holder reference number.

A CHESS statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

7.12 Taxation and duty implications

The Directors do not consider that it is appropriate to give Shareholders advice regarding the taxation consequences of the Company conducting the Bonus Issue under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation positions of Shareholders. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to Shareholders in the Bonus Issue. Shareholders should, therefore, consult their own professional tax adviser in connection with the taxation implications of the Bonus Issue.

No brokerage or stamp duty is payable on the issue of the Loyalty Options under this Prospectus.

7.13 Privacy

The Company collects information about each Loyalty Option Holder to administer their security holding in the Company.

By holding Loyalty Options, each Loyalty Option Holder agrees that the Company may use the information provided by a Loyalty Option Holder for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related body corporates, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

The Corporations Act requires the Company to include information about the Loyalty Option Holder (including name, address and details of the Loyalty Options held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a Loyalty Option Holder. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

A Loyalty Option Holder has the right to gain access to the information that the Company holds about that person subject to certain exceptions under law. A fee may be charged for access. Such requests must be made in writing to the Company's registered office.

7.14 Enquires

Any queries regarding the Bonus Issue should be directed to the Company's Share Registry, Computershare Investor Services Pty Ltd on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia). Alternatively, consult your broker, accountant or other professional adviser.

8. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

8.1 Rights and Liabilities attaching to Loyalty Options

The Loyalty Options are issued on the following terms and conditions:

- (a) Each Loyalty Option entitles the holder to be issued one Share when exercised.
- (b) The Loyalty Options are exercisable at any time on or before 12 months from the Issue Date (i.e. by 5.00pm on 14 November 2018).
- (c) The exercise price of each Loyalty Option is \$0.42 each.
- (d) The Loyalty Options will be quoted on ASX.
- (e) The Company will provide to each Loyalty Option holder a notice that is to be completed when exercising the Loyalty Options (Notice of Exercise). Loyalty Options may be exercised by the Loyalty Option holder in whole or in part by completing the Notice of Exercise and forwarding to the Company's Share Registry to be received prior to the expiry date. The Notice of Exercise must state the number of Loyalty Options exercised, the consequent number of Shares to be allotted and the identity of the proposed allottee. The Notice of Exercise by a Loyalty Option holder must be accompanied by payment in full for the relevant number of Shares being subscribed, being an amount of the exercise price per Share.
- (f) All Shares issued upon the exercise of the Loyalty Options will rank equally in all respects with the Company's then issued Shares. The Company will apply to the ASX for quotation of all Shares issued upon exercise of Loyalty Options.
- (g) There are no participating rights or entitlements inherent in the Loyalty Options and the holders will not be entitled to participate in new issues or pro-rata issues of capital to Shareholders during the term of the Loyalty Options. Thereby, the Loyalty Option Holder has no rights to a change in the exercise price of the Loyalty Option or a change to the number of underlying securities over which the Loyalty Option can be exercised except in the event of a bonus issue. The Company will ensure, for the purposes of determining entitlements to any issue, that Loyalty Option Holders will be notified of a proposed issue after the issue is announced. This will give Loyalty Option Holders the opportunity to exercise their Loyalty Options prior to the date for determining entitlements to participate in such issues.
- (h) If from time to time on or prior to the Expiry Date the Company makes a bonus issue of securities to holders of Shares in the Company (Bonus Issue), then upon exercise of Loyalty Options a holder will be entitled to have issued (in addition to the Shares which are otherwise entitled to have issued upon such exercise) the number of securities which would have been issued under that Bonus Issue if the Loyalty Options had been exercised before the record date for the Loyalty Issue.
- (i) In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, all rights of the Loyalty Option holder shall be reconstructed (as appropriate) in accordance with the ASX Listing Rules.

8.2 Rights and liability attaching to Shares

Full details of the rights and liabilities attaching to the Shares issued upon exercise of Loyalty Options are:

- (a) detailed in the Constitution, a copy of which can be inspected, free of charge, at the registered office of the Company during normal business hours; and
- (b) in certain circumstances, regulated by the Corporations Act, the Listing Rules and the general law.

The following is a summary of the more significant rights and liabilities attaching to the Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

The following is a summary of the principal rights which are proposed to attach to Shares:

(a) Voting rights

Subject to any right or restrictions for the time being attached to any class or classes of Shares (at present there are none), at a general meeting, every holder of Shares present in person or by proxy, attorney or corporate representative has one vote on a show of hands and one vote per Share on a poll. A person who holds a Share which is not fully paid is entitled to a fraction of a vote equal to the amount paid up (but not credited as paid up) on the Share divided by the total amount paid and payable on the Share (excluding amounts credited).

(b) Dividend rights

The Board may declare or pay dividends as it sees fit and determine that a dividend is payable and fix the amount, the time for payment and the method of payment. Subject to the rights of holders of Shares issued with any special or preferential rights (at present there are none), holders of fully paid Shares on which any dividend is declared or paid are entitled to participate in that dividend equally.

Each Share which is not fully paid is entitled to a fraction of the dividend declared or paid on a fully paid Share equivalent to the proportion which the amount paid (not credited) on the Share bears to the total amounts paid and payable (excluding amounts credited) on the Share.

(c) Rights on winding-up

Subject to the rights of holders of Shares issued upon special terms and conditions (at present there are none), a liquidator may with a sanction of a special resolution of the Company, divide among the holders of Shares any surplus assets on a winding-up of the Company in proportion to the number of Shares held by them respectively (irrespective of the amounts paid or credited as paid on the Shares) or vest all of the Company's assets in a trustee on trusts determined by the liquidator for the benefit of the Shareholders.

(d) Transfer of Shares

Subject to the constitution, the Corporations Act and any other applicable laws of Australia and rules of the ASX, Shares are freely transferable. The Board may refuse to register a transfer of shares if permitted by the Corporations Act or the ASX Rules. The ASX Rules also require the Board to refuse to register a transfer if it relates to Shares which are subject to escrow requirements.

(e) Future increases in capital

The allotment and issue of any Shares or other Securities is under the control of the Directors. Subject to the constitution and the Corporations Act, the Directors may allot or otherwise dispose of Shares or other Securities on such terms and conditions as they think fit.

(f) Variation of rights

The rights attaching to the Shares and other Securities may be varied by the written consent of holders of such Shares or other Securities with at least 75% of the votes in the class or with the sanction of a special resolution passed at a meeting of the class of holders holding Shares or other Securities in the relevant class.

(g) Meetings and notice

A Director may call a meeting of the Company's shareholders. Annual meetings and meetings requested by the Company's shareholders are called and arranged in accordance with the Corporations Act (including requirements as to notice).

(h) Listing Rules

Whilst Nusantara is admitted to the Official List of ASX, then despite anything in Nusantara's Constitution, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision or not to contain a provision the Constitution is deemed to contain that provision or not to contain that provision (as the case may be). If a provision of the Constitution is or becomes inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

9. DETAILS OF THE BONUS ISSUE

9.1 Continuous disclosure obligations

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or the value of the Company's securities. The Shares underlying the Loyalty Options to be issued under this Prospectus are in a class which has been continuously quoted by ASX since 2 August 2017.

This Prospectus is a 'transaction specific prospectus' to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus. In general terms 'transaction specific prospectuses' are only required to contain information in relation to the effect of the issue of Loyalty Options on the Company and the rights attaching to the Loyalty Options. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the period from lodgement of the Company's IPO Prospectus to the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of any of the following documents, free of charge, to any person on request between the date of this Prospectus and the Issue Date:
 - (i) the annual financial report most recently lodged with ASIC by the Company;
 - (ii) any half-year financial report lodged with ASIC by the Company after the lodgement of the report referred to in paragraph (i) above and before the lodgement of this Prospectus; and
 - (iii) any continuous disclosure notices given by the Company before the lodgement of this Prospectus with ASIC (see below).

Copies of all documents lodged with the ASIC in relation to the Company can be obtained free of charge from the Company's registered office during normal office hours.

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules that investors or their professional advisers:

- (a) would reasonably require for the purpose of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
 - (ii) the rights and liabilities attaching to the securities the subject of this Prospectus; and
- (b) would reasonably expect to find in this Prospectus.

The Company has lodged the following announcements with ASX since its listing on 2 August 2017 but before the lodgement of this Prospectus with ASIC.

Date	Description of Announcement
30/10/2017	Quarterly Activities Reports
19/10/2017	Change of Director's Interest Notice – Martin Pyle
18/10/2017	Investor Presentation – 121 Mining Investment Hong Kong
17/10/2017	Awak Mas Resource Expansion Drilling Update
10/10/2017	Awak Mas DFS Optimisation – Metallurgical Breakthrough
03/10/2017	Research Report – Strachan Corporate
27/09/2017	Timetable for Issue of Loyalty Options
12/09/2017	Corporate Presentation 12 September 2017
08/09/2017	Interim Financial report Half Year ended 30 June 2017
01/09/2017	Commencement of Awak Mas DFS
28/08/2017	Commencement of Resource Drilling at Awak Mas
23/08/2017	Awak Mas Gold Project
15/08/2017	Grid Power Supply secured for Awak Mas
08/08/2017	Corrected notice of initial substantial holder from LSX
07/08/2017	Becoming a substantial holder
04/08/2017	Becoming a substantial holder from MQG
02/08/2017	ARM: Nusantara Successfully Lists on ASX
02/08/2017	Becoming a substantial holder from LSX
02/08/2017	Nusantara Resources lists on the ASX
02/08/2017	Chairman's letter to Shareholders
02/08/2017	Becoming a substantial holder – Lion Selection Group
02/08/2017	Initial Director's Interest Notice x 4
01/08/2017	Securities Trading Policy
01/08/2017	Employee Share and Option Plan Rules
01/08/2017	Audited Accounts – 31 December 2015
01/08/2017	Audited Accounts – 31 December 2016
01/08/2017	Constitution
01/08/2017	Annexure I (Mining Entities)
01/08/2017	Information Form and Checklist
01/08/2017	Appendix 1A
01/08/2017	Top 20 and Distribution Schedule
01/08/2017	Company's Admission Disclosure Letter
01/08/2017	ASX Market Release – Pre-Quotation Disclosure
01/08/2017	ASX Market Release – Admission to Official List
01/08/2017	Supplementary Prospectus
01/08/2017	Prospectus
01/08/2017	ASX Notice – Admission and Commencement of Quotation

Publicly available information about the Company is available at www.asx.com.au.

9.2 Directors' interests

As at the date of this Prospectus, the Directors have a relevant interest in securities of the Company and remuneration as set out below:

Director	Current Holding		Entitlement
	Shares	Options	Loyalty Options
Martin Pyle	457,143	295,000	119,048
Rob Hogarth	Nil	295,000	Nil
Michael Spreadborough	180,000	2,065,000	60,000
Boyke Abidin	165,235	442,500	55,078

Director	Annual Director's fee	Wages, salaries and/or bonuses	Benefits paid in the previous two years
	A\$	A\$	A\$
Martin Pyle	60,000	-	Nil
Robert Hogarth	50,000	-	Nil
Boyke Abidin ¹	-	125,000	184,486
Michael Spreadborough	-	350,000	Nil

¹ Mr Abidin is employed by a wholly owned subsidiary of the Company, receiving US\$94,000 pa.

The Company has entered into an executive services agreement with Michael Spreadborough as Managing Director of the Company. Mr Spreadborough will be paid a salary package of A\$350,000 per annum including statutory superannuation. The Agreement is subject to a mutual 12 month notice period.

The Company is party to deeds of indemnity, insurance and access with each of the Directors. Under these deeds, the Company indemnifies each Director to the extent permitted by the Corporations Act against any liability arising as a result of the Director acting as a Director of the Company. The Company is also required to maintain insurance policies for the benefit of the relevant Director and must also allow the Directors to inspect Board papers in certain circumstances once the relevant Director ceases to be a director.

9.3 Interests of promoters and named persons

Except as disclosed in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the two year period ending on the date of this Prospectus, any interest in:

- the formation or promotion of the Company; or
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Bonus Issue; or
- the Bonus Issue.

Thomson Geer has acted as solicitors to the Bonus Issue. In respect of this work, the Company will pay approximately \$20,000 exclusive of GST. Subsequently fees will be paid in accordance

with normal hourly rates. Thomson Geer has provided services to the Company in respect of the IPO Prospectus in the two years prior to the date of this Prospectus for fees of approximately \$176,000 (including GST).

9.4 Consents

Each of the persons referred to in this section:

- has given and has not, before the date of lodgement of this Prospectus with ASIC withdrawn their written consent:
 - to be named in the Prospectus in the form and context which it is named; and
 - where applicable, to the inclusion in this Prospectus of the statement(s) and/or reports (if any) by that person in the form and context in which it appears in this Prospectus;
- has not caused or authorised the issue of this Prospectus;
- has not made any statement in this Prospectus or any statement on which a statement in this Prospectus is based, other than specified below; and
- to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Prospectus, other than the references to their name and the statement(s) and/or report(s) (if any) made in connection with their role as specified below and included in this Prospectus with the consent of that person.

Name	Role
Thomson Geer	Lawyers

9.5 Expenses of the Bonus Issue

Assuming Full Subscription, the total estimated expenses of the Bonus Issue are as set out below:

Cost ¹	Approximately (A\$)
Legal fees	20,000
ASIC fees	2,400
Printing, postage and other registry expenses	12,000

¹ These costs have or will be paid by the Company.

9.6 Litigation

Other than as disclosed elsewhere in this Prospectus, as at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

10. DIRECTORS' RESPONSIBILITY AND CONSENT

Each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Dated: 2 November 2017

A handwritten signature in black ink, appearing to read 'M Spreadborough', with a stylized flourish at the end.

Signed for and on behalf of
Nusantara Resources Limited
Michael Spreadborough
Managing Director

11. GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

A\$	Australian dollar.
AEST	Australian Eastern Standard Time.
ASIC	Australian Securities & Investments Commission.
ASX	ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange operated by ASX Limited (as the context requires).
Awak Mas Gold Project	exploration, development, mining and mineral processing rights for the Mineral Resources and Ore Reserves contained within the 7th generation Contract of Work (CoW) a mineral exploration and extraction licence which is owned 100% by PT Masmindo Dwi Area, a wholly owned subsidiary of Nusantara.
Board	the board of Directors of the Company as constituted from time to time.
Bonus Issue	means the issue of Loyalty Options to Eligible Shareholders pursuant to this Prospectus on the basis of 1 Loyalty Option for every 3 Shares held on the Record Date.
Business Day	a week day when trading banks are ordinarily open for business in Melbourne, Victoria.
Company or Nusantara	Nusantara Resources Limited (ACN 150 791 290).
Constitution	the constitution of the Company.
Contract of Work (CoW)	Government of Indonesia's system to administer Foreign Direct Investment in mining. The CoW framework was created in 1967. A CoW is an agreement between the Indonesian Government and a company, as a contractor, to carry out all mining activity periods, which include general survey, exploration, exploitation, processing and refining and sale of the relevant minerals in the area covered by the CoW. The original intention behind the CoW regime was to create an attractive 'fixed' set of contractual provisions that would not fluctuate with the changes in law and circumstances, particularly with respect to taxes, royalties, permitted mining area, share divestment obligations, term and dispute resolution process.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
DFS	definitive feasibility study.
Director	a director of the Company and, where the context requires, any proposed director.
Eligible Shareholders	a shareholder as at the Record Date with a registered address in Australia or, to the extent the Company determines it would be lawful and not onerous to make such an offer, a shareholder at the Record Date with a registered address in, Canada, Hong Kong, Indonesia, Mauritius, Philippines, United States, Singapore, Switzerland or United Kingdom.
Entitlement	the number of Loyalty Options to which an Eligible Shareholder is entitled under the Bonus Issue on the basis of 1 Loyalty Option for every 3 Shares held by the Eligible Shareholder on the Record Date.
Existing Share	a Share held as at 7.00pm (AEST) on the Record Date.
Existing Option	an Option held as at 7.00pm (AEST) on the Record Date.
GOI	Government of Indonesia.
Group	the Company and its subsidiaries.
Ineligible Shareholder	a Shareholder who is not an Eligible Shareholder.
IPO Prospectus	the Prospectus issued by the Company dated 15 June 2017.
Issue Date	the date the Loyalty Options are issued as set out in section 2 being 14 November 2017.
Listing Rules	the official listing rules of ASX.
Loyalty Options	an Option to be issued pursuant to this Prospectus
Mineral Resource Estimate or MRE	a concentration or occurrence of material of intrinsic economic interest on the earth's crust in such form and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.
Offer	the bonus issue of one Loyalty Option for every three Shares held by Eligible Shareholders on the Record Date.
Official List	the official list of ASX.
Option	an option to acquire an unissued Share.
Prospectus	this prospectus dated 2 November 2017.
PT Masmindo Dwi Area or Masmindo	means PT Masmindo Dwi Area, a wholly owned subsidiary of Nusantara incorporated in Indonesia as a foreign investment limited liability (PMA) mining company, and holder of the CoW.
Record Date	the date set out in section 2 .
Share	a fully paid ordinary share in the capital of the Company.
Share Registry	Computershare Investor Services Pty Limited (ABN 48 078 279 277).
Shareholder	a holder of Shares in the Company.
US\$ or \$	a United States dollar.

ANNEXURE 1

UNAUDITED HISTORICAL AND PRO FORMA HISTORICAL STATEMENTS OF FINANCIAL POSITION

		Reviewed Historical as at 30 June 2017	Actual IPO Subscription	
			Pro forma adjustments	Pro forma Historical as at 30 June 2017
	Note	US\$	US\$	US\$
CURRENT ASSETS				
Cash	2,4	132,693	10,930,288	11,062,981
Trade and other receivables	2	256,858	(180,394)	76,464
Total Current Assets		389,551	10,749,894	11,139,445
NON-CURRENT ASSETS				
Property, plant and equipment		57,849	-	57,849
Exploration and evaluation		23,089,508	-	23,089,508
Other assets		58,647	-	58,647
Total Non-Current Assets		23,206,004	-	23,206,004
TOTAL ASSETS		23,595,555	10,749,894	34,345,449
CURRENT LIABILITIES				
Trade and other payables		205,386	-	205,386
Provisions		804,124	-	804,124
Loans - related body corporate	1	25,155,080	(25,155,080)	-
Total Current Liabilities		26,164,590	(25,155,080)	1,009,510
TOTAL LIABILITIES		26,164,590	(25,155,080)	1,009,510
NET ASSETS/ (LIABILITIES)		(2,569,035)	35,904,974	33,335,939
EQUITY				
Issued capital	1,2	1	29,826,789	29,826,790
Other contributed equity	1	-	6,493,121	6,493,121
Share based payments reserves	3	-	76,251	76,251
Accumulated losses	2,3,4	(2,569,036)	(491,187)	(3,060,223)
TOTAL EQUITY		(2,569,035)	35,904,974	33,335,939

Pro forma transactions

The unaudited Pro Forma Historical Statements of Financial Position as at 30 June 2017 have been included for illustrative purposes to reflect the financial position of Nusantara on the basis that Nusantara had completed its IPO and bonus issue of Loyalty Options as at 30 June 2017:

1. Debt for equity conversion

The issue of 58,969,875 new shares to settle loans payable to related body corporates totalling of A\$24,767,348 (US\$18,575,511). The fair value of the shares issued is determined with reference to the IPO price of A\$0.42. As the fair value of shares provided as consideration is less than the balance of the loan, the difference of US\$6,493,121 has been recognised as other contributed equity.

2. Net IPO proceeds (actual subscription)

The issue of 38.6 million Shares at A\$0.42 per Share totaling A\$16.2 million (US\$12,146,469) to investors who participated in the offer under the IPO Prospectus. The estimated costs of

the offer are A\$1,739,591 including GST (US\$1,304,694) of which A\$1,193,588 (US\$895,191) has been recognised as a deduction to issued capital with A\$518,898 (US\$389,174) recognised in accumulated losses. The estimated recoverable GST charged on the invoices associated with these costs has been recognised as a GST receivable in Other Receivables.

3. Sign-On Option Issue

The issue of 472,000 sign-on options granted at the time of the IPO to executives for services provided. A\$101,667 (US\$76,251) has been recorded in the share based payments reserve, with a corresponding charge to retained earnings. The options are exercisable at A\$0.42 per share and have an expiry date of 2 August 2020.

4. Costs - Loyalty Option Issue

Estimated costs for A\$34,350 (US\$25,763) with respect to issuing 34,142,365 Loyalty Options to shareholders, with a corresponding charge to retained earnings. It is assumed that no Loyalty Options have been exercised.



Nusantara Resources Limited ABN 69 150 791 290
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