

STRATEGIC PARTNER ASX WAIVER RECEIVED

Asia-Pacific gold development company Nusantara Resources Limited ('Nusantara', ASX: NUS), is pleased to advise that further to the announcement made on 12 December 2018, regarding the strategic investment in the Company made by IDX-listed PT Indika Energy Tbk. (IDX: INDY), the Company has received the ASX waiver concerning the agreed anti-dilution rights.

A summary of the terms of the waiver is provided in Appendix A of this announcement.

APPENDIX A: SUMMARY OF TERMS OF ASX WAIVER

The Company has received the ASX waiver from Listing Rule 6.18 to the extent necessary to permit Indika to maintain, by way of a right to participate in any offer of securities by the Company such that Indika's percentage holding in the Company immediately before the completion of the offer of equity securities remains the same immediately following the equity offer (the "anti-Dilution Right"), on the following conditions:

- 1.1. The Anti-Dilution Right lapses on the earlier of:
 - 1.1.1. the date on which Indika ceases to hold in aggregate at least 10% voting power in the Company (other than as a result of shares (or equity securities) to which the Anti-Dilution Right applies and in respect of which Indika is still entitled to exercise, or has exercised, the Anti-Dilution Right);
 - 1.1.2. the date on which Indika's voting power in the Company exceeds 25%;
 - 1.1.3. the strategic relationship between the Company and Indika ceasing or changing in such a way that it effectively ceases; and
 - 1.1.4. the date on which the Company disposes of an interest in the Awak Mas Gold Project ("Project") to a third party.
- 1.2. The Anti-Dilution Right may only be transferred to an entity in the wholly owned group of Indika.
- 1.3. Any securities issued under the Anti-Dilution Right must be issued to Indika for cash consideration that is:
 - 1.3.1. no more favourable to the Company than any cash consideration paid by third parties (in the case of issues of equity securities to third parties for cash consideration); or
 - 1.3.2. equivalent in value to non-cash consideration offered by third parties (in the case of issues of equity securities to third parties for non-cash consideration).
- 1.4. The number of securities that may be issued to Indika under the Anti-Dilution Right in the case of any diluting event must not be greater than the number required in order for Indika to maintain its percentage holding in the issued share capital of the Company immediately before that diluting event.
- 1.5. The Company discloses a summary of the Anti-Dilution Right to persons who may subscribe for securities under a prospectus, and undertakes to include in each annual report a summary of the Anti-Dilution Right.
- 1.6. The Company immediately releases the terms of the waiver to the market.

About Nusantara Resources

Nusantara is an ASX-listed gold development company (ASX: NUS) 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. Discovered in 1988, 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 Masmindo Dwi Area (Masmindo), 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, Masmindo 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.

New Information or Data

Nusantara Resources confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources and Ore Reserves, which all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the competent Person's findings are presented have not materially changed from the original market announcement.

**For more
information
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