

Nusantara Resources lists on the ASX

Highlights

- \$16.2 million raised in successful IPO at \$0.42/share to advance Nusantara's 1.74 million ounce Awak Mas Gold Project in Sulawesi, Indonesia¹.
- Cornerstone investors include Lion Selection Group (ASX: LSX), AustralianSuper and a subsidiary of leading gold producer Zhaojin Mining Industry Company Limited (listed on Stock Exchange of Hong Kong Limited, HK:1818).
- 8,000m resource expansion drilling program to commence in coming weeks.
- Updated resource estimate planned for release in early 2018 followed by the DFS in mid-late 2018.

Indonesian gold development company Nusantara Resources Limited (ASX: NUS) will commence trading on the Australian Securities Exchange (ASX) on Wednesday 2 August 2017 after successfully completing its IPO raising of \$16.2 million at \$0.42/share.

Cornerstone investors in the IPO include Lion Selection Group Limited (\$4.5 million), AustralianSuper (\$3.9 million) and a subsidiary of leading Hong Kong-listed gold producer Zhaojin Mining Industry Company Limited (\$1.5 million, code HK: 1818).

The Company is headed by former Sandfire Resources' COO, Mike Spreadborough and includes highly experienced Board members including Martin Pyle (former director of Gold Road) and Rob Hogarth (ex-KPMG) joined by Boyke Abidin as Director Operations PT Masmindo who has been involved with the Awak Mas Gold Project since 2000.

Funds from the IPO will be used to advance Nusantara's 1.74 million ounce Awak Mas Gold Project¹ in Sulawesi, Indonesia. Discovered in 1988, Nusantara's Awak Mas Project has had some 124km of drilling completed in over 1,000 holes. The project is currently 100%-owned in a 7th Generation Contract of Work with the Indonesian Government.

Nusantara's development plan, based on previous comprehensive mining, metallurgical and infrastructure work is for a large-scale (2.5Mtpa), low strip ratio open pit operation with ore to be processed by conventional flotation and cyanide leaching.¹

Environmental approval has been received for the project, which is favourably located in non-forestry land, enabling the project to quickly advance towards development upon completion of the Definitive Feasibility Study (DFS) by mid to late 2018. The project's close location to established roads, ports and grid power will greatly assist in keeping the capex at competitive levels.

¹ Reference should be made to Section 3 of Nusantara's IPO Prospectus dated 15 June 2017.

The second strategy of the Company is to grow the resource base and sustain a mining operation beyond the initial targeted life of 10 years. A new geological model has been developed with multiple drill-ready targets already outlined extending from the three deposits and other areas within the approximately 14,000 ha Contract of Work, where trench results and drill intersections from previous explorers require follow-up. An 8,000m drilling program is scheduled to commence in the next few weeks with an updated Mineral Resource estimate planned for release in early 2018 and Ore Reserve estimate planned for release in mid 2018.¹

The gold mining industry in Indonesia continues to grow and includes the world-class Martabe (EMR Capital) and Gosowong (Newcrest) operations. Importantly, the gold mining industry is also not subject to any export restrictions as a refined metal is produced.

Nusantara Resources CEO and Managing Director Mike Spreadborough commented:

"We are excited by this strong start to our journey as a listed company today and look forward to delivering a steady flow of news about our exploration and development initiatives over coming months."

"Our resource infill and extension drilling program commencing in August offers the potential to significantly increase the resource base at Awak Mas, in advance of updated Mineral Resource and Ore Reserve estimates, scheduled for early 2018, followed by the DFS in mid-2018."

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Dear Fellow Nusantara Shareholders

On behalf of the Nusantara Resources Board, I am delighted to announce that we are listing on the ASX under the code NUS. The IPO was very successful, raising \$16.2M pursuant to the Nusantara Prospectus and we now have over 500 shareholders supporting the company. This includes an investment of \$1.5 million from a subsidiary of Zhaojin Mining Industry Company Limited (Zhaojin), a leading gold producer listed on the main board of the Stock Exchange of Hong Kong Limited (code HK: 1818). Zhaojin's investment follows the cornerstone investments by Lion Selection Group Limited of \$4.5 million and AustralianSuper of \$3.9 million.

Many of our new shareholders are shareholders of One Asia Resources (One Asia) and I would like to thank those investors for their long term commitment to the Awak Mas Gold Project (Awak Mas). Indeed, under the guidance of One Asia steady progress on Awak Mas was made, albeit impeded by budgetary restraints and other challenges within the One Asia Group.

With a highly skilled Board and management team lead by Mike Spreadborough and a strong cash balance, Nusantara is able to focus on the task of further expanding the Awak Mas resource and completing outstanding feasibility work in preparation for a final development decision in mid to late 2018.

We are fortunate to have an extensive database of historical work completed on Awak Mas and this will be put to good use in fast tracking the Definitive Feasibility Study (DFS). The planned drilling program of over 8,000m comprising resource infill and targeting resource extensions will commence in mid-August. This drilling offers the potential, as outlined in the Prospectus, to increase the resource base and is part of the pathway to an updated Mineral Resource and Ore Reserve to be announced in early 2018.

Our drilling program will also focus on testing additional gold targets on the Contract of Work (CoW) where previous explorers identified either gold mineralisation in surface trenching or used scout diamond core drilling to highlight areas of existing gold mineralisation. These represent prime targets for follow-up exploration.

In parallel with the exploration activities, we are assembling a first class feasibility team to build on the previous studies and to optimise Awak Mas based on the May 2017 Mineral Resource estimate. Areas of focus in the DFS will include pit scheduling and optimisation, metallurgical recovery and optimisation, and selection of a final processing route.

We are thankful to One Asia for the hard work in advancing the permitting of Awak Mas and already we have an approved AMDAL study (Environmental Impact Study) and have advanced the CoW to the 'Construction Phase'. At the conclusion of the 3-year Construction Phase, the Production Phase of the CoW will have a 30 year term.

We are also continuing the extensive community relations work undertaken by One Asia. A key part of our values is supporting and working with the community in advancing the Project. This includes working with current land users to provide access for the Project development. The land on which we propose to mine and build infrastructure is gazetted as 'Area Penggunaan Lain', meaning areas for other 'non-forestry' purposes. No areas proposed to be mined are captured under forestry reserves.



We take very seriously the need to maintain and build on the social licence to operate in rural Sulawesi and to this end we are spending considerable time and money on community projects such as schools, medical centres and of course employment to ensure benefits of a new mining venture have tangible results for the local community.

Watch out for regular news flow from our exploration, drilling and feasibility study work over the next six months as your Nusantara team works hard to advance the stepping stones to a commercial development decision.

Finally, please be reminded that Nusantara intends to offer eligible Shareholders one free Loyalty Option for every three Shares held under a separate prospectus and on a record date to be set approximately two months from the date of Nusantara's admission to the Official List. The option exercise price is proposed to be \$0.42 per share and the Loyalty Options will expire in September 2018. The Company will apply to ASX for quotation of the Loyalty Options. Shareholders who have sold their Nusantara shares before the record date will not be entitled to free Loyalty Options.

Yours sincerely

Martin Pyle

Chairman

Nusantara Resources Limited