

Financial Statements and Related Announcement::First Quarter Results

Issuer & Securities

Issuer/ Manager	WILTON RESOURCES CORPORATION LIMITED
Securities	WILTON RESOURCES CORP LIMITED - SG2G45999965 - 5F7
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Announcement Details

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WILTON RESOURCES CORPORATION LIMITED

(Company Registration Number: 200300950D)

Unaudited Financial Statements and Dividend Announcement for the Three Months and First Quarter Ended 30 September 2017 (“**1QFY18**”)

This announcement has been prepared by Wilton Resources Corporation Limited (the “**Company**” or “**WRC**”) and its contents have been reviewed by the Company’s sponsor (“**Sponsor**”), SAC Capital Private Limited, for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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WILTON RESOURCES CORPORATION LIMITED

Company Registration Number: 200300950D

**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT
FOR THE THREE MONTHS AND FIRST QUARTER ENDED 30 SEPTEMBER 2017****PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND
FULL YEAR ANNOUNCEMENTS**

- 1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

Wilton Group & subsidiaries**Consolidated statement of comprehensive income**

	Group		Increase/ (decrease) %
	1QFY18 Rp Million	1QFY17 Rp Million	
Revenue	-	-	N.M.
Cost of sales	-	-	N.M.
Gross profit	-	-	N.M.
Other items of income			
Other income	628	-	N.M.
Interest income from loans and receivables	91	32	184.4%
Other items of expenses			
Other expenses	(56)	(1,458)	-96.2%
Other operating expenses	(1,311)	(817)	60.5%
General and administrative expenses	(15,264)	(8,170)	86.8%
Loss before tax	(15,912)	(10,413)	52.8%
Income tax expense	-	-	N.M.
Loss after tax	(15,912)	(10,413)	52.8%
Total comprehensive loss for the period and attributable to owners of the Company	(15,912)	(10,413)	52.8%

N.M. = Not meaningful

	1QFY18 Rp Million	1QFY17 Rp Million	Increase/ (decrease) %
Operating loss before tax is stated after crediting/(charging):			
Depreciation of property, plant and equipment	(468)	(382)	22.5%
Amortisation of intangible assets	(45)	(45)	0.0%
Amortisation of prepaid lease	(890)	(581)	53.2%
Foreign exchange gain/(loss)	628	(1,449)	N.M.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

WRC & subsidiaries

Consolidated statement of financial

	Group		Company	
	Unaudited 30/9/2017 Rp Million	Audited 30/6/2017 Rp Million	Unaudited 30/9/2017 Rp Million	Audited 30/6/2017 Rp Million
Non-current assets				
Exploration and evaluation assets	218,891	214,455	-	-
Mine properties	388	388	-	-
Property, plant and equipment	8,070	8,223	583	688
Intangible assets	966	1,011	-	-
Investment in subsidiaries	-	-	584,811	584,811
Inventories	30	30	-	-
Prepaid lease	42,496	43,386	-	-
Long term fixed deposits	420	250	-	-
	<u>271,261</u>	<u>267,743</u>	<u>585,394</u>	<u>585,499</u>
Current assets				
Other debtors and deposits	222	197	213	192
Prepaid lease	3,687	3,687	-	-
Prepayments	2,403	1,541	639	448
Amounts due from subsidiaries	-	-	433,636	374,535
Inventories	703	-	-	-
Cash and cash equivalents	74,097	96,691	34,350	85,055
	<u>81,112</u>	<u>102,116</u>	<u>468,838</u>	<u>460,230</u>
Total assets	<u>352,373</u>	<u>369,859</u>	<u>1,054,232</u>	<u>1,045,729</u>
Current liabilities				
Trade payables	2,186	2,084	-	-
Other payables and accruals	4,562	4,805	2,528	2,475
Amount due to a related party	292	1,937	-	-
Amounts due to subsidiaries	-	-	629	608
Tax payable	80	-	-	-
	<u>7,120</u>	<u>8,826</u>	<u>3,157</u>	<u>3,083</u>
Net current assets	<u>73,992</u>	<u>93,290</u>	<u>465,681</u>	<u>457,147</u>
Non-current liabilities				
Employee benefits liability	2,138	2,006	-	-
Provision for rehabilitation	70	70	-	-
	<u>2,208</u>	<u>2,076</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>9,328</u>	<u>10,902</u>	<u>3,157</u>	<u>3,083</u>
Net assets	<u>343,045</u>	<u>358,957</u>	<u>1,051,075</u>	<u>1,042,646</u>
Equity				
Share capital	1,153,516	1,153,516	3,109,639	3,109,639
Accumulated losses	(822,049)	(806,137)	(2,058,564)	(2,066,993)
Merger reserve	13	13	-	-
Capital reserve	11,565	11,565	-	-
Total equity	<u>343,045</u>	<u>358,957</u>	<u>1,051,075</u>	<u>1,042,646</u>
Total equity and liabilities	<u>352,373</u>	<u>369,859</u>	<u>1,054,232</u>	<u>1,045,729</u>

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

(In Rp million)

As at 30 September 2017		As at 30 June 2017	
Secured	Unsecured	Secured	Unsecured
Nil	Nil	Nil	Nil

Amount repayable after one year

As at 30 September 2017		As at 30 June 2017	
Secured	Unsecured	Secured	Unsecured
Nil	Nil	Nil	Nil

As at 30 June 2017 and 30 September 2017, the Group had no borrowings.

Details of any collateral

Not applicable.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated statement of cash flows

	1QFY18	1QFY17
	Rp Million	Rp Million
Cash flows from operating activities		
Loss before tax	(15,912)	(10,413)
Unrealised foreign exchange differences	707	1,044
Interest income	(91)	(32)
Depreciation of property, plant and equipment	468	382
Amortisation of intangible assets	45	45
Amortisation of prepaid lease	890	581
Increase in employee benefits liability	132	34
	<u>(13,761)</u>	<u>(8,359)</u>
Movements in working capital		
Increase in prepayments	(862)	(10,957)
Increase in other debtors and deposits	(30)	(17)
Increase in inventories	(703)	-
Increase in trade payables	102	4,226
Increase/(decrease) in tax payable	80	(48)
(Decrease)/increase in amount due to a related party	(1,645)	25
(Decrease)/increase in other payables and accruals	(161)	192
Cash used in operations	<u>(16,980)</u>	<u>(14,938)</u>
Interest received	91	32
Net cash used in operating activities	<u>(16,889)</u>	<u>(14,906)</u>
Cash flows from investing activities		
Investment in exploration and evaluation assets	(4,436)	(5,250)
Purchases of property, plant and equipment	(315)	(670)
Investment in long term fixed deposits	(170)	-
Net cash used in investing activities	<u>(4,921)</u>	<u>(5,920)</u>
Net decrease in cash and cash equivalents	(21,810)	(20,826)
Effects of exchange rate changes on the balance of cash held in foreign currencies	(784)	(736)
Cash and cash equivalents at the beginning of the period	<u>96,691</u>	<u>61,831</u>
Cash and cash equivalents at the end of the period	<u>74,097</u>	<u>40,269</u>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Attributable to owners of the Company				
	Share Capital	Accumulated losses	Merger Reserves	Capital Reserves	Total Equity
	Rp Million	Rp Million	Rp Million	Rp Million	Rp Million
At 1 July 2017	1,153,516	(806,137)	13	11,565	358,957
Loss for the period	-	(15,912)	-	-	(15,912)
Total comprehensive income for the period, net of tax	-	(15,912)	-	-	(15,912)
At 30 September 2017	1,153,516	(822,049)	13	11,565	343,045
At 1 July 2016	1,044,920	(760,227)	13	11,565	296,271
Loss for the period	-	(10,413)	-	-	(10,413)
Total comprehensive income for the period, net of tax	-	(10,413)	-	-	(10,413)
At 30 September 2016	1,044,920	(770,640)	13	11,565	285,858

Company	Attributable to owners of the Company		
	Share Capital	Accumulated losses	Total Equity
	Rp Million	Rp Million	Rp Million
At 1 July 2017	3,109,639	(2,066,993)	1,042,646
Profit for the period	-	8,429	8,429
Total comprehensive income for the period, net of tax	-	8,429	8,429
At 30 September 2017	3,109,639	(2,058,564)	1,051,075
At 1 July 2016	3,001,043	(390,993)	2,610,050
Loss for the period	-	(14,306)	(14,306)
Total comprehensive income for the period, net of tax	-	(14,306)	(14,306)
At 30 September 2016	3,001,043	(405,299)	2,595,744

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares and subsidiary holdings, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There was no change to the Company's share capital since the end of the previous period reported on (FY17). As at 30 June 2017 and 30 September 2017, the share capital of the Company comprised 2,436,700,286 ordinary shares.

The Company did not have any outstanding options, convertible securities, treasury shares or subsidiary holdings as at 30 September 2017 and 30 September 2016.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	As at 30 September 2017	As at 30 June 2017
Number of issued shares	2,436,700,286	2,436,700,286

The Company did not have any treasury shares as at 30 September 2017 and as at 30 June 2017.

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable. The Company does not have any treasury shares during and as at the end of the current financial period reported on.

- 1(d)(v) A statement showing all sales, transfers, disposal, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable. The Company does not have any subsidiary holdings during and as at the end of the current financial period reported on.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited nor reviewed by the auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable. The figures have not been audited nor reviewed by the auditors.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group and the Company have applied the same accounting policies and methods of computations in the financial statements for the current reporting period.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Not applicable.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**
(a) Based on the weighted average number of ordinary shares on issue; and
(b) On a fully diluted basis (detailing any adjustments made to the earnings).

	Group	
	1QFY18	1QFY17
Loss per ordinary share for the period based on net loss attributable to shareholders:		
(a) Basic loss per share (Rp)	(6.53)	(4.66)
- Basic loss per share (S\$ cents)	(0.07)	(0.05)
Weighted average number of shares	2,436,700,286	2,236,700,286
(b) On a fully diluted basis (Rp)	(6.53)	(4.66)
- On a fully diluted basis (S\$ cents)	(0.07)	(0.05)

For both 1QFY17 and 1QFY18, the weighted average number of shares for the period is determined based on the total number of shares as there was no change in the number of shares during the period, being 2,236,700,286 shares as at 30 September 2016 and 2,436,700,286 shares as at 30 September 2017, respectively.

The diluted loss per share and the basic loss per share for both 1QFY17 and 1QFY18 were the same as there were no outstanding convertible securities for the financial periods ended 30 September 2016 and 30 September 2017.

For illustration purposes, the basic loss per share and diluted loss per share in Rp are converted to S\$ cents using the average rate of S\$ 1: Rp 9,796.84 for 1QFY18 (1QFY17: S\$ 1: Rp 9,708.58).

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	30 September 2017	30 June 2017	30 September 2017	30 June 2017
Net asset value (Rp million)	343,045	358,957	1,051,075	1,042,646
Number of shares at the end of the period	2,436,700,286	2,436,700,286	2,436,700,286	2,436,700,286
Net asset value per share (Rp)	140.78	147.31	431.35	427.89
Net asset value per share (S\$ cents)	1.42	1.54	4.35	4.46

For illustration purposes, the net asset value per share in Rp was converted at the exchange rate of S\$ 1:Rp 9,926.07 for 1QFY18. (FY17 : S\$ 1:Rp 9,590.65)

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors;

During the current quarter ended 30 September 2017 ("1QFY18"), the Group has completed two gold pours as follows:

<u>Date of gold pour</u>	<u>Tonnes of ore</u>	<u>Gold (grams)</u>	<u>Purity</u>
August 2017	500	936	99.0%
September 2017	500	961	99.0%

Revenue/ Cost of sales

There was no revenue or cost of sales reported for the current quarter ended 30 September 2017 ("1QFY18") or the comparable financial period ended 30 September 2016 ("1QFY17") as the Group has yet to sell the gold extracted from the gold pours in August 2017 and September 2017.

Other expenses/Other income

Other expenses decreased by Rp 2.0b, from Rp 1.4b in 1QFY17 resulting in other income of Rp 0.6b in 1QFY18, mainly due to higher unrealised foreign exchange gains of Rp 0.6b as compared to unrealised exchange losses of Rp 1.4b last year.

Other operating expenses

Other operating expenses increased by Rp 0.5b from Rp 0.8b for 1QFY17 to Rp 1.3b in 1QFY18 mainly due to higher amortisation of prepaid land leases of Rp 0.4b and higher site expenses.

General and administrative ("G&A") expenses

G&A expenses increased by Rp 7.1b, from Rp 8.2b for 1QFY17 to Rp 15.3b for 1QFY18. The increase was mainly due to an increase in professional fees for work undertaken in relation to a feasibility study of Rp 5.4b, and higher staff costs of Rp 1.5b.

Loss before tax

Due to the above reasons the Group's loss before tax increased by Rp 5.5b from Rp 10.4b in 1QFY17 to Rp 15.9b in 1QFY18.

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Assets

Exploration and evaluation assets ("EEA") increased by Rp 4.4b, from Rp 214.5b as at 30 June 2017 to Rp 218.9b as at 30 September 2017, due to the additional exploration and evaluation expenses ("EEE") capitalised in 1QFY18.

Property, plant and equipment ("PPE") decreased by Rp 0.1b from Rp 8.2b as at 30 June 2017 to Rp 8.1b as at 30 September 2017, mainly due to additions to PPE of Rp 0.3b, which was offset by depreciation charges of Rp 0.4b.

Prepaid leases, non-current and current portions combined, decreased by Rp 0.9b, from Rp 47.1b as at 30 June 2017 to Rp 46.2b as at 30 September 2017, due to the amortisation of prepaid land lease of Rp 0.9b.

Inventories, non-current and current portions combined, increased by Rp 0.7b to Rp 0.7b as at 30 September 2017, due to the recognition of the first two gold pours of 936g and 961g.

Prepayments increased by Rp 0.9b, from Rp 1.5b as at 30 June 2017 to Rp 2.4b as at 30 September 2017, mainly due to the higher prepayments made towards the end of FY2017.

Liabilities

Trade payables increased by Rp 0.1b, from Rp 2.1b as at 30 June 2017 to Rp 2.2b as at 30 September 2017, mainly due to the amount due to a contractor for the gold pours of Rp 0.7b, offset by lower exploration and evaluation activities at the site.

Other payables and accruals decreased by Rp 0.2b, from Rp 4.8b as at 30 June 2017 to Rp 4.6b as at 30 September 2017, mainly due to lower accruals.

Amount due to a related party decreased by Rp 1.6b, from Rp 1.9b as at 30 June 2017 to Rp 0.3b as at 30 September 2017, mainly due to settlement of amount due to our Executive Chairman.

The Group's working capital decreased by Rp 19.3b, from Rp 93.3b as at 30 June 2017 to Rp 74.0b as at 30 September 2017, mainly due to net cash outflow for operating activities of Rp 16.9b and net cash outflow for investing activities of Rp 4.9b.

Cashflow

The net cash outflow for operating activities of Rp 16.9b in 1QFY18 was mainly due to the operating loss before working capital changes of Rp 13.8b and by Rp 3.2b used for working capital changes.

Cash used for working capital in 1QFY18 amounted to Rp 3.2b, mainly due to an increase in prepayments of Rp 0.9b, an increase in inventories of Rp 0.7b, a decrease in amount due to a related party of Rp 1.6b, and a decrease in other payables and accruals of Rp 0.2b, offset by an increase in trade payables of Rp 0.1b and tax payable of Rp 0.1b.

Net cash used in investing activities of Rp 4.9b in 1QFY18 was mainly due to the investment in EEA of Rp 4.4b, purchase of property, plant and equipment of Rp 0.3b and higher investment in long term fixed deposits of Rp 0.2b.

As at 30 September 2017, the Group had cash and cash equivalents of Rp 74.1b, representing a decrease of Rp 22.6b from Rp 96.7b as at 30 June 2017.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Since the beginning of July 2017, the gold price reached US\$1,366/oz before falling back to around US\$1,280/oz as of October 2017. The Group believes that the higher gold price further enhances the viability of the Ciemas Gold Project.

The Ciemas Gold Project boasts high grades, large and open resources, and low projected costs which help to de-risk the opportunity.

The Group remains focused on gold production at the Ciemas Gold Project. The first gold pour was completed in August 2017 from a trial production batch of 500 tonnes of ore that was processed by pool leaching which produced 936 grams of gold with 99.0% purity. The second gold pour from the second batch of 500 tonnes of ore was completed in September 2017 and produced 961 grams of gold with 99.0% purity. The pool leaching production capacity will be increased in stages.

Negotiations with an Engineering, Procurement and Construction (“EPC”) contractor for the design and construction of a 500 tonnes per day (“tpd”) flotation and carbon in leach plant continue and further updates will be provided in due course (see Section 14(c) below for further details).

On 28 October 2017, it was announced that the Company has secured a project financing arrangement of US\$ 13.5m from Karl Hoffmann Mineral Pte. Ltd. to fund the 500 tpd flotation and carbon in leach plant.

The volatility of the foreign exchange for the US dollar against our functional currency (IDR) will continue to have a significant impact on the Group’s financial results.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared or recommended for the quarter ended 30 September 2017 (1QFY18).

13. If the Group has obtained a general mandate from shareholders for Interested Person Transactions (“IPT”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Name of Interested Person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders’ mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders’ mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
-	Nil	Nil

The Group does not have any general mandate from shareholders pursuant to Rule 920.

Additional disclosure required for Mineral, Oil and Gas Companies

14 (a) Rule 705(6)(a) of the Catalyst Listing Manual

For 1QFY18, the Group’s use of funds/cash for mining and exploration activities was as follows:

Purpose	Budgeted		Actual		Variance	
	US\$ Million	Rp Million	US\$ Million	Rp Million	Rp Million	%
Exploration and evaluation expenses	2.15	28,610	0.72	9,745	(18,865)	-65.9%
Land acquisition	0.15	1,998	-	-	(1,998)	-100.0%
Capex	1.73	22,979	0.07	964	(22,015)	-95.8%
Total	4.03	53,587	0.79	10,709	(42,878)	-80.0%

* USD amount converted at US\$1 : Rp13,492 as at 30 September 2017

In 1QFY18, only Rp 9.7b (US\$ 0.72m) was incurred for exploration and evaluation expenses out of the Rp 28.6b (US\$ 2.15m) budgeted due to the priority given to activities related to the Production Programme. Out of the Rp 23.0b (US\$ 1.73m) budgeted for capital expenditure, Rp 0.09b (US\$ 0.07m) was utilised due to the postponement of the procurement of heavy vehicles and other equipment.

The acquisition of additional surface rights which permit mining activities within the Group’s Mining Permit 1 (2,878.5 hectares) and Mining Permit 2 (200.0 hectares) (collectively “Mining Permits”) remains an ongoing process. For strategic reasons, the timing of the expenditure (upon acquisition of rights) will depend on the negotiation process. During 1QFY18, there was no acquisition of additional land use rights.

Please see Section 14 (c) below for a more comprehensive outline of activities during the quarter under review.

ii. Projection on the use of funds/cash for the next immediate quarter, including principal assumptions:

For the next immediate quarter, from 1 October 2017 to 31 December 2017 (“2QFY18”), the Group’s use of funds/cash for mining and exploration activities is expected to be as follows:

Purpose	Budgeted	
	US\$ million	Rp Million
Exploration and Evaluation Expenses	2.32	31,365
Land acquisition	0.70	9,444
CAPEX	1.63	21,979
Total	4.65	62,788

** USD amount converted at US\$1 : Rp13,492 as at 30 September 2017*

For 2QFY18, Rp 31.3b (US\$ 2.32m) is expected to be spent on exploration and evaluation expenses, Rp. 9.4b (US\$ 0.70m) on land acquisition and Rp 21.9b (US\$ 1.63m) on capital expenditure.

The Group's mining production and development plans for 2QFY18 are expected to be as follows:

Following the success of the second gold pour in September 2017, the third batch of leaching will continue in 2QFY18. The third and subsequent batches will utilise the full leaching pool capacity of 1000 tonnes of oxide ore.

Mining, crushing and stockpiling of ore to be processed via pool leaching is on-going with an increased in throughput to match the increase in production capacity.

Construction of the second leaching pool has been completed and the construction of a third leaching pool is under preparation and expected to be completed in 2QFY18. Additional leaching pools will be constructed in stages to increase production capacity over time.

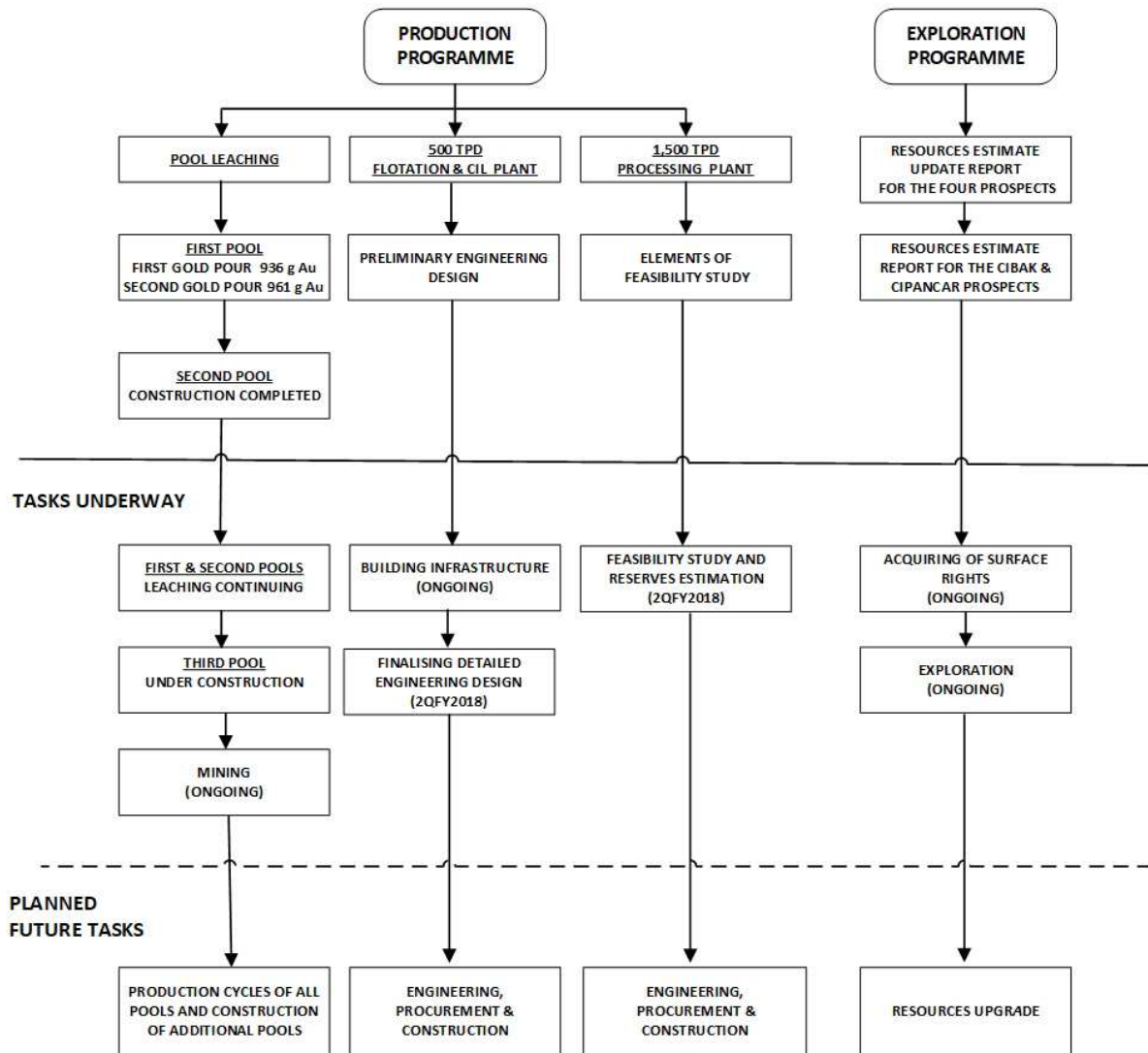
In addition to increasing the Group's production via the pool leaching, and in order to process higher grade sulphide ores, the Group plans to construct a 500 tpd production plant utilising a flotation and carbon in leach flowsheet. The Group is finalising the detailed engineering design of this plant and is in discussions with an EPC contractor for its construction and commissioning. Further announcements will be made in due course.

A feasibility study on the 1,500 tpd main production plant, and the Ore Reserves estimation on the Four Main Prospects are in progress, and expected completion in 2QFY18

Further expansion on the construction of supporting infrastructure that will serve the extended production plant is on-going.

These activities are shown in chart below in the context of the overall project workflow:

TASKS ACHIEVED UP TO 30 SEPTEMBER 2017



14 (b) Rule 705(6)(b) of the Catalyst Listing Manual

The Board confirms that to the best of their knowledge, nothing has come to its attention which may render the above information provided to be false or misleading in any material aspects

14 (c) Rule 705(7)(a) of the Catalyst Listing Manual

Details of exploration (including geophysical surveys), mining development and/or production activities undertaken by the Group and a summary of the expenditure incurred on those activities including explanations for any material variances with previous projections, for the period under review. If there has been no exploration development and/or production activity respectively, that fact must be stated.

For 1QFY18, the Group continued with exploration, evaluation and development activities of its Mining Permits at the Ciemas Gold Project, through the pursuit of two programmes (collectively, the “Programmes”), as follows:

- a) Production Programme; and
- b) Exploration Programme.

Activities on each of the Programmes in 1QFY18 are set out below.

a) Production Programme

- **Near-term pool leaching production on the Pasir Manggu Prospect**

Following the completion of first leaching pool, the associated processing plant & the supporting infrastructure, and the first gold pour in August 2017, the Group has since completed the second round of gold pour in September 2017.

As previously indicated, the second batch of leaching, like the first gold pour, utilised only half of the pool capacity due to the on-going process optimisation. It processed approximately 500 tonnes of oxide ore with an average grade of 2.8 g/t. A recovery rate of 68.6% was achieved and 961 grams of gold with 99.0% purity of gold has been produced. The production cycle of the first leaching pool can now be repeated every six weeks. The third batch of leaching and subsequent batches will utilise the full capacity of the first leaching pool of 1000 tonnes of oxide ore.

Construction of the second leaching pool has been completed. The capacity of the second pool is also 1,000 tonnes of oxide ore per cycle. It is currently under preparation for a treatment cycle of oxide ore at full capacity. As with the first leach pool, the production leaching cycle time will be about six weeks, therefore the gold pour from this batch is expected in 2QFY18.

Additional leaching pools will be added in stages to expand our production capacity. Preparation for the construction of a third leaching pool is underway. It is expected to be completed in 2QFY18.

In parallel to the aforesaid production and construction, the mining activities have also been increased accordingly to match up with the increased in production capacity.

- **500 tpd capacity flotation and carbon in leach (“CIL”) plant for the Cibak and Cipancar Prospects**

The detailed engineering design for a 500 tpd processing plant (flotation and CIL plant) that can treat both oxide ore and sulphide ore is being finalised. The Company is currently in discussion with an Engineering, Procurement and Construction (“EPC”) contractor for the plant. It is expected to be concluded in the near-term.

Further expansion of supporting infrastructure for the extended production plant is ongoing.

- **1,500 tpd main production project on the Four Main Prospects**

The 1,500 tpd main production project is in progress to enable the Group to process higher volumes of ore from the Pasir Manggu, Cikadu, Cibat and Sekolah Prospects (collectively the “Four Main Prospects”). The design of the processing plant consists of flotation and CIL circuits capable of treating both oxide and sulphide ores. Over recent years, the Group has completed some elements of the feasibility study for the 1,500 tpd project including metallurgical testwork, preliminary hydrogeological studies, site sterilisation, geotechnical investigations for a tailings storage facility (“TSF”) and processing plant, a preliminary processing flowsheet and plant design, and TSF design.

The Group is progressing towards the completion of a feasibility study on this 1,500 tpd project. This feasibility study and an estimation of Ore Reserves for the Four Main Prospects are in progress and expected in 2QFY2018.

A qualified person’s report presenting the results of the Ore Reserves estimation will be announced as soon as practicable thereafter.

b) Exploration Programme

In parallel with the development of the Four Main Prospects and the Cibak and Cipancar Prospects, the Group may expand its exploration efforts to other mineralised areas identified by historical exploration within its mining permits in the Ciemas District. Additional surface rights to areas within the Group's Concession Blocks are being negotiated to facilitate future exploration.

14 (d) Rule 705(7)(b) of the Catalist Listing Manual

Update on its reserves and resources, where applicable, in accordance with the requirements as set out in Practice Note 4C, including a summary of reserves and resources set out in Appendix 7D.

On 2 February 2017, the Group announced a maiden estimate of Mineral Resources for the Cibak and Cipancar Prospects. The updated estimate of Mineral Resources for the Group, including the 4 Prospects and the Cibak and Cipancar Prospects, is shown in Table 1, below.

Table 1: Summary of Mineral Resources for the Ciemas Gold Project (by prospect area) as of 30 June 2017

Property	Category	As of 30 June 2017		
		Resource (kt)	Au (g/t)	Au (kg)
Pasir Manggu	Measured	120	7.3	870
	Indicated	450	7.5	3,390
	Inferred	270	3.8	1,030
Cikadu	Indicated	1,100	9.1	9,970
	Inferred	360	8.4	3,040
Sekolah	Indicated	710	9.2	6,520
	Inferred	300	8.6	2,580
Cibatu	Indicated	660	9.1	5,990
	Inferred	670	8.3	5,580
Cibak & Cipancar	Inferred	1100	5.6	6,160
Total	Measured	120	7.3	870
	Indicated	2,920	8.9	25,870
	Measured + Indicated	3,040	8.8	26,740
	Inferred	2,700	6.8	18,390

Table 2, below, summarises the total Mineral Resources of the Group in accordance with Appendix 7D of the Catalist Rules.

Table 2: Summary of Mineral Resources for the Ciemas Gold Project

Category	Mineral type	Gross Attributable to licence		Net Attributable to Issuer			Remarks
		Tonnes (kt)	Grade (g/t)	Tonnes (kt)	Grade (g/t)	Change from previous update (%)	
Reserves							
Proved							
Probable							
Total							
Resources							
Measured	Gold	120	7.3	120	7.3		
Indicated	Gold	2,920	8.9	2,920	8.9		
Measured + Indicated	Gold	3,040	8.8	3,040	8.8		
Inferred	Gold	2,700	6.8	2,700	6.8		

**Cut-off grades applied for Mineral Resource statement are 1.0 g/t Au for the 4 Prospects based on the assumption the 4 Prospects could be mined by open pit methods based on the following assumptions: open pit mining, mining dilution of 15%, mineral-processing recovery of 90%, cash operating cost of USD 68/t, and 2.5 g/t for Cibak and Cipancar due to the assumption that these may be mined by underground methods with the following assumptions: mining dilution of 20%, combined mineral processing recovery of 90%, cash operating cost of USD 75/t.*

The different assumptions that were applied at the time of resource estimates were disclosed in previous qualified person's reports dated in June 2014 and October 2016, respectively.

The gold metal price applied for cut-off grade determination is USD 1,300/oz.

**Mineral resources are not ore reserves and do not have demonstrated economic viability.*

Name of Qualified Person: Dr Anshun (Anson) Xu, Corporate Consultant (Geology), SRK Consulting China Ltd

Date: 30 June 2017

Professional Society Affiliation/Membership: Fellow of The Australasian Institute of Mining and Metallurgy (AusIMM) /FAusIMM (#224861)

Competent Persons Statement:

The information in this announcement that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Anshun Xu, who is a Fellow of The Australasian Institute of Mining and Metallurgy and a Chartered Professional (Member No. 224861). Anshun Xu has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Anshun Xu consents to the inclusion in the announcement of the matters based on his information in the form and context in which they appear.

15. Use of placement proceeds

28/11/2016	Rp Million
Placement proceeds	28,414
Less: placement expenses	
Additional listing fees	(76)
Professional fees	(94)
Net Placement proceeds	28,244
Payment for EEA	(4,888)
Payment for Capex	(2,365)
Payment for operating expenses	(20,991)
Balance as at 30 September 2017	-

9/1/2017	Rp Million
Placement proceeds	80,182
Less: placement expenses	
Additional listing fees	(74)
Professional fees	(75)
Net Placement proceeds	80,033
Payment for EEA	(5,675)
Payment for Capex	(482)
Balance as at 30 September 2017	73,876

16. Confirmation that the issuer has procured undertakings from all of its directors and executive officers (in the format set out in Appendix 7H) under rule 720(1)

The Company confirms that it has procured undertakings from all of its directors and executive officers in the format set out in Appendix 7H of the Listing Manual.

17. Negative Confirmation by the Board pursuant to Rule 705(5)

The Board, do hereby confirm that, to the best of our knowledge, nothing has come to the attention of the Board, which may render the unaudited financial statements for the three months ended 30 September 2017 to be false or misleading in any material aspects.

BY ORDER OF THE BOARD

Wijaya Lawrence
Chairman and President
1 November 2017