

POSITIVE AWAK MAS DEVELOPMENT & BOARD / MANAGEMENT CHANGES

Awak Mas development

- **Development team to be built in Indonesia**
- **Co-location of Nusantara office with Indika Energy in Jakarta**
- **Positive early engagement with potential banks to provide project finance**
- **Dialogue on-going for Indika Energy project level investment as pathway to financing Awak Mas**

Board and Management changes

- **Mr Greg Foulis assumes Executive Chairman role**
- **Mr Mike Spreadborough to step down as Managing Director and Chief Executive Officer**

Nusantara is pleased to report positive Awak Mas development and on-going dialogues with its strategic partner, PT Indika Energy Tbk ("Indika Energy"; IDX listed, Mkt Cap A\$900M).

Nusantara is seeking to finance and develop the Awak Mas Gold Project following outstanding progress in 2018, including delivering a comprehensive Definitive Feasibility Study (DFS), receiving key permits, and introducing Indika Energy as the Company's strategic partner.

The Company, in December 2018, executed a Relationship Deed with Indika Energy that provides a framework for Indika Energy and Nusantara to work together towards exploring avenues for the financing and development of the Awak Mas Gold Project and making provision for Indika Energy to further acquire an interest in the Awak Mas Gold Project including at the project level. The Company may offer to sell to Indika Energy an interest of not less than 25% in the Awak Mas Gold Project.

Discussion with Indika Energy is on-going and in parallel with engagement of potential banks to provide debt in a form of project financing for Awak Mas Gold Project, which so far has been positive. Assuming that mutually acceptable terms can be agreed, it is anticipated that proceeds from this project sell down would be applied towards Nusantara's equity share for the Awak Mas Gold Project overall financing requirement.

In keeping with the closer ties between Nusantara and Indika Energy, Nusantara's Jakarta office is being re-located to the Indika Energy premises in Jakarta. In addition, Nusantara is seeking to build its team in Indonesia, including key technical capabilities for project development.

As part of this strategic transition, Mr Mike Spreadborough will step down as Managing Director and Chief Executive Officer. Mr Spreadborough has been instrumental in delivering the outstanding achievements since the Company was listed in August 2017, and the Board would like to sincerely thank him for his efforts. Mr Greg Foulis has agreed to assume executive duties as Executive Chairman of the Company (refer table 1 for summary of material terms of Director's agreement). It is envisaged that the Company will seek to appoint an Indonesia focussed CEO in due course.

With the re-focus of Nusantara's operations to Indonesia, the Company is continuing to review its corporate and ongoing costs. This review is focussing on cost savings and removing administrative duplication.

TABLE 1: SUMMARY OF MATERIAL TERMS OF DIRECTOR'S AGREEMENT

Item	Details
Commencement date of executive role:	1 May 2019
Previous Remuneration for Non-Executive role to 30 April 2019:	Chairman's fee of \$75,000 inclusive of Superannuation to be replaced
Remuneration for Executive Chairman and interim CEO duties from 1 May 2019:	\$1,500 per day

Note: Mr Foulis' services are engaged under an agreement with Laridae Holdings Pty Ltd, an entity associated with Mr Foulis.



About Indika Energy

PT Indika Energy Tbk. (IDX: INDY "Indika Energy") is Indonesia's leading integrated energy company through its strategic investments in the areas of Energy Resources, Energy Services, and Energy Infrastructure. The Energy Resources business pillar focuses on coal production (PT Kideco Jaya Agung, PT Multi Tambangjaya Utama, PT Mitra Energi Agung); and coal trading (Indika Capital Investment Pte. Ltd.). Its Energy Services business provides engineering, procurement and construction (EPC) in the oil and gas sector (PT Tripatra Engineers & Constructors, PT Tripatra Engineering); EPC in contract mining (PT Petrosea Tbk. (IDX: PTRO)); and offshore supply base services. The Energy Infrastructure segment operates coal-fired power plants (PT Cirebon Electric Power and PT Prasarana Energi Cirebon) and provides marine transportation, ports & logistics for bulk goods and natural resources (PT Mitrabahtera Segara Sejati Tbk. (IDX: MBSS), PT Sea Bridge Shipping, PT Cotrans Asia, PT Indika Logistic & Support Services, PT Kuala Pelabuhan Indonesia); fuel storage (PT Kariangau Gapura Terminal Energi). Indika Energy's portfolio companies include mineral mining investment company (Nusantara Resources Limited) and digital service provider company (PT Indika Digital Teknologi).

About Nusantara Resources

Nusantara is an ASX-listed gold development company with its flagship project comprising the 1.1 million-ounce Ore Reserve and 2.0 million-ounce Mineral Resource Awak Mas Gold Project located in South Sulawesi, Indonesia. The Project has over 135 km of drilling completed in over 1,100 holes.

The Project is 100% owned through a 7th Generation Contract of Work (CoW) with the Government of Indonesia (GoI). The CoW was secured prior to the current Mining Law and has recently been amended by mutual agreement to align with the current law.

PT Masmino Dwi Area (Masmino), a wholly owned subsidiary of Nusantara, has sole rights to explore and exploit any mineral deposits within the project area until 2050. After this period, the operations under the CoW may be extended in the form of a special mining business license (IUPK) in accordance with prevailing laws and regulations, which currently allows for an extension of 10 years and a further extension of 10 years.

In the 10th year after commercial production, Masmino is required to offer at least 51% of its share capital to willing Indonesian participants at fair market value according to international practice.

Nusantara's development strategy is for construction of a modern, low strip ratio open pit operation with ore processed by standard carbon-in-leach (CIL) processing delivering high gold recoveries. Environmental approval has already been received for the Project, which is favourably located in non-forestry land close to established roads, ports, airports, and grid power.

Nusantara's second strategy is to grow the resource base and support a mining operation beyond the initial project life of 11 years. Multiple drill-ready targets have already been outlined extending from the three main deposits and in other areas of the 140km² CoW.

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Nusantara Resources



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