



# ANNUAL REPORT 2020

LAPORAN TAHUNAN 2020

## Stepping Up

Melangkah Lebih Jauh











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# Note to the Readers of the Report Cautionary

Catatan Peringatan untuk Pembaca Laporan

## Note on Forward-looking Statements

This document may contain statements regarding the Company's plans, projections, strategies and objectives that are not statements of historical fact and should be treated as forward looking statements based on applicable laws. Forward-looking statements are subject to risks and uncertainties that may cause actual events and the Company's future results, to be different than expected or indicated by such statements. No assurances can be given that the results anticipated by the Company or indicated by such forward-looking statements will be achieved.

## Catatan tentang Pernyataan Berwawasan ke Depan

Dokumen ini mungkin berisi pernyataan mengenai rencana, proyeksi, strategi dan tujuan Perusahaan yang bukan merupakan pernyataan fakta historis dan harus diperlakukan sebagai pernyataan berwawasan ke depan berdasarkan hukum yang berlaku. Pernyataan berwawasan ke depan tunduk pada risiko dan ketidakpastian yang dapat menyebabkan peristiwa aktual dan hasil masa depan Perusahaan menjadi berbeda dari yang diharapkan atau diindikasikan oleh pernyataan tersebut. Tidak ada jaminan yang dapat diberikan bahwa hasil yang diperkirakan oleh Perusahaan, atau diindikasikan oleh pernyataan berwawasan ke depan akan tercapai.

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## PRESIDENT COMMISSIONER'S LETTER

PESAN KOMISARIS UTAMA

Dear Shareholders,

The year 2020 was another significant year for Masmindo with PT Indika Energy Tbk investing USD 15M and becoming a 25% registered shareholder in the Company. We are extremely proud of our achievement to attract such a highly respected Company and extract value adds which they will bring as we are steps closer to our first gold. Strategic partnerships have already been realized through an agreement with its 70% owned subsidiary, Petrosea, who have been contracted to supply engineering, design, and cost estimates under a FEED services agreement that also included a USD 15M deferred payment mechanism. This has gone a long way to assist Masmindo in its goal to progress the Awak Mas Gold Project towards construction in the future.

Despite the impact of COVID-19 on our business, shareholder and other stakeholders should be pleased that the company was able to progress the FEED which was largely completed by the end of 2020. This work will be instrumental in the future development plans leading to construction.

The success of our work programs in 2020 including the closed-spaced drilling program, FEED, and mine optimizations plans, has reaffirmed the value of the Awak Mas Gold Project and confirm that the Awak Mas Gold Project is an attractive gold project with world-class potential. Masmindo remains focused on delivering the Awak Mas Gold Project for the benefit of all stakeholders.

At Masmindo, we make sure that our activities and development will be carried out with Environmental, Social Progress, and Governance (ESG) as well as Sustainability in mind. International best practises with

Pemegang Saham yang terhormat,

Tahun 2020 merupakan tahun penting bagi Masmindo dengan PT Indika Energy Tbk menginvestasikan USD 15 juta dan menjadi 25% pemegang saham di Perusahaan. Kami sangat bangga dengan pencapaian ini, menarik Perusahaan yang sangat dihormati dan menggali nilai tambah yang akan mereka bawa saat kami selangkah lebih dekat ke operasi tambang emas pertama kami. Kemitraan strategis telah diwujudkan melalui perjanjian dengan anak perusahaan Indika dengan kepemilikan 70%, Petrosea, yang dikontrak untuk menyediakan jasa rekayasa teknik, desain, dan estimasi biaya berdasarkan kontrak layanan jasa FEED yang juga mencakup mekanisme pembayaran ditangguhkan sebesar USD 15 juta. Hal ini sangat membantu Masmindo dalam mencapai tujuannya untuk membawa Proyek Awak Mas menuju tahap konstruksi di masa mendatang.

Terlepas dari dampak COVID-19 pada bisnis kami, pemegang saham dan pemangku kepentingan lainnya cukup berbangga bahwa perusahaan dapat mengembangkan FEED yang sebagian besar telah diselesaikan pada akhir 2020. Pekerjaan ini akan berperan penting dalam rencana pengembangan masa depan menuju ke tahap konstruksi.

Keberhasilan program kerja kami pada 2020 mencakup pula program pengeboran tertutup, FEED, dan rencana optimasi tambang, telah menegaskan kembali nilai Proyek Awak Mas dan menekankan bahwa Proyek Awak Mas adalah proyek emas yang menarik dengan potensi kelas dunia. Masmindo tetap berfokus mewujudkan Proyek Awak Mas guna memberikan manfaat kepada seluruh pemangku kepentingan.

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safe and environmentally friendly mining standards have also always been applied.

Community engagement has been paramount, with ongoing dialogue and collaboration to better understand how all stakeholders could benefit from the development and eventual operations. We have been supporting community developments and empowerment programs in education and health with the priority for local employment.

Good corporate governance is the backbone of our company and we strive for continuous improvement on this front. Masmindo is moving into the project development stage and therefore periodic review of the way we manage our activities, including governance will need to be conducted. We take seriously our commitment to our values of Integrity, Caring, Teamwork, Excellence, and Accountability. The Board of Commissioners has reviewed the performance of Management in 2020 and concluded that the Company has progressed well to achieving its goals especially with the challenges presented by the pandemic. Going forward with a dynamic, well-experienced, and dedicated team Masmindo will continue the transformation to gold producer.

There have been changes to the members of the Board of Commissioners during the year, which includes the change in the President Commissioner, the appointment of Mr. Adi Shima as Commissioner as well as the resignations of Mr. Greg Foulis and Mr. Tatan Taufik.

I would like to thank my predecessor, Mr. Rob Hogarth, for his services during his tenure as President Commissioner and look forward to his continued support as a Commissioner. I would also like to thank Mr. Greg Foulis and Mr. Tatan Taufik for their services as Commissioners during their tenure.

The Board of Commissioners also appreciates the efforts of the management and all employees. We look forward to our continued cooperation with all stakeholders to achieve a sustainable business model.



President Commissioner/ Komisaris Utama

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Di Masmindo, kami memastikan bahwa kegiatan dan pengembangan kami akan dilakukan dengan mempertimbangkan Lingkungan, Kemajuan Sosial, dan Tata Kelola serta Keberlanjutan. Praktik terbaik internasional dengan standar penambangan yang aman dan ramah lingkungan juga selalu diterapkan.

Keterlibatan masyarakat sangat penting, dengan adanya dialog dan kolaborasi yang berkelanjutan untuk lebih memahami bagaimana semua pemangku kepentingan dapat memperoleh manfaat dari upaya pengembangan dan operasional kami. Kami telah mendukung program pengembangan dan pemberdayaan masyarakat di bidang pendidikan dan kesehatan dengan prioritas untuk pekerja lokal.

Tata kelola perusahaan yang baik adalah tulang punggung perusahaan kami dan kami berupaya untuk terus melakukan perbaikan di bidang ini. Masmindo bergerak ke tahap pengembangan proyek dan oleh karena itu, tinjauan berkala tentang cara kami mengelola aktivitas kami, termasuk tata kelola perlu dilakukan. Kami memiliki komitmen tinggi terhadap nilai-nilai Integritas, Kepedulian, Kerja Sama Tim, Keunggulan, dan Akuntabilitas.

Dewan Komisaris telah mengkaji kinerja Manajemen sepanjang 2020 dan menyimpulkan bahwa Perusahaan telah berkembang dengan baik untuk mencapai tujuannya, terutama dengan adanya tantangan berupa pandemi. Ke depan, dengan tim yang dinamis, berpengalaman, dan berdedikasi, Masmindo akan terus bertransformasi sebagai produsen emas.

Telah terjadi perubahan anggota Dewan Komisaris pada tahun buku ini, antara lain pergantian Komisaris Utama, pengangkatan Bapak Adi Shima sebagai Komisaris, serta pengunduran diri Bapak Greg Foulis dan Bapak Tatan Taufik.

Saya ingin mengucapkan terima kasih kepada pendahulu saya, Bapak Rob Hogarth, atas jasa-jasanya selama menjabat sebagai Presiden Komisaris dan mengharapkan dukungan terus-menerus sebagai Komisaris. Saya juga mengucapkan terima kasih kepada Bapak Greg Foulis dan Bapak Tatan Taufik atas jasa-jasanya selama menjabat sebagai Komisaris.

Dewan Komisaris juga mengapresiasi upaya manajemen dan seluruh karyawan. Kami mengharapkan kerja sama yang terus-menerus dengan seluruh pemangku kepentingan untuk mencapai model bisnis yang berkelanjutan.



## PRESIDENT DIRECTOR'S LETTER

PESAN DIREKTUR UTAMA

Dear Shareholders,

Masmindo's vision to develop Awak Mas into a multi-decade, major new gold mine progressed well over the year. I would like to thank all our staff and stakeholders for the tremendous effort and hard work they have put in to navigate the Company through these uncertain times. We continue to focus on the safety and wellbeing of our people and communities, providing our support as the COVID-19 crisis evolves, whilst stepping up our business proposition and readiness for the next phase in the development of the Awak Mas Gold Project.

Despite the impact of COVID-19 on the business, I am extremely proud of our achievements in 2020.

The success of our exploration, drilling and mine optimisation programs has reaffirmed the value of the Awak Mas Gold Project. In April 2020, we increased our Mineral Resource Estimate (MRE) to 2.35 million ounces of gold and in June 2020 increased our Ore Reserves Estimate (ORE) to 1.53 million ounces of gold. With the updated Reserves and optimisation improvements, we presented an update to the Feasibility Study which saw the Net Present Value (NPV) of the Awak Mas Gold Project increase to USD517m. This study confirms the Awak Mas Gold Project is a globally competitive gold project with better than industry average mine life, open-pit grade, and margin when compared with feasibility stage and operating gold mines globally.

Pemegang Saham yang terhormat,

Visi Masmindo untuk mengembangkan Awak Mas menjadi tambang emas baru multi-dekade telah berkembang pesat sepanjang tahun. Saya ingin berterima kasih kepada semua staf dan pemangku kepentingan kami atas upaya luar biasa dan kerja keras yang telah mereka lakukan untuk mengantarkan Perusahaan melalui masa-masa yang tidak pasti ini. Kami terus fokus pada keselamatan dan kesejahteraan personel dan komunitas kami, memberikan dukungan kami seiring berkembangnya krisis COVID-19, sembari meningkatkan proposisi bisnis dan kesiapan kami untuk tahap selanjutnya dalam pengembangan Proyek Awak Mas.

Terlepas dari dampak COVID-19 pada bisnis Perusahaan, saya sangat bangga dengan pencapaian kami di tahun 2020.

Keberhasilan program eksplorasi, pengeboran, dan optimalisasi tambang kami telah menegaskan kembali nilai Proyek Awak Mas. Pada April 2020, kami meningkatkan Estimasi Sumber Daya Mineral (MRE) menjadi 2,35 juta ons emas dan pada Juni 2020 meningkatkan Estimasi Cadangan Bijih (ORE) menjadi 1,53 juta ons emas. Dengan peningkatan Cadangan dan optimalisasi yang diperbarui, kami mempresentasikan pembaruan Studi Kelayakan yang membuat Net Present Value (NPV) Proyek Awak Mas meningkat menjadi USD517 juta. Studi ini menegaskan, Proyek Awak Mas adalah proyek emas berdaya saing global dengan umur tambang yang lebih bagus, baik dari rata-rata industri, kadar tambang terbuka, maupun margin, jika dibandingkan dengan tahap kelayakan dan tahap operasional tambang emas secara global.

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Masmino remains focussed on delivering internationally competitive capital, funding, and development outcomes, and we have made significant progress on the Awak Mas Gold Project. The USD11.45m Front End Engineering and Design Services (FEED) contract was awarded to Petrosea in March 2020 and we expect the work to be completed and reviewed by the Masmino management team in the second quarter of 2021.

At Masmino, we have taken important steps to secure funding for the project. We concluded the first stage investment of 25% in Masmino for USD15M by our partner PT Indika Energy Tbk and the successful completion of a Phase 1 Independent Technical Expert (ITE) report on the Awak Mas Gold Project will also pave the way for the next stage of project financing to commence.

During 2021, the focus of the Company will be to complete project financing and negotiations for the Engineering, Procurement, and Construction (EPC) contract, and advance towards a complete funding solution.

With the dedication and commitment from our team, I believe we are well-positioned to achieve our targets and deliver an outstanding project.



**Boyke P. Abidin**

President Director/ Direktur Utama

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Masmino tetap fokus pada penyediaan modal, pendanaan, dan hasil pembangunan yang kompetitif secara internasional, dan kami telah membuat kemajuan yang signifikan dalam Proyek Awak Mas. Kontrak Front End Engineering and Design Services (FEED) senilai USD11,45 juta diberikan kepada Petrosea pada Maret 2020 dan kami berharap pekerjaan tersebut dapat diselesaikan dan ditinjau oleh tim manajemen Masmino pada kuartal kedua tahun 2021.

Di Masmino, kami telah mengambil langkah penting untuk mengamankan pendanaan proyek. Kami memperoleh investasi tahap pertama sebesar 25% di Masmino sejumlah USD15 juta dari mitra kami PT Indika Energy Tbk dan berhasil menyelesaikan laporan Ahli Teknis Independen (ITE) Tahap 1 Proyek Awak Mas yang juga akan membuka jalan dimulainya pembiayaan proyek tahap berikutnya.

Selama 2021, fokus Perusahaan adalah menyelesaikan pembiayaan proyek dan negosiasi kontrak Teknik, Pengadaan, dan Konstruksi (EPC), dan kemudian melangkah maju menuju solusi pendanaan yang lengkap.

Dengan dedikasi dan komitmen dari tim kami, saya yakin, kami berada dalam posisi yang baik untuk mencapai target kami dan menghasilkan proyek yang luar biasa.



## CEO'S LETTER

PESAN CEO

Dear Shareholders,

2020 has been a transformational year for Masmino and our Awak Mas Gold Project development.

We built in-country corporate, project management and site teams with the relevant experience and capability to deliver the Project through construction to gold production. We also have strength in relationships with local partner Petrosea, Australian Mining Consultants (AMC), Coffey Services, Golder Associates, SRK, DRA Global and other mineral industry experts with local expertise.

Masmino has continuously stepped up with a vision to be the next major gold miner in Indonesia. Our exploration and drilling programs have been tremendously successful and show potential for a sizeable mineralizing system beyond the existing known deposits at Awak Mas, Salu Bulu, and Tarra.

During 2020 we demonstrated our ability to grow our business with a preliminary update to the Feasibility Study that more than doubled the value of the project with an NPV of USD517M and IRR of 45%. This was supported by:

- 18% increase in Mineral Resource Estimate (MRE) to 2.35 Moz;
- 34% increase in Ore Reserve Estimate (ORE) to 1.53Moz, based on a gold price of USD1,400/oz;
- 16-year Life of Mine Plan (LOM);

Pemegang Saham yang terhormat,

Tahun 2020 telah menjadi tahun transformasi bagi Masmino dan pengembangan Proyek Awak Mas.

Kami membangun tim korporat dalam negeri, manajemen proyek, dan tim site dengan pengalaman dan kemampuan yang relevan untuk menyelesaikan Proyek melalui tahap konstruksi hingga produksi emas. Kami juga memiliki kekuatan dalam hubungan dengan mitra lokal Petrosea, Konsultan Pertambangan Australia (AMC), Coffey Services, Golder Associates, SRK, DRA Global, dan pakar industri mineral lainnya dengan keahlian lokal.

Masmino terus melangkah dengan visi menjadi penambang emas besar berikutnya di Indonesia. Program eksplorasi dan pengeboran kami luar biasa berhasil dan menunjukkan potensi sistem mineralisasi yang cukup besar di luar endapan yang diketahui ada di Awak Mas, Salu Bulu, dan Tarra.

Selama 2020, kami menunjukkan kemampuan kami mengembangkan bisnis dengan pembaruan awal Studi Kelayakan yang melipatgandakan nilai proyek lebih dari dua kali lipat dengan NPV USD517 juta dan IRR 45%. Hal ini didukung oleh:

- Peningkatan 18% pada Perkiraan Sumber Daya Mineral (MRE) menjadi 2,35 Moz;
- Peningkatan 34% pada Estimasi Cadangan Bijih (ORE) menjadi 1,53Moz, berdasarkan harga emas sebesar USD1.400/oz;

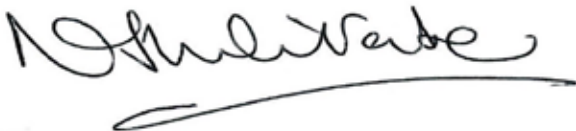
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- 20% increase in gold production for the first 4 years to an average of 128k oz/annum; and
  - 4% grade uplift to 1.58g/t in a maiden Measured Resource for the Awak Mas Deposit.

We completed land access surveys, designed and lodged our tailings storage facility application to the Indonesian Dam Safety Committee, a process that will lead to our remaining key permit application.

A key strategic step has been the development of our Business Management System that is designed to fully support construction readiness and provide a framework for Environmental Social Governance that we believe is essential for a sustainable business and compliance with national and international expectations of lenders.

Most importantly, we have had a safe year without serious injury and I am especially proud of the determination and sacrifice of all our people who had to work within necessarily strict company pandemic policy restrictions.

With the commitment of a dynamic, highly experienced<sup>9</sup> and dedicated team, we continue our rapid transformation from explorer to miner and progress the project towards first gold.



**Neil Whitaker**

CEO and Director/ CEO dan Direktur

- 
- Rencana Masa Hidup Tambang (LOM) 16 tahun;
  - Peningkatan 20% produksi emas selama 4 tahun pertama menjadi rata-rata 128 ribu ons/ tahun; dan
  - Peningkatan kadar 4% menjadi 1,58 g/t dalam Sumber Daya Terukur pertama untuk Deposit Awak Mas.

Kami menyelesaikan survei akses tanah, merancang dan mengajukan permohonan fasilitas pembuangan tailing kami ke Komite Keamanan Bendungan Indonesia, sebuah proses yang akan mengarah pada permohonan izin kami yang tersisa.

Langkah strategis utama kami adalah pengembangan Sistem Manajemen Bisnis yang dirancang untuk sepenuhnya mendukung kesiapan konstruksi dan memberikan kerangka kerja bagi Tata Kelola Sosial Lingkungan yang kami yakini penting untuk bisnis yang berkelanjutan dan sesuai dengan harapan pemberi pinjaman nasional dan internasional.

Yang terpenting, kami memiliki tahun yang aman tanpa cedera serius dan saya sangat bangga dengan tekad dan pengorbanan semua orang yang harus bekerja dalam batasan kebijakan pandemi perusahaan yang ketat.

Dengan komitmen tim yang dinamis, sangat berpengalaman dan berdedikasi, kami melanjutkan transformasi cepat kami dari penjelajah menjadi penambang dan melanjutkan proyek menuju realisasi emas pertama.





# 2020 HIGHLIGHTS

## PERISTIWA PENTING 2020

### January

PT Masmindo Dwi Area ("the Company") amended its Articles of Association to increase the authorised capital based on the Deed No. 57 made by Darmawan Tjoa, S.H, S.E, a public notary in Jakarta.

### Januari

PT Masmindo Dwi Area ("Perusahaan") melakukan perubahan Anggaran Dasar untuk menambah modal dasar berdasarkan Akta No. 57 yang dibuat oleh Darmawan Tjoa, S.H., S.E., notaris di Jakarta.

### February

Executed Subscription and Shareholders Agreement with PT Indika Mineral Investindo ("IMI"), subsidiary of PT Indika Energy Tbk, granting an option for IMI to acquire up to a 40% shareholding in the Company through a 2 staged investment totaling USD 40M through the issuance of new shares in the Company.

### Februari

Menandatangani Perjanjian Penyertaan Saham dan Perjanjian Pemegang Saham dengan PT Indika Mineral Investindo ("IMI"), anak perusahaan PT Indika Energy Tbk, memberikan opsi kepada IMI untuk mengakuisisi hingga 40% kepemilikan saham di Perusahaan melalui investasi 2 tahap dengan total sebesar USD 40 juta melalui penerbitan saham baru di Perusahaan.

### March

Front End Engineering and Design Services (FEED) contract awarded to PT Petrosea Tbk (Petrosea) with a Deferred Payment loan provided for up to USD 15M for the FEED and related work.

### Maret

Kontrak Front End Engineering and Design Services (FEED) diberikan kepada PT Petrosea Tbk (Petrosea) dengan pinjaman Pembayaran Ditangguhkan yang diberikan hingga USD 15 juta untuk FEED dan pekerjaan terkait.

### April

Successful 2019 drilling program shows an 18% increase to Mineral Resource Estimate to 2.35 Moz.

### April

Kesuksesan program pengeboran pada 2019 menunjukkan peningkatan 18% dari Perkiraan Sumber Daya Mineral menjadi 2,35 Moz.

### May

IMI forwards investment of USD 15M for a 25% shareholding interest in the Company.

### Mei

IMI melakukan investasi sebesar USD 15 juta untuk 25% kepemilikan saham di Perusahaan.

June

Juni

- 34% increase to Ore Reserves estimate following targeted exploration success, updated Mineral Resources Estimate (MRE) and updated open-pit mine planning.
- Updated economic assessment indicates a 240% increase to NPV 5% to USD 517M.

- Peningkatan 34% estimasi Cadangan Bijih setelah keberhasilan eksplorasi yang ditargetkan, Estimasi Sumber Daya Mineral (MRE) yang diperbarui dan perencanaan tambang terbuka yang diperbarui.
- Penilaian ekonomi yang diperbarui menunjukkan peningkatan 240% menjadi NPV 5% menjadi USD 517 juta.

September

September

The Company receives regulatory approval for IMI investment and IMI officially becomes a shareholder representing twenty five percent (25%) of the shares of the Company.

Perusahaan menerima persetujuan regulator untuk investasi IMI dan IMI resmi menjadi pemegang saham yang mewakili dua puluh lima persen (25%) saham Perusahaan.

October

Oktober

- IMI nominates and the Company welcomes Mr. Purbaja Pantja as President Commissioner and Mr. Adi Darma Shima as Commissioner to the Board of Commissioners, and Ms. Shirley Shinta to the Board of Directors of the Company as Finance Director.
- Change of BOD and BOC is as follows:

#### **New Board of Directors**

President Director : Boyke Poerbaya Abidin  
Director : Adrian Reinhart David Rollke  
Director : Neil Simon Whitaker  
Director : Shirley Shinta

#### **New Board of Commissioners**

President Commissioner : Purbaja Pantja  
Commissioner : Robert Alan Hogarth  
Commissioner : Adi Darma Shima

- IMI mencalonkan dan Perusahaan menerima Purbaja Pantja sebagai Presiden Komisaris dan Adi Darma Shima sebagai Komisaris, dan Ibu Shirley Shinta di jajaran Direksi Perusahaan sebagai Direktur Keuangan.
- Perubahan Direksi dan Dewan Komisaris adalah sebagai berikut:

#### **Direksi Baru**

Direktur Utama : Boyke Poerbaya Abidin  
Direktur : Adrian Reinhart David Rollke  
Direktur : Neil Simon Whitaker  
Direktur : Shirley Shinta

#### **Dewan Komisaris Baru**

Komisaris Utama : Purbaja Pantja  
Komisaris : Robert Alan Hogarth  
Komisaris : Adi Darma Shima

December

Desember

Close spaced drilling results on track for Mineral Resource and Ore Reserve update in 2021.

Hasil pengeboran jarak dekat sesuai harapan untuk pembaruan Sumber Daya Mineral dan Cadangan Bijih pada tahun 2021.



# COMPANY BACKGROUND

## LATAR BELAKANG PERUSAHAAN

The Company was established under the laws of the Republic Indonesia by Deed of Establishment of the Company No. 10 dated 10 February 1998 as a limited liability company, with foreign investment status (perseroan terbatas penanaman modal asing or PT PMA) engaged in the mining business.

The Company is focused on growing shareholder value by developing and operating the Awak Mas Gold Project located in the Luwu Regency of South Sulawesi Province, Indonesia.

Our Vision, Mission, and Values is the foundation for which we operate and conduct our business to achieve our goals.

Perusahaan didirikan berdasarkan hukum Republik Indonesia dengan Akta Pendirian Perusahaan No. 10 tanggal 10 Februari 1998 sebagai perseroan terbatas, dengan status penanaman modal asing (PT PMA) yang bergerak di bidang pertambangan.

Perusahaan berfokus pada peningkatan nilai pemegang saham dengan mengembangkan dan mengoperasikan Proyek Awak Mas yang berlokasi di Kabupaten Luwu, Provinsi Sulawesi Selatan, Indonesia.

Visi, Misi, dan Nilai kami adalah fondasi kami dalam beroperasi dan menjalankan bisnis untuk mencapai tujuan kami.



# Vision, Mission, Values

Visi, Misi, Nilai



## Our VISION

VISI kami

What we want to be

**To become the next Indonesian gold producer**

Kita ingin menjadi apa

**Menjadi produsen emas Indonesia berikutnya**



## Our MISSION

MISI kami

What we intend to do

- Build and Operate Awak Mas
- Improve and add value at Awak Mas
- Grow our people and our Business

We have BIG ambitions as we Build, Improve and Grow.

Apa yang ingin kita lakukan

- Membangun dan mengoperasikan Awak Mas
- Meningkatkan dan menambah nilai di Awak Mas
- Mengembangkan personel and bisnis kami

Kami memiliki ambisi BESAR (BIG) saat kami Membangun, Meningkatkan, dan Mengembangkan.

# Our VALUES

## NILAI kami

We measure our behaviours as we are determined to maintain an effective culture with the following values:

Kami mengukur perilaku kami karena kami bertekad untuk mempertahankan budaya yang efektif dengan nilai-nilai berikut:

### Integrity

We set high standards of ethics (doing what is right), honouring our commitments, and seeking relationships that are mutually beneficial.



### Integritas

Kami menetapkan standar etika yang tinggi (melakukan apa yang benar), menghormati komitmen kami, dan mencari hubungan yang saling menguntungkan.

### Caring

We care about people first, ensure a safe work place for our people, are environmentally responsible and support the communities in which we operate.



### Peduli

Kami mengutamakan manusia, memastikan tempat kerja yang aman bagi orang-orang kami, bertanggung jawab terhadap lingkungan, dan mendukung masyarakat tempat kami beroperasi.

### Teamwork

We know that we are stronger when we collaborate, we value the views of others, we all strive to reach our potential and embrace diversity.



### Kerja Tim

Kami tahu bahwa kami lebih kuat ketika kami berkerja sama, kami menghargai pandangan orang lain, kami semua berusaha untuk mencapai potensi kami dan merangkul keragaman.

### Excellence

We strive to achieve superior outcomes by focusing on action, continual improvement, and challenge the way we do things.



### Keunggulan

Kami berusaha keras untuk mencapai hasil yang unggul dengan berfokus pada tindakan, peningkatan berkelanjutan, dan menantang cara kami melakukan sesuatu.

### Accountability

We take responsibility, doing what we say we will do, and are measured on the outcomes of our decisions and actions.



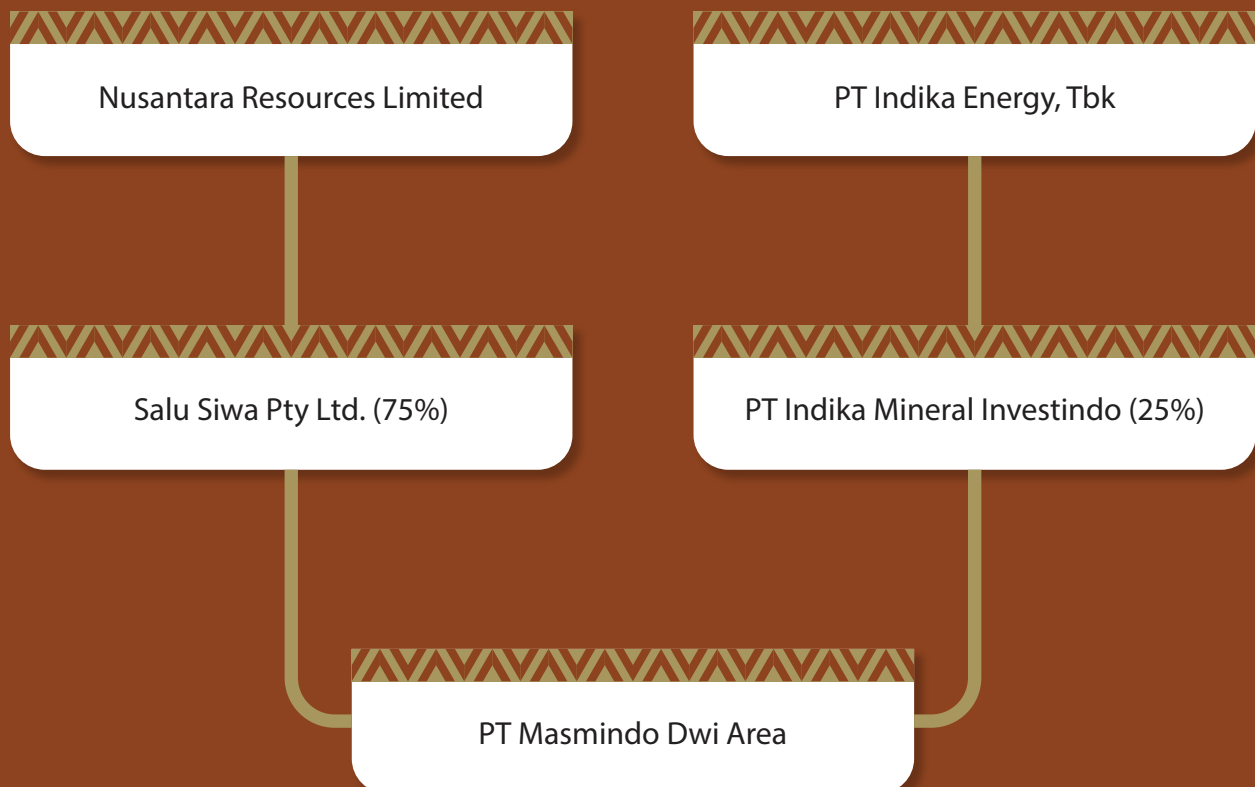
### Akuntabilitas

Kami mengambil tanggung jawab, melakukan apa yang kami katakan akan kami lakukan, dan diukur berdasarkan hasil dari keputusan dan tindakan kami.



# CORPORATE STRUCTURE

## STRUKTUR PERUSAHAAN





# PROJECT TENURE

## MASA PEMILIKAN PROYEK

The Awak Mas Gold Project is held under a 7th generation Contract of Work (CoW) signed with the Government of Indonesia (GoI) in 1998 and amended in March 2018. The CoW covers an area of 14,390 hectares and is held by PT Masmindo Dwi Area (the "Company").

The amendment to the CoW signed in March 2018 reaffirmed the Company as the legal holder of the CoW with the sole rights to explore and exploit mineral deposits within the CoW area until June 2050 in accordance with Decree of Minister of Energy and Mineral Resources Number 171.K/30/DJB/2018. After this period, the operations under the CoW may be extended in accordance with the prevailing laws and regulations.

The most notable amendments to the Masmindo CoW were adopting the prevailing rates for taxes, prevailing

Proyek Emas Awak Mas dilaksanakan berdasarkan Kontrak Karya (KK) generasi ke-7 yang ditandatangani dengan Pemerintah Indonesia pada tahun 1998 dan diubah pada bulan Maret 2018. Kontrak Karya tersebut meliputi area seluas 14.390 hektar dan dipegang oleh PT Masmindo Dwi Area. ("Perusahaan").

Amendemen Kontrak Karya yang ditandatangani pada Maret 2018 menegaskan kembali Perusahaan sebagai pemegang sah Kontrak Karya dengan hak tunggal untuk mengeksplorasi dan mengeksploitasi galian mineral di dalam wilayah Kontrak Karya hingga Juni 2050 berdasarkan Keputusan Menteri Energi Sumber Daya Mineral Nomor 171.K/30/DJB/2018. Setelah periode tersebut, kegiatan operasional di bawah Kontrak Karya dapat diperpanjang sesuai dengan ketentuan hukum dan peraturan yang berlaku.



royalty rates and a requirement for divestment of 51% of the shares in Masmindo to Indonesian participants in the 10th year of commercial production at fair market value. The arrangements agreed with Indika are a substantial step towards satisfying the divestment requirements.

The amended CoW provides long-term tenure and investment stability for the development of the Project. It stipulates that the Company shall be granted the sole rights to:

- explore for minerals and mine any deposit of minerals found in the CoW area;
- process, refine, store, and transport, by any means, minerals extracted; and
- market, sell, or dispose of such products from the mines (inside and outside Indonesia) after carrying out processing and refining domestically; and to perform all other operations and activities necessary.

Perubahan Kontrak Karya Masmindo yang paling penting adalah mengadopsi tarif pajak yang berlaku, tarif royalti yang berlaku, dan persyaratan divestasi 51% saham Masmindo kepada partisipan Indonesia pada tahun ke-10 produksi komersial dengan nilai pasar wajar. Pengaturan yang disepakati dengan Indika merupakan langkah penting untuk memenuhi persyaratan divestasi.

Kontrak Karya yang telah diubah memberikan masa pemilikan jangka panjang dan stabilitas investasi untuk pengembangan Proyek. Ini menetapkan bahwa Perusahaan akan diberikan hak tunggal untuk:

- mengeksplorasi mineral dan menambang simpanan mineral yang ditemukan di area Kontrak Karya;
- mengolah, memurnikan, menyimpan, dan mengangkut, dengan cara apa pun, mineral yang diekstrak; dan
- memasarkan, menjual, atau membuang produk tersebut dari tambang (di dalam dan di luar Indonesia) setelah melakukan pengolahan dan pemurnian di dalam negeri; dan untuk melakukan semua operasi dan aktivitas lain yang diperlukan.





# OUR PROJECT ACTIVITIES

## KEGIATAN PROYEK KAMI

### OVERVIEW

During the year, the project development activities firmly focussed on initiating and advancing detailed Front End Engineering Design (FEED) and associated supporting works to advance the technical, financial, social work streams, and approvals for the Awak Mas Gold Project.

The Company activities for the year have been substantial both on and off site including:

- Appointment of key consultants and contractors for the FEED, which included PT Petrosea Tbk (Petrosea) on 23 March 2020;
- Indika became Masmino's project partner, with 25% shareholding interest in Masmino in September 2020;
- Updated Mineral Resource Estimate for the Awak Mas Gold Project, including the Awak Mas Deposit and Satellites Salu Bulu and Tarra, totaling 2.35Moz of contained gold. The key changes from the previous estimate were an eastward extension of mineralization at the Awak Mas Deposit following discovery drilling under the Awak Mas Ridge, as well as a revised gold price assumption of USD1,600/oz;

### IKHTISAR

Selama tahun ini, kegiatan pengembangan proyek secara tegas difokuskan pada inisiasi dan kemajuan Front End Engineering Design (FEED) yang terperinci dan pekerjaan pendukung terkait untuk memajukan alur kerja teknis, keuangan, sosial, dan persetujuan untuk Proyek Awak Mas.

Aktivitas Perusahaan selama tahun berjalan sangat penting, baik di dalam maupun di luar lokasi termasuk:

- Penunjukan konsultan dan kontraktor utama untuk FEED, termasuk PT Petrosea Tbk (Petrosea) pada 23 Maret 2020;
- Indika menjadi mitra proyek Masmino, dengan 25% kepemilikan saham di Masmino pada September 2020;
- Estimasi Sumber daya Mineral Terkini untuk Proyek Awak Mas, termasuk Deposit Awak Mas dan Satelit Salu Bulu dan Tarra, dengan total 2,35Moz emas yang terkandung. Perubahan utama dari estimasi sebelumnya adalah perluasan mineralisasi ke arah timur di Deposit Awak Mas setelah pengeboran penemuan di bawah Punggungan Awak Mas, serta asumsi harga emas yang direvisi sebesar USD1.600/oz;



- The updated MRE flowed into a revised Ore Reserve Estimate and an update to the Feasibility Study, which resulted in an estimated NPV 5% of USD517M;
- Completion of extensive field work to support detailed design and cost estimates. The most significant site works have included close spaced drilling of the initial mining areas, topographical surveys, and geotechnical investigations;
- Majority completion of the engineering and design with estimating and scheduling to follow in 2021;
- Advanced planning and negotiations for key regional infrastructure, which includes improvements to the main public access road and site grid power connection and supply; and
- Scoping level assessment of potential project expansion from 2.5Mtpa to up to 3.9Mtpa.

Management will update the approved Feasibility Study and Mineral Resource and Ore Reserve Estimates once final results have been delivered from the FEED and infill drilling program to be completed in 2021.

- MRE yang diperbarui mengalir ke Estimasi Cadangan Bijih yang direvisi dan pembaruan Studi Kelayakan, yang menghasilkan estimasi NPV 5% dari USD517 juta;
- Penyelesaian pekerjaan lapangan yang ekstensif untuk mendukung desain rinci dan perkiraan biaya. Pekerjaan lapangan yang paling signifikan adalah pengeboran jarak dekat di area penambangan awal, survei topografi, dan investigasi geoteknik;
- Mayoritas penyelesaian kerja teknik dan desain dengan estimasi dan penjadwalan akan menyusul pada 2021;
- Perencanaan dan negosiasi lanjutan untuk infrastruktur regional utama, yang mencakup perbaikan jalan akses publik utama dan koneksi dan pasokan listrik jaringan lokasi; dan
- Penilaian tingkat cakupan untuk perluasan proyek potensial dari 2.5Mtpa hingga 3.9Mtpa.

Manajemen akan memperbarui Studi Kelayakan dan Sumber daya Mineral serta Estimasi Cadangan Bijih setelah hasil akhir telah dikirimkan dari FEED dan program pengeboran infill akan diselesaikan pada tahun 2021.

## FEED

The FEED work is broken down into several, separately managed work streams.

Petrosea are undertaking the largest package of FEED work covering Earthworks, Processing Plant and Infrastructure, with contributions by several consultants. Mine Planning is being undertaken by AMC, Site Survey is being undertaken by Tigenco, and Tailings Storage Facility FEED are being undertaken by Coffey.

Close spaced diamond drilling of areas that are targeted for first mining production has been managed by Masmindo.

All work streams have progressed substantially and FEED is over 90% complete as at 31 December 2020.

COVID-19 pandemic impacts, especially on the completion of fieldwork, have flowed into off-site design works. Progressive incorporation of field work results into FEED have enabled a partial mitigation of delays and despite these constraints steady progress has been achieved.

## FEED

Pekerjaan FEED dipecah menjadi beberapa aliran kerja yang dikelola secara terpisah.

Petrosea sedang melaksanakan paket pekerjaan FEED terbesar yang mencakup Kerja Tanah, Pabrik Pengolahan dan Infrastruktur, dengan kontribusi dari beberapa konsultan. Perencanaan Tambang sedang dilakukan oleh AMC, Survei Lokasi dilakukan oleh Tigenco, dan Fasilitas Penyimpanan Tailing FEED sedang dikerjakan oleh Coffey.

Pengeboran intan ruang tertutup di wilayah yang ditargetkan untuk produksi penambangan pertama dikelola oleh Masmindo.

Semua alur kerja telah berkembang secara substansial dan FEED telah selesai lebih dari 90% pada 31 Desember 2020.

Dampak pandemi COVID-19, terutama pada penyelesaian kerja lapangan, telah berdampak ke pekerjaan desain di luar site. Penggabungan progresif hasil kerja lapangan ke dalam FEED memungkinkan mitigasi sebagian pekerjaan yang tertunda dan meskipun terdapat kendala ini kemajuan yang stabil telah dicapai.





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## PERMITS, APPROVALS AND LAND ACCESS

The Company has continued negotiations with the relevant authorities regarding the main site access road upgrade and alternate community access roads construction, as well as connection and supply of grid power.

The land access team of the Company continued to work closely with the Project development team for the identification and completion of land surveys for acquisition prior to project implementation. This work included identification of an optimised Life of Mine (LOM) project footprint of disturbance and land surveys within the CoW boundary. Masmino has commenced formal engagement with the regional government and local community. Masmino has also committed to the purchase of a Warehouse and Logistics 1.5 Ha land plot near the port of Belopa, South Sulawesi.

The Company has submitted key documents required for license compliance and future importation requirements during the year to support the necessary key GOI approvals to implement the Awak Mas Gold Project.

All Major Project permitting is in place, including key licenses and permits to conduct operations such as its environmental permit and the license for Operation Production which provides approval for construction. Permits required for certain specific construction activities, such the Tailings Storage Facility (TSF) are in progress.



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## IZIN, PERSETUJUAN DAN AKSES LAHAN

Perusahaan terus melakukan negosiasi dengan pihak berwenang mengenai peningkatan jalan akses utama ke site dan pembangunan jalan alternatif untuk akses masyarakat, serta sambungan dan pasokan listrik jaringan.

Tim akses lahan Perusahaan terus bekerja sama dengan tim pengembangan Proyek untuk mengidentifikasi dan menyelesaikan survei lahan guna akuisisi sebelum pelaksanaan proyek. Pekerjaan ini termasuk identifikasi Life of Mine (LOM) atau optimalisasi masa hidup tambang dari gangguan proyek dan survei tanah dalam batas Kontrak Karya. Perusahaan telah memulai kerja sama formal dengan pemerintah daerah dan masyarakat setempat. Perusahaan juga telah melakukan pembelian lahan untuk Gudang dan kavling Logistik seluas 1,5 Ha di dekat pelabuhan Belopa, Sulawesi Selatan.

Perusahaan telah menyerahkan dokumen kunci yang diperlukan dalam hal kepatuhan lisensi dan persyaratan impor di masa depan selama tahun ini, guna mendapatkan persetujuan Pemerintah Indonesia untuk pelaksanaan Proyek Awak Mas.

Semua izin utama proyek sudah didapatkan, termasuk perizinan kunci dan izin untuk menjalankan operasi, seperti izin lingkungan dan izin Operasi Produksi yang memberikan persetujuan untuk pelaksanaan konstruksi. Adapun izin yang diperlukan untuk kegiatan konstruksi spesifik tertentu, seperti Fasilitas Penyimpanan Tailing (TSF) sedang dalam proses.

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## POST-FEED ACTIVITIES

The Company initiated the compilation a comprehensive Post-FEED Report (PFR) that in 2021 may be used for updating the 2019 Government approved feasibility study and financing purposes as part of the independent technical assessments of the Awak Mas Gold Project. The PFR 2021 will bring together the culmination of over 12 months' work in areas of technical, financial, social progress and approvals.

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## KEGIATAN PASCA-FEED

Perusahaan memulai penyusunan Laporan Pasca-FEED (PFR) yang komprehensif yang pada 2021 dapat digunakan untuk memperbarui studi kelayakan yang telah disetujui oleh Pemerintah pada 2019 dan tujuan pembiayaan, sebagai bagian dari penilaian teknis independen Proyek Awak Mas. PFR 2021 merupakan puncak yang akan menyatukan pekerjaan selama lebih dari 12 bulan di bidang teknis, keuangan, kemajuan sosial dan persetujuan.



## EXPLORATION ACTIVITY

The exploration's focus in 2020 was split between gaining a better understanding of the mineralisation beneath the Awak Mas Ridge, close-spaced drilling in areas that are targeted for first mining production, and collection of detailed geophysics to better target future exploration in the near mine area.

Masmino's re-interpretation of Awak Mas geology in 2017 and 2018 identified a target for extension of mineralisation to the east of the Awak Mas Deposit, which had not been tested by previous project owners. Drilling in 2019 extended Awak Mas mineralisation to the east, with a high-grade intersection of 63.7m at 2.12g/t gold beneath the Awak Mas ridge.

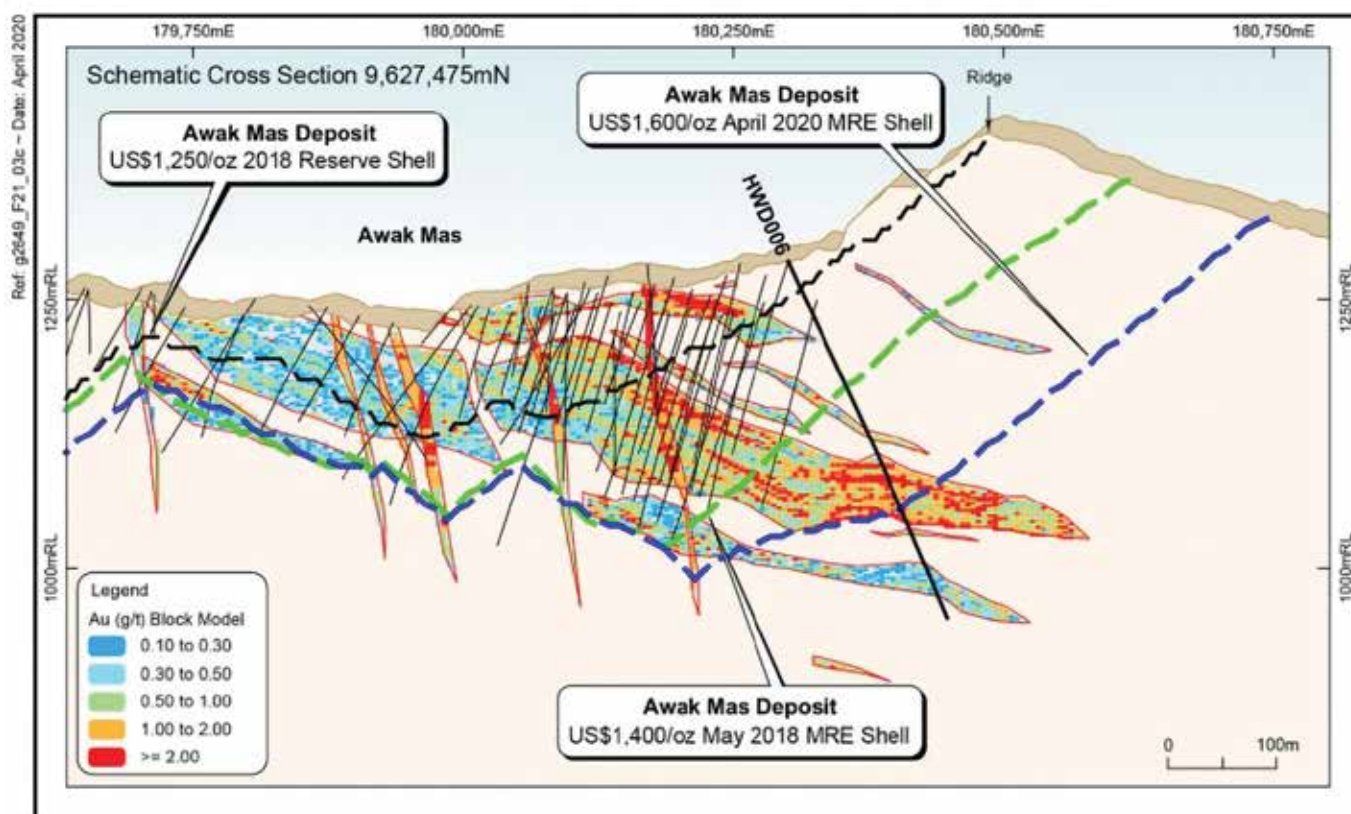
A significant increase in mineral resources was achieved this year with the application of updated and modified geology, input and reporting parameters plus the inclusion of the successful Awak Mas Ridge drilling results. The Project MRE totals 2.35Moz Au.

## KEGIATAN EKSPLORASI

Fokus eksplorasi pada 2020 terbagi antara upaya mendapatkan pemahaman yang lebih baik mengenai mineralisasi di bawah Punggungan Awak Mas, pengeboran jarak dekat di area yang ditargetkan untuk produksi penambangan pertama, dan pengumpulan data geofisika terperinci untuk memperoleh target eksplorasi yang lebih tepat di masa depan di area dekat tambang.

Penafsiran ulang tim geologi Awak Mas pada tahun 2017 dan 2018 mengidentifikasi target perluasan mineralisasi di sebelah timur Deposit Awak Mas, yang belum pernah diuji oleh pemilik proyek sebelumnya. Pengeboran pada 2019 memperluas mineralisasi Awak Mas ke timur, dengan persimpangan bermutu tinggi 63,7 m pada 2,12 g/t emas di bawah punggungan Awak Mas.

Peningkatan signifikan dalam sumber daya mineral dicapai tahun ini dengan aplikasi geologi yang diperbarui dan dimodifikasi, input dan pelaporan parameter, ditambah kesuksesan hasil pengeboran Punggung Bukit Awak Mas. Proyek MRE berjumlah 2,35Moz Au.



**Figure 1:** Cross Section 9,627,475mN through the Awak Mas Deposit demonstrating the significant increase in MRE between previous May 2018 and April 2020 Pit Shells and the location of the HWD006 drill intersection.

**Gambar 1:** Penampang 9,627,475mN melalui Deposit Awak Mas yang menunjukkan peningkatan MRE yang signifikan antara Mei 2018 hingga April 2020 Pit Shells dan lokasi persimpangan bor HWD006.



Close-spaced diamond drilling commenced in the third quarter as part of Masmindo's de-risking strategy by improving the drilling density and geological understanding in areas that are targeted for first mining production during the pay back period. The program of approximately 12,300m was designed with the intention of delineating a high confidence maiden Measured Resource. Measured Resources will be available for potential conversion to Proven Reserves.

Close-spaced Drilling was largely completed within the Awak Mas Deposit in 2020.

The balance of the Awak Mas Deposit drilling results, from the Mapacing area, were finalized in February 2021 and an updated Mineral Resource Estimate for the Awak Mas Deposit was established March 2021. Drilling results and an updated Mineral Resource Estimate for the satellite deposit Salu Bulu are expected in 2021.

During the fourth quarter, Masmindo embarked on a CoW-wide assessment of geological prospectivity. This was in response to the success of the near-mine geophysics IP program conducted at Salu Bulu in 2019 which highlighted near-mine targets and led to a broader deployment of IP surveys in the near mine area, but also highlighted the urgency of conducting a thorough review of historic exploration work and data prior to developing a mine and installing infrastructure. T

Pengeboran intan ruang tertutup dimulai pada kuartal ketiga sebagai bagian dari strategi Masmindo melakukan de-risking dengan meningkatkan kepadatan pemboran dan pemahaman geologis di area yang ditargetkan untuk produksi penambangan pertama selama periode pembayaran kembali. Program seluas kurang lebih 12.300 m dirancang dengan tujuan untuk menggambarkan Sumber Daya Terukur dengan tingkat kepercayaan tinggi. Sumber Daya Terukur akan tersedia untuk potensi konversi ke Cadangan Terbukti.

Pengeboran ruang tertutup sebagian besar telah diselesaikan dalam laporan Deposit Awak Mas pada 2020.

Sisa dari hasil pengeboran Deposit Awak Mas, dari area Mapacing, diselesaikan pada Februari 2021 dan pembaruan Estimasi Sumber Daya Mineral untuk Deposit Awak Mas ditetapkan pada Maret 2021. Hasil pengeboran dan Estimasi Sumber Daya Mineral untuk deposit satelit Salu Bulu diharapkan selesai pada 2021.

Selama kuartal keempat, Masmindo memulai penilaian prospektifitas geologi seluruh Kontrak Karya. Hal ini merupakan tindak lanjut keberhasilan program IP geofisika sekitar tambang yang dilakukan di Salu Bulu pada 2019 yang menarget lokasi sekitar tambang dan mengarah pada penyebaran survei IP yang lebih luas di area dekat tambang, sekaligus juga menyoroti pentingnya melakukan tinjauan menyeluruh atas pekerjaan eksplorasi historis dan data sebelum mengembangkan tambang dan membangun infrastruktur.

## MINERAL RESOURCE

The Mineral Resource Estimate (MRE) for the Awak Mas Gold Project is tabulated below as at 31 December 2020 based on the April 2020 MRE update.

|           | Classification/<br>Klasifikasi | Tonnes/<br>Ton (Mt) | Gold Grade /<br>Kelas Emas (g/t) | Contained Gold/<br>Mengandung Emas (Moz) |
|-----------|--------------------------------|---------------------|----------------------------------|------------------------------------------|
| Awak Mas  | Measured/Terukur               | -                   | -                                | -                                        |
|           | Indicated/Terunjuk             | 41.2                | 1.37                             | 1.81                                     |
|           | Inferred/Terduga               | 6.1                 | 1.11                             | 0.22                                     |
|           | <b>Sub-Total</b>               | <b>47.3</b>         | <b>1.34</b>                      | <b>2.03</b>                              |
| Salu Bulu | Measured/Terukur               | -                   | -                                | -                                        |
|           | Indicated/Terunjuk             | 3.0                 | 1.68                             | 0.16                                     |
|           | Inferred/Terduga               | 0.7                 | 1.07                             | 0.02                                     |
|           | <b>Sub-Total</b>               | <b>3.7</b>          | <b>1.56</b>                      | <b>0.19</b>                              |
| Tarra     | Measured/Terukur               | -                   | -                                | -                                        |
|           | Indicated/Terunjuk             | -                   | -                                | -                                        |
|           | Inferred/Terduga               | 3.0                 | 1.29                             | 0.13                                     |
|           | <b>Sub-Total</b>               | <b>3.0</b>          | <b>1.29</b>                      | <b>0.13</b>                              |
| TOTAL     | Measured/Terukur               | -                   | -                                | -                                        |
|           | Indicated/Terunjuk             | 44.2                | 1.39                             | 1.97                                     |
|           | Inferred/Terduga               | 9.8                 | 1.16                             | 0.37                                     |
|           | <b>TOTAL</b>                   | <b>54.0</b>         | <b>1.35</b>                      | <b>2.35</b>                              |

**Table 1:** April 2020 MRE reported inside USD1,600/oz constraining shell above 0.5g/t Cut-off

## SUMBER DAYA MINERAL

Estimasi Sumber Daya Mineral (MRE) untuk Proyek Emas Awak Mas ditabulasikan di bawah ini pada 31 Desember 2020 berdasarkan data terkini MRE April 2020.

**Tabel 1:** April 2020 MRE dilaporkan dalam cangkang pembatas USD1.600/oz di atas Batas 0,5 g/t

In March 2021, results from the successful close-spaced diamond drilling campaign generated an updated Mineral Resource Estimate at the Awak Mas Deposit, with a 4% grade uplift for Measured and Indicated Resources and a high grade (1.58g/t Au) Measured Resources. The table below shows the update to the Mineral Resource Statement for the Awak Mas Deposit.

Pada Maret 2021, kesuksesan operasi pengeboran berlian jarak dekat menghasilkan pembaruan Estimasi Sumber Daya di Deposit Awak Mas, dengan peningkatan kadar 4% untuk Sumber Daya Terukur dan Terunjuk dan Sumber Daya Terukur kadar tinggi (1,58 g/t Au). Tabel di bawah ini menunjukkan pembaruan Pernyataan Sumber Daya Mineral untuk Deposit Awak Mas.

|                                  | Classification/<br>Klasifikasi | Tonnes/<br>Ton (Mt) | Gold Grade /<br>Kelas Emas (g/t) | Contained Gold/<br>Mengandung Emas (Moz) |
|----------------------------------|--------------------------------|---------------------|----------------------------------|------------------------------------------|
| <b>Awak Mas<br/>(Maret 2021)</b> | Measured/Terukur               | 2.2                 | 1.58                             | 0.11                                     |
|                                  | Indicated/Terunjuk             | 36.5                | 1.41                             | 1.66                                     |
|                                  | Inferred/Terduga               | 5.9                 | 1.10                             | 0.21                                     |
|                                  | <b>Sub-Total</b>               | <b>44.6</b>         | <b>1.38</b>                      | <b>1.97</b>                              |

**Table 2:** Updated Awak Mas Deposit Resource Statement reported inside USD1,600/oz constraining shell above 0.5g/t Cut off

**Tabel 2:** Laporan Sumber Daya Deposit Awak Mas yang diperbarui dilaporkan dalam USD1.600/oz cangkang pembatas di atas Batas 0,5 g/t

| Deposit/Menyetorkan         | Tonnes/<br>Ton (Mt) | Gold Grade /<br>Kelas Emas (g/t) | Contained Gold/<br>Mengandung Emas (Moz) |
|-----------------------------|---------------------|----------------------------------|------------------------------------------|
| <b>Awak Mas (Mar 2021)</b>  | 44.6                | 1.38                             | 1.97                                     |
| <b>Salu Bulu (Apr 2020)</b> | 3.7                 | 1.56                             | 0.19                                     |
| <b>Tarra (Apr 2020)</b>     | 3.0                 | 1.29                             | 0.13                                     |
| <b>TOTAL</b>                | <b>51.3</b>         | <b>1.39</b>                      | <b>2.28</b>                              |

**Table 3:** Awak Mas Project Mineral Resource Statement, including March 2021 updated estimate for the Awak Mas Deposit (Salu Bulu and Tarra Estimates remain unchanged from April 2020).

**Tabel 3:** Pernyataan Sumber Daya Mineral Proyek Awak Mas, termasuk estimasi terkini pada Maret 2021 untuk Deposit Awak Mas (Estimasi Salu Bulu dan Tarra tetap tidak berubah dari April 2020).

Please note that all Mineral Resources Estimates (MRE) disclosed above have been signed off under JORC 2012 and are subject to sign off under the Indonesian KCMI code.

Harap dicatat bahwa semua Estimasi Sumber Daya Mineral (MRE) yang diungkapkan di atas telah ditandatangani di bawah JORC 2012 dan tunduk pada penandatanganan di bawah kode KCMI Indonesia.

## ORE RESERVE

In June 2020, the Company completed an update which resulted in a significant increase in Awak Mas Gold Project Ore Reserves Estimates (ORE), following targeted exploration success, updated Mineral Resources estimation, updated open-pit mine planning, and a sustained increase in gold price. The table below shows the Ore Reserve Estimates as of 31 December 2020, based on the June 2020 ORE update.

|           | Classification/<br>Klasifikasi | Tonnes/<br>Ton (Mt) | Gold Grade /<br>Kelas Emas (g/t) | Contained Gold/<br>Mengandung Emas (Moz) |
|-----------|--------------------------------|---------------------|----------------------------------|------------------------------------------|
| Awak Mas  | Proved/Terbukti                | -                   | -                                | -                                        |
|           | Probable/Mungkin               | 32.7                | 1.30                             | 1.37                                     |
|           | <b>Sub-Total</b>               | <b>32.7</b>         | <b>1.30</b>                      | <b>1.37</b>                              |
| Salu Bulu | Proved/Terbukti                | -                   | -                                | -                                        |
|           | Probable/Mungkin               | 2.9                 | 1.66                             | 0.16                                     |
|           | <b>Sub-Total</b>               | <b>2.9</b>          | <b>1.66</b>                      | <b>0.16</b>                              |
| TOTAL     | Proved/Terbukti                | -                   | -                                | -                                        |
|           | Probable/Mungkin               | 35.6                | 1.33                             | 1.53                                     |
|           | <b>TOTAL</b>                   | <b>35.6</b>         | <b>1.33</b>                      | <b>1.53</b>                              |

**Table 4:** June 2020 ORE reported inside USD1,400/oz constraining shell above 0.5g/t Cut-off

## CADANGAN BIJIH

Pada Juni 2020, Perusahaan menyelesaikan pembaruan yang menghasilkan peningkatan yang signifikan dalam Estimasi Cadangan Bijih (ORE) Proyek Awak Mas, menyusul keberhasilan eksplorasi yang ditargetkan, pembaruan Estimasi Sumber Daya Mineral, pembaruan perencanaan tambang terbuka, dan peningkatan harga emas yang berkelanjutan. Tabel di bawah ini menunjukkan Estimasi Cadangan Bijih per 31 Desember 2020, berdasarkan data terbaru ORE Juni 2020.

**Tabel 4:** Juni 2020 ORE dilaporkan dalam USD1.400/oz cangkang pembatas di atas 0,5 g/t Cut-off

Please note that the Ore Reserve Estimates (ORE) disclosed above have been signed off under JORC 2012 and are subject to sign off under the Indonesia KCMI code.

Harap dicatat bahwa Estimasi Cadangan Bijih (ORE) yang diungkapkan di atas telah ditandatangani berdasarkan JORC 2012 dan tunduk pada penandatanganan di bawah kode KCMI Indonesia.

# OUR SAFETY, HEALTH, QUALITY, AND SECURITY

## KESELAMATAN, KESEHATAN, MUTU, DAN KEAMANAN KAMI

Safety remains our highest priority and we attach great importance to the health of our employees. Employees must pass a full medical check-up before they are recruited and throughout their work, their health and fitness are monitored.

The Company has continually been developing its the HSE Management System and standard operating procedures for health and safety that encourages workers to be vigilant at work, risk aware and highlights the notion that anyone has the right to stop any unsafe act, at any time.

Due to the recent COVID-19 pandemic, our Incident and Business Continuity Management Plan triggered the activation of our Crisis Management Team (CMT) and the formation of policy. Through evaluation, scenario planning and proactive leadership, we have developed plans and guidelines to provide for the safety and wellbeing of all our people, assisting local communities, and maintaining business continuity with proactive actions and a policy to do more and Minimise Operational Risk Exposure.

The Company is committed to meet the requirements of International Good Mining Practice all phases of project development, including mine safety, environment management, mineral conservation, planning construction, mine and mineral processing, design and operations as well as post-mine management.

The Company holds routine industry standard toolbox and safety meetings with our people to reinforce our safety framework. Annual Safety Audits are conducted which guide us to achieve a safe work environment as we constantly lift our standards as the Company progress on its development path.

All site activities are assessed for risk and controls with increased supervision as required. The Company maintains an onsite medical clinic and all-wheel drive

Keselamatan tetap menjadi prioritas utama kami dan kami sangat mementingkan kesehatan karyawan kami. Karyawan harus lulus pemeriksaan kesehatan lengkap sebelum direkrut dan selama mereka bekerja, kesehatan dan kebugaran mereka dipantau.

Perusahaan terus mengembangkan Sistem Manajemen HSE dan prosedur operasi standar untuk kesehatan dan keselamatan yang mendorong pekerja untuk waspada di tempat kerja, sadar risiko, dan mengedepankan gagasan bahwa siapa pun berhak menghentikan tindakan yang tidak aman, kapan pun.

Karena pandemi COVID-19 baru-baru ini, Insiden dan Rencana Manajemen Bisnis Berkelanjutan kami mengharuskan aktivasi Tim Manajemen Krisis (CMT) dan pembentukan sejumlah kebijakan. Melalui evaluasi, perencanaan skenario, dan kepemimpinan proaktif, kami telah mengembangkan rencana dan pedoman untuk menjaga keselamatan dan kesejahteraan seluruh karyawan, membantu masyarakat lokal, dan menjaga kelangsungan bisnis dengan tindakan proaktif dan kebijakan untuk berbuat lebih serta meminimalkan eksposur risiko operasional.

Perusahaan berkomitmen untuk memenuhi persyaratan internasional terkait Kaidah Pertambangan yang Baik di semua tahapan pengembangan proyek, termasuk keselamatan tambang, pengelolaan lingkungan, konservasi mineral, konstruksi perencanaan, pengolahan tambang dan mineral, desain dan operasi serta pengelolaan pasca-tambang.

Perusahaan mengadakan rapat rutin toolbox sesuai standar industri dan rapat terkait keselamatan dengan karyawan kami untuk memperkuat kerangka kerja keselamatan kami. Audit Keselamatan Tahunan dilakukan guna memandu kami untuk membuat lingkungan kerja yang aman, karena kami terus-menerus meningkatkan standar kami seiring kemajuan Perusahaan.



ambulance to undertake medical support services at site. Several local paramedics and a GP are onsite to ensure that all site and community activities have professional medical support that includes a medical evacuation (medivac) program.

COVID-19 infection rates increased in the Luwu Regency in late 2020, with the Company experiencing a sudden increase in infection rate at and around site in December 2020 and January 2021. While infections are again under control, sadly, one of our site workers who had tested positive to COVID-19, passed away due to health complications; The Company wishes to express our deepest condolences to the family.

As part of our safety framework, we strive to ensure that our workplace remains safe by implementing appropriate security measures. Qualified security personnel and security posts are in place to monitor all personnel and visitors to site. All are formally reported and documented.

During 2020, the Company engaged independent security advisors Concord Consulting to update the previous Threat Assessment and Risk Analysis and for assistance to develop our Security Management Plans as part of our Business Management Systems Development.

As we strive to meet our very high operating standard to achieve a safe and healthy working environment, we also strive to ensure a high standard in quality performance. Our 2020 business plan initiatives included the development of a set of perception surveys, baseline and follow up surveys that, with measurement of our progress, will ensure our quality assurance.

Seluruh aktivitas di site dinilai faktor risiko dan kontrolnya dengan peningkatan pengawasan sesuai kebutuhan. Perusahaan memiliki klinik medis di site dan ambulans untuk mendukung layanan medis di site. Beberapa paramedis lokal dan dokter umum berada di site untuk memastikan seluruh aktivitas site dan komunitas didukung tenaga medis profesional yang mencakup program evakuasi medis / medical evacuation (medivac).

Tingkat infeksi COVID-19 meningkat di Kabupaten Luwu pada akhir tahun 2020, dengan Perusahaan mengalami peningkatan infeksi mendadak di dan sekitar site pada Desember 2020 dan Januari 2021. Meskipun tingkat infeksi kembali terkendali, sayangnya, salah satu pekerja site kami yang dinyatakan positif COVID-19 meninggal dunia karena komplikasi kesehatan; Perusahaan ingin menyampaikan belasungkawa yang sedalam-dalamnya kepada keluarga.

Sebagai bagian dari kerangka keselamatan kami, kami berusaha memastikan bahwa tempat kerja kami tetap aman dengan menerapkan langkah-langkah keamanan yang sesuai. Personel keamanan yang berkualifikasi dan pos keamanan tersedia untuk memantau semua personel dan pengunjung site. Semua dilaporkan dan didokumentasikan secara resmi.

Selama 2020, Perusahaan melibatkan penasihat keamanan independen Concord Consulting untuk memperbarui Penilaian Ancaman dan Analisis Risiko yang telah ada dan membantu mengembangkan Rencana Manajemen Keamanan sebagai bagian dari Pengembangan Sistem Manajemen Bisnis kami.

Kami berupaya memenuhi standar operasional yang sangat tinggi guna mendapatkan lingkungan kerja yang aman dan sehat, sekaligus juga berusaha memastikan standar yang tinggi dalam kinerja mutu. Inisiatif rencana bisnis 2020 kami mencakup pengembangan serangkaian survei persepsi, survei dasar dan lanjutan yang, dengan mengukur kemajuan kami, akan memastikan jaminan mutu kami.



# OUR PEOPLE

## PERSONEL KAMI

Masmino recognises that our people are our greatest asset and our present and future success is shaped upon the Company having talented and motivated employees in the right roles at the right time. Masmino is committed to providing opportunities for skilled people from the local communities in which we operate, as well as employing talent with highly sought-after skills across Indonesia.

The project attracted exceptional talents. We have successfully recruited and onboarded key project and corporate services personnel despite the extended COVID-19 pandemic situation. Additional resources in support of the accelerated programs for exploration geology, external affairs and project development were sourced as required.

Masmino menyadari bahwa karyawan adalah aset terbesar kami dan kesuksesan kami saat ini dan di masa depan ditentukan oleh Perusahaan yang memiliki karyawan berbakat dan termotivasi dalam peran yang tepat pada waktu yang tepat. Masmino berkomitmen untuk memberikan peluang bagi orang-orang terampil dari komunitas lokal tempat kami beroperasi, serta mempekerjakan bakat dengan keterampilan yang sangat dicari di seluruh Indonesia.

Proyek ini menarik bakat-bakat luar biasa. Kami telah berhasil merekrut dan menempatkan personel penting untuk proyek dan layanan korporat meskipun situasi pandemi COVID-19 diperpanjang. Sumber daya tambahan untuk mendukung program percepatan eksplorasi geologi, urusan eksternal, dan pengembangan proyek direkrut sesuai kebutuhan.



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We also stepped up best practices in Human Capital management. We established new standards and practices in recruitment, on-boarding, compensation benefits, employee engagement and industrial relations. In its implementation of labour practices, Masmindo ensures compliance with the national, regional and local Manpower regulations, covering compensation and benefits, social security, working and rest time, health and safety, and training. A human resources compliance review was conducted in Q1 2020 satisfactorily covering the above. The Management also focused on an industrial relations strategy that ensures harmonious and productive relationships established between the company and its employees.

A company and contractor employee baseline survey that records perceptions of employee engagement, managerial practices and overall organization culture was conducted in Q3 2020 with 87 percent of employees participating. Subsequent focus group discussions ensured that employee concerns and aspirations on people practices and organizational culture were captured and addressed in the strategic business and operational plans. Strengths highlighted in the survey includes safety culture, employee engagement, and social responsibility, while critical areas to be addressed include cultures of performance and reward.

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Kami juga meningkatkan praktik terbaik dalam manajemen Sumber Daya Manusia. Kami menetapkan standar dan praktik baru dalam perekrutan, orientasi, tunjangan kompensasi, keterlibatan karyawan, dan hubungan industrial. Dalam pelaksanaan praktik ketenagakerjaan, Masmindo memastikan kepatuhan terhadap peraturan Ketenagakerjaan nasional, regional dan lokal, yang mencakup kompensasi dan tunjangan, jaminan sosial, waktu kerja dan istirahat, kesehatan dan keselamatan, serta pelatihan. Tinjauan kepatuhan sumber daya manusia telah dilakukan pada Q1 2020 dengan mencakup hal-hal di atas. Manajemen juga fokus pada strategi hubungan industrial yang memastikan terjalinnya hubungan yang harmonis dan produktif antara perusahaan dan karyawannya.

Survei dasar karyawan perusahaan dan kontraktor yang mencatat persepsi keterlibatan karyawan, praktik manajerial, dan budaya organisasi secara keseluruhan dilakukan pada Q3 2020 dengan 87 persen karyawan berpartisipasi. Focus group discussions selanjutnya memastikan bahwa perhatian dan aspirasi karyawan pada praktik manusia dan budaya organisasi dicatat dan dibahas dalam rencana bisnis dan operasional strategis. Kekuatan yang disoroti dalam survei ini mencakup budaya keselamatan, keterlibatan karyawan, dan tanggung jawab sosial, sementara bidang penting yang akan dibahas mencakup budaya kinerja dan imbalan.





# OUR SUSTAINABILITY

## KEBERLANJUTAN KAMI

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Sustainability is at the core of our business as we are committed to contribute to the development of both the local and national economy, applying high standards in environment protection and improving the welfare of our employees and the community surrounding our areas of operations.

Environmental, Social and Governance (ESG) is built into our Strategic Business Plan and forms the basis for the development our Business Management Systems (BMS). The work includes references to Indonesian regulations and internationally recognized standards. ESG is a crucial component of our approach to sustainability. The Development of the Company's Business Management Systems has progressed in 2020 which will be completed for construction readiness in 2021.

Our commitment to building a sustainable business is reflected in our vision, mission and values, that underpin our Strategic Business Plan, our Scorecard and guide our business practices.

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Keberlanjutan adalah inti dari bisnis kami karena kami berkomitmen untuk berkontribusi pada pengembangan ekonomi lokal dan nasional, menerapkan standar tinggi dalam perlindungan lingkungan dan meningkatkan kesejahteraan karyawan dan masyarakat di sekitar area operasi kami.

Lingkungan, Sosial, dan Tata Kelola (LST) dimasukkan ke dalam Rencana Bisnis Strategis kami dan menjadi dasar untuk pengembangan Sistem Manajemen Bisnis kami. Dokumen tersebut mencakup referensi peraturan Indonesia dan standar yang diakui secara internasional. LST adalah komponen penting dari pendekatan kami terhadap keberlanjutan. Pengembangan Sistem Manajemen Bisnis Perusahaan mengalami kemajuan pada 2020 dan akan selesai guna kesiapan konstruksi pada 2021.

Komitmen kami untuk membangun bisnis yang berkelanjutan tercermin dalam visi, misi, dan nilai-nilai kami, yang menopang Rencana Bisnis Strategis kami, Kartu Skor kami, dan memandu praktik bisnis kami.



## OUR ENVIRONMENTAL RESPONSIBILITY

The Company's environmental plan complies with prevailing laws and regulations on environmental protection.

The Company actively seeks to protect the environment in which we operate, with environmental monitoring activities and programs, including rainfall data collection, ground and surface water monitoring, revegetation programs and waste removal.



Several environmental baseline studies have been completed in the past and the Company continually updates its environmental database for the CoW and surrounding area. Environmental monitoring is conducted for Surface Water quality; Hydrology; Meteorology; Ambient Air Quality and Noise; Terrestrial Flora and Fauna; and Aquatic Ecology.

## TANGGUNG JAWAB LINGKUNGAN KAMI

Rencana lingkungan Perusahaan sesuai dengan hukum dan peraturan yang berlaku tentang perlindungan lingkungan.

Perusahaan secara aktif berupaya untuk melindungi lingkungan tempat kami beroperasi, dengan kegiatan dan program pemantauan lingkungan, termasuk pengumpulan data curah hujan, pemantauan air tanah dan permukaan, program revegetasi dan pembuangan limbah.

Beberapa studi dasar lingkungan telah diselesaikan di masa sebelumnya dan Perusahaan terus memperbarui database lingkungannya untuk Kontrak Karya dan wilayah sekitarnya. Pemantauan lingkungan dilakukan untuk mutu Air Permukaan; Hidrologi; Meteorologi; Mutu dan Kebisingan Udara Sekamir; Flora dan Fauna Terrestrial; dan Ekologi Perairan.





During the year, the Company maintained regular monitoring programs and continued to evaluate areas for improvement. These monitoring programs include:

- Surface Water Quality samples undertaken at 13 monitoring points for dissolved metals, anions, nutrients, organics, microbiological and physicals;
- Hydrology monitoring undertaken at 12 monitoring points to assess stream velocity and stream cross sections;
- Meteorology monitoring conducted through an automated weather station for temperature, wind speed and direction, and relative humidity, while rainfall is conducted by a manual rain gauge with evaporation rates assessed and recorded;
- Ambient Air Quality and Noise assessed at 4 monitoring points;
- Flora and Fauna assessment conducted every 6 months from 3 locations; and
- Aquatic Ecology monitoring undertaken every 6 months from 3 locations.

The Company continues its agricultural replantation program to replace crops disturbed during site activities. The Company also developed a hazardous waste removal system.

Sepanjang tahun, Perusahaan melakukan program pemantauan secara berkala dan terus mengevaluasi bidang-bidang yang perlu ditingkatkan. Program pemantauan ini meliputi:

- Pengambilan sampel Mutu Air Permukaan dilakukan di 13 titik pemantauan untuk logam terlarut, anion, nutrien, organik, mikrobiologi dan fisik;
- Pemantauan hidrologi dilakukan di 12 titik pemantauan untuk menilai kecepatan aliran dan penampang aliran;
- Pemantauan meteorologi dilakukan melalui stasiun cuaca otomatis untuk suhu, kecepatan dan arah angin, dan kelembaban relatif, sedangkan pengukuran curah hujan dilakukan dengan alat pengukur hujan manual dengan laju penguapan dinilai dan dicatat;
- Mutu dan Kebisingan Udara Ambien dinilai di 4 titik pemantauan;
- Penilaian Flora dan Fauna dilakukan setiap 6 bulan dari 3 lokasi; dan
- Pemantauan Ekologi Perairan dilakukan setiap 6 bulan dari 3 lokasi.

Perusahaan melanjutkan program penanaman kembali pertanian untuk menggantikan tanaman yang terganggu selama kegiatan di lokasi. Perusahaan juga mengembangkan sistem pembuangan limbah berbahaya.





## OUR SOCIAL PROGRESS

We are committed to working with local communities to achieve mutual benefits and positive outcomes from our operations.

The Company focusses on five main areas for community engagement and support: education, health, infrastructure, local recruitment and economic empowerment.

The Company provides targeted support within neighbouring communities, including continued support to the elementary school in Boneposi village; the construction of which was supported by Masmindo. Masmindo aids for school supplies and financial support for teachers and students in nearby communities on a regular basis as well.

The Company supports medical facilities in the project area and expanded its health initiatives due to the outbreak of COVID-19. The Company implemented community education and awareness programs for COVID-19 and supported local community organizations and medical facilities with donations of medical supplies to help detect and prevent the spread of COVID-19.

The Company carries out a monthly free medication health program for eight villages in the surrounding Awak Mas Project.

## KEMAJUAN SOSIAL KAMI

Kami berkomitmen untuk bekerja dengan masyarakat lokal guna memperoleh manfaat bersama dan hasil positif dari operasi kami.

Perusahaan berfokus pada lima bidang utama dalam memberikan komitmen dan dukungan kepada masyarakat, yaitu pendidikan, kesehatan, infrastruktur, rekrutmen lokal, dan pemberdayaan ekonomi.

Perusahaan menargetkan bantuan untuk masyarakat sekitar, termasuk dukungan berkelanjutan kepada sekolah dasar di desa Boneposi, yang pembangunannya dibantu oleh Masmindo. Masmindo memberikan pula bantuan untuk perlengkapan sekolah dan dukungan keuangan bagi para guru dan siswa di masyarakat sekitar secara teratur.

Perusahaan mendukung fasilitas medis di wilayah proyek dan memperluas inisiatif kesehatan karena merebaknya COVID-19. Perusahaan melaksanakan program edukasi dan peningkatan kesadaran masyarakat untuk COVID-19 dan mendukung organisasi masyarakat lokal dan fasilitas medis dengan sumbangan perbekalan medis untuk membantu mendeteksi dan mencegah penyebaran COVID-19.

Perusahaan melaksanakan program kesehatan pengobatan gratis setiap bulan untuk delapan desa di sekitar Proyek Awak Mas.



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Masmino continued its infrastructure program by repairing roads, bridges, and rice field irrigation channels.

Throughout 2020, the Company empowered women groups in five villages through a traditional snack program for camp site employees, aid for two art studios, Maddika Bua & Maddika Ulosalu, purchases of local supplies, recruitment of local people and contractors wherever possible. We continue to generate important employment opportunities which support the ongoing and collective growth of Indonesia.

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Masmino melanjutkan program infrastrukturnya dengan melakukan perbaikan jalan, jembatan, dan saluran irigasi persawahan.

Sepanjang tahun 2020, Perusahaan memberdayakan kelompok perempuan di lima desa melalui program jajanan tradisional bagi karyawan kamp, bantuan untuk dua sanggar seni, Maddika Bua & Maddika Ulosalu, pembelian perbekalan lokal, rekrutmen masyarakat lokal dan kontraktor jika memungkinkan. Kami terus menciptakan peluang kerja yang mendukung pertumbuhan Indonesia yang berkelanjutan dan kolektif.





# FINANCE AND CORPORATE GOVERNANCE

## KEUANGAN DAN TATA KELOLA PERUSAHAAN

2020 saw the establishment and deepening of our partnership with PT Indika Energy Tbk ("Indika") through its subsidiary, PT Indika Mineral Investindo ("IMI"). IMI became our project partner with the successful completion of the tranche 1 investment of USD15m by Indika for 25% of the Project (September 2020).

A Phase 1 Independent Technical Expert (ITE) report was completed in September 2020. The ITE established several recommendations that are being addressed in the 2020 project work plan. Completion of these recommendations will allow the commencement of, and guide, the current phase of work that required to develop and execute the project.

Pada 2020, kami membangun dan memperdalam kemitraan kami dengan PT Indika Energy Tbk ("Indika") melalui anak perusahaannya, PT Indika Mineral Investindo ("IMI"). IMI menjadi mitra proyek kami dengan menyelesaikan investasi tahap 1 sebesar USD15 juta oleh Indika untuk 25% Proyek (September 2020).

Laporan Ahli Teknis Independen (ITE) Fase 1 diselesaikan pada September 2020. ITE menetapkan beberapa rekomendasi yang sedang dibahas dalam rencana kerja proyek 2020. Penyelesaian rekomendasi ini akan memungkinkan dimulainya, sekaligus memandu, fase pekerjaan saat ini yang diperlukan untuk mengembangkan dan melaksanakan proyek.

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## OUR CORPORATE GOVERNANCE

Masmino is committed to conducting its business by applying good corporate governance practices that support our commitment to do what is right.

### Code of Conduct

We are committed to the highest level of integrity and ethical standards in all business practices. The Code of Conduct outlines how the Company expects its representatives to behave and conduct business in the workplace, including legal compliance and guidelines on appropriate ethical standards.

The Code of Conduct applies to all members of the Board of Directors, members of the Board of Commissioners, and employees of the Company at all levels without exception.

The main points of the Company's Code of Conduct are as follows:

1. Compliance with laws and obligations
2. Fair trading and dealing
3. Conflicts of Interest
4. Improper use or theft of Company property, assets, and email
5. Privacy
6. Confidentiality
7. Intellectual property
8. Public communications and disclosures
9. Social media
10. Employment practices
  - (a) Equal Opportunity and Anti-Discrimination
  - (b) Occupational Health and Safety
  - (c) Company reputation
  - (d) Securities trading
  - (e) Bribes, inducements and commissions
  - (f) Gratuities
11. Community
  - (a) Contribution to the community
  - (b) Environment
  - (c) Politics

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## TATA KELOLA PERUSAHAAN KAMI

Masmino berkomitmen untuk menjalankan bisnisnya dengan menerapkan praktik tata kelola perusahaan yang baik yang mendukung komitmen kami untuk melakukan apa yang benar.

### Kode etik

Kami berkomitmen pada level tertinggi integritas dan standar etika dalam semua praktik bisnis. Kode Etik menguraikan bagaimana Perusahaan mengharapkan perwakilannya berperilaku dan menjalankan bisnis di tempat kerja, termasuk kepatuhan hukum dan pedoman tentang standar etika yang sesuai.

Kode Etik ini berlaku bagi seluruh anggota Direksi, anggota Dewan Komisaris, dan karyawan Perusahaan di semua tingkatan tanpa kecuali.

Pokok-pokok Pedoman Perilaku Perusahaan adalah sebagai berikut:

1. Kepatuhan terhadap hukum dan kewajiban
2. Perdagangan dan transaksi yang adil
3. Konflik kepentingan
4. Penggunaan yang tidak benar atau pencurian properti, aset, dan email Perusahaan
5. Privasi
6. Kerahasiaan
7. Hak kekayaan intelektual
8. Komunikasi dan pengungkapan publik
9. Media sosial
10. Praktik ketenagakerjaan
  - (a) Kesempatan yang Sama dan Anti-Diskriminasi
  - (b) Kesehatan dan keselamatan Kerja
  - (c) Reputasi perusahaan
  - (d) Perdagangan sekuritas
  - (e) Suap, bujukan, dan komisi
  - (f) Uang tip
11. Masyarakat
  - (a) Kontribusi kepada komunitas
  - (b) Lingkungan Hidup
  - (c) Politik

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### Whistleblower Policy

We encourage a culture of 'speaking up' to raise concerns about possible unlawful, unethical or socially irresponsible behaviour or other improprieties without fear of retaliation or otherwise being disadvantaged.

Disclosures of wrongdoing are of importance to the Company's risk management and corporate governance framework. This policy helps the Company to identify wrongdoing that may not be uncovered, unless there is a safe and secure means for disclosing wrongdoing.

### Diversity Policy

The Company is committed to actively managing diversity to enhance performance. Diversity involves recognising and valuing the unique contribution people can make because of different skills, experiences, and perspectives. The Company values the differences between its people and the positive contribution these differences make to the Company.

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### Kebijakan Pelaporan Pelanggaran

Kami mendorong budaya 'angkat bicara' untuk menyampaikan kekhawatiran tentang kemungkinan perilaku yang melanggar hukum, tidak etis, atau tidak bertanggung jawab secara sosial atau ketidakwajaran lainnya tanpa takut akan pembalasan atau dirugikan.

Pengungkapan kesalahan penting bagi manajemen risiko Perusahaan dan kerangka tata kelola perusahaan. Kebijakan ini membantu Perusahaan untuk mengidentifikasi pelanggaran yang mungkin tidak terungkap, kecuali ada cara yang aman dan terjamin untuk mengungkapkan pelanggaran.

### Kebijakan Keberagaman

Perusahaan berkomitmen untuk secara aktif mengelola keberagaman untuk meningkatkan kinerja. Keberagaman melibatkan pengakuan dan penilaian terhadap kontribusi unik yang dapat diberikan seseorang karena keterampilan, pengalaman, dan perspektif yang berbeda. Perusahaan menghargai perbedaan antara karyawannya dan kontribusi positif dari perbedaan tersebut bagi Perusahaan.



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### Anti-Corruption and Anti-Bribery Policy

The Company has zero tolerance for corruption and bribery. We established the anti-corruption and anti-bribery policy to ensure compliance with all applicable anti-bribery and corruption regulations, and to ensure that our business is conducted in a socially responsible manner.

The Anti-Corruption and Anti-Bribery Policy covers:

- bribes and corruption
- gifts and hospitality
- charitable contributions.

This policy applies to all Directors, officers and employees. In addition, it is expected that agents, representatives, suppliers, contractors and any third party having any dealings with the Company share our commitment to integrity in all business dealings and in providing services to the Company.

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### Kebijakan Anti-Korupsi dan Anti-Suap

Perusahaan tidak menoleransi korupsi dan penyuapan. Kami menetapkan kebijakan anti-korupsi dan anti-suap untuk memastikan kepatuhan terhadap semua peraturan antisuap dan korupsi yang berlaku, dan untuk memastikan bahwa bisnis kami dijalankan dengan cara yang bertanggung jawab secara sosial.

Kebijakan Anti-Korupsi dan Anti-Suap mencakup:

- suap dan korupsi
- hadiah dan keramahmatan
- kontribusi amal.

Kebijakan ini berlaku untuk semua Direktur, pejabat, dan karyawan. Selain itu, diharapkan agen, perwakilan, pemasok, kontraktor, dan pihak ketiga mana pun yang berhubungan dengan Perusahaan memiliki komitmen yang sama terhadap integritas dalam semua urusan bisnis dan dalam memberikan layanan kepada Perusahaan.



# BOARD OF COMMISSIONERS SUPERVISORY TASK

## TUGAS PENGAWASAN DEWAN KOMISARIS

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The Company is committed to maintaining high standards of corporate governance in the performance of our duties and upholding investor confidence in the operations of the business.

The Board of Commissioners is responsible for the general supervision, to provide advice and monitor the function of the Board of Directors while running its day to day operations.

The roles, duties, authorities, and responsibilities of the Board of Commissioners are set out in the Article 15 of the Company's Articles of Association.

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Perusahaan berkomitmen untuk menjaga standar tata kelola perusahaan yang tinggi dalam menjalankan tugasnya dan menjunjung tinggi kepercayaan investor dalam operasi bisnis.

Dewan Komisaris bertanggung jawab atas pengawasan umum, memberikan nasihat dan memantau fungsi Direksi dalam menjalankan tugas operasionalnya sehari-hari.

Peran, tugas, wewenang dan tanggung jawab Dewan Komisaris diatur dalam Pasal 15 Anggaran Dasar Perusahaan.

# MEMBERS OF THE BOARD OF COMMISSIONERS & DIRECTORS

## ANGGOTA DEWAN KOMISARIS & DIREKSI

Pursuant to Law No. 40 of 2007 regarding the Limited Liability Company ("**Company Law**"), the General Meeting of Shareholders ("**GMS**"), the Board of Commissioners, and the Board of Directors play a key role in the successful implementation and management of the Company.

The GMS undertakes important decisions based on the Company's interests and in line with the provisions of the Articles of Association and applicable legislation, The Board of Directors manage the company and the Board of Commissioners perform the supervisory function on the performance of corporate management run by the Board of Directors.

Members of the Board of Commissioners and the Board of Directors are appointed by the GMS for a period of maximum 5 (five) years commencing from the date that the GMS has been closed until expiry on the 5th anniversary of the respective GMS date when they may be reappointed as provided in Law 40 of 2007.

Berdasarkan Undang-Undang No. 40 tahun 2007 tentang Perusahaan Terbatas ("**UUPT**"), Rapat Umum Pemegang Saham ("**RUPS**"), Dewan Komisaris, dan Dewan Direksi memainkan peran kunci dalam keberhasilan pelaksanaan dan pengelolaan perusahaan.

RUPS mengambil keputusan penting berdasarkan kepentingan Perusahaan dan sejalan dengan ketentuan Anggaran Dasar dan peraturan perundang-undangan yang berlaku, Direksi mengurus perusahaan dan Dewan Komisaris melakukan fungsi pengawasan atas kinerja pengelolaan perusahaan yang dijalankan oleh Direksi.

Anggota Dewan Komisaris dan Direksi diangkat oleh RUPS untuk jangka waktu maksimal 5 (lima) tahun terhitung sejak tanggal ditutupnya RUPS sampai dengan berakhirnya ulang tahun ke-5 dari tanggal RUPS dan mereka dapat diangkat kembali sebagaimana diatur dalam UU 40 Tahun 2007.



On 27 October 2020, the company changed the composition of Board Commissioners and the Board Directors thru the GMS. The resignation of Gregory Paul Foulis and Tatan Achmad Taufik, S.E. as Commissioners and the appointment of Purbaja Pantja as the President Commissioner and Adi Shima as Commissioner of the Company, were accepted. In respect of the Board of Directors, the resignation of Derek John Humphry as Director and the appointment of Shirley Shinta as a new Director of the Company were accepted.

The Articles of Association of the Company has its latest amendment as drawn at the Deed made by Darmawan Tjoa, S.H, S.E, a public notary in Jakarta based on the Deed No. 59 dated 27 October 2020 regarding the Change of Articles of Association and Change of Board of Directors and Board of Commissioners. The respective amendment of the Articles of Association has been notified to the Minister of Law and Human Rights of the Republic of Indonesia according to the Receipt of Notification of Change of Articles of Association No. AHU-AH.01.03-0403296 and Receipt of Notification of Change of Company Data No. AH.01.03-0403297, both dated 2 November 2020. Thus, the changes in the Composition of the Board of Directors and the Board of Commissioners are as follows:

Pada 27 Oktober 2020, perusahaan melakukan perubahan susunan Dewan Komisaris dan Direksi melalui RUPS. Pengunduran diri Gregory Paul Foulis dan Tatan Achmad Taufik, SE sebagai Komisaris serta pengangkatan Purbaja Pantja sebagai Presiden Komisaris dan Adi Shima sebagai Komisaris Perusahaan, diterima. Sehubungan dengan Direksi, pengunduran diri Derek John Humphry sebagai Direktur dan pengangkatan Shirley Shinta sebagai Direktur Perusahaan yang baru, diterima.

Anggaran Dasar Perusahaan telah mengalami perubahan terakhir sebagaimana tertulis dalam Akta Notaris Darmawan Tjoa, S.H., SE di Jakarta berdasarkan Akta No. 59 tanggal 27 Oktober 2020 tentang Perubahan Anggaran Dasar dan Perubahan Dewan Direksi dan Dewan Komisaris. Masing-masing Perubahan Anggaran Dasar telah diberitahukan kepada Menteri Hukum dan Hak Asasi Manusia Republik Indonesia sesuai dengan Penerimaan Pemberitahuan Perubahan Anggaran Dasar No. AHU-AH.01.03-0403296 dan Penerimaan Pemberitahuan Perubahan Data Perseroan No. AH.01.03-0403297, keduanya tertanggal 2 November 2020. Dengan demikian, perubahan Susunan Direksi dan Dewan Komisaris adalah sebagai berikut:

| Position/Jabatan                           | Before GMS on October 27th, 2020/<br>Sebelum RUPS 27 Oktober 2020 | After GMS on October 27th, 2020/<br>Setelah RUPS 27 Oktober 2020 |
|--------------------------------------------|-------------------------------------------------------------------|------------------------------------------------------------------|
| President Commissioner/<br>Komisaris Utama | Rob Alan Hogarth                                                  | Purbaja Pantja                                                   |
| Commissioner/Komisaris                     | Gregory Paul Foulis                                               | Robert Alan Hogarth                                              |
| Commissioner/Komisaris                     | Tatan Achmad Taufik, S.E.                                         | Adi Darma Shima                                                  |
|                                            |                                                                   |                                                                  |
| President Director/<br>Presiden Direktur   | Boyke Poerbaya Abidin                                             | Boyke Poerbaya Abidin                                            |
| CEO/Direktur                               | Neil Simon Whitaker                                               | Neil Simon Whitaker                                              |
| Director/Direktur                          | Adrian Reinhart David Rollke                                      | Adrian Reinhart David Rollke                                     |
| Director/Direktur                          | Derek John Humphry                                                | Shirley Shinta                                                   |

# MEMBERS OF THE BOARD OF COMMISSIONERS

## ANGGOTA DEWAN KOMISARIS

### Board of Commissioners Dewan Komisaris



**Purbaja Pantja**

President Commissioner/ Komisaris Utama

Appointed on October 27, 2020/ Diangkat pada 27 Oktober 2020

Mr. Purbaja Pantja started his professional career in the banking industry. His previous roles include Head of Investment Banking, Indonesia at NM Rothschild & Sons Singapore (2003 – 2007), Head of Global Banking Indonesia at Deutsche Bank Singapore (2008 – 2010), and Head of Strategic Coverage Indonesia at Standard Chartered Bank Singapore (2010 – 2013). He also served as President Director of PT Alam Sutera Realty Tbk and Senior Director at Capital Group Private Markets prior to his role with PT Indika Energy Tbk. He also serves as Commissioner of PT Petrosea Tbk. since April 22, 2019.

Purbaja Pantja memulai karir profesionalnya di industri perbankan. Jabatan beliau sebelumnya antara lain Head of Investment Banking, Indonesia di NM Rothschild & Sons Singapore (2003 - 2007), Head of Global Banking Indonesia di Deutsche Bank Singapore (2008 - 2010), dan Head of Strategic Coverage Indonesia di Standard Chartered Bank Singapore (2010 - 2013). Ia juga pernah menjabat sebagai Presiden Direktur PT Alam Sutera Realty Tbk dan Direktur Senior di Capital Group Private Markets sebelum menjabat di PT Indika Energy Tbk. Dia juga duduk sebagai Komisaris PT Petrosea Tbk. sejak 22 April 2019.



## Adi Darma Shima

Commissioner/ Komisaris

Appointed on October 27, 2020/ Diangkat pada 27 Oktober 2020

Mr. Adi Darma Shima obtained his Bachelor's degree in Economics, majoring in Accounting from Parahyangan University, Bandung in 2004. He has also attended various certified courses, including Financial Model and Project Finance from Euromoney in 2011, Intensive Indonesia Coal from the MBA Training Company in 2012, Certified Strategy Execution Professional in 2014 and Business Process Improvement from SSCX in 2014.

He previously served as VP Business Development PT Indika Energy Tbk. (Januari 2018 – Maret 2020), GM Corporate Planning and Investor Relations of PT Mitrabahtera Segara Sejati Tbk. (Juli 2013 – Januari 2018), Senior Manager Corporate Planning of PT Indika Energy Tbk. (Januari 2019 – Juli 2015), Financial Analyst of PT Abbot Indonesia (September 2007 – Januari 2010), and Senior Associate of Ernst & Young Indonesia (October 2003 – September 2007).

Adi Darma Shima memperoleh gelar Sarjana Ekonomi jurusan Akuntansi dari Universitas Parahyangan, Bandung pada tahun 2004. Beliau juga pernah mengikuti berbagai kursus bersertifikat, antara lain Financial Model dan Project Finance dari Euromoney pada tahun 2011, Intensive Indonesia Coal dari MBA Training Company pada 2012, Certified Strategy Execution Professional pada 2014 dan Business Process Improvement dari SSCX pada 2014.

Sebelumnya, beliau menjabat sebagai VP Business Development PT Indika Energy Tbk. (Januari 2018 - Maret 2020), GM Corporate Planning dan Investor Relations PT Mitrabahtera Segara Sejati Tbk. (Juli 2013 - Januari 2018), Senior Manager Corporate Planning PT Indika Energy Tbk. (Januari 2019 - Juli 2015), Analis Keuangan PT Abbot Indonesia (September 2007 - Januari 2010), dan Senior Associate of Ernst & Young Indonesia (Oktober 2003 - September 2007).



## Robert Alan Hogarth

Commissioner/ Komisaris

Appointed on October 27, 2020/ Diangkat pada 27 Oktober 2020

Mr. Rob Hogarth built his mining industry expertise during a 37-year career with KPMG, where he was leader of KPMG's Energy and Natural Resources & Major Project Advisory Practices, and lead partner for many of the firm's listed mining clients in the Asia Pacific region. He has been involved with Indonesia since 1983. Since retiring from KPMG in 2009, he has become a Director of a range of companies, including AMC Consultants and sits on several audit committees.

Rob Hogarth membangun keahlian industri pertambangannya selama 37 tahun berkarir di KPMG, di mana ia memimpin bagian Energi dan Sumber Daya Alam & menjadi Penasihat Proyek Utama KPMG serta mitra utama untuk banyak klien pertambangan yang terdaftar di perusahaan tersebut di wilayah Asia Pasifik. Ia terlibat dengan Indonesia sejak 1983. Sejak pensiun dari KPMG pada 2009, ia telah menjadi direktur berbagai perusahaan, termasuk AMC Consultants dan duduk di beberapa komite audit.

# MEMBERS OF THE BOARD OF DIRECTORS

## ANGGOTA DIREKSI

### Board of Directors Direksi



**Boyke Poerbaya Abidin**

President Director/ Direktur Utama

Appointed on October 27, 2020/ Diangkat pada 27 Oktober 2020

Boyke Abidin holds a Bachelor of Science in Business Administration from International University Europe – London. He has more than 25 (twenty-five) years' experience in Indonesian management. Previously a Government Liaison Officer for the Rawas Gold Mine in South Sumatra, Boyke has extensive in-country expertise. He is President Director of Indonesian Operations for One Asia Resources and has been a Director of the Company since 2000. He is also a Director of PT Bumi Suksesindo (a subsidiary of PT Merdeka Copper Gold Tbk), PT Resources Indonesia, PT Dwinad Nusa Sejahtera, and PT Sorikmas Mining.

Boyke Abidin memperoleh gelar Bachelor of Science in Business Administration dari International University Europe - London. Memiliki pengalaman lebih dari 25 (dua puluh lima) tahun di bidang manajemen Indonesia. Sebelumnya menjabat sebagai Pejabat Penghubung Pemerintah untuk Tambang Emas Rawas di Sumatera Selatan, Boyke memiliki keahlian yang luas di dalam negeri. Ia adalah Presiden Direktur Operasi Indonesia untuk One Asia Resources dan telah menjadi Direktur Perusahaan sejak tahun 2000. Ia juga merupakan direktur PT Bumi Suksesindo (anak perusahaan PT Merdeka Copper Gold Tbk), PT Resources Indonesia, PT Dwinad Nusa Sejahtera, dan PT Sorikmas Mining.



## Neil Simon Whitaker

CEO & Director/ CEO & Direktur

Appointed on October 27, 2020/ Diangkat pada 27 Oktober 2020

Neil Whitaker studied at Leeds University and Imperial College London and has over 40 years' experience in the mining sector including gold. He has held senior executive and operating roles with Anglo American, WMC Resources, Newcrest Mining, Clough Ltd, and their Indonesian subsidiary, PT Petrosea Tbk. Neil has extensive international board and operating success in leading resource companies. Having previously worked in the Asia-Pacific region as the Chief Operating Officer for Petrosea and with our Indonesian strategic partner Indika Energy, Neil has the relevant local knowledge and experience to lead the Awak Mas Gold Project through the next phases of development.

Neil Whitaker menempuh studi di Universitas Leeds dan Imperial College London dan memiliki pengalaman lebih dari 40 tahun di sektor pertambangan termasuk emas. Dia telah berperan sebagai eksekutif senior dan eksekutif operasional di Anglo American, WMC Resources, Newcrest Mining, Clough Ltd, dan anak perusahaannya di Indonesia, PT Petrosea Tbk. Neil memiliki pengalaman internasional duduk di Dewan Direksi dan keberhasilan dalam memimpin operasional perusahaan sumber daya. Setelah sebelumnya bekerja di kawasan Asia-Pasifik sebagai Chief Operating Officer untuk Petrosea dan dengan mitra strategis Indonesia kami, Indika Energy, Neil memiliki pengetahuan dan pengalaman lokal yang relevan untuk memimpin Proyek Emas Awak Mas melalui fase pengembangan berikutnya.



## Adrian Reinhart David Rollke

Director/ Direktur

Appointed on October 27, 2020/ Diangkat pada 27 Oktober 2020

Adrian Rollke has been a Director of Masmindo since 2014. He holds a Bachelor Degree in Economics from the University of Western Ontario and has been involved in the finance and management of natural resource companies for over twenty-five years and has served on the board of several resource companies. In addition, Adrian is a Commissioner of PT Pani Bersama Jaya, a subsidiary of PT Merdeka Copper Gold Tbk.

Adrian Rollke telah menjadi Direktur Masmindo sejak 2014. Meraih gelar Sarjana Ekonomi dari University of Western Ontario dan telah terlibat dalam keuangan dan manajemen perusahaan sumber daya alam selama lebih dari dua puluh lima tahun dan pernah menjabat sebagai Direksi dari beberapa perusahaan sumber daya. Selain itu, Adrian adalah Komisaris PT Pani Bersama Jaya, anak perusahaan PT Merdeka Copper Gold Tbk.



## Shirley Shinta

Director/ Direktur

Appointed on October 27, 2020/ Diangkat pada 27 Oktober 2020

Shirley Shinta graduated with a degree from the Faculty of Economics, the University of Indonesia in 1996. Given her extensive experiences in financial institutions, securities, investment banking, and the energy industry, she successfully took various responsibilities. Shirley served as Director of Finance & Administration for PT Transportasi Gas Indonesia, Vice President of Corporate Finance for PT PGN Persero, Vice President for PT UOB Kay Hian Securities, Kim Eng Securities, and PT Trimegah Securities, Tbk.

Shirley Shinta lulus dengan gelar dari Fakultas Ekonomi Universitas Indonesia pada 1996. Dengan pengalamannya yang luas di lembaga keuangan, sekuritas, perbankan investasi, dan industri energi, dia berhasil mengemban berbagai tanggung jawab. Shirley pernah menjabat sebagai Direktur Keuangan & Administrasi PT Transportasi Gas Indonesia, Vice President Corporate Finance PT PGN Persero, Vice President PT UOB Kay Hian Securities, Kim Eng Securities, dan PT Trimegah Securities, Tbk.

## REMUNERATION OF THE BOARD OF DIRECTORS AND COMMISSIONERS

The total remuneration (salaries and other allowances) paid to the Board of Directors during 2020 totalled IDR 7.872.490.091.

No remuneration was paid to the Board of Commissioners during 2020.

## REMUNERASI DIREKSI DAN KOMISARIS

Jumlah remunerasi (gaji dan tunjangan lainnya) yang dibayarkan kepada Direksi selama tahun 2020 berjumlah Rp 7.872.490.091.

Tidak ada remunerasi yang dibayarkan kepada Dewan Komisaris selama tahun 2020.



# FINANCIAL REVIEW and RISK

## TINJAUAN KEUANGAN dan RISIKO

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The management has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function.

The Company, in accordance with the Company Law, undertakes an independent audit of its financial statements on an Annual basis. Tanubrata Sutanto Fahmi Bambang & Rekan, Certified Public Accountant, and a member of BDO International Limited (BDO Indonesia) were appointed as the Company's auditors for the year 2020 (2019: BDO Indonesia).

During the year 2020, the Company focused on the continued development of the Awak Mas Gold Project and has invested approximately USD19.1m in project related capital expenditures by increasing Exploration & Evaluation Assets from USD26.4m to USD30.3m and Property & Equipment (FEED and other Fixed Assets) from USD0.1m to USD15.3m.

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Manajemen memiliki tanggung jawab penuh untuk menentukan tujuan dan kebijakan manajemen risiko Perusahaan dan, dengan tetap mempertahankan tanggung jawab untuk itu, telah mendelegasikan wewenang untuk merancang dan menjalankan proses yang memastikan pelaksanaan tujuan dan kebijakan yang efektif untuk fungsi keuangan Perusahaan.

Perusahaan, sesuai dengan Undang-Undang Perseroan Terbatas, melakukan audit independen atas laporan keuangannya setiap tahun. Tanubrata Sutanto Fahmi Bambang & Rekan, Akuntan Publik, dan anggota BDO International Limited (BDO Indonesia) ditunjuk sebagai auditor Perusahaan untuk tahun buku 2020 (2019: BDO Indonesia).

Sepanjang 2020, Perusahaan berfokus pada kelanjutan pengembangan Proyek Awak Mas dan telah menginvestasikan sekitar USD19,1 juta untuk belanja modal terkait proyek dengan meningkatkan Aset Eksplorasi & Evaluasi dari USD26,4 juta menjadi USD30,3 juta dan Properti & Peralatan (FEED dan Aset Tetap lainnya) dari USD0.1 juta menjadi USD15.3 juta.

At 31 December 2020, total Current Assets totaled USD8.1m (31 December 2019 - USD799k), which mostly reflect cash available in Banks, and current liabilities totaled USD12.7m (31 December 2019 - USD885k), which mostly reflects deferred payments arrangement for FEED Services. At 31 December 2002 the Company had a working capital deficit of USD4.6m (31 December 2019 – deficit USD86k).

At 31 December 2020 long-term liabilities were limited to Post-Employment Benefits Liability of USD658k (31 December 2019 – USD335k).

During the year 2020, the Company secured USD18.7m funding from its Shareholders along with the prior year advance paid-in capital converted to share capital totaling USD4.4m. Total Share Capital balance increased to USD56.15m (31 December 2019 – USD33m) including Additional Paid-In Capital of USD2.6m.

Funding from shareholders was used by the Company in 2020 as follows:

|                              |                 |
|------------------------------|-----------------|
| Corporate Administration     | USD2.0m         |
| Finance Fees                 | USD0.2m         |
| Site Operations              | USD1.8m         |
| Mine Reclamation Guarantee   | USD1.2m         |
| Exploration                  | USD1.3m         |
| Project Development (1)      | USD5.6m         |
| <b>Total Uses of Funding</b> | <b>USD12.1m</b> |

**Note 1.** This excludes amounts incurred under the Petrosea FEED Services Contract which has been applied to the Deferred Payment mechanism noted above.

Pada 31 Desember 2020, total Aktiva Lancar berjumlah USD8.1 juta (31 Desember 2019 - USD799k) yang sebagian besar mencerminkan kas yang tersedia di Bank dan kewajiban lancar berjumlah USD12.7 juta (31 Desember 2019 - USD885k), yang sebagian besar mencerminkan penundaan pembayaran FEED. Pada 31 Desember 2002, Perusahaan mengalami defisit modal kerja sebesar USD4.6 juta (31 Desember 2019 - defisit USD86 ribu).

Pada 31 Desember 2020, kewajiban jangka panjang dibatasi pada Kewajiban Imbalan Pasca Kerja sebesar USD658 ribu (31 Desember 2019 - USD335 ribu).

Sepanjang 2020, Perusahaan memperoleh dana USD18,7 juta dari Pemegang Saham bersama dengan modal disetor di muka tahun sebelumnya yang dikonversi menjadi modal saham dengan total USD4,4 juta. Total saldo Modal Saham meningkat menjadi USD56,15 juta (31 Desember 2019 - USD33 juta) termasuk Tambahan Modal Disetor sebesar USD2,6 juta.

Pendanaan dari pemegang saham digunakan Perusahaan pada 2020 sebagaimana berikut:

|                                   |                     |
|-----------------------------------|---------------------|
| Administrasi Perusahaan           | USD2.0 juta         |
| Biaya Keuangan                    | USD0.2 juta         |
| Operasi Site                      | USD1.8 juta         |
| Jaminan Reklamasi Tambang         | USD1.2 juta         |
| Eksplorasi                        | USD1.3 juta         |
| Pengembangan Proyek (1)           | USD5.6 juta         |
| <b>Total Penggunaan Pendanaan</b> | <b>USD12.1 juta</b> |

**Catatan 1.** Tidak termasuk biaya yang dikeluarkan untuk Kontrak Jasa FEED Petrosea yang menggunakan mekanisme Pembayaran Ditangguhkan seperti disebutkan di atas.



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The new shares ownership resulted from the new funding from shareholders and equity conversion have been approved by Minister of Law and Human Rights of the Republic of Indonesia on 23 January 2020.

The Company is still in the development phase and has not generated operating income and incurred losses from general and administrative costs. During the year 2020 the Company incurred an operating loss of USD1.7m (during 2019 – USD1.1m).

In relation with Deferred Payments obligation due to the FEED Contractor of USD11.6m, the Company Shareholders enter into Shares Pledge Agreement dated 23 March 2020 to secure the payment and performance of the Deferred Payment Obligations, whereby Salu Siwa pledged 20% of its shareholding of the Company.

The company maintains an Enterprise Risk Management (ERM) System with development and routine review of risk registers for control of project and corporate risk.

Management is confident that the Company will be able to continue to discharge its financial obligations, fund project development programs and cover general administrative costs.

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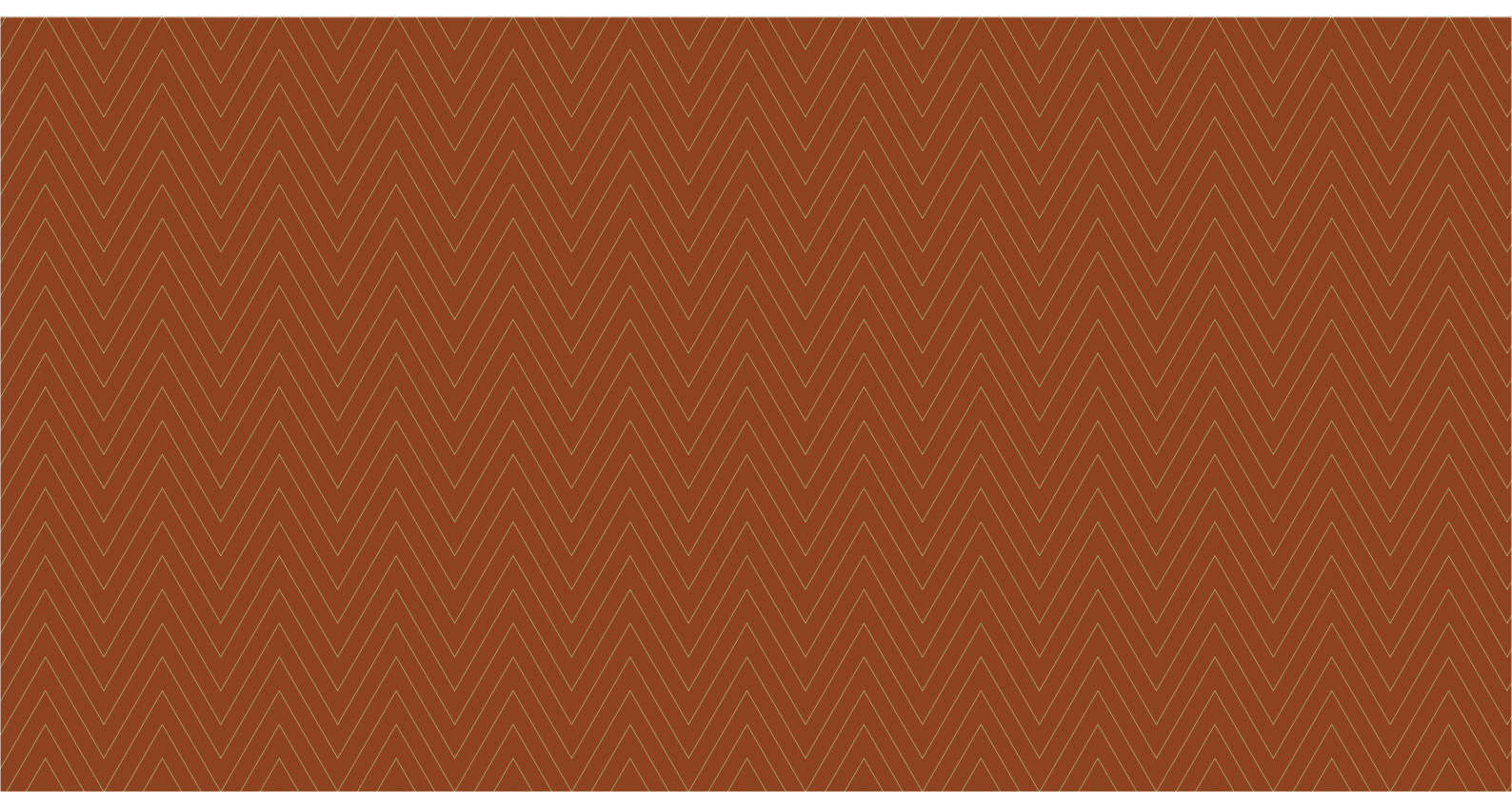
Kepemilikan saham baru hasil pendanaan baru dari pemegang saham dan konversi ekuitas telah mendapat persetujuan Menteri Hukum dan Hak Asasi Manusia Republik Indonesia pada 23 Januari 2020.

Perusahaan masih dalam tahap pengembangan dan belum menghasilkan pendapatan operasional serta mengalami kerugian dari biaya umum dan administrasi. Selama 2020, Perusahaan mengalami kerugian operasional sebesar USD1,7 juta (selama 2019 - USD1,1 juta).

Sehubungan dengan kewajiban Pembayaran Ditangguhkan untuk Kontraktor FEED sebesar USD11,6 juta, Pemegang Saham Perusahaan menandatangani Perjanjian Gadai Saham tanggal 23 Maret 2020 untuk menjamin pembayaran dan pelaksanaan Kewajiban Pembayaran Yang Ditangguhkan, di mana Salu Siwa menjaminkan 20% dari kepemilikan sahamnya atas Perusahaan.

Perusahaan memelihara Sistem Manajemen Risiko Perusahaan (ERM) dengan pengembangan dan tinjauan rutin register risiko untuk pengendalian risiko proyek dan perusahaan.

Manajemen yakin bahwa Perusahaan akan dapat terus memenuhi kewajiban keuangannya, mendanai program pengembangan proyek dan menutupi biaya administrasi umum.





# AUDITORS REPORT AND AUDITED FINANCIAL STATEMENTS 2020

LAPORAN AUDITOR DAN LAPORAN AUDIT KEUANGAN 2020

**PT MASMINDO DWI AREA**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**  
**AND**  
**INDEPENDENT AUDITORS' REPORT**

**PT MASMINDO DWI AREA  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**C O N T E N T S**

**Directors' Statement**

**Exhibit**

Statement of Financial Position

A

Statement of Profit or Loss and Other Comprehensive Income

B

Statement of Changes in Equity

C

Statement of Cash Flows

D

Notes to the Financial Statements

E

**Independent Auditors' Report**

**DIRECTORS' STATEMENT LETTER  
RELATING TO THE  
RESPONSIBILITY ON THE FINANCIAL STATEMENTS  
AS OF 31 DECEMBER 2020  
PT MASMINDO DWI AREA**

We, the undersigned:

|                |                                                                                                        |
|----------------|--------------------------------------------------------------------------------------------------------|
| Name           | : Boyke Poerbaya Abidin                                                                                |
| Office Address | : Graha Mitra, 10 <sup>th</sup> Floor Unit 1002,<br>Jl. Jend. Gatot Subroto Kav 21,<br>Jakarta Selatan |
| Phone Number   | : (021) - 2525255                                                                                      |
| Position       | : President Director                                                                                   |
| Name           | : Adrian Reinhart Rollke                                                                               |
| Office Address | : Graha Mitra, 10 <sup>th</sup> Floor Unit 1002,<br>Jl. Jend. Gatot Subroto Kav 21,<br>Jakarta Selatan |
| Phone Number   | : (021) - 2525255                                                                                      |
| Position       | : Director                                                                                             |

State that:

1. We are responsible for the preparation and presentation of the financial statements of PT Masmindo Dwi Area (the "Company");
2. The financial statements of the Company have been prepared and presented in accordance with Indonesian Financial Accounting Standards;
3. a. All information contained in the financial statements are complete and correct;  
b. The financial statements do not contain misleading material information or facts, and do not omit material information and facts;
4. We are responsible for the Company's internal control system.

This statement letter is made truthfully.

For and on behalf of the Board of Directors

Jakarta, 9 April 2021 

  
Boyke Poerbaya Abidin  
President Director



  
Adrian Reinhart Rollke  
Director

PT MASMINDO DWI AREA  
STATEMENT OF FINANCIAL POSITION  
31 DECEMBER 2020  
(Expressed in United States Dollar, unless otherwise stated)

|                                   | <u>Notes</u> | <u>2 0 2 0</u>           | <u>2 0 1 9</u>           |
|-----------------------------------|--------------|--------------------------|--------------------------|
| <b>ASSETS</b>                     |              |                          |                          |
| <b>Current assets</b>             |              |                          |                          |
| Cash and cash equivalent          | 4            | 8,036,045                | 183,588                  |
| Prepayments and advances          | 5            | 89,952                   | 115,482                  |
| Mine closure and reclamation      | 13           | -                        | 499,760                  |
| <b>Total current assets</b>       |              | <b><u>8,125,997</u></b>  | <b><u>798,830</u></b>    |
| <b>Non-current assets</b>         |              |                          |                          |
| Prepaid taxes                     | 11a          | 2,774,964                | 1,420,943                |
| Property and equipment            | 6            | 15,347,852               | 131,670                  |
| Exploration and evaluation assets | 7            | 30,291,099               | 26,361,454               |
| Restricted cash                   | 8            | 1,338,253                | 133,825                  |
| <b>Total non-current assets</b>   |              | <b><u>49,752,168</u></b> | <b><u>28,047,892</u></b> |
| <b>TOTAL ASSETS</b>               |              | <b><u>57,878,165</u></b> | <b><u>28,846,722</u></b> |

See accompanying Notes to the Financial Statements on Exhibit E  
which are an integral part of the Financial Statements taken as a whole

**PT MASMINDO DWI AREA**  
**STATEMENT OF FINANCIAL POSITION**  
**31 DECEMBER 2020**  
(Expressed in United States Dollar, unless otherwise stated)

|                                                                                                                                         | <u>Notes</u>    | <u>2 0 2 0</u>    | <u>2 0 1 9</u>    |
|-----------------------------------------------------------------------------------------------------------------------------------------|-----------------|-------------------|-------------------|
| <b>LIABILITIES AND EQUITY</b>                                                                                                           |                 |                   |                   |
| <b>LIABILITIES</b>                                                                                                                      |                 |                   |                   |
| <b>Current liabilities</b>                                                                                                              |                 |                   |                   |
| Trade payables-Third parties                                                                                                            | <b>9</b>        | 200,210           | 164,268           |
| Deferred contractor payment                                                                                                             | <b>19a, 21c</b> | 11,647,856        | -                 |
| Accrued expenses                                                                                                                        | <b>10</b>       | 610,254           | 197,352           |
| Provision for mine rehabilitation                                                                                                       | <b>13</b>       | -                 | 499,760           |
| Taxes payables                                                                                                                          | <b>11b</b>      | 193,883           | 23,134            |
| <b>Total current liabilities</b>                                                                                                        |                 | <b>12,652,203</b> | <b>884,514</b>    |
| <b>Non-current liabilities</b>                                                                                                          |                 |                   |                   |
| Provision for post-employment benefits                                                                                                  | <b>12</b>       | 658,057           | 335,737           |
| <b>Total non-current liabilities</b>                                                                                                    |                 | <b>658,057</b>    | <b>335,737</b>    |
| <b>Total liabilities</b>                                                                                                                |                 | <b>13,310,260</b> | <b>1,220,251</b>  |
| <b>EQUITY</b>                                                                                                                           |                 |                   |                   |
| Share capital - Authorized 1,678,254 shares,<br>Issued and fully paid - 936,911 shares<br>par value @ Rp 795,000 (2019: 559,418 shares) | <b>14</b>       | 53,517,897        | 32,984,708        |
| Additional paid-in capital                                                                                                              | <b>15</b>       | 2,646,057         | -                 |
| Advance paid-in capital                                                                                                                 | <b>16</b>       | -                 | 4,404,825         |
| Other equity component                                                                                                                  | <b>12</b>       | ( 115,772)        | 5,874             |
| Accumulated losses                                                                                                                      |                 | ( 11,480,277)     | ( 9,768,936)      |
| <b>Total equity</b>                                                                                                                     |                 | <b>44,567,905</b> | <b>27,626,471</b> |
| <b>TOTAL LIABILITIES AND EQUITY</b>                                                                                                     |                 | <b>57,878,165</b> | <b>28,846,722</b> |

See accompanying Notes to the Financial Statements on Exhibit E  
which are an integral part of the Financial Statements taken as a whole

**PT MASMINDO DWI AREA**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**  
(Expressed in United States Dollar, unless otherwise stated)

|                                                                                       | <u>Notes</u> | <u>2 0 2 0</u>              | <u>2 0 1 9</u>              |
|---------------------------------------------------------------------------------------|--------------|-----------------------------|-----------------------------|
| General and administrative expenses                                                   | 17           | ( 2,706,441 )               | ( 1,104,017 )               |
| Other expenses                                                                        |              | <u>995,100</u>              | <u>( 9,062 )</u>            |
| <b>LOSS BEFORE TAX</b>                                                                |              | <b>( <u>1,711,341</u> )</b> | <b>( <u>1,113,079</u> )</b> |
| Tax expenses                                                                          | 11c          | <u>-</u>                    | <u>-</u>                    |
| <b>LOSS FOR THE YEAR</b>                                                              |              | <b>( <u>1,711,341</u> )</b> | <b>( <u>1,113,079</u> )</b> |
| <b>OTHER COMPREHENSIVE INCOME THAT<br/>WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS</b> |              |                             |                             |
| Remeasurement of post-employment benefits                                             | 12           | ( <u>121,646</u> )          | <u>22,687</u>               |
| <b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>                                          |              | <b>( <u>1,832,987</u> )</b> | <b>( <u>1,090,392</u> )</b> |

See accompanying Notes to the Financial Statements on Exhibit E  
which are an integral part of the Financial Statements taken as a whole

PT MASMINDO DWI AREA  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020  
(Expressed in United States Dollar, unless otherwise stated)

|                                    | Share<br>Capital  | Additional<br>Paid-in<br>Capital | Advance<br>paid-in<br>capital | Other<br>equity<br>component | Accumulated<br>Losses | Total             |
|------------------------------------|-------------------|----------------------------------|-------------------------------|------------------------------|-----------------------|-------------------|
| <b>Balance at 1 January 2019</b>   | 32,984,708        | -                                | -                             | ( 16,813 )                   | ( 8,655,857 )         | 24,312,038        |
| Advance paid-in capital            | -                 | -                                | 4,404,825                     | -                            | -                     | 4,404,825         |
| Loss for the year                  | -                 | -                                | -                             | -                            | ( 1,113,079 )         | ( 1,113,079 )     |
| Other comprehensive income         | -                 | -                                | -                             | 22,687                       | -                     | 22,687            |
| <b>Balance at 31 December 2019</b> | <b>32,984,708</b> | <b>-</b>                         | <b>4,404,825</b>              | <b>5,874</b>                 | <b>( 9,768,936 )</b>  | <b>27,626,471</b> |
| Advance paid-in capital            | -                 | -                                | ( 4,404,825 )                 | -                            | -                     | ( 4,404,825 )     |
| Paid-in capital                    | 20,533,189        | 2,646,057                        | -                             | -                            | -                     | 23,179,246        |
| Loss for the year                  | -                 | -                                | -                             | -                            | ( 1,711,341 )         | ( 1,711,341 )     |
| Other comprehensive loss           | -                 | -                                | -                             | ( 121,646 )                  | -                     | ( 121,646 )       |
| <b>Balance at 31 December 2020</b> | <b>53,517,897</b> | <b>2,646,057</b>                 | <b>-</b>                      | <b>( 115,772 )</b>           | <b>( 11,480,277 )</b> | <b>44,567,905</b> |
|                                    | Note 14           | Note 15                          | Note 16                       | Note 12                      |                       |                   |

See accompanying Notes to the Financial Statements on Exhibit E  
which are an integral part of the Financial Statements taken as a whole

PT MASMINDO DWI AREA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2020  
(Expressed in United States Dollar, unless otherwise stated)

|                                                          | Notes | 2 0 2 0                 | 2 0 1 9               |
|----------------------------------------------------------|-------|-------------------------|-----------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>              |       |                         |                       |
| Payments to employees                                    |       | ( 1,324,371 )           | ( 631,152 )           |
| Payments to supplier and others                          |       | ( 2,377,564 )           | ( 904,978 )           |
| Receipts from current account                            |       | 228,152                 | 585                   |
| Payments for WHT 23/26                                   |       | ( 1,207,538 )           | -                     |
| <b>Net cash flows used in operating activities</b>       |       | ( 4,681,321 )           | ( 1,535,545 )         |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>              |       |                         |                       |
| Payments for exploration and evaluation assets           |       | ( 3,477,927 )           | ( 2,706,394 )         |
| Acquisition of property and equipment                    | 6     | ( 544,811 )             | ( 72,525 )            |
| Construction in progress                                 |       | ( 2,984,853 )           | -                     |
| <b>Net cash flows used in investing activities</b>       |       | ( 7,007,591 )           | ( 2,778,919 )         |
| <b>CASH FLOWS FROM FINANCING ACTIVITY</b>                |       |                         |                       |
| Paid-in capital                                          |       | 18,774,420              | -                     |
| Advance paid-in capital                                  |       | -                       | 4,404,825             |
| <b>Net cash provided by financing activities</b>         |       | <u>18,774,420</u>       | <u>4,404,825</u>      |
| <b>NET INCREASE IN CASH AND BANK</b>                     |       | <b>7,085,508</b>        | <b>90,361</b>         |
| <b>CASH AND BANKS AT BEGINNING OF YEAR</b>               |       | <b>183,588</b>          | <b>102,873</b>        |
| Effect of foreign exchange translation on cash and banks |       | <u>766,949</u>          | ( 9,646 )             |
| <b>CASH AND BANKS AT END OF YEAR</b>                     | 4     | <u><b>8,036,045</b></u> | <u><b>183,588</b></u> |

See accompanying Notes to the Financial Statements on Exhibit E  
which are an integral part of the Financial Statements taken as a whole

**PT MASMINDO DWI AREA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**  
 (Expressed in United States Dollar, unless otherwise stated)

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**1. GENERAL**

**a. Establishment and general information**

PT Masmino Dwi Area (the "Company") was established under the framework of the Foreign Capital Investment Law No. 1, 1967 based on Notarial Deed No. 10 made before Dra. Suci Amatul Qudus, SH., CN., substitute notary of B.R.A.Y Mahyastoeti Notonagoro, S.H., Notary in Jakarta dated 10 February 1998. The Company's Articles of Association were approved by the Minister of Justice in decision letter No. C2- 919.HT.01.01.TH.98 dated 16 February 1998 and published in a Supplement to the State Gazette on 5 June 1998.

Article of association of the Company has been amended several times, lastly throughout Notarial Deed from Darmawan Tjoa S.H., S.E. No. 59 dated 27 October 2020 which was related to the decision to amend the Articles of Association and change the composition of Board of Director and Board of Commissioners based on the Extraordinary General Meeting of Shareholders of the Company. The notification of amendment of the Articles of Association and Company's Data has been received by the Minister of Law and Human Rights of the Republic of Indonesia pursuant to Notification Receipt No. AHU-AH.01.03-0403296 and No. AHU-AH.01.03-0403297, both dated 2 November 2020.

In accordance with article 3 of the Company's Articles of Association, the Company is engaged in the gold and silver (and its associated mineral) mining activities in a Contract of Work (CoW) area as approved by the Government of the Republic of Indonesia.

The Company is domiciled in Graha Mitra, 4<sup>th</sup> Floor Unit 401, Jl Jend. Gatot Subroto Kav 21, Jakarta Selatan, Indonesia.

The Company's ultimate parent entity is Nusantara Resources Limited which is a public listed Company in Australia having a registered office at C/- Leydin Freyer Level 4, 100 Albert Road South Melbourne Victoria 3205, Australia.

The main objective of the Company is to explore, develop, mine and market minerals within the Contract of Work ("CoW") area comprising 14,390 hectares in Latimojong District, Luwu Regency, South Sulawesi Province, Indonesia.

On 17 June 2015, the Company obtained Approval on Final Feasibility Study Techno-economy Report based on the decision of Ministry of Energy and Mineral Resources Republic of Indonesia, Directorate General Mineral and Coal No. 1082/30/DBM/2015.

On 12 April 2017, the Company obtained AMDAL Approval and Environmental Permit based on the Governor of South Sulawesi Decree No. 3/M.02a.NP/P2T/03/2017 and Decree No. 2/M.02b.P/P2T/03/2017, respectively.

On 17 May 2017, the Company obtained Final Approval on Feasibility Study based on the decision of Ministry of Energy and Mineral Resources Republic of Indonesia, Directorate General Mineral and Coal No. 1056/30/DJB2017.

On 20 June 2017, the Company obtained construction permit for 3 (three) years based on the Decree of Minister of Energy and Mineral Resources Republic of Indonesia No. 318.K/30/DJB/2017.

On 16 January 2018, the Company construction period was merged to the operation and production period based on the Decree of Minister of Energy and Mineral Resources Republic of Indonesia No. 171.K/30/DJB/2018.

**PT MASMINDO DWI AREA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**  
(Expressed in United States Dollar, unless otherwise stated)

**1. GENERAL (Continued)**

**a. Establishment and general information (Continued)**

On 14 March 2018, the Company signed an amendment to the CoW granted to the Company on 19 February 1998. The amendment more closely aligns the CoW to prevailing regulations.

On 9 July 2019, the Company obtained Approval on Addendum of Feasibility Study based on the decision of Ministry of Energy and Mineral Resources of the Republic of Indonesia, Directorate General Mineral and Coal No. 1160/31.02/DBM.PE/2019.

On 17 October 2019, the Company obtained Addendum ANDAL Approval and Environmental Permit based on the Governor of South Sulawesi Decree No.14/M.02a/PTSP/2019 and Decree No.15/M.02b/PTSP/2019, respectively.

**b. Board of commissioners, directors and employees**

The composition of the Company's Board of Commissioner and Director were as follows:

|                          | 2020                   | 2019                       |
|--------------------------|------------------------|----------------------------|
| President Commissioner : | Purbaja Pantja         | Rob Alan Hogarth           |
| Commissioner :           | Robert Alan Hogarth    | Michael John Spreadborough |
| Commissioner :           | Adi Darma Shima        | -                          |
| President Director :     | Boyke Poerbaya Abidin  | Boyke Poerbaya Abidin      |
| Director :               | Adrian Reinhart Rollke | Adrian Reinhart Rollke     |
| Director :               | Neil Simon Whitaker    | Craig Kevin Smyth          |
| Director :               | Shirley Shinta         | -                          |

As of 31 December 2020, and 2019, the Company employed a total number of 96 and 58 permanent employees, respectively (unaudited).

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a. Basic of preparation and presentation of the financial statement**

The financial statements have been prepared in accordance with Indonesian Financial Accounting Standards ("FAS"), which includes the statements ("SFAS") and interpretations ("IFAS") issued by the Financial Accounting Standards Board of Indonesian Institute of Accountants. The financial statements are prepared on the accrual basis, except for the statements of cash flow, and using the historical cost concept of accounting, except as disclosed in the relevant notes to the financial statements herein. The statement of cash flows are prepared using the direct method and classify cash flows into operating, investing and financing activities.

The financial statements have been prepared and are presented in United States Dollar (USD) as the Company's functional currency, in accordance with CoW and the approval letter from Minister of Finance No. KEP-236/PJ.42/1998 dated 21 April 1998.

**PT MASMINDO DWI AREA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**  
**(Expressed in United States Dollar, unless otherwise stated)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**a. Basic of preparation and presentation of the financial statement (Continued)**

The preparation of financial statements is in compliance with SFAS that requires the use of certain critical accounting estimates. It also requires the Company to exercise judgement in applying the Company accounting policies. The areas where significant judgment and estimates have been made in preparing the financial statements and their effect are disclosed in Note 3.

The accounting policies applied are consistent with those of the financial statements for the prior year, which conform to the Indonesian FAS, unless otherwise stated.

**b. New Standards, Amendments, Improvements and Interpretations of Financial Accounting Standards**

New standards, amendments and interpretations issued and effective for the financial year beginning 1 January 2020 which do not have a material impact on the financial statement are as follows:

- SFAS 71, "Financial Instruments"
- SFAS 72, "Revenue from Contracts with Customers"
- SFAS 73, "Leases"
- Amendment to SFAS 1, "Presentation of Financial Statements Concerning the Title of Financial Statements"
- Amendment to SFAS 15, "Investments in Associates and Joint Ventures"
- Amendment to SFAS 25, "Accounting Policies, Accounting Estimates and Errors"
- Amendment to SFAS 62, "Insurance Contracts"
- Amendment to SFAS 71, "Financial Instruments - Prepayment Features with Negative Compensation"
- IFAS 35, "Presentation of Non-profit Oriented Entity Financial Statements"

New standards, amendments, annual improvements and interpretations issued but not yet effective for the financial year beginning 1 January 2020 are as follows:

- SFAS 112, "Accounting for Endowments"
- Amendment to SFAS 22, "Business Combinations"

As of the date of issuance of the financial statements, management is still evaluating the impact of the standards and interpretations to the Company.

**c. Financial instruments**

Effective on 1 January 2020, the Company have adopted the SFAS 71.

Company classifies its financial assets and financial liabilities in the following categories:

- 1) Amortised cost;
- 2) Fair value through profit or loss ("FVTPL");
- 3) Fair value through other comprehensive income ("FVOCI").

The classification depends on the purpose for which the financials assets and financial liabilities are acquired and is determined at initial recognition.

**PT MASMINDO DWI AREA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**  
 (Expressed in United States Dollar, unless otherwise stated)

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c. Financial instruments (Continued)**

**1) Financial assets**

The Company determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

The Company's financial assets consist of cash and cash equivalent, and restricted cash.

The Company's financial classified as financial assets measured at amortised cost and FVOCI.

**i. Amortised cost**

A financial asset is measured at amortised cost if it meets both of the following conditions:

Financial assets are held within a business model whose objective is to hold financial assets to collect contractual cash flows; and

Contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

At initial recognition, financial assets that are classified as amortised cost are measured at fair value, plus directly attributable transaction costs. Interest income is calculated using the effective interest rate method and recognized in profit or losses.

**ii. FVTPL**

Financial assets measured at FVTPL are debt instruments which do not meet the criteria of amortised cost or FVOCI, equity investments which are held for trading or where the FVOCI election has not been applied, derivatives which are not designated as a hedging instrument. Fair value gains or losses from this financial asset are recorded in profit or loss.

**iii. FVOCI**

Financial assets measured at FVOCI are equity investments, that is not held for trading and the Company has irrevocably elected to present fair value of equity investment in other comprehensive income; debt instruments that are held to get contractual cash flows and selling the financial assets, where the assets' cash flows represent solely payment of principal and interest. Dividend from equity investments is recognised in profit or loss while the Company's right to receive payment is established.

**2) Financial liabilities**

Financial liabilities are classified as financial liabilities at fair value through profit or loss and financial liabilities at amortised cost. As at the reporting dates, the Company has no other financial liabilities other than those classified as amortised cost. The Company determines the classification of its financial liabilities at initial recognition.

Financial liabilities are measured at amortized cost, using the effective interest method. Gains and losses are recognised in profit and loss when the liabilities are derecognised, and through the amortization process.

**PT MASMINDO DWI AREA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**  
 (Expressed in United States Dollar, unless otherwise stated)

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c. Financial instruments (Continued)**

**2) Financial liabilities (Continued)**

Company financial liabilities consist of trade payables, accrued expenses, and deferred contractor payment.

**3) Derecognition**

A financial asset is derecognised when the rights to receive cash flows from the asset have expired.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

All regular purchases and sales of financial assets are recognised or derecognised on the trading date, which is the date that Company commits to purchase or sell the asset.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

**4) Offsetting financial instruments**

Financial assets and liabilities are set-off and the net amount is presented in the consolidated statements of financial position when, and only when, Company has the legal right to set off the amounts and intends either to settle on a net basis or realize the asset and settle the liabilities simultaneously.

Income and expenses are presented net only when permitted by accounting standards.

**5) Impairment of financial assets**

In SFAS 71, impairment loss provision of financial assets measured at expected credit losses model ("ECLs") and applied for financial assets which measured at amortised cost or FVOCI.

There are 2 (two) bases of the measurement of ECLs, 12-month ECLs or lifetime ECLs. The Company will analyse the initial recognition using the 12-month ECLs and will move to lifetime ECLs if there is significant increase in credit risk after initial recognition.

**d. Cash and cash equivalent**

Cash and cash equivalents consist of cash on hand, cash in banks and time deposits with maturity periods of three months or less at the time of placement that are not used as collateral or are not restricted.

**PT MASMINDO DWI AREA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**  
(Expressed in United States Dollar, unless otherwise stated)

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**e. Property and Equipment**

Components of property and equipment are initially recognized at cost. As well as the purchase price, cost includes directly attributable costs and the estimated present value of any future unavoidable costs of dismantling and removing items.

The Company has applied the cost model in subsequent recognition for its property and equipment.

Property and equipment, other than land are recognized at cost less accumulated depreciation and accumulated impairment losses. Property and equipment were depreciated using the straight-line method for a certain percentage of the acquisition price.

Depreciation is provided on all other items of property and equipment so as to write-off their carrying value over their expected useful economic lives.

It is provided at the following rates:

|                                                         | <u>Years</u> |
|---------------------------------------------------------|--------------|
| Equipments                                              | 4            |
| Vehicles and Heavy Equipments                           | 4            |
| Leasehold Improvement                                   | 4            |
| Camp facilities, Field Equipments and Office Equipments | 4            |

Depreciation expenses are taken to profit or loss during the financial year in which they are incurred.

Repairs and maintenance expenses are taken to profit or loss during the financial year in which they are incurred.

The cost of major renovations and restorations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to Company and depreciated over the remaining useful life of the asset.

The residual value, useful life and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount.

Gains or losses on disposal are determined by comparing proceeds with the carrying amount and are included in profit or loss from operations.

**f. Impairment of non-financial assets**

The Company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, or when annual impairment assessment for an asset is required, the Company makes an estimate of the asset's recoverable amount.

**PT MASMINDO DWI AREA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**  
**(Expressed in United States Dollar, unless otherwise stated)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**f. Impairment of non-financial assets (Continued)**

An asset's recoverable amount is the higher of an assets or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets.

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In assessing fair value less costs to sell, an appropriate valuation model is used.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses are recognized in profit or loss unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized previously. Such reversal is recognized in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

**g. Exploration and evaluation assets**

Exploration and evaluation activity involves the search for mineral resources after the Company has obtained legal rights to explore in a specific area, determination of the technical feasibility and assessment of the commercial viability of an identified resource.

Exploration and evaluation expenditure comprises costs that are directly attributable to:

- Acquisition of rights to explore;
- Topographical, geological, geochemical and geophysical studies;
- Trenching and sampling; and
- Activities involved in evaluating the technical feasibility and commercial viability of extracting mineral resources.

**PT MASMINDO DWI AREA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**  
(Expressed in United States Dollar, unless otherwise stated)

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**g. Exploration and evaluation assets (Continued)**

Exploration and evaluation expenditure related to an area of interest is written off as incurred, unless it is capitalized and carried forward, on an area of interest basis, provided one of the following conditions is met:

- (i) The rights of tenure of an area are current and it is considered probable that the costs will be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- (ii) Exploration activities in the area of interest have not yet reached the stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in or in relation to the area of interest are continuing.

Capitalized costs include costs directly related to exploration and evaluation activities in the relevant area of interest, and exclude physical assets, which are recorded in fixed assets. General and administrative costs are allocated to an exploration or evaluation asset only to the extent that those costs can be related directly to operational activities in the relevant area of interest. Capitalized exploration and evaluation expenditure is written off where the above conditions are no longer satisfied.

As the exploration and evaluation assets are not available for use, they are not depreciated. Exploration and evaluation assets are assessed for impairment if facts and circumstances indicate that impairment may exist. Exploration and evaluation assets are also tested for impairment once commercial reserves are found, before the assets are transferred to “mining properties - mines under development”.

**h. Provision for mine rehabilitation**

The Company recognizes the present value of estimated costs of legal and constructive obligations required to restore the condition of mining area caused by mining operations in the period in which the obligation is incurred. The reclamation and mine closure activities include dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste site, and restoration, reclamation and re-vegetation of affected areas.

The obligation normally arises when the asset is installed, or the ground/environment is disturbed by mining operations. At the initial recognition of the liability, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mining assets to the extent that it was incurred as a result of the development/construction activities in the exploration and development mining areas.

Any reclamation and mine closure obligations that arise through the production phase are expensed as incurred. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risk specific to the liability. The periodic unwinding of the discount is recognized in the statement of comprehensive income as a finance cost.

Additional disturbances or changes in reclamation and mine closure costs are recognized as additions or changes to the corresponding assets and reclamation and mine closure liability when they occur.

**PT MASMINDO DWI AREA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**  
 (Expressed in United States Dollar, unless otherwise stated)

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**h. Provision for mine rehabilitation (Continued)**

Changes to estimated future costs are recognized in the statement of financial position by either increasing or decreasing the reclamation and mine closure liability and the related asset if the estimated costs of reclamation and mine closure were originally recognized as part of an asset measured in accordance with SFAS 16 (Annual Improvement 2015), "Fixed Assets". Any reduction in the reclamation and mine closure liability and deduction from the related asset may not exceed the carrying amount of that asset. If it does exceed the carrying value of the related asset, such excess is immediately recognized in the statement of comprehensive income.

If the change in estimates results in an increase in the reclamation and mine closure liability and, an addition to the carrying value of the related asset, Company assesses the impairment in accordance with, "Impairment of Asset" if there is indication of impairment of such assets.

**i. Provision for post-employment benefits**

In accordance with the relevant Labour Law prevailing in Indonesia, the Company provides defined benefit post-employment benefits to their employees.

No funding has been made to this defined benefit plan.

The actuarial valuation method used to determine the present value of the defined benefit liability, related current service cost and past service costs is the Projected Unit Credit method.

Current service costs, interest costs, vested past service costs, and effect of curtailment or settlement (if any) are charged directly to the current statement of profit or loss and other comprehensive income.

Past service costs which are not yet vested and actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions recognized in other comprehensive income and presented in the statement of profit or loss and other comprehensive income. Actuarial gains and losses and adjustments arising which recognized in other comprehensive income will be immediately recognized in retained earnings. Actuarial gains and losses are not reclassified to profit or loss in subsequent periods.

**j. Expense recognition**

Expenses are recognized when incurred (accrual basis).

**k. Taxation**

**1) Current tax**

Current income tax assets and/or liabilities comprise those obligations to, or claims from tax authorities relating to the current or prior reporting period, that are unpaid at the statement of financial position date.

Current income tax is calculated according to the tax rates and tax laws applicable to the fiscal periods to which it's relates, based on the taxable profit for the period. All changes to current tax assets or liabilities are recognized as a component of income tax expense in the statement of profit or loss and other comprehensive income.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Taxation (Continued)

2) Deferred tax

Deferred tax assets and liabilities are recognized for temporary differences between the financial and the tax bases of assets and liabilities at each reporting date. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized. Deferred tax liabilities are recognized for all taxable temporary differences. Future tax benefits, such as the carry-forward of unused tax losses, are also recognized to the extent that realization of such benefits is probable.

Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the statements of financial position date.

Amendments to tax obligations are recorded when an assessment letter is received and/or, if objected to and/or appealed against by the Company, when the result of the objection and/or appeal is determined.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each statement of financial position date and are recognized to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered.

l. Transaction with related parties

A related party is a person or entity that is related to the entity that is preparing its financial statements.

- i. A person or a close member of that person's family is related to a reporting entity if that person:
  - Has control or joint control over the reporting entity;
  - Has significant influence over the reporting entity; or
  - Is a member of the key management personnel of the reporting entity or a parent of the reporting entity.
- ii. An entity is related to a reporting entity if any of the following condition applies:
  - The entity and the reporting entity are members of the same Company (which means that each parent, Subsidiary and fellow Subsidiary is related to the others);
  - One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Company of which the other entity is a member);
  - Both entities are joint ventures of the same third party.
  - One entity is joint venture of a third entity and the other entity is an associate of the third entity.

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## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **l. Transaction with related parties (Continued)**

ii. An entity is related to a reporting entity if any of the following condition applies: (Continued)

- The entity is a post-employment defined benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is running itself such a plan, the sponsoring employers are also related to the reporting entity.
- The entity is controlled or jointly controlled by a person identified above.
- A person has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- An entity, or member of a Company in which the entity is a part of that Company, provides the services of key management personnel to the reporting entity or to the parent entity of the reporting entity.

The transactions are made based on terms agreed by the parties. Such terms may not be the same as those transactions with unrelated parties.

### **m. Events after the reporting period**

Events after the reporting period that provide evidence of conditions that existed at the end of the reporting period (adjusting events) are reflected in the financial statements.

Events after the reporting period that are not adjusting events are disclosed in the notes to financial statements when material.

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## **3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of Company's financial statements requires the use of certain critical accounting estimates. It also requires Company management to exercise judgement in applying Company's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements and their effect are discussed below:

### **a. Judgement made in applying accounting policies**

In the process of applying the Company's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements:

#### **Income tax**

Company has exposure to income taxes. Significant judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

Company recognizes liabilities for expected tax issues based on estimates of whether additional taxes will be due.

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

a. Judgement made in applying accounting policies (Continued)

Where the final tax outcome of these matters is different from the amounts that were initially recognized, such differences will impact the current income tax and deferred tax provisions in the period in which such determination is made.

b. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

**Useful lives of property and equipment**

Management estimates the useful lives of these property and equipment to be between 3 to 6 years. These are common life expectancies applied in the industry.

Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets.

Therefore, future depreciation charges could be revised. The carrying amount of Company's property and equipment at the end of the reporting period is disclosed in Note 6 to the financial statements.

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4. CASH AND CASH EQUIVALENT

|               | <u>2 0 2 0</u>          | <u>2 0 1 9</u>        |
|---------------|-------------------------|-----------------------|
| Cash on hand  | 30,822                  | 4,861                 |
| Cash in banks | 3,070,085               | 178,727               |
| Time deposits | 4,935,138               | -                     |
| <b>Total</b>  | <b><u>8,036,045</u></b> | <b><u>183,588</u></b> |

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5. PREPAYMENTS AND ADVANCES

|                  | <u>2 0 2 0</u>       | <u>2 0 1 9</u>        |
|------------------|----------------------|-----------------------|
| Prepaid expenses | 86,135               | 112,890               |
| Other advances   | 3,817                | 2,592                 |
| <b>Total</b>     | <b><u>89,952</u></b> | <b><u>115,482</u></b> |

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**6. PROPERTY AND EQUIPMENT**

|                                 | <b>2 0 2 0</b>               |                     |                   |                           |
|---------------------------------|------------------------------|---------------------|-------------------|---------------------------|
|                                 | <b>Beginning<br/>Balance</b> | <b>Additions</b>    | <b>Deductions</b> | <b>Ending<br/>balance</b> |
| <b>Acquisition cost</b>         |                              |                     |                   |                           |
| <b>Direct ownership</b>         |                              |                     |                   |                           |
| Land                            | -                            | 202,147             | -                 | 202,147                   |
| Leasehold Improvement           | 24,563                       | 95,711              | -                 | 120,274                   |
| Office Equipments               | 287,103                      | 190,039 (           | 1,741)            | 475,401                   |
| Vehicles and Heavy Equipments   | 99,453                       | -                   | -                 | 99,453                    |
| Equipments                      | 86,353                       | -                   | -                 | 86,353                    |
| Field Equipments                | 12,671                       | 56,914              | -                 | 69,585                    |
| Camp Facilities                 | 1,534                        | -                   | -                 | 1,534                     |
|                                 | 511,677                      | 544,811 (           | 1,741)            | 1,054,747                 |
| Construction in progress        | -                            | 14,746,543          | -                 | 14,746,543                |
| <b>Total</b>                    | <b>511,677</b>               | <b>15,291,354 (</b> | <b>1,741)</b>     | <b>15,801,290</b>         |
| <b>Accumulated depreciation</b> |                              |                     |                   |                           |
| <b>Direct ownership</b>         |                              |                     |                   |                           |
| Leasehold Improvement           | ( 12,001)                    | ( 3,589)            | - (               | 15,590)                   |
| Office Equipments               | ( 200,943)                   | ( 53,716)           | 296 (             | 254,363)                  |
| Vehicles and Heavy Equipments   | ( 84,058)                    | ( 9,237)            | - (               | 93,295)                   |
| Equipments                      | ( 68,800)                    | ( 4,855)            | - (               | 73,655)                   |
| Field Equipments                | ( 12,671)                    | ( 2,330)            | - (               | 15,001)                   |
| Camp Facilities                 | ( 1,534)                     | -                   | - (               | 1,534)                    |
| <b>Total</b>                    | <b>( 380,007)</b>            | <b>( 73,727)</b>    | <b>296 (</b>      | <b>453,438)</b>           |
| <b>Net carrying value</b>       | <b>131,670</b>               |                     |                   | <b>15,347,852</b>         |

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6. PROPERTY AND EQUIPMENT (Continued)

|                                 | 2 0 1 9              |                  |                     |                   |
|---------------------------------|----------------------|------------------|---------------------|-------------------|
|                                 | Beginning<br>Balance | Additions        | Deductions          | Ending<br>balance |
| <b>Acquisition cost</b>         |                      |                  |                     |                   |
| <b>Direct ownership</b>         |                      |                  |                     |                   |
| Leasehold Improvement           | 10,206               | 14,357           | -                   | 24,563            |
| Office Equipments               | 230,501              | 56,602           | -                   | 287,103           |
| Vehicles and Heavy Equipments   | 99,453               | -                | -                   | 99,453            |
| Equipments                      | 84,787               | 1,566            | -                   | 86,353            |
| Field Equipments                | 12,671               | -                | -                   | 12,671            |
| Camp Facilities                 | 1,534                | -                | -                   | 1,534             |
| <b>Total</b>                    | <b>439,152</b>       | <b>72,525</b>    | <b>-</b>            | <b>511,677</b>    |
| <b>Accumulated depreciation</b> |                      |                  |                     |                   |
| <b>Direct ownership</b>         |                      |                  |                     |                   |
| Leasehold Improvement           | ( 10,206)            | ( 1,795)         | - ( 12,001)         |                   |
| Office Equipments               | ( 173,714)           | ( 27,229)        | - ( 200,943)        |                   |
| Vehicles and Heavy Equipments   | ( 74,823)            | ( 9,235)         | - ( 84,058)         |                   |
| Equipments                      | ( 64,011)            | ( 4,789)         | - ( 68,800)         |                   |
| Field Equipments                | ( 12,671)            | -                | - ( 12,671)         |                   |
| Camp Facilities                 | ( 1,534)             | -                | - ( 1,534)          |                   |
| <b>Total</b>                    | <b>( 336,959)</b>    | <b>( 43,048)</b> | <b>- ( 380,007)</b> |                   |
| <b>Net carrying value</b>       | <b>102,193</b>       |                  |                     | <b>131,670</b>    |

Depreciation expenses of property and equipment for the years ended 31 December 2020 and 2019 amounted to USD 73,727 and USD 43,048, respectively, were charged to general and administrative expenses USD 71,397 (Note 17) and capitalized to exploration and evaluation assets amounted USD 2,330.

Management concludes that there is no impairment of the Company's property and equipment for the years ended 31 December 2020 and 2019.

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## 7. EXPLORATION AND EVALUATION ASSETS

This account represents capitalised exploration and evaluation expenditures incurred prior to the commencement of commercial production and consists of:

|                                  | <u>2 0 2 0</u>           | <u>2 0 1 9</u>           |
|----------------------------------|--------------------------|--------------------------|
| Drilling                         | 7,209,901                | 6,444,358                |
| Consultant                       | 6,269,946                | 5,628,453                |
| Salaries and other cost          | 5,317,074                | 4,443,989                |
| Camp expense                     | 3,544,419                | 2,735,383                |
| Geology                          | 2,828,194                | 2,781,042                |
| Assay and analysis               | 1,467,591                | 1,305,189                |
| Other general and administrative | 1,438,357                | 1,373,912                |
| Environment                      | 799,574                  | 466,406                  |
| Travel and accommodation         | 549,868                  | 479,558                  |
| Infrastructure                   | 355,983                  | 355,983                  |
| Road development                 | 201,915                  | 201,472                  |
| Heavy equipment hires            | 200,078                  | 37,510                   |
| Land compensation                | 108,199                  | 108,199                  |
| <b>Total</b>                     | <b><u>30,291,099</u></b> | <b><u>26,361,454</u></b> |

The Company's management believes there is no indication of impairment as of 31 December 2020 and 2019.

## 8. RESTRICTED CASH

|                         | <u>2 0 2 0</u>   | <u>2 0 1 9</u> |
|-------------------------|------------------|----------------|
| Restricted Time Deposit | <u>1,338,253</u> | <u>133,825</u> |

Based on the reclamation guarantee letter from the Indonesian Ministry of Energy and Mineral Resources No.595/37.06/DJB/2019 dated 13 February 2019, the Company must place at reclamation guarantee of USD 1,338,253 in the form of bank guarantees and time deposits. As of 31 December 2020, the company has placed the entire reclamation guarantee in the form of a deposit.

## 9. TRADE PAYABLES- THIRD PARTIES

|               | <u>2 0 2 0</u> | <u>2 0 1 9</u> |
|---------------|----------------|----------------|
| Third parties | <u>200,210</u> | <u>164,268</u> |

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**10. ACCRUED EXPENSES**

|                              | <u>2 0 2 0</u>        | <u>2 0 1 9</u>        |
|------------------------------|-----------------------|-----------------------|
| Project consultants          | 265,599               | 133,887               |
| Drilling                     | 221,740               | -                     |
| Others (each below \$30,000) | <u>122,915</u>        | <u>63,465</u>         |
| <b>Total</b>                 | <b><u>610,254</u></b> | <b><u>197,352</u></b> |

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**11. TAXATION**
**a. Prepaid taxes**

|                 | <u>2 0 2 0</u>   | <u>2 0 1 9</u>   |
|-----------------|------------------|------------------|
| Value Added Tax | <u>2,774,964</u> | <u>1,420,943</u> |

**Value added tax year 2012**

On 22 December 2016, the Company received an Underpayment Tax Assessment Notice (SKPKB) No. 00035/207/12/091/16 from Tax Office for the Value Added Tax in 2012 amounted to Rp 3,314,073,318 or equivalent to USD 242,825.

During the year 2018, The Company has paid amounted to Rp 1,988,443,991 or equivalent to USD 145,695 and the Company has filed an Objection Letter to Tax Office.

On 18 December 2019, the Company received Tax court decision letters No.PUT-001870.16 / 2018 / PP / M.XVIA 2019, PUT-001871.16 / 2018 / PP / M.XVIA 2019, PUT-001872.16 / 2018 / PP / M.XVIA 2019, PUT-001873.16 / 2018 / PP / M.XVIA 2019, PUT-001874.16 / 2018 / PP / M.XVIA 2019, PUT-001875.16 / 2018 / PP / M.XVIA 2019, PUT-001876.16 / 2018 / PP / M.XVIA 2019, PUT-001877.16 / 2018 / PP / M.XVIA 2019, PUT-001878.16 / 2018 / PP / M.XVIA 2019, PUT-001879.16 / 2018 / PP / M.XVIA 2019, PUT-001880.16 / 2018 / PP / M.XVIA 2019, PUT-001881.16 / 2018 / PP / M.XVIA 2019 which stated that Tax court decided to fully granted the appeal application filed by the Company against the Decision of Directorate General of Tax.

Therefore, the Company is entitled to claim the refund amounted Rp 1,988,443,991 and interest compensation of 2% per months for the payment made on 23 February 2018 (maximum 24 months or 48%).

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**11. TAXATION (Continued)****a. Prepaid taxes (Continued)****Value added tax year 2012** (Continued)

On 23 January 2020, The Company received Directorate General of Tax's decision letter number: KEP-00056.PPN/WPJ.19/KP. 01/2020, KEP-00055.PPN.WPJ.19/KP.01/2020, KEP-00054.PPN.WPJ.19/KP.01/2020, KEP-00062.PPN.WPJ.19/KP.01/2020, KEP-00053.PPN.WPJ.19/KP.01/2020, KEP-00063.PPN.WPJ. 19/KP.01/2020, KEP-00057.PPN.WPJ.19/KP.01/2020, KEP-00051.PPN.WPJ.19/KP.01/2020, KEP-00059.PPN.WPJ.19/KP.01/2020, KEP-00060.PPN.WPJ.19/KP.01/2020, KEP-00052.PPN. WPJ.19/KP.01/2020, KEP-00061.PPN.WPJ.19/KP.01/2020 dated 23 January 2020, Tax Authority has granted to refund the excess of tax payments to the Company amounting to Rp 1,988,443,991 or equivalent to USD 145,695. As of 13 February 2020, The Company has received all of the refund from Tax Authority.

**b. Taxes payables**

|                    | <u>2 0 2 0</u>        | <u>2 0 1 9</u>       |
|--------------------|-----------------------|----------------------|
| Withholding Taxes: |                       |                      |
| Article 4 art 2    | 99,160                | 5,187                |
| Value Added Tax    | 47,908                | 522                  |
| Article 21         | 37,853                | 14,582               |
| Article 23         | <u>8,962</u>          | <u>2,843</u>         |
| <b>Total</b>       | <u><b>193,883</b></u> | <u><b>23,134</b></u> |

**c. Income tax expense**

No provision for corporate income tax is provided for the years ended 31 December 2020 and 2019 as the Company has not reached operations and has no taxable income.

**d. Tax loss carried forward**

The Company is entitled under the CoW to offset tax losses carried forward incurred by the Company during the Tax Years up to and including the 2017 Tax Year may be compensated with income starting from the following tax year to no later than Tax Year of 2022. The Company has tax losses on 2020 amounted to USD 3,836,695. These tax losses have been carried forward and have not been recognized its deferred tax asset due to the uncertainty of their recoverability in future periods.

**e. Administration**

The taxation laws in Indonesia require that the Company calculate and pay individual tax on the basis of self-assessment. Under the prevailing regulation, the Directorate General of Tax may assess or amend taxes within 5 (five) years of the time the tax becomes due.

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## 12. PROVISION FOR POST-EMPLOYMENT BENEFITS

In March 2003 the Government of Republic Indonesia issued Labor Law No.13/2003 to supersede decree of the Minister of Manpower No. Kep-150/Men/2000.

The post-employment benefits liabilities recognized in the financial statements and post-employment benefits expenses for the year ended 31 December 2020 and 2019 were calculated by PT Quatro Asia Consulting, an independent actuary, in its report dated 4 January 2021 and 16 January 2020, respectively.

The principal assumptions used in determining the Company's post-employment benefits liabilities are as follows:

|                       | <u>2 0 2 0</u>                                                                                                         | <u>2 0 1 9</u>                                                                                                         |
|-----------------------|------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|
| Discount rate         | 7.49%                                                                                                                  | 7.96%                                                                                                                  |
| Salary growth rate    | 10.00%                                                                                                                 | 10.00%                                                                                                                 |
| Mortality rate        | TMI IV / 2019                                                                                                          | TMII III year 2011                                                                                                     |
| Disability rate       | 10% of mortality                                                                                                       | 10% of mortality                                                                                                       |
| Resignation rate      | 20% age 20 - 29 years<br>10% age 30 - 39 years<br>5% age 40 - 44 years<br>3% age 45 - 49 years<br>1% age 50 - 54 years | 20% age 20 - 29 years<br>10% age 30 - 39 years<br>5% age 40 - 44 years<br>3% age 45 - 49 years<br>1% age 50 - 54 years |
| Normal retirement age | 55 years old                                                                                                           | 55 years old                                                                                                           |

The amount recognized in the statement of profit or loss and other comprehensive income in respect of post-employment benefits liabilities for the year ended 31 December 2020 and 2019 are as follows:

|                        | <u>2 0 2 0</u> | <u>2 0 1 9</u> |
|------------------------|----------------|----------------|
| Current service cost   | 223,032        | 71,232         |
| Interest cost          | 26,191         | 26,084         |
| <b>Total (note 17)</b> | <u>249,223</u> | <u>97,316</u>  |

Movement in net liability recognized in statement of the financial position are as follows:

|                                                                | <u>2 0 2 0</u> | <u>2 0 1 9</u> |
|----------------------------------------------------------------|----------------|----------------|
| Beginning of year                                              | 335,737        | 324,970        |
| Post-employment benefits expenses                              | 249,223        | 97,316         |
| Actuarial (gain) loss recognized in other comprehensive income | 121,646 (      | 22,687)        |
| Benefits payment                                               | ( 41,850) (    | 63,535)        |
| Adjustment of exchange rate                                    | ( 6,699) (     | 327)           |
| <b>Balance at end of the year</b>                              | <u>658,057</u> | <u>335,737</u> |

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**12. PROVISION FOR POST-EMPLOYMENT BENEFITS (Continued)**

The components of the provision for post-employment benefits recognised in the statement of financial position are as follows:

|                                                         | <u>2 0 2 0</u> | <u>2 0 1 9</u> |
|---------------------------------------------------------|----------------|----------------|
| Present value employee benefits - beginning of the year | 335,737        | 324,970        |
| Current service costs                                   | 223,032        | 71,232         |
| Interest costs                                          | 26,191         | 26,084         |
| Benefits payment                                        | ( 41,850)      | ( 63,535)      |
| Actuarial gain recognized in other comprehensive income | 121,646        | ( 22,687)      |
| Adjustment of exchange rate                             | ( 6,699)       | ( 327)         |
| <b>Ending balance</b>                                   | <u>658,057</u> | <u>335,737</u> |

Amounts recognised in other comprehensive income:

|                                                      | <u>2 0 2 0</u> | <u>2 0 1 9</u>   |
|------------------------------------------------------|----------------|------------------|
| Equity - other comprehensive (income)/loss beginning | ( 5,874)       | 16,813           |
| Other comprehensive (income)/loss - current          | <u>121,646</u> | <u>( 22,687)</u> |
| Cumulative (income)/losses recognized in OCI ending  | <u>115,772</u> | <u>( 5,874)</u>  |

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions:

|                    |                              | <u>Impact on defined benefit obligation</u> |                               |
|--------------------|------------------------------|---------------------------------------------|-------------------------------|
|                    | <u>Change in Assumptions</u> | <u>Increase in Assumption</u>               | <u>Decrease in Assumption</u> |
| Discount rate      | 1%                           | 623,039                                     | 696,667                       |
| Salary growth rate | 1%                           | 695,510                                     | 623,371                       |

Expected maturity analysis of undiscounted pension benefits is as follow:

|                          | <u>Less than a year</u> | <u>Between 1 - 2 Years</u> | <u>Between 2 - 5 Years</u> | <u>Over 5 year</u> |
|--------------------------|-------------------------|----------------------------|----------------------------|--------------------|
| Post-employment benefits | 5,939                   | 22,381                     | 261,558                    | 16,254,487         |

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**13. PROVISION FOR MINE REHABILITATION**

The movement in the provision for mine rehabilitation is as follows:

|                                          | <u>2 0 2 0</u> | <u>2 0 1 9</u> |
|------------------------------------------|----------------|----------------|
| <b>Provision for mine rehabilitation</b> |                |                |
| Beginning balance                        | 499,760        | -              |
| Addition during the year                 | -              | 499,760        |
| Deductions during the year               | ( 499,760 )    | -              |
| <b>Ending balance</b>                    | <u>-</u>       | <u>499,760</u> |

On 20 December 2010, the Government of Indonesia released an implementing regulation for Mining Law No. 4/2009, i.e. PP No. 78 that deals with reclamations and post-mining activities for both IUP-Exploration and IUP-Production Operation holders.

An IUP-Exploration holder, among other requirements, must include a reclamation plan in its exploration work plan and budget and provide a reclamation guarantee in the form of a time deposit placed at a state-owned bank.

An IUP-Production Operation holder, among other requirements, must (1) prepare a five-year reclamation plan; (2) prepare a post-mining plan; (3) provide a reclamation guarantee which may be in the form of a joint account or time deposit placed at a state-owned bank, a bank guarantee, or an accounting provision; and (4) provide a post-mine guarantee in the form of a time deposit at a state-owned bank.

The requirement to provide reclamation and post-mine guarantees does not release the IUP holder from the requirement to perform reclamation and post-mine activities.

On 28 February 2014, Ministry of Energy and Mineral Resources released Implementing Regulation No. 7/2014 on Reclamation and Post-mining Activities for Mineral and Coal Mining Companies which further regulates the aspect of the reclamation plan, consideration of future value from the post-mining costs and accounting reserve determination.

As of 31 December 2020, no provision for mine rehabilitation was recorded due to the Company has settled all of the obligation of reclamation guarantee in the form of time deposits (Note 8).

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#### 14.SHARE CAPITAL

As of 31 December 2020 and 2019, the composition and balance of the Company's shareholders were as follows:

|                              | 2020             |                   | Percentage of Ownership (%) |
|------------------------------|------------------|-------------------|-----------------------------|
|                              | Number of shares | Amount (USD)      |                             |
| Shareholders                 |                  |                   |                             |
| Salu Siwa Pty Ltd            | 702,683          | 41,163,954        | 75                          |
| PT Indika Mineral Investindo | 234,228          | 12,353,943        | 25                          |
| <b>Total</b>                 | <b>936,911</b>   | <b>53,517,897</b> | <b>100</b>                  |
|                              | 2019             |                   | Percentage of Ownership (%) |
|                              | Number of shares | Amount (USD)      |                             |
| Shareholders                 |                  |                   |                             |
| Salu Siwa Pty Ltd            | 559,417          | 32,984,608        | 99,9                        |
| Vista Gold (Barbados) Corp.  | 1                | 100               | 0,1                         |
| <b>Total</b>                 | <b>559,418</b>   | <b>32,984,708</b> | <b>100</b>                  |

Articles of Association of the Company has its amendment as drawn at the Deed made by Darmawan Tjoa, S.H,S.E, a public notary in Jakarta based on the Deed No. 57 dated 23 January 2020 regarding the increase of authorized capital. The respective amendment of the Articles of Association has been approved by the Minister of Law and Human Rights of the Republic of Indonesia according to the Decree No. AHU-0006184.AH.01.02 TAHUN 2020 dated 23 January 2020. Significant events related to changes in the shareholders composition during year 2020 are described in Note 21.a.

#### 15.ADDITIONAL PAID-IN CAPITAL

The details of additional paid-in capital, are as follows:

|               | 2020      | 2019 |
|---------------|-----------|------|
| Share Premium | 2,646,057 | -    |

Additional Paid-in Capital represents additional fund received by the Company in excess of the par value of shares issued as determined in the Company's Articles of Association and commonly known as "share premium" in the equity.

#### 16.ADVANCE PAID-IN CAPITAL

During 2019, the Company has received advance paid-in capital amounted to USD 4,404,825 from Salu Siwa Pty Ltd which will be converted to share capital. In 2020, advance paid-in capital has been converted to share capital.

PT MASMINDO DWI AREA  
NOTES TO THE FINANCIAL STATEMENTS  
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**17. GENERAL AND ADMINISTRATIVE EXPENSES**

|                                            | <u>2 0 2 0</u>          | <u>2 0 1 9</u>          |
|--------------------------------------------|-------------------------|-------------------------|
| Employee salaries and on costs             | 1,145,789               | 565,628                 |
| Consultants                                | 718,105                 | 98,029                  |
| Post-employment benefit expenses (note 12) | 249,223                 | 97,316                  |
| Professional fees                          | 129,934                 | 43,103                  |
| Rent                                       | 121,967                 | 49,480                  |
| Office utilities                           | 112,314                 | 16,596                  |
| Transportation and accommodation           | 79,815                  | 83,618                  |
| Depreciation (Note 6)                      | 71,397                  | 43,048                  |
| Tax expense                                | 9,986                   | 6,632                   |
| Others                                     | 67,911                  | 100,567                 |
| <b>Total</b>                               | <u><b>2,706,441</b></u> | <u><b>1,104,017</b></u> |

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**18. NON-CASH TRANSACTION**

|                                                      | <u>2 0 2 0</u> | <u>2 0 1 9</u> |
|------------------------------------------------------|----------------|----------------|
| <b>Financing activities not effecting cash flows</b> |                |                |
| Unpaid addition of exploration and evaluation asset  | 323,228        | 290,175        |

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**19. TRANSACTIONS AND BALANCES WITH RELATED PARTIES**
**a. Nature of relationships**

| <u>Related parties</u> | <u>Nature of Relationship</u> | <u>Transaction and balance due to related parties</u> | <u>Amount</u> |             |
|------------------------|-------------------------------|-------------------------------------------------------|---------------|-------------|
|                        |                               |                                                       | <u>2020</u>   | <u>2019</u> |
| Salu Siwa Pty. Ltd.    | Shareholder                   | Advance paid-in capital                               | -             | 4,404,825   |
| PT Petrosea Tbk        | Affiliate Company             | Deferred contractor payment                           | 11,647,856    | -           |

**b. Key management personnel remuneration**

Total remuneration received by Company's key management personnel paid in 2020 and 2019 were amounted to USD 555,026 and USD 166,440, respectively.

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## 20. FINANCIAL INSTRUMENTS-RISK MANAGEMENT

### Principal financial instruments

The principal financial instruments used by the Company, from which financial instrument risk arises, are as follows:

Cash and cash equivalent  
Trade payables  
Deferred contractor payment  
Accrued expenses

A summary of the financial instruments held by category is provided below:

### Financial assets

|                          | Financial assets at<br>amortized cost |         |
|--------------------------|---------------------------------------|---------|
|                          | 2020                                  | 2019    |
| Cash and cash equivalent | 8,036,045                             | 183,588 |

### Financial liabilities

|                                    | Financial liabilities at<br>amortized cost |                |
|------------------------------------|--------------------------------------------|----------------|
|                                    | 2020                                       | 2019           |
| Trade payables-Third parties       | 200,210                                    | 164,268        |
| Deferred contractor payment        | 11,647,856                                 | -              |
| Accrued expenses                   | 610,254                                    | 197,352        |
| <b>Total financial liabilities</b> | <b>12,458,320</b>                          | <b>361,620</b> |

The Company is exposed through its operations to the following financial risks:

Credit risks  
Liquidity risks  
Operational risks  
Capital risks

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

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**20. FINANCIAL INSTRUMENTS-RISK MANAGEMENT (Continued)**

**General objectives, policies and processes**

The management has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function.

The overall objective of the management is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below:

**a. Credit risks**

Credit risk is the risk that counterparty fails to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments, for example by granting receivables and advances to customers and related parties and placing deposits.

The Company is still in the development phase and does not generate revenue. As such there is no credit risk as yet.

Quantitative disclosures of the credit risk exposure in relation to financial assets are set out below:

|                                                 | <b>2 0 2 0</b>        |                         | <b>2 0 1 9</b>        |                         |
|-------------------------------------------------|-----------------------|-------------------------|-----------------------|-------------------------|
|                                                 | <b>Carrying Value</b> | <b>Maximum exposure</b> | <b>Carrying value</b> | <b>Maximum exposure</b> |
| Cash and cash equivalent excluding cash on hand | <u>8,005,223</u>      | <u>8,005,223</u>        | <u>178,727</u>        | <u>178,727</u>          |

None of the Company's financial assets are secured by collateral or other credit enhancements.

**b. Liquidity risks**

Liquidity risk arises from the Company's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. As the Company receives strong financial support from its shareholders, hence this risk could be managed properly.

The Company manages its liquidity needs by carefully monitoring scheduled payments on obligation under credit financing as well as cash outflows due in a day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of rolling 30-day projection.

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20. FINANCIAL INSTRUMENTS-RISK MANAGEMENT (Continued)

General objectives, policies and processes (Continued)

b. Liquidity risks (Continued)

The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

The Company's policy is to ensure that it will always have sufficient cash to allow them to meet its liabilities when they become due.

|                               | Up to 3<br>Months | Between<br>3 and 12<br>months | Between<br>1 and 2<br>years |
|-------------------------------|-------------------|-------------------------------|-----------------------------|
| <b>As of 31 December 2020</b> |                   |                               |                             |
| Trade payables                | 200,210           | -                             | -                           |
| Deferred contractor payment   | -                 | 11,647,856                    | -                           |
| Accrued expenses              | 610,254           | -                             | -                           |
| <b>Total</b>                  | <b>810,464</b>    | <b>11,647,856</b>             | <b>-</b>                    |
|                               | Up to 3<br>Months | Between<br>3 and 12<br>months | Between<br>1 and 2<br>years |
| <b>As of 31 December 2019</b> |                   |                               |                             |
| Trade payables                | 164,268           | -                             | -                           |
| Accrued expenses              | 137,188           | 60,164                        | -                           |
| <b>Total</b>                  | <b>301,456</b>    | <b>60,164</b>                 | <b>-</b>                    |

c. Operational risks

Operational risk is the risk of losses resulting from inadequate or failed of internal processes, human factors and systems or from external events. This risk is inherent in all business processes, operations, systems and products of the Company.

To minimize the internal process failures and loss's occurring due to that, the Company has in place SOP's (Standard Operational Procedures) for all key processes. There is a robust internal control regime for all expenditure and a very good accounting system to record and report on all expenditure in great detail.

The Company has an understanding that challenges and human related errors can occur while being in business and will at all times work towards minimizing the risks involved.

d. Capital risks

In managing capital, the Company safeguards its ability to continue as a going concern and to maximize benefits to the shareholders and other stakeholders.

The Company actively and regularly reviews and manages its capital to ensure the optimal capital structure and return to the shareholders, taking into the consideration the efficiency of capital use based on operating cash flow and capital expenditures and also consideration of future capital needs.

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## 21. SIGNIFICANT AGREEMENT

### a. Subscription Agreement

On 25 February 2020, the Company, PT Indika Mineral Investindo (“IMI”) and Nusantara Resource Limited (“NR”) have entered into an Agreement regarding the issuance of new shares of the Company (herein after refers to as the “Subscription Agreement”). Pursuant to the Subscription Agreement, IMI and NR will, subject to the terms and conditions of the Subscription Agreement, each subscriber shall subscribe for number of shares of the Company during the Tranche 1 Completion or the Tranche 1 Conversion Date of the Subscription Agreement. IMI shall fund the Company of an amount equivalent to USD 15,000,000 to hold twenty five percent (25%) or equals to 234,228 shares capital of the Company at par value and NR through Salu Siwa Pty. Ltd. will hold seventy five percent (75%) or equals to 702,683 shares capital of the Company at par value. The shareholding structure of the Company following Tranche 1 completion shall be as follows:

| Shareholder                        | Number of shares | Total Nominal Value (IDR) at Par Value (IDR) | Percentage shareholding |
|------------------------------------|------------------|----------------------------------------------|-------------------------|
| Salu Siwa Pty. Ltd.                | 702,683          | 558,632,985,000                              | 75%                     |
| PT Indika Mineral Investindo (IMI) | 234,228          | 186,211,260,000                              | 25%                     |
| <b>Total</b>                       | <b>936,911</b>   | <b>744,844,245,000</b>                       | <b>100%</b>             |

It is further contemplated that pursuant to the Subscription Agreement, IMI has the right but not the obligation, following the Tranche 1 Completion and subject to the terms and conditions of the Subscription Agreement, to subscribe of additional shares of the Company, at the time where IMI exercises such right, at the Tranche 2 Completion or the Tranche 2 Conversion Date. IMI shall fund the Company of an amount equivalent to USD 25,000,000 to hold forty percent (40%) or equals to 514,289 shares capital of the Company at par value and NR through Salu Siwa Pty. Ltd. will hold sixty percent (60%) or equals to 771,433 shares of capital of the Company. The shareholding structure of the Company following Tranche 2 completion shall be as follows:

| Shareholder                        | Number of shares | Total Nominal Value (IDR) at Par Value (IDR) | Percentage shareholding |
|------------------------------------|------------------|----------------------------------------------|-------------------------|
| Salu Siwa Pty. Ltd.                | 771,433          | 613,289,235,000                              | 60%                     |
| PT Indika Mineral Investindo (IMI) | 514,289          | 408,859,755,000                              | 40%                     |
| <b>Total</b>                       | <b>1,285,722</b> | <b>1,022,148,990,000</b>                     | <b>100%</b>             |

As of 31 December 2020, Tranche 1 has been completed with IMI funded IDR 226,095,150,000 or equal to USD 15,000,000 to hold 234,228 shares capital at par value (IDR 795,000) or 25% shareholding percentage. The difference between shares purchase price and par value of IDR 39,883,890,000 (IDR 226,095,150,000 - IDR 186,211,260,000) or equal to USD 2,646,057 will be recognized as additional paid-in capital (shares premium).

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## **21.SIGNIFICANT AGREEMENT (Continued)**

### **b. Shareholders Agreement**

On 25 February 2020, the Company, IMI, NR, Salu Siwa Pty. Ltd., and Vista Gold (Barbados) Corp have entered into an Agreement regarding the provision of each shareholder of the Company. The purpose of the Shareholders Agreement are among others, setting out right and obligations in regulating the management and supervision of the Company and ruling the relationship between IMI and NR as shareholders of the Company. This includes among others to adjust the Company's Article of Association with the content stipulated in the Shareholders Agreement.

### **c. FEED Contract**

On 23 March 2020, the Company and PT Petrosea Tbk. ("the Contractor") have entered into Awak Mas Gold Mine Project Front End Engineering and Design Services (herein after refers to as the "FEED Contract"), where , the Parties agree and acknowledge that the Contract Price shall not exceed USD15 Million (fifteen million) without their prior written Agreement and the Company's obligation to pay is deferred (the "Deferred contractor payment") subject to the terms and conditions set out in the FEED Contract until maximum 15 months from the dated of signing with 9% interest per annum that may be due on the deferred contractor payment. It is a condition under the FEED Contract for the Contractor making the deferred contractor payment available to the Company and Salu Siwa Pty. Ltd. as the Company Shareholders enters into Shares Pledge Agreement dated 23 March 2020 to secure the full and punctual payment and performance of the Secured Obligations and Salu Siwa Pty. Ltd. has agreed to provide a pledge over the Shares up to 20% of the share capital of the Company to the Contractor.

As of 31 December 2020, the Company has recorded deferred contractor payment due to the Contractor amounted USD 11,647,856 (Note 19a).

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## **22.SIGNIFICANT EVENTS**

### **Job Creation Law**

On 5 October 2020, the Indonesian House of Representatives ("DPR") has approved the draft of job creation law - commonly known as the "Omnibus Law", which was later signed by the President and issued as law no.11/2020 on 2 November 2020. The Omnibus Law amended more than 75 current laws and will require the central government to issue more than 30 government regulations and other implementing regulations which must be issued within three months of its enactment. The Omnibus Law focuses on increasing the ease of doing business in Indonesia (e.g., simplifying licensing processes, simplifying land acquisition processes, formalizing economic zones, providing more incentives for free trade zones, and amending the labor law).

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## **23.SUBSEQUENT EVENTS**

In February 2021, the Government officially enacted implementing regulations of the Omnibus Law. As at the date of these financial statements, the Company is still assessing the impact of the Omnibus Law and its implementing regulations as well as the impact on the Company Regulation.

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**24. COMPLETION OF FINANCIAL STATEMENTS**

The management of the Company is responsible for the preparation of the financial statements that were completed on 9 April 2021.



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Tanubrata Sutanto Fahmi Bambang & Rekan  
Certified Public Accountant  
Licence No. 622/KM.1/2016

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Jl. Jend. Sudirman Kav. 79  
Jakarta 12910 - Indonesia

No. : 00233/2.1068/AU.1/02/0119-4/1/IV/2021  
Re : Financial Statements  
31 December 2020

## Independent Auditors' Report

The Shareholders, Board of Commissioners  
and Directors  
PT Masmino Dwi Area  
J a k a r t a

We have audited the accompanying financial statements of PT Masmino Dwi Area ("Company"), which comprise the statement of financial position as of 31 December 2020 and the statement of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's responsibility for the financial statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' responsibility*

Our responsibility is to express an opinion on such financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether such financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## TANUBRATA SUTANTO FAHMI BAMBANG & REKAN

Tanubrata Sutanto Fahmi Bambang & Rekan (Certified Public Accountant), an Indonesian partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

*Opinion*

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PT Masmindo Dwi Area as of 31 December 2020, and its financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

*Kantor Akuntan Publik*  
*TANUBRATA SUTANTO FAHMI BAMBANG & Rekan*



Santanu Chandra, CPA  
License No. AP.0119

9 April 2021

IF/yn

# RESPONSIBILITY FOR ANNUAL REPORT

## TANGGUNG JAWAB ATAS LAPORAN TAHUNAN

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Period of 1 January 2020 – 31 December 2020

We, the undersigned hereby declare that all the information contained in the 2020 Annual Report of PT Masmindo Dwi Area has been presented completely and we are thus responsible for the trust worthiness of the contents of this Annual Report.

Acknowledge accordingly.

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Periode 1 Januari 2020 - 31 Desember 2020

Kami yang bertanda tangan di bawah ini menyatakan bahwa semua informasi yang terkandung dalam Laporan Tahunan 2020 PT Masmindo Dwi Area telah disajikan secara lengkap dan kami bertanggung jawab atas kebenaran isi Laporan Tahunan ini.

Demikian kami sampaikan.

**BOARD OF COMMISSIONERS / DEWAN KOMISARIS**



**Purbaja Pantja**

President Commissioner / Komisaris Utama



**Robert Alan Hogarth**

Commissioner / Komisaris



**Adi Darma Shima**

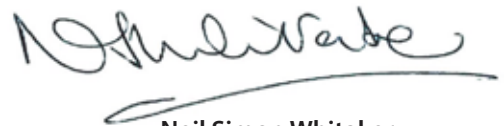
Commissioner / Komisaris

**BOARD OF DIRECTORS / DIREKSI**



**Boyke Poerbaya Abidin**

President Director / Direktur Utama



**Neil Simon Whitaker**

Director (CEO) / Direktur (CEO)



**Adrian Reinhart David Rollke**

Director / Direktur



**Shirley Shinta**

Director / Direktur



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