

## 2018 ANNUAL GENERAL MEETING CHAIRMAN SPEECH

Welcome shareholders and guests to the inaugural Annual General Meeting for Nusantara Resources Limited.

As you are aware Nusantara was successfully listed on the Australian Stock Exchange on 2 August 2017. This was a great achievement and demonstrated strong interest and support for the Awak Mas Gold Project in Indonesia.

Since listing, I am pleased to report that the Management team has been delivering on IPO promises. After the AGM, the Managing Director, Mike Spreadborough, will provide more details on the project activities and status. I will briefly cover off some of the notable highlights.

Technical achievements have added significant value to the project. In less than a year, Nusantara has:

- confirmed the geological potential of the mine corridor;
- increased the Mineral Resource to 2 million ounces of contained gold;
- delivered a maiden Ore Reserve of 1 million ounces of gold;
- secured low cost grid power to ensure low operating costs; and is
- on track for the Definitive Feasibility Study completion in July 2018

Additionally, the risk profile of the project is being positively reshaped. A tremendously significant achievement has been the Contract of Work amendment signed in March with the Government of Indonesia. This amendment provides absolute clarity that we are the sole holder of the Contract of Works until 2050 with options for extension. Of even more significance, is that the amendment addressed the issue of divestment. We are not required to divest any portion of the project until the end of the 10<sup>th</sup> year after commercial production. At this time, we are required to divest 51% to Indonesian participants at fair market value according to internationally accepted practice. These changes not only provide secure tenure and investment stability but highlight positive underlying change to the Indonesian investment climate.

Since the IPO, our focus has been on advancing the Awak Mas Gold Project so that a decision can be made on its future development. We believe Awak Mas Gold Project will be a viable and valuable gold mine. Going forward we expect the targeted July 2018 release of the DFS and final project Ore Reserve will clearly demonstrate the economic potential of the project.

Our next steps are to navigate the project financing. As a new company, we invested the dominant portion of IPO proceeds in Indonesia and on the ground to deliver feasibility outcomes. Nusantara is currently engaged in strategic partner discussions with interested Indonesian and Chinese parties to share the funding risk and demonstrable opportunity.

With respect to share price, we are disappointed by the discount applied outside Indonesia to Indonesian assets but believe therein lies the opportunity for re-rating. We have the credentials to deliver on Awak Mas. Our task is to articulate the case for Indonesian gold mining investment.

I would like to pay tribute to the hard work and dedication of Mike Spreadborough and the dedication of his staff and team. I would also like to thank the Government of Indonesia and our Awak Mas communities for their strong support. We are building a Company that is committed to its values; caring, integrity, teamwork, accountability and excellence.

With respect to the Board, I would like to thank Martin Pyle who is standing down from the Board at this AGM. Martin has made a significant contribution guiding Nusantara in the pre and post IPO period. I would also like to welcome Robin Widdup to the Board.

In closing, as I mentioned, we believe Awak Mas will be a viable and valuable gold mine. We see Nusantara as a compelling value opportunity that is hard to ignore, and we will work hard not only to unlock this value but also to deliver on the Company's long-term growth aspirations.



**About Nusantara Resources**

Nusantara is an ASX-listed gold development company with its flagship project comprising the 1.0 million-ounce Ore Reserve and 2.0 million-ounce Mineral Resource Awak Mas Gold Project located in 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 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 support 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 140km<sup>2</sup> CoW.

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