

FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::FIRST QUARTER RESULTS

Issuer & Securities

Issuer/ Manager

WILTON RESOURCES CORPORATION LIMITED

Securities

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Please refer to the attachment.

Additional Details

For Financial Period Ended

30/09/2019

Attachments

[WRC%201QFY2020.pdf](#)

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WILTON

WILTON RESOURCES CORPORATION LIMITED

(Company Registration Number: 200300950D)

Unaudited Financial Statements and Dividend Announcement for the Three Months and First Quarter Ended 30 September 2019

This announcement has been prepared by Wilton Resources Corporation Limited (the “**Company**”) and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the “**Sponsor**”), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist.

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.

The contact person for the Sponsor is Ms. Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 8 Robinson Road, #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.

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.**

Consolidated statement of comprehensive income

	Group		Increase/ (decrease) %
	1QFY20 ¹ Rp million (Unaudited)	1QFY19 ² Rp million (Unaudited)	
Revenue	-	-	-
Cost of sales	-	-	-
Gross profit	-	-	-
Other items of income			
Other income	-	-	-
Interest income from loans and receivables	299	400	-25.3%
Other items of expenses			
Other expenses	(3,732)	(3,877)	-3.7%
Other operating expenses	(1,921)	(7,598)	-74.7%
Finance costs	(33,839)	(20,095)	68.4%
General and administrative expenses	(11,508)	(15,472)	-25.6%
Loss before tax	(50,701)	(46,642)	8.7%
Income tax expense	-	-	-
Loss net of tax for the period	(50,701)	(46,642)	8.7%
Attributable to:			
Owners of the Company	(50,543)	(46,642)	8.4%
Non-controlling interests	(158)	-	-
	(50,701)	(46,642)	8.7%
Total comprehensive income for the period	(50,701)	(46,642)	8.7%
Attributable to:			
Owners of the Company	(50,543)	(46,642)	8.4%
Non-controlling interests	(158)	-	N.M.
	(50,701)	(46,642)	8.7%
Operating loss before tax is stated after charging the following:			
Depreciation of property, plant and equipment	(596)	(531)	12.2%
Amortisation of intangible assets	(45)	(45)	0.0%
Amortisation of prepaid leases ³	-	(890)	-100.0%
Depreciation of right-of-use assets ³	(1,361)	-	N.M.
Foreign exchange loss	(681)	(3,655)	-81.4%

N.M. = Not meaningful

Notes:

(1) "1QFY20": First quarter financial period from 1 July 2019 to 30 September 2019.

(2) "1QFY19": First quarter financial period from 1 July 2018 to 30 September 2018.

(3) Depreciation of right-of-use assets (previously classified as amortisation of prepaid leases) increased by Rp 0.5b, from Rp 0.9b in 1QFY19 to Rp 1.4b in 1QFY20, as more prepaid leases were entered into during the second half of the financial year ended 30 June 2019. In addition, there was an increase in depreciation of operating leases in 1QFY20, arising from the adoption of SFRS(I) 16 Leases.

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.

Consolidated statement of financial position				
	Group		Company	
	As at 30/9/2019 Rp million (Unaudited)	As at 30/6/2019 Rp million (Audited)	As at 30/9/2019 Rp million (Unaudited)	As at 30/6/2019 Rp million (Audited)
Non-current assets				
Exploration and evaluation assets	267,230	261,137	-	-
Mine properties	8,881	8,881	-	-
Property, plant and equipment	181,346	180,033	8	-
Intangible assets	612	657	-	-
Right-of-use assets	55,165	-	586	-
Investment in subsidiaries	-	-	1,217,860	1,217,860
Prepaid leases	-	50,719	-	-
Prepayments	2,736	2,736	-	-
Deposits	100	102	82	84
Long term fixed deposits	420	420	-	-
	516,490	504,685	1,218,536	1,217,944
Current assets				
Other debtors and deposits	429	352	147	31
Prepaid leases	-	5,104	-	-
Prepayments	2,430	3,363	315	264
Amounts due from subsidiaries	-	-	20,118	-
Inventories	10,094	10,094	-	-
Investment securities	10	10	-	-
Cash and cash equivalents	58,966	27,723	13,103	445
	71,929	46,646	33,683	740
Total assets	588,419	551,331	1,252,219	1,218,684
Current liabilities				
Trade payables	20,045	16,960	-	-
Other payables and accruals	98,275	86,213	11,023	6,461
Amount due to a related party	34,134	847	33,466	-
Lease liability	583	-	583	-
Derivative liability	58,155	58,155	-	-
Loans and borrowings	29,875	25,000	-	-
	241,067	187,175	45,072	6,461
Net current liabilities	(169,138)	(140,529)	(11,389)	(5,721)
Non-current liabilities				
Loans and borrowings	290,563	256,798	290,563	256,798
Employee benefits liability	3,460	3,328	-	-
Provision for rehabilitation	420	420	-	-
	294,443	260,546	290,563	256,798
Total liabilities	535,510	447,721	335,635	263,259
Net assets	52,909	103,610	916,584	955,425
Equity attributable to owners of the Company				
Share capital	1,153,516	1,153,516	3,109,639	3,109,639
Accumulated losses	(1,195,481)	(1,144,938)	(2,193,055)	(2,154,214)
Merger reserve	13	13	-	-
Capital reserve	160,841	160,841	-	-
Other reserve	(58,155)	(58,155)	-	-
	60,734	111,277	916,584	955,425
Non-controlling interests	(7,825)	(7,667)	-	-
Total equity	52,909	103,610	916,584	955,425
Total equity and liabilities	588,419	551,331	1,252,219	1,218,684

(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 2019		As at 30 June 2019	
Secured	Unsecured	Secured	Unsecured
29,875	Nil	25,000	Nil

Amount repayable after one year

(In Rp Million)

As at 30 September 2019		As at 30 June 2019	
Secured	Unsecured	Secured	Unsecured
Nil	290,563	Nil	256,798

Details of any collateral

As at 30 September 2019, the Group recorded a short-term loan outstanding of Rp 24.9b (30 June 2019: Rp 25.0b), which relates to a short-term overdraft facility that is secured over a short-term bank deposit of Rp 25.0b.

During 1QFY20, the Company's subsidiary, Wilton Resources Holdings Pte Ltd, entered into a sale of shares and repurchase agreement, whereby a short-term loan of Rp 5.0b loan was secured against the shares of PT Wilton Makmur Indonesia Tbk (formerly known as PT Renuka Coalindo Tbk) that were sold to be repurchased at a later date ("**Share Repurchase Agreement**").

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	1QFY20	1QFY19
	Rp Million	Rp Million
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Loss before tax	(50,701)	(46,642)
Adjustments for:		
Unrealised foreign exchange differences	684	5,891
Interest expense	33,839	20,095
Interest income	(299)	(400)
Depreciation of property, plant and equipment	596	531
Depreciation of right-of-use assets	1,361	-
Amortisation of prepaid leases	-	890
Amortisation of intangible assets	45	45
Increase in employee benefits liability	132	132
Operating cash flows before working capital changes	(14,343)	(19,458)
Decrease/(increase) in prepayments	933	(23,524)
Increase in other debtors and deposits	(73)	(9)
Increase in inventories	-	(2,472)
Decrease in lease liability	(131)	-
Increase in trade payables	3,085	3,775
Decrease in amount due to a related party	(179)	(32)
Increase in other payables and accruals	5,218	471
Cash used in operations	(5,490)	(41,249)
Interest received	299	400
Interest paid	(739)	-
Net cash used in operating activities	(5,930)	(40,849)
Cash flows from investing activities		
Investment in exploration and evaluation assets (<i>Note A</i>)	(100)	(21,633)
Purchases of property, plant and equipment	(1,093)	(401)
Net cash used in investing activities	(1,193)	(22,034)
Cash flows from financing activities		
Proceeds received in respect of placement exercise	33,466	-
Repayment of short term bank loan	(125)	-
Proceeds from short term borrowing	5,000	-
Net cash generated from financing activities	38,341	-
Net increase/(decrease) in cash and cash equivalents	31,218	(62,883)
Effects of exchange rate changes on cash and cash equivalents	25	118
Cash and cash equivalents at beginning of the year	27,723	127,583
Cash and cash equivalents at the end of the period	58,966	64,818
Note A		
Aggregate cost of exploration and evaluation assets acquired	(100)	(21,633)
Less: rehabilitation costs capitalised	-	-
Cash payments to acquire exploration and evaluation assets	(100)	(21,633)

- 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.

Statement of changes in equity

Group	Attributable to owners of the Company					Non-controlling interests Rp million	Total equity Rp million
	Share capital Rp million	Accumulated losses Rp million	Merger reserve Rp million	Capital reserve Rp million	Other reserve Rp million		
At 1 July 2019	1,153,516	(1,144,938)	13	160,841	(58,155)	(7,667)	103,610
Loss for the period, representing total comprehensive income for the period, net of tax	-	(50,543)	-	-	-	(158)	(50,701)
At 30 September 2019	1,153,516	(1,195,481)	13	160,841	(58,155)	(7,825)	52,909
At 1 July 2018	1,153,516	(885,069)	13	11,565	-	-	280,025
Loss for the period, representing total comprehensive income for the period, net of tax	-	(46,642)	-	-	-	-	(46,642)
At 30 September 2018	1,153,516	(931,711)	13	11,565	-	-	233,383

Company	Attributable to owners of the Company		
	Share capital Rp million	Accumulated losses Rp million	Total equity Rp million
At 1 July 2019	3,109,639	(2,154,214)	955,425
Loss for the period, representing total comprehensive income for the period, net of tax	-	(38,841)	(38,841)
At 30 September 2019	3,109,639	(2,193,055)	916,584
At 1 July 2018	3,109,639	(2,065,845)	1,043,794
Loss for the period, representing total comprehensive income for the period, net of tax	-	(9,631)	(9,631)
At 30 September 2018	3,109,639	(2,075,476)	1,034,163

- 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, if any, against the total number of issued shares excluding treasury shares 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.**

	Issued and fully paid-up ordinary shares	Share capital (Rp million)
Balance as at 30 June 2019 and 30 September 2019	2,436,700,286	3,109,639

The Company did not have any outstanding options, convertible securities, treasury shares or subsidiary holdings as at 30 September 2019 and 30 September 2018.

- 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.**

The total number of issued shares (excluding treasury shares) as at 30 September 2019 and 30 June 2019 was 2,436,700,286.

There were no treasury shares as at 30 September 2019 and 30 June 2019.

- 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 did 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, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable. The Company did 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 has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those in the audited financial statements for the financial year ended 30 June 2019, except for the adoption of new or revised Singapore Financial Reporting Standards (International) ("**SFRS(I)**") and Interpretations of SFRS(I) ("**INT SFRS(I)**") that are mandatory for financial years beginning on or after 1 July 2019. The adoption of these SFRS(I) and INT SFRS(I) has no significant impact on the Group's financial statements.

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.

The Group adopted the SFRS(I) 16 Leases starting from 1 July 2019, using the modified retrospective approach at the date of initial application.

SFRS(I) 16 introduces a single on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("**ROU**") asset representing its right to use the underlying asset and a lease liability representing its lease obligation to make lease payments. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

On initial recognition, the Group has chosen on a lease-by-lease basis, to measure the ROU asset at an amount equal to the lease liability, adjusted by the amount of any prepaid lease payments relating to that lease recognised in the statement of financial position immediately before 1 July 2019. No changes were made to the opening retained earnings on 1 July 2019.

In addition, the Group elected the following practical expedients:

- not to reassess whether a contract is, or contains, a lease at the date of initial application and to apply this standard to all contracts that were previously identified as leases
- to apply the exemption not to recognise right-of-use asset and lease liabilities to leases for which the lease term ends within 12 months from 1 January 2019 and for leases of low-value assets
- to apply a single discount rate to a portfolio of leases with reasonably similar characteristics

Subsequent to initial recognition, ROU assets are measured using the cost model less accumulated depreciation and accumulated impairment loss. The carrying amount for lease liabilities subsequent to initial recognition would take into account interest on the lease liabilities, lease payments made and any reassessment or lease modifications.

The Group rents office space (previously treated as operating leases) as well as prepaid leases of land within the Concession Blocks, which are recognised as ROU assets with corresponding lease liabilities under SFRS(I) 16.

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	
	1QFY20	1QFY19
Loss per ordinary share for the period based on net loss attributable to shareholders:		
(a) Basic loss per share (Rp)	(20.81)	(19.14)
- Basic loss per share (S\$ cents)	(0.20)	(0.18)
Weighted average number of shares	2,436,700,286	2,436,700,286
(b) On a fully diluted basis (Rp)	(20.81)	(19.14)
- On a fully diluted basis (S\$ cents)	(0.20)	(0.18)

The diluted loss per share and the basic loss per share for each of 1QFY19 and 1QFY20, were the same as there were no outstanding convertible securities during the respective periods.

For illustration purposes, the loss per share and diluted loss per share in Rp are converted to S\$ cents using the average rate of S\$ 1: Rp 10,275.83 for 1QFY20 (1QFY19: S\$ 1: 10,686.13).

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 2019	30 June 2019	30 September 2019	30 June 2019
Net asset value (Rp million)	60,734	111,277	916,584	955,425
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)	24.92	45.67	376.16	392.10
Net asset value per share (S\$ cents)	0.24	0.44	3.67	3.75

For illustration purposes, the net asset value per share in Rp was converted at the exchange rate of S\$ 1: Rp 10,257.64 as at 30 September 2019 and S\$ 1: Rp 10,445.81 as at 30 June 2019.

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

(A) REVIEW OF FINANCIAL RESULTS

Revenue/ Cost of sales/Gross profit

The Group did not make any sale of gold in 1QFY20 and 1QFY19 and accordingly, no revenue, cost of sales and gross profit were recorded, respectively, for 1QFY20 and 1QFY19.

Interest income from loans and receivables

Interest income decreased by Rp 0.1b, from Rp 0.4b in 1QFY19 to Rp 0.3b in 1QFY20, mainly due to lower fixed deposits placed with banks.

Other expenses

Other expenses decreased by Rp 0.2b, from Rp 3.9b in 1QFY19 to Rp 3.7b in 1QFY20, mainly due to lower net foreign exchange loss of Rp 3.0b in 1QFY20, partially offset by expenses incurred in 1QFY20 in respect of the mandatory tender offer ("**MTO**") obligation of Wilton Resources Holdings Pte. Ltd (a wholly-owned subsidiary of the Company) ("**WRH**") to purchase the non-controlling interest of PT Wilton Makmur Indonesia (formerly known as PT Renuka Coalindo Tbk) ("**PT WMI**"), the Company's subsidiary listed on the Indonesia Stock Exchange.

Foreign exchange loss decreased by Rp 3.0b, from Rp 3.7b in 1QFY19 to Rp 0.7b in 1QFY20, mainly due to smaller increase in US dollar exchange rates against Singapore dollar in 1QFY20, as compared to 1QFY19.

Other operating expenses

Other operating expenses decreased by Rp 5.7b, from Rp 7.6b in 1QFY19, to Rp 1.9b in 1QFY20, mainly due to the absence of the preparation costs of the Independent Qualified Person's Report ("**IQPR**") and feasibility study of Rp 6.0b incurred in 1QFY19, partially offset by higher site expenses of Rp 0.3b in 1QFY20.

Finance costs

Finance costs increased by Rp 13.7b, from Rp 20.1b in 1QFY19 to Rp 33.8b in 1QFY20, mainly due to (i) increase in interest expenses incurred on the project financing arrangement obtained by the Group from Karl Hoffman Mineral Pte. Ltd. on 26 October 2018 ("**Project Financing**") as the fund was only fully disbursed to the Company during the second quarter financial period ended 31 December 2018, resulting in lower interest in 1QFY19; (ii) increase in interest expenses incurred on the Project Financing as a result of changes in the estimates of the project's forecast; and (iii) interest expenses incurred for the overdraft facilities by the Company's subsidiaries in Indonesia.

General and administrative ("**G&A**") expenses

G&A expenses decreased by Rp 4.0b, from Rp 15.5b in 1QFY19 to Rp 11.5b in 1QFY20. The decrease in 1QFY20 was mainly due to the absence in 1QFY20 of expenses incurred in respect of visiting the vendor/contractor and equipment inspection in preparation of the 500 Tonnes Processing Facility in 1QFY19.

Loss before tax

As a result of the above, the Group's loss before tax increased by Rp 4.1b, from Rp 46.6b in 1QFY19 to Rp 50.7b in 1QFY20.

(B) REVIEW OF FINANCIAL POSITION

Assets

Exploration and evaluation assets ("**EEA**") increased by Rp 6.1b, from Rp 261.1b as at 30 June 2019 to Rp 267.2b as at 30 September 2019, due to the additional exploration and evaluation expenses capitalised in 1QFY20.

Mine properties remained unchanged at Rp 8.9b as at 30 September 2019, as no EEA was transferred to mine properties in 1QFY20.

Property, plant and equipment ("**PPE**") increased by Rp 1.3b, from Rp 180.0b as at 30 June 2019 to Rp 181.3b as at 30 September 2019, mainly due to additions to PPE of Rp 1.9b, partially offset by depreciation charges of Rp 0.6b.

ROU assets (non-current) of Rp 55.2b as at 30 September 2019 relates to prepaid leases of land within the Group's Concession Blocks as well as office rental. These were reclassified from prepaid leases due to the adoption of SFRS(I) 16 Leases for the financial year beginning 1 July 2019. ROU assets (non-current) as at 30 September 2019 decreased by Rp 0.6b when compared to prepaid leases (non-current) as at 30 June 2019, mainly due to depreciation charge of Rp 1.3b, partially offset by an increase in office rental of Rp 0.7b. Please refer to Section 5 of this announcement for further information on ROU assets.

Prepaid leases (non-current and current) decreased by Rp 55.8b, from Rp 55.8b as at 30 June 2019 to Nil as at 30 September 2019, due to the reclassification of prepaid leases to ROU assets as a result of the adoption of SFRS(I) 16 Leases.

Prepayments (current) decreased by Rp 0.9b, from Rp 3.3b as at 30 June 2019 to Rp 2.4b as at 30 September 2019, mainly due to less prepayments made by the Group in 1QFY20 in view of the tight cashflow.

Inventories remained unchanged at Rp 10.1b as at 30 September 2019 as there was no gold pour or sales during 1QFY20.

Cash and cash equivalents increased by Rp 31.3b, from Rp 27.7b as at 30 June 2019 to Rp 59.0b as at 30 September 2019. Please refer to the section on "Cashflow" below on the movement in cash and cash equivalents.

Liabilities

Trade payables increased by Rp 3.0b, from Rp 17.0b as at 30 June 2019 to Rp 20.0b as at 30 September 2019, mainly due to amount due to vendors for exploration and evaluation expenses.

Other payables and accruals increased by Rp 12.1b, from Rp 86.2b as at 30 June 2019 to Rp 98.3b as at 30 September 2019, mainly due to cost incurred for the MTO, audit fees and other operating expenses.

Amount due to related party increased by Rp 33.3b to Rp 34.1b as at 30 September 2019 from Rp 0.9b as at 30 June 2019. The increase was mainly due to the gross proceeds of S\$ 3.26m (equivalent to approximately Rp 33.5b) received from the placement exercise undertaken by the Company on 18 September 2019 (the "**Placement**") being classified as

amount due to our Executive Chairman (the “Lender”) as the placement shares issued to the placees were borrowed by the Company from the Lender. The Company had on 11 October 2019 allotted and issued 125,000,000 placement shares (equivalent to the number of shares borrowed from the Lender) to the Lender, as repayment of the shares borrowed from the Lender to facilitate the Placement, and completed the Placement on 16 October 2019. Please refer to the Company’s announcements dated 18 September 2019 and 11 October 2019 for information on the Placement.

Lease liability of Rp 0.6b as at 30 September 2019 (nil as at 30 June 2019) relates to the adoption of SFRS(I) 16 Leases. Please refer to Section 5 of this announcement for further information.

Derivative liability remained unchanged at Rp 58.2b as at 30 September 2019 and 30 June 2019: Rp 58.2b. This relates to the recognition of the potential liability from the MTO obligation of WRH to purchase the non-controlling interest of PT WMI. WRH had undertaken the MTO during the period from 24 September 2019 to 23 October 2019, and the Company will update its shareholders on the results of the MTO, in due course.

Loans and borrowings (current) increased by Rp 4.9b to Rp 29.9b as at 30 September 2019 from Rp 25.0b as at 30 June 2019 as the Group received a loan of Rp 5.0b in 1QFY20 which was secured against the shares of PT WMI, and made a repayment of Rp 0.1b on its short-term overdraft facility.

Loans and borrowings (current) increased by Rp 4.9b, from Rp 25.0b as at 30 June 2019 to Rp 29.9b as at 30 September 2019, mainly due to the short-term loan of Rp 5.0b obtained by WRH which was secured against the shares of PT Wilton Makmur Indonesia Tbk (formerly known as PT Renuka Coalindo Tbk) that were sold to be repurchased at a later date pursuant to the Share Repurchase Agreement, partially offset by repayment of Rp 0.1b in short-term bank overdraft.

Loans and borrowings (non-current) increased by Rp 33.8b, from Rp 256.8b as at 30 June 2019 to Rp 290.6b as at 30 September 2019, due to interest expenses of Rp 33.1b, and unrealised exchange differences of Rp 0.7b.

Employee benefits liability increased by Rp 0.2b, from Rp 3.3b as at 30 June 2019 to Rp 3.5b as at 30 September 2019, mainly due to increased headcount of the pension plans in Indonesia.

Working Capital

The Group’s working capital decreased by Rp 23.5b, from a net current liabilities position of Rp 140.5b as at 30 June 2019 to a net current liabilities position of Rp 164.0b as at 30 September 2019. Please refer to the above sections on “Assets” and “Liabilities” on the movement in current assets and current liabilities. The Company had on 16 October 2019 completed the Placement, and raised gross proceeds of approximately S\$3.26m (equivalent to approximately Rp 33.5b). Accordingly, the existing balance of Rp 33.5b recorded as a current liability under “amount due to related party” will be debited to share capital subsequent to 30 September 2019. In addition, the Company is exploring options to secure funding arrangement for working capital and capital expenditure financial requirements.

Cashflow

Net cash outflow for operating activities of Rp 5.9b in 1QFY20 was mainly due to the operating loss before working capital changes of Rp 14.3b, working capital changes of Rp 8.9b, interest received of Rp 0.3b, and interest paid of Rp 0.8b.

Changes in working capital in 1QFY20 was mainly due to (i) decrease in prepayment of Rp 0.9b; (ii) increase in trade payables of Rp 3.1b; (iii) increase in other payables and accruals of Rp 5.2b, partially offset by (iv) increase in other debtors and deposits of Rp

0.1b; (v) decrease in lease liability of Rp 0.1b; and (vi) decrease in amount due to a related party of Rp 0.2b.

Net cash used in investing activities of Rp 1.2b in 1QFY20 was mainly due to investment in EEA of Rp 0.1b and purchase of property, plant and equipment of Rp 1.1b.

Net cash generated from financing activities in 1QFY20 of Rp 38.3b comprised (i) Rp 33.5b from the proceeds of the Placement; (ii) Rp 5.0b from the Share Repurchase Agreement, partially offset by (iii) the partial repayment of Rp 0.2b of the short-term overdraft.

As at 30 September 2019, the Group had cash and cash equivalents of Rp 59.0b, representing an increase of Rp 31.3b from Rp 27.7b as at 30 June 2019.

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 2019, gold price has increased by 7.3% from US\$1,390/oz to the current price of approximately US\$1,492/oz¹ as at 21 October 2019, due to the increased market uncertainty over the US-China trade war and Brexit.

The Group is working on the completion of the installation of the processing equipment and components for the 500 Tonnes Processing Facility. The Group will work on the other supporting facility for the 500 Tonnes Processing Facility.

The Company is exploring certain fund-raising exercises to fund the final stages of the infrastructure, civil works and other supporting facilities of the 500 Tonnes Processing Facility. Production of gold will commence upon the completion of the 500 Tonnes Processing Facility.

Further, the volatility of the foreign exchange for the US dollar against the Group's functional currency ("IDR") will continue to have an 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.

¹ <http://www.lbma.org.uk/precious-metal-prices>

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended for 1QFY2020 as the Group is loss making.

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.

The Group does not have any general mandate from shareholders pursuant to Rule 920 of the Catalyst Rules.

Additional disclosure required for Mineral, Oil and Gas Companies

14 (a) Rule 705(6)(a) of the Catalyst Rules

(i) Use of funds/cash for the quarter

For 1QFY20, 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	0.47	6,600	0.43	6,114	(486)	-7.4%
Capex	4.77	67,448	-	61	(67,387)	-99.9%
Total	5.24	74,048	0.43	6,175	(67,873)	-91.7%

* USD amount converted at US\$1 : Rp14,174 as at 30 September 2019

In 1QFY20, Rp 6.1b (US\$ 0.4m) was incurred for exploration and evaluation expenses. During 1QFY20, only Rp 61m was incurred for capital expenditure as some works were postponed during 1QFY20 in view of the Group’s tight cashflow situation.

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 2019 to 31 December 2019 (“**2QFY20**”), subject to the Group securing the necessary financing facilities and availability of adequate funds, the Group’s use of funds/cash for mining and exploration activities is expected to be as follows:

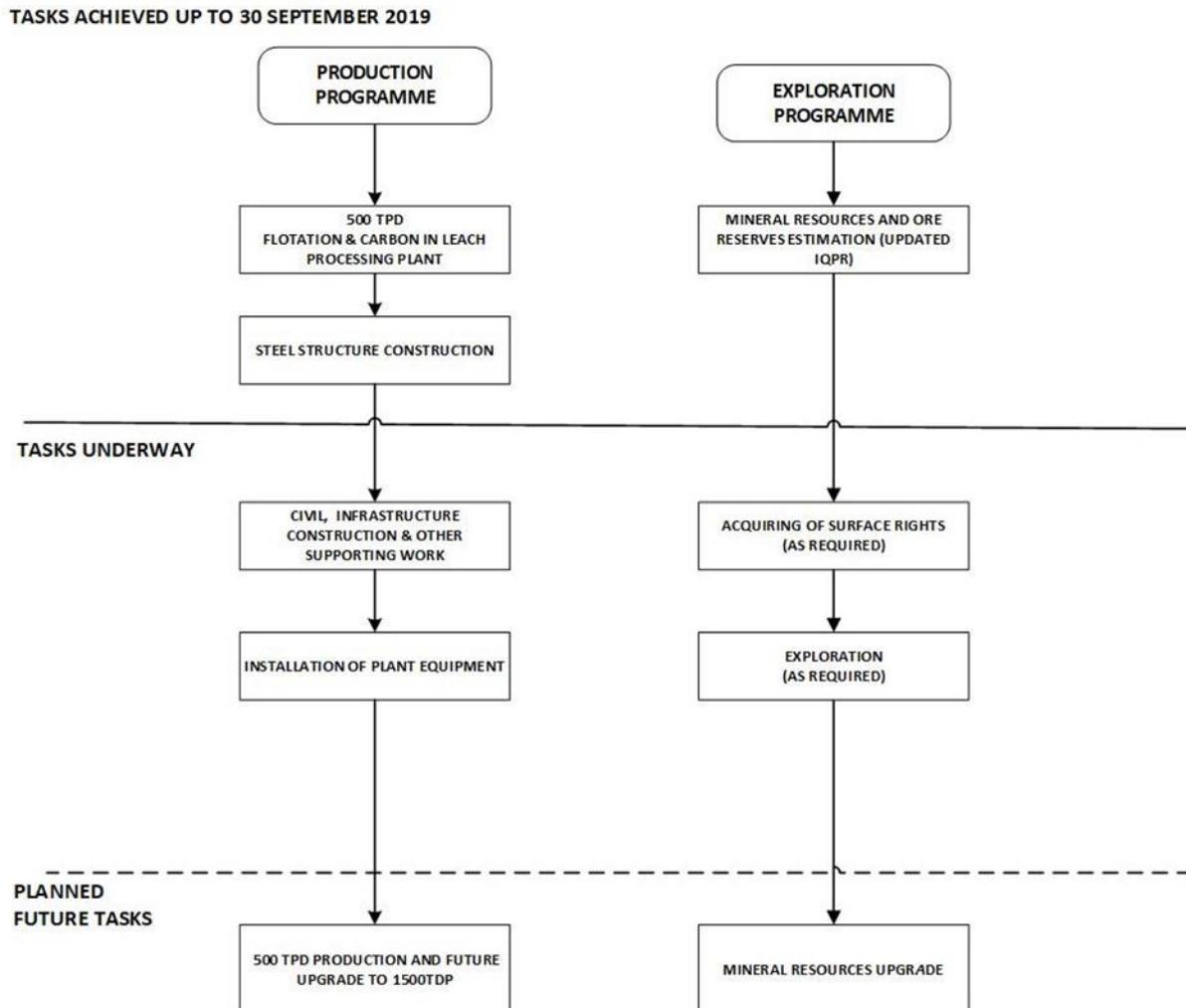
Purpose	Budgeted	
	US\$ million*	Rp Million
Exploration and Evaluation Expenses	1.02	14,396
CAPEX	6.71	95,147
Total	7.73	109,543

* USD amount converted at US\$1 : Rp14,174 as at 30 September 2019

The Group's mining production and development plans for 2QFY20 are expected to be as follows:

- Continuation of construction work as well as the installation of plant equipment on the 500 Tonnes Processing Facility.
- Progressing on the civil, infrastructure and other supporting work for the 500 Tonnes Processing Facility.

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



14 (b) Rule 705(6)(b) of the Catalyst Rules

The Board confirms that to the best of its 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) of the Catalyst Rules**

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.

a) **Production Programme**

- **500 tonnes per day production capacity flotation and carbon-in-leach mineral processing plant**

Infrastructure construction and installation of processing equipment for the 500 Tonnes Processing Facility are in progress.

- **1,500 tonnes per day production capacity project**

The latest IQPR dated 30 September 2018 includes the design of the 1,500 tonnes per day production capacity plant. In the masterplan design, acquired land has been allocated for the 1,500 tonnes per day flotation and carbon-in-leach mineral processing plant and other key facilities. The Group has plans to upgrade the processing plant from the current capacity of 500 tonnes per day up to 1,500 tonnes per day while other key facilities will be added in due course. This will facilitate the efficient operation and management of the plant as a whole.

b) **Exploration Programme**

The Group will focus on developing the six Prospects where the gold mineral resources have been quantified in the IQPR. Where appropriate, exploration efforts will also extend to other mineralised areas within the concession blocks. Additional surface rights to area within the Group's concession blocks may be acquired to facilitate future exploration, when necessary.

15. **Use of proceeds from the Placement**

On 16 October 2019, the Company completed the placement of 125,000,000 new shares of the Company to two investors, with net proceeds raised of S\$3,212,500 (approximately Rp 33,557 million) ("**Net Proceeds**"). The Company wishes to announce that Rp 13,422 million of the Net Proceeds initially allocated for funding of final stage of the infrastructure, civil works and other supporting facilities of the 500 Tonnes Processing Facility ("**Funding of Capex**") has been allocated towards general working capital purposes ("**Reallocation**"). The Board is of the view that the Reallocation is in the best interest of the Company and its shareholders in view of the tight cash flow position of the Group, and that the Funding of Capex can be rescheduled to the next quarter ending 31 December 2019. Please see update on the Reallocation and use of the Net Proceeds, as follows:

Use of Net Proceeds	Original amount allocated Rp million	Amount allocated pursuant to the reallocation Rp million	Amount utilised as at 31 October 2019 Rp million	Amount unutilised Rp million
Funding of final stage of the infrastructure, civil works and other supporting facilities of the 500 Tonnes Processing Facility	30,201	16,779	11,555	5,224
General working capital	3,356	16,778	13,473	3,305
Total	33,557	33,557	25,028	8,529

The Company will make periodic announcements as and when the balance of the Net Proceeds is materially disbursed.

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 Catalist Rules, as required under Rule 720(1) of the Catalist Rules.

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 2019 to be false or misleading in any material aspects.

Wijaya Lawrence
Chairman and President
1 November 2019